Global yarn and fabric output down in Q4/2015

Positive estimates and outlook for global yarn and fabric output for Q1/2016 and Q2/2016

The global yarn production fell in Q4/2015 quarter-on-quarter, the first decline in a year. Thereby, output in Europe increased on a quarterly basis, while it decreased in the other regions (Asia, North and South America). On an annual basis, the global yarn production in Q4/2015 improved in tow with increases in Asia. In Europe, North and South America yarn production fell year-on-year. Global yarn stocks in Q4/2015 rose quarter-on-quarter as well as year-on-year. Thereby, all regions except for South America reported that stocks were increased on a quarterly basis. Yarn orders in Europe rose and in South America they fell quarter-on-quarter. Year-on-year they increased in Europe and fell in South America.

Estimates signal an unchanged global yarn production for Q1/2016 and an increase for fabric output.

The global outlook for yarn hints at an unchanged output for Q2/2016 and at an increase for fabric production.

In Q4/2015, global yarn production fell by nearly 26% quarter-on-quarter. Thereby, Asian yarn output declined by 27% quarter-on-quarter and by 15% in North America. In Europe it rose by 15% and in South America output fell by 19%. Global yarn output grew by 11% in Q4/2015 versus Q4/2014. The annual percentage change of yarn output in Asia amounted to 12%. In North America, in Europe and in South America yarn production fell by 3%, 2% and 28% year-on-year, respectively.

Global fabric production declined by over 1% in Q4/2015 against the previous quarter. While Asian and South American output fell by 1% and 30%, respectively, European fabric production improved by 13% quarter-on-quarter. Year-on-year, global fabric fell by 2%. Thereby, Asian and South American production fell by 2% and 40%, respectively, while output levels in Europe increased by 6%.

Global yarn inventories increased in Q4/2015 by 0.3% quarter-on-quarter with increases of 0.4% in Asia and 6% in Europe. They fell by 1% in South America. In Q4/2015, the annual percentage change of global yarn inventories recorded an increase of 12%. Thereby, yarn stocks grew by 11% year-on-year in Asia, by 3% in Europe and by 37% in South America.

Worldwide fabric stocks fell by 2.6% in Q4/2015 versus Q3/2015. Stocks in Asia, Europe, North and South America were reduced by 0.5%, 2%, 0.7% and 7%, respectively. On a yearly basis global fabric inventories in Q4/2015 fell by 0.5%. Thereby, they grew by 0.6% in Asia and fell by around 1% in North and South America and in Europe, respectively.

In Q4/2015, European yarn orders rose by over 4% quarter-on-quarter and by 0.3% year-on-year. In South America they fell by 7% quarter-on-quarter and by 47% year-on-year. European fabric orders in Q4/2015 fell by 0.5% quarter-on-quarter and increased by 0.5% year-on-year. South American fabric orders in Q4/2015 fell by nearly 10% quarter-on-quarter and by close to 25% year-on-year.

April 2016