

Quarter 4/2017

STATE OF TRADE REPORT



INTERNATIONAL TEXTILE MANUFACTURERS FEDERATION
FÉDÉRATION INTERNATIONALE DES INDUSTRIES TEXTILES
INTERNATIONALE VEREINIGUNG DER TEXTILINDUSTRIE



ITMF is an international association for the world's textile industries, dedicated to keeping its worldwide membership constantly informed through surveys, studies and publications and through the organisation of annual conferences, participating in the evolution of the industry's value chain, and publishing considered opinions on future trends and international developments.

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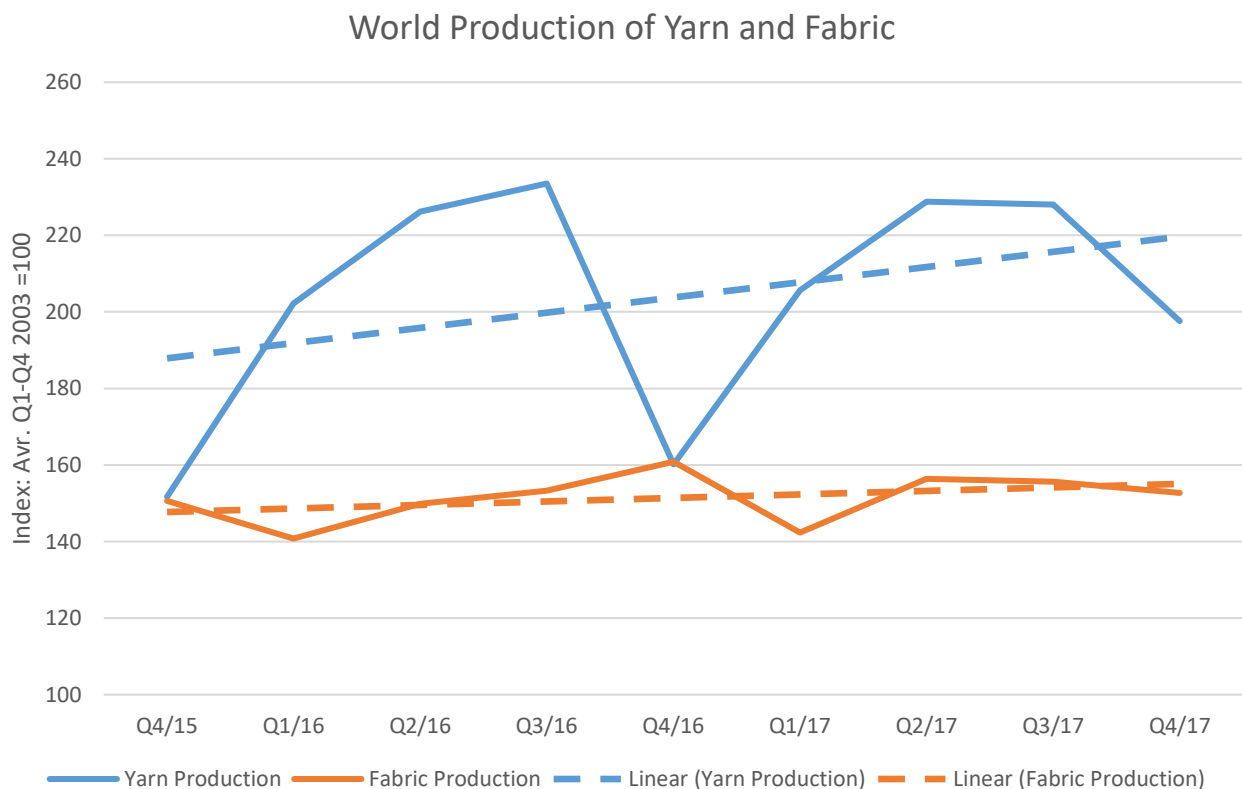
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Yarn and fabric production decreased in Q4/17

Global yarn production decreased by -23% between Q3/17 and Q4/17. Output reductions in Brazil (-23%), Asia (-14%), and the U.S.A. (-4%) have balanced out the increase in Africa (+12%) and Europe (+15%). All surveyed countries, apart from Brazil and Germany, expect a decrease in yarn output in Q1/2018. **Global yarn stocks** were stable between Q3/17 and Q4/17. A reduction in Brazil (-11%), Egypt (-9%), and Europe (-4%) was cancelled out by a 3% increase in Asia. Altogether, yarn stocks reached 96% of their previous year level for the same quarter. **Yarn orders** increased on average between Q3/17 and Q4/17 (+7%). The order contraction in Korea Rep. (-8%) has been compensated by positive trends in the other reporting countries.

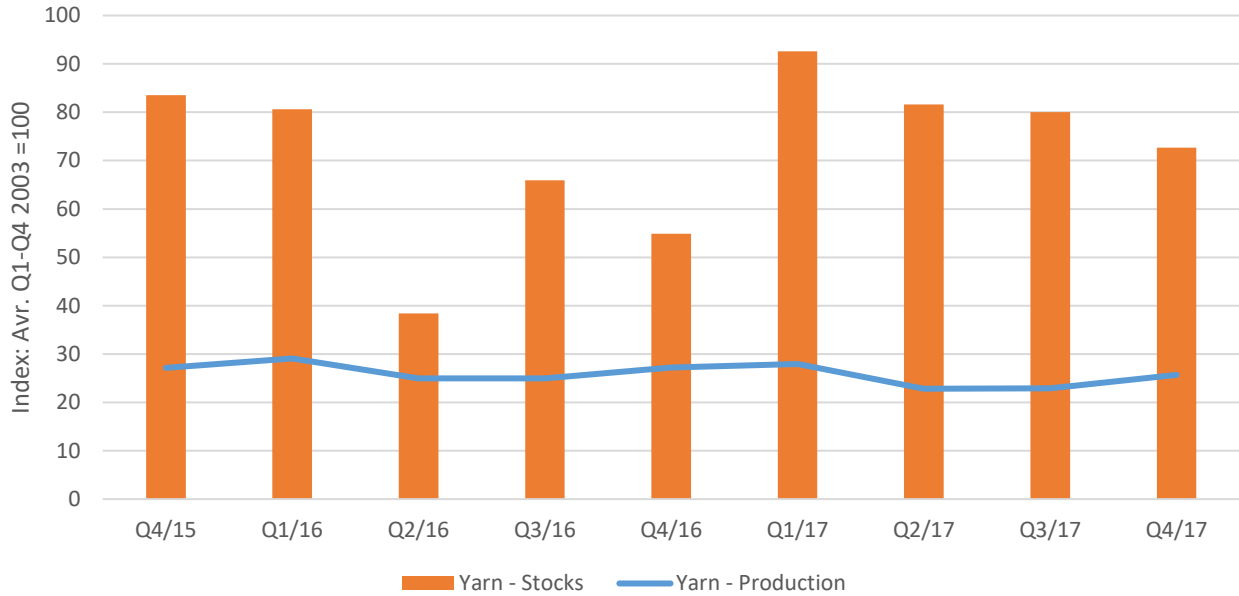
Global fabric production decreased from Q3/17 to Q4/17 by -2%. A respective -12% and -2% contraction in Brazil and Asia drove the world average in the negative range. Fabric output, however, increased by 6% and 10% in Africa and Europe respectively. The world output level reached 95% of its Q4/16 level. Europe and Brazil are expected to increase production in Q1/18. In Q4/17, the **global fabric stock** level slightly grew (+3%). This increase was driven by Brazil (+15%) and brought the index of fabrics stocks 3% above the Q4/16 level. In 2017, stocks have been stable in Asia and the U.S.A. They increased steadily in Europe and Brazil and constantly decreased in Egypt. On average, **fabric orders** have reduced by -23% between Q3/17 and Q4/17 in the countries under review. The growth of +11% and +2% in Egypt and Europe was not sufficient to compensate for the reductions of -31% in Brazil. The global index for fabric orders decrease by 3% since Q4/16.



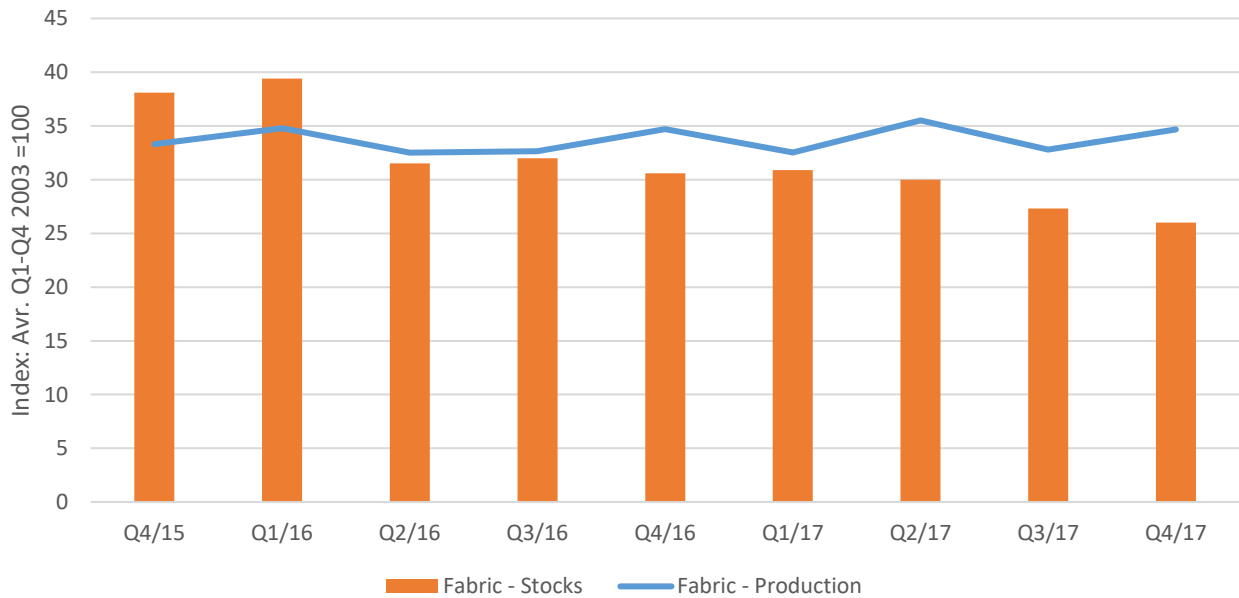
Africa

Egypt, South Africa

Africa : Yarns

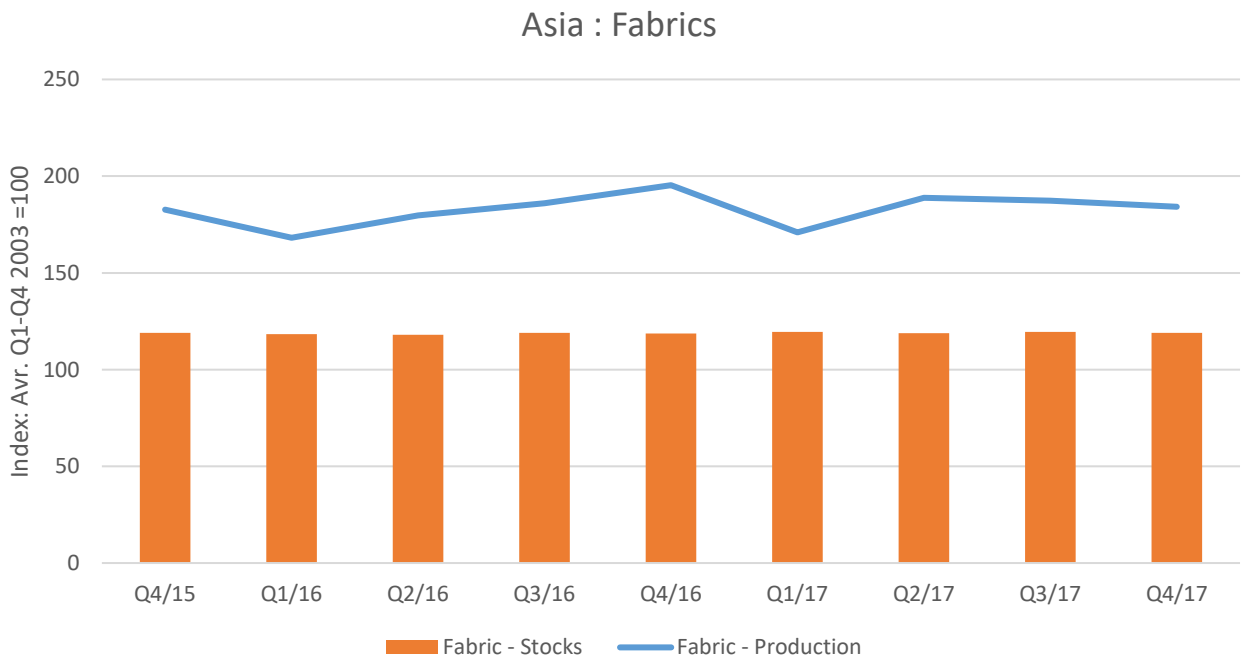
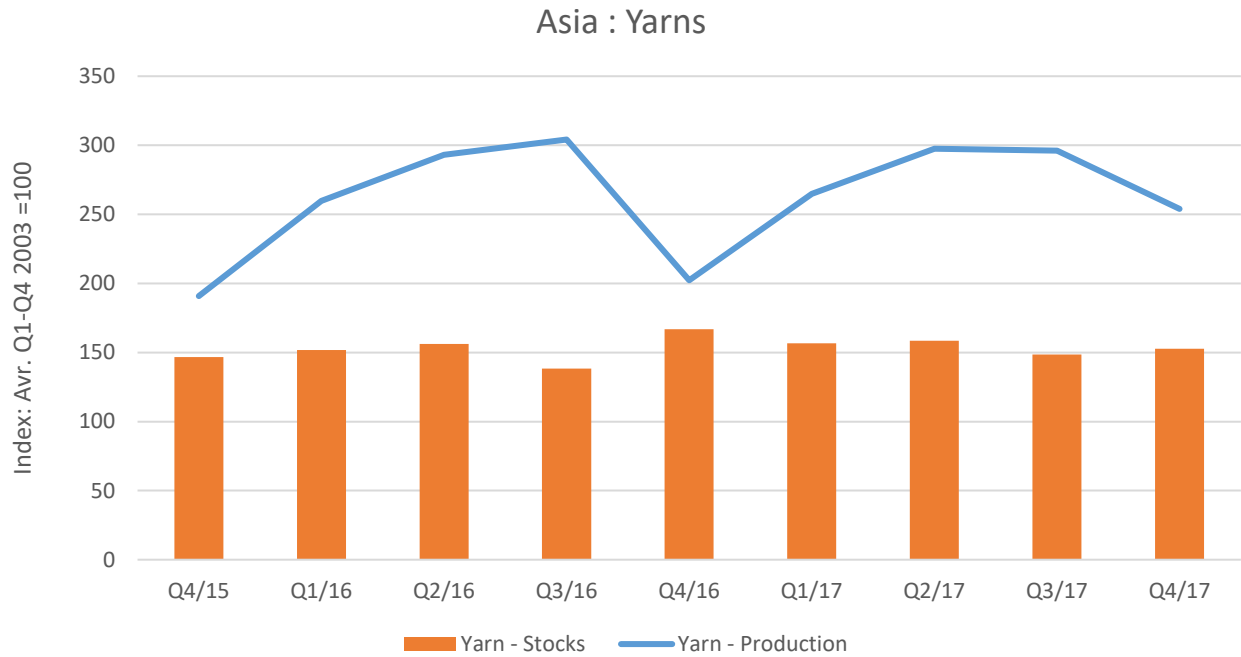


Africa : Fabrics



Asia

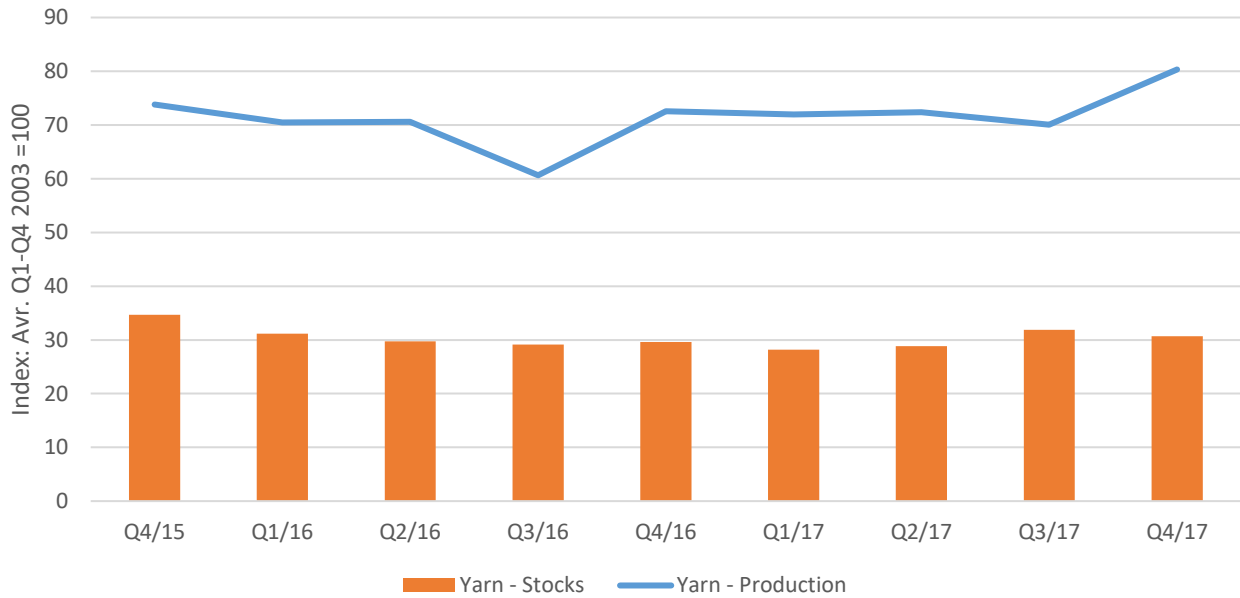
China, India, Japan, Korea Rep., Pakistan, Chinese Taipei



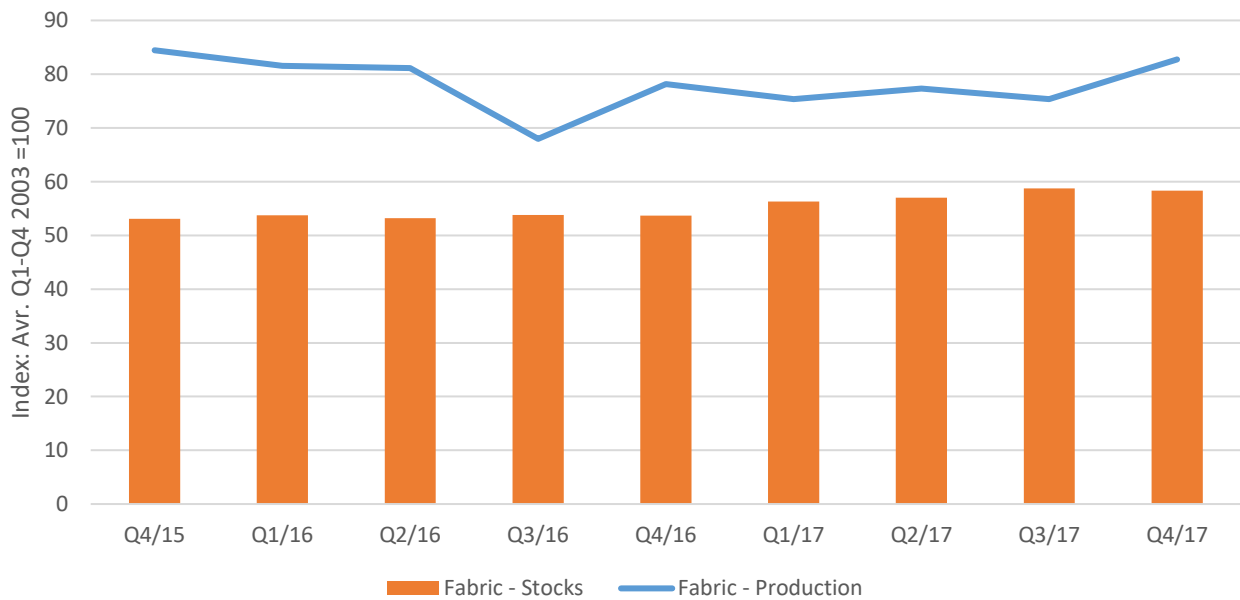
Europe

Austria, Belgium, France, Germany, Italy, Spain, Switzerland, Turkey

Europe : Yarns



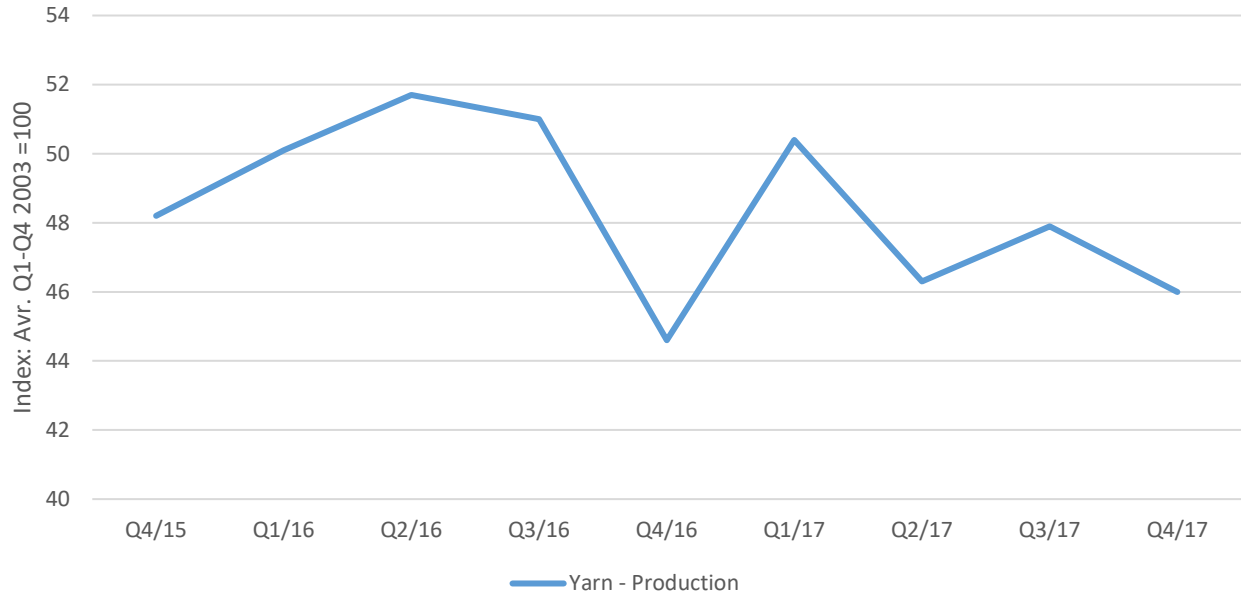
Europe : Fabrics



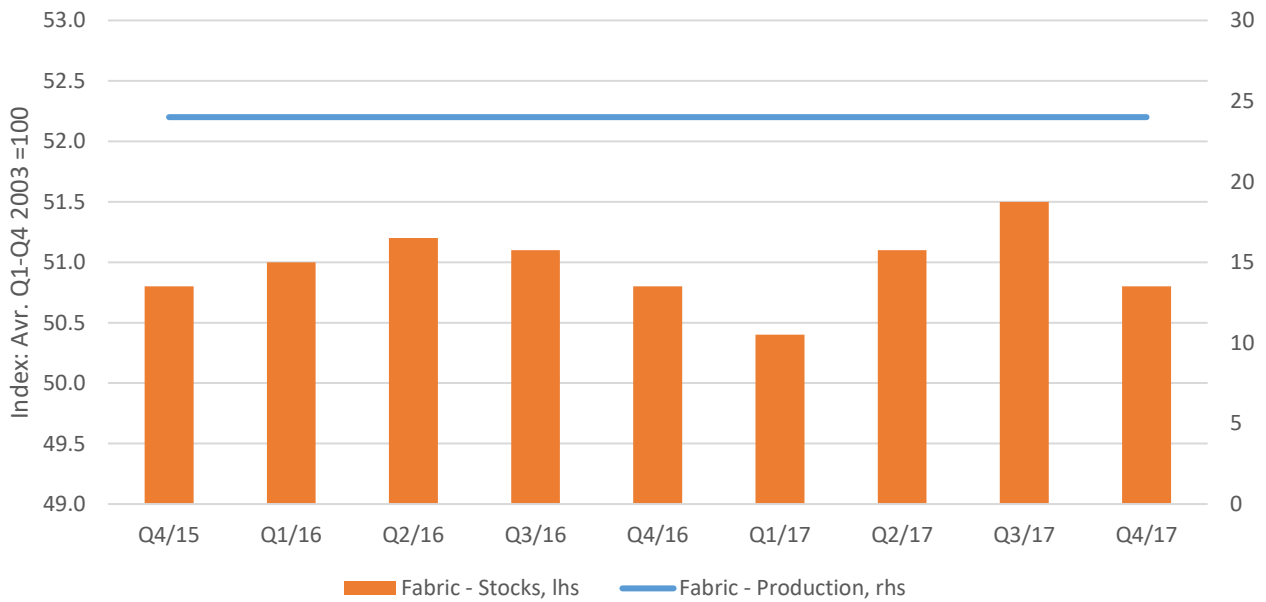
North America

USA

North America : Yarns



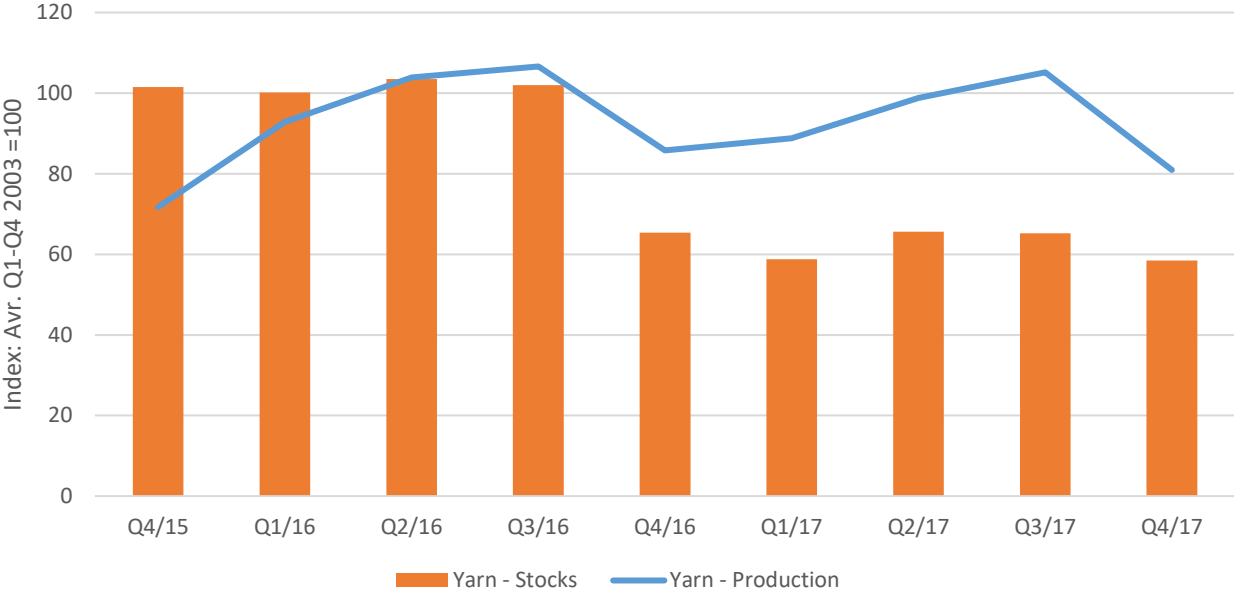
North America : Fabrics



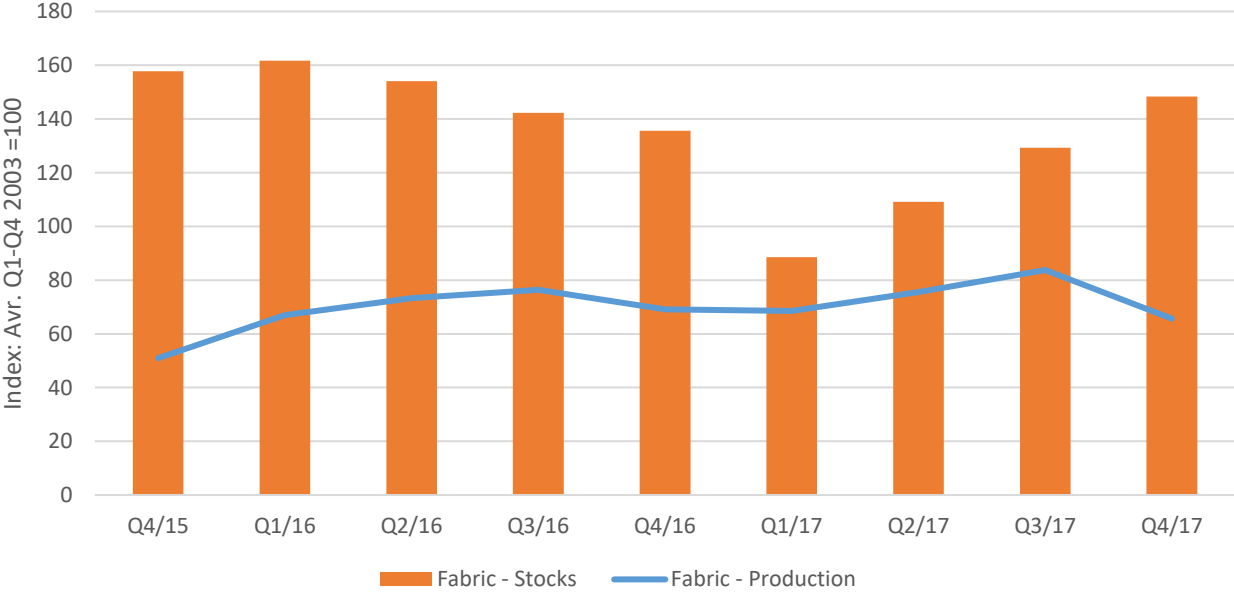
South America

Brazil

South America : Yarns

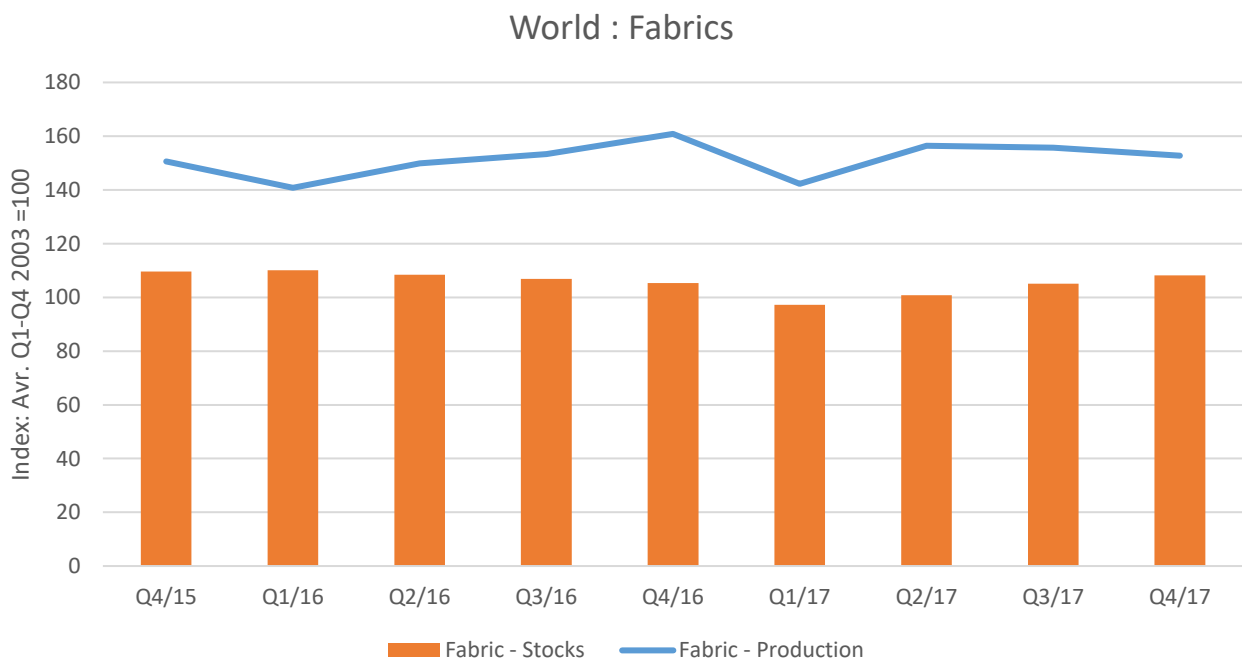
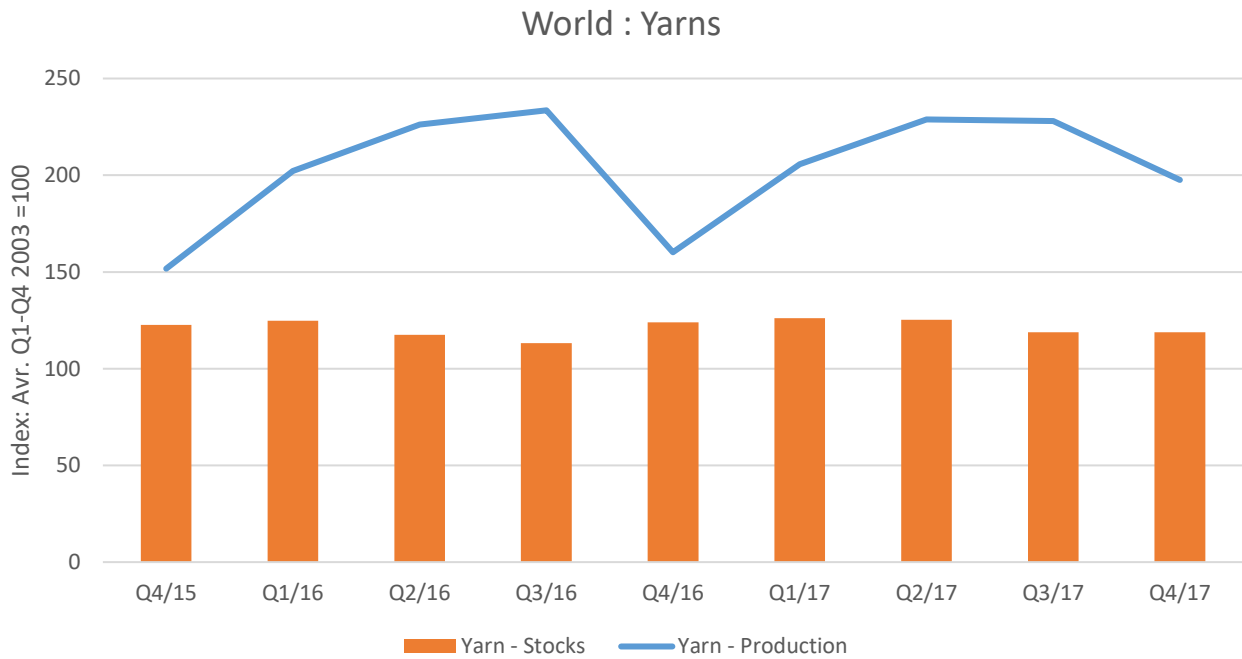


South America : Fabrics



World

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Yarn Production

Index: Avr. Q1-Q4 2003 =100

	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18
Egypt	26.7	28.7	24.5	24.5	26.8	27.6	22.3	22.4	25.2	↘	
South Africa	44.0	44.4	44.3	44.5	43.9	42.7	43.4	44.3	44.1	↘	↘
Africa	27.1	29.1	25.0	25.0	27.2	28.0	22.8	22.9	25.7	↘	↘
China	214.1	317.7	364.9	382.0	231.3	325.3	372.7	371.2	307.2		
India	178.2	172.8	180.3	178.3	177.3	170.7	175.6	171.8	181.6		
Japan	35.3	32.4	32.7	31.7	30.4	31.5	31.5	30.5	30.0	→	
Korea Rep.	85.8	76.6	75.9	71.1	75.5	71.3	71.4	61.3	63.8	↘	↘
Pakistan	129.8	129.6	130.6	130.8	131.5	131.7	131.2	134.3	130.7		
Taiwan, China	51.4	45.9	48.1	46.0	45.6	40.9	42.1	41.6	44.6	↘	↗
Asia	190.8	259.8	293.0	304.2	202.2	264.8	297.5	296.1	253.9	↘	↘
Austria	47.6	41.4	37.3	29.3	35.8	34.7	34.7	27.8	23.6	↘	↘
Belgium	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0		
France	22.0	23.0	24.0	24.0	24.5	25.0	26.0	26.0	26.0		
Germany	35.6	36.5	35.0	36.7	37.1	37.1	39.2	36.8	37.6	↗	→
Italy	55.9	47.5	41.5	44.4	54.4	45.2	41.7	43.1	55.2	↘	↘
Spain	50.5	51.0	52.2	44.3	58.1	61.2	62.8	52.1	70.8		
Turkey	84.3	81.1	82.3	68.5	82.4	82.9	83.7	81.2	92.5		
Europe	73.8	70.5	70.6	60.6	72.5	72.0	72.4	70.1	80.3	↘	↘
North America (USA)	48.2	50.1	51.7	51.0	44.6	50.4	46.3	47.9	46.0		
South America (Brazil)	71.8	92.9	103.9	106.6	85.8	88.8	98.8	105.2	81.0	↗	↗
World (above countries)	151.7	202.2	226.2	233.6	160.2	205.6	228.8	228.1	197.6		

Fabric Production

Index: Avr. Q1-Q4 2003 =100

	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18	Q2/18
Egypt	24.4	25.5	21.4	21.5	27.0	22.8	27.6	22.0	26.5	↘	
South Africa	44.4	46.4	46.4	46.6	44.3	44.7	45.4	46.3	44.9	↘	↘
Africa	33.3	34.8	32.5	32.7	34.7	32.5	35.5	32.8	34.7	↘	↘
China	231.7	197.5	224.1	237.0	264.3	204.4	242.7	240.8	230.2		
India	146.7	152.0	150.4	149.8	137.1	148.7	153.2	148.4	156.0		
Japan	25.6	24.2	23.9	23.5	21.8	20.2	23.5	22.5	22.8	→	
Korea Rep.	12.7	14.6	13.8	12.0	12.3	13.5	12.6	12.6	12.6		
Pakistan	153.7	153.2	153.1	154.5	154.1	154.8	153.1	154.4	154.3		
Taiwan, China	37.7	33.6	32.7	38.2	41.4	34.3	34.0	38.3	35.7	↘	↘
Asia	182.6	168.1	179.7	185.9	195.3	170.9	188.8	187.3	184.2	↘	↘
Austria	63.1	67.3	70.0	64.6	76.4	86.2	86.3	78.8	91.2		
Belgium	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0	68.0		
France	41.0	44.0	43.0	42.0	43.0	43.0	42.0	42.0	42.0		
Germany	49.7	50.2	49.6	49.6	49.4	48.9	49.4	50.6	52.3	↗	→
Italy	68.3	69.3	62.6	57.3	66.4	70.7	61.5	60.0	68.8	→	↘
Spain	67.7	72.4	68.1	57.9	65.4	70.8	74.1	61.5	73.7	↗	↘
Turkey	104.8	98.1	100.0	79.1	93.6	86.4	92.3	90.6	99.3		
Europe	84.4	81.5	81.1	68.0	78.1	75.3	77.3	75.3	82.8	↗	↘
North America (USA)	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0		
South America (Brazil)	50.9	67.0	73.2	76.4	69.2	68.5	75.6	83.7	65.6	↗	↗
World (above countries)	150.6	140.8	149.8	153.3	160.8	142.3	156.4	155.7	152.7		

Yarn Stocks

Index: Avr. Q1-Q4 2003 =100

	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17
Africa (Egypt)	83.5	80.6	38.4	65.9	54.9	92.6	81.6	80.0	72.7
India	186.6	198.8	209.0	169.7	231.7	207.7	209.4	188.6	199.5
Japan	30.3	31.7	31.5	30.2	29.3	29.1	27.0	28.4	28.8
Korea Rep.	74.0	69.4	61.4	60.8	71.3	77.3	99.5	88.2	76.7
Pakistan	128.7	128.5	129.5	129.7	130.3	130.6	130.1	130.2	131.1
Taiwan, China	86.5	88.4	85.1	81.1	82.4	83.0	83.4	78.9	74.6
Asia	146.6	151.8	156.1	138.4	166.9	156.7	158.6	148.5	152.8
Austria	93.4	58.7	46.7	40.9	46.8	33.5	40.0	69.9	58.3
Belgium	55.5	55.5	55.5	55.5	55.5	55.5	55.5	55.5	55.5
France	39.0	39.0	38.0	38.0	37.5	37.0	37.0	37.0	37.0
Germany	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8
Spain	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5	28.5
Europe	34.7	31.2	29.7	29.2	29.6	28.2	28.8	31.9	30.7
South America (Brazil)	101.5	100.2	103.5	102.0	65.4	58.8	65.6	65.2	58.4
World (above countries)	122.6	124.8	117.5	113.1	123.9	126.0	125.3	118.8	118.9

Fabric Stocks

Index: Avr. Q1-Q4 2003 =100

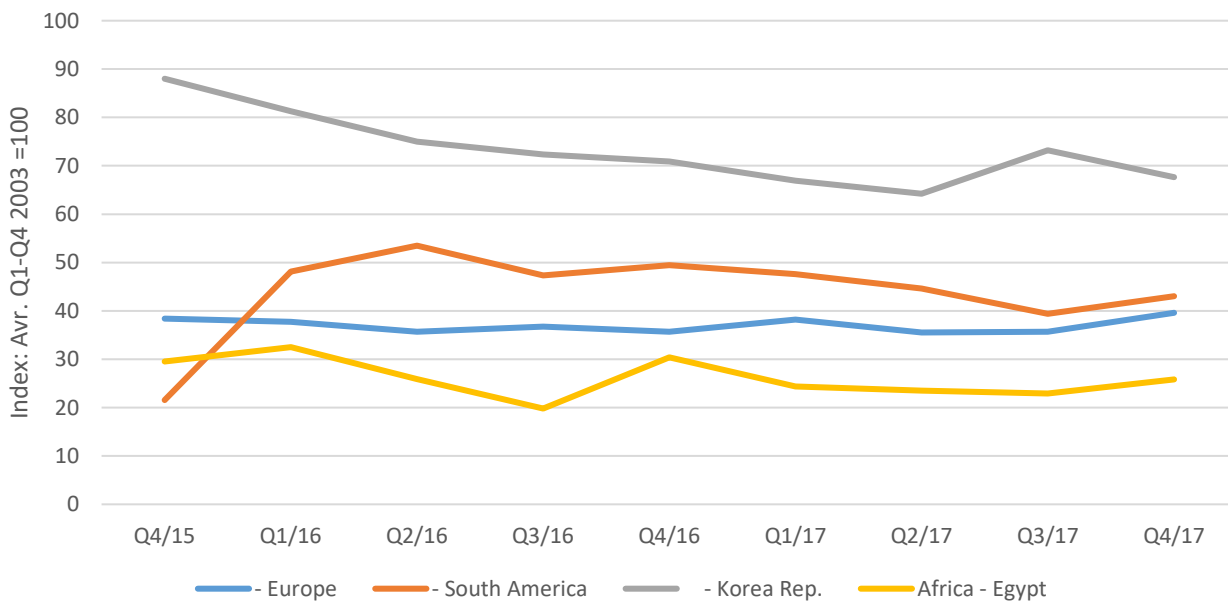
	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17
Africa (Egypt)	38.1	39.4	31.5	32.0	30.6	30.9	30.0	27.3	26.0
Japan	56.2	47.9	42.4	43.2	38.6	43.0	45.0	50.2	46.2
Korea Rep.	16.2	13.0	11.3	12.5	12.3	10.8	11.5	11.5	11.5
Pakistan	127.9	127.5	127.4	128.6	128.3	129.0	128.3	128.7	128.5
Taiwan, China	63.1	64.5	64.2	64.2	64.9	65.2	64.5	64.5	63.5
Asia	119.0	118.3	118.0	119.1	118.6	119.5	118.9	119.5	119.1
Austria	79.7	90.3	81.7	91.1	89.3	128.5	122.3	151.2	145.3
Belgium	49.5	49.5	49.5	49.5	49.5	49.5	49.5	49.5	49.5
France	70.0	70.0	70.0	70.0	70.0	70.0	76.0	75.0	75.0
Germany	54.9	54.9	54.9	54.9	54.9	54.9	54.9	54.9	54.9
Spain	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8	27.8
Europe	53.1	53.8	53.2	53.8	53.7	56.3	57.0	58.7	58.3
North America (USA)	50.8	51.0	51.2	51.1	50.8	50.4	51.1	51.5	50.8
South America (Brazil)	157.7	161.7	154.1	142.3	135.6	88.5	109.1	129.2	148.4
World (above countries)	109.6	110.1	108.4	106.8	105.3	97.2	100.8	105.0	108.2

Yarn Orders

Index: Avr. Q1-Q4 2003 =100

	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17
Africa (Egypt)	29.5	32.5	25.9	19.8	30.4	24.4	23.5	22.9	25.8
Austria	48.8	44.9	31.4	36.6	32.7	47.2	13.4	13.9	40.5
Belgium	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5
France	3.2	3.4	3.6	3.5	3.7	3.8	3.8	3.7	3.7
Germany	28.7	27.8	25.6	27.3	25.1	28.1	30.3	30.7	34.3
Spain	73.4	73.4	73.4	73.4	73.4	73.4	73.4	73.4	73.4
Europe	38.4	37.8	35.7	36.8	35.7	38.2	35.5	35.7	39.6
South America (Brazil)	21.6	48.1	53.5	47.3	49.4	47.6	44.6	39.4	43.0
Asia (Korea Rep.)	88.0	81.3	75.0	72.3	70.9	66.9	64.2	73.2	67.6

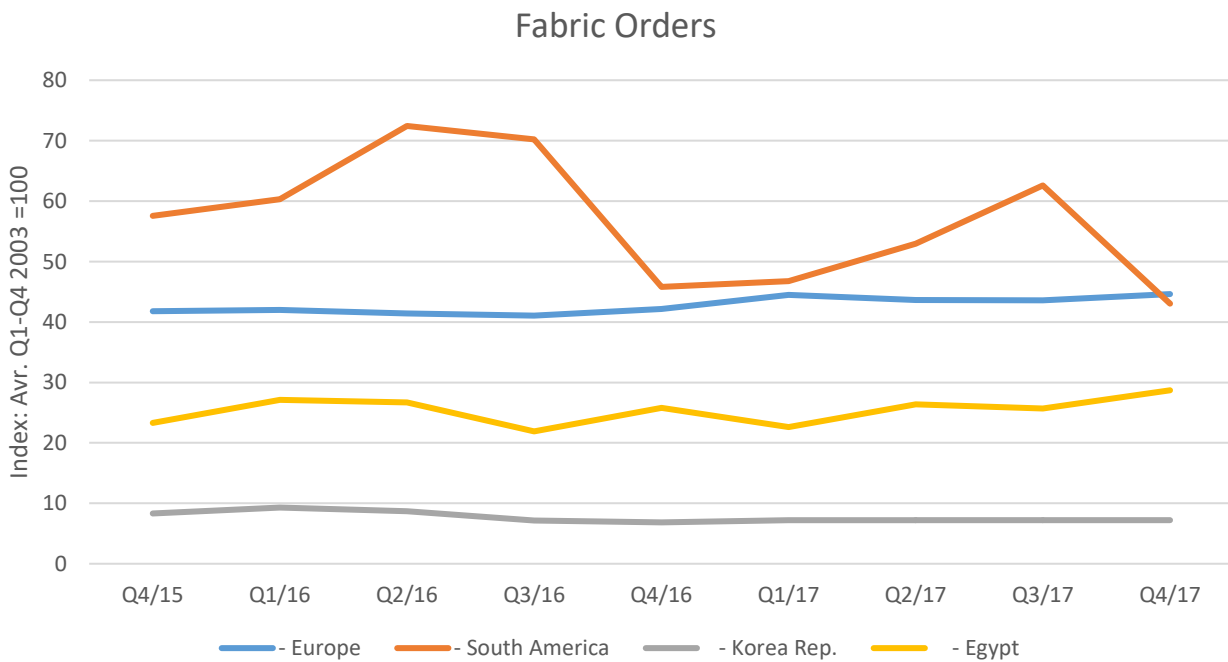
Yarn orders



Fabric Orders

Index: Avr. Q1-Q4 2003 =100

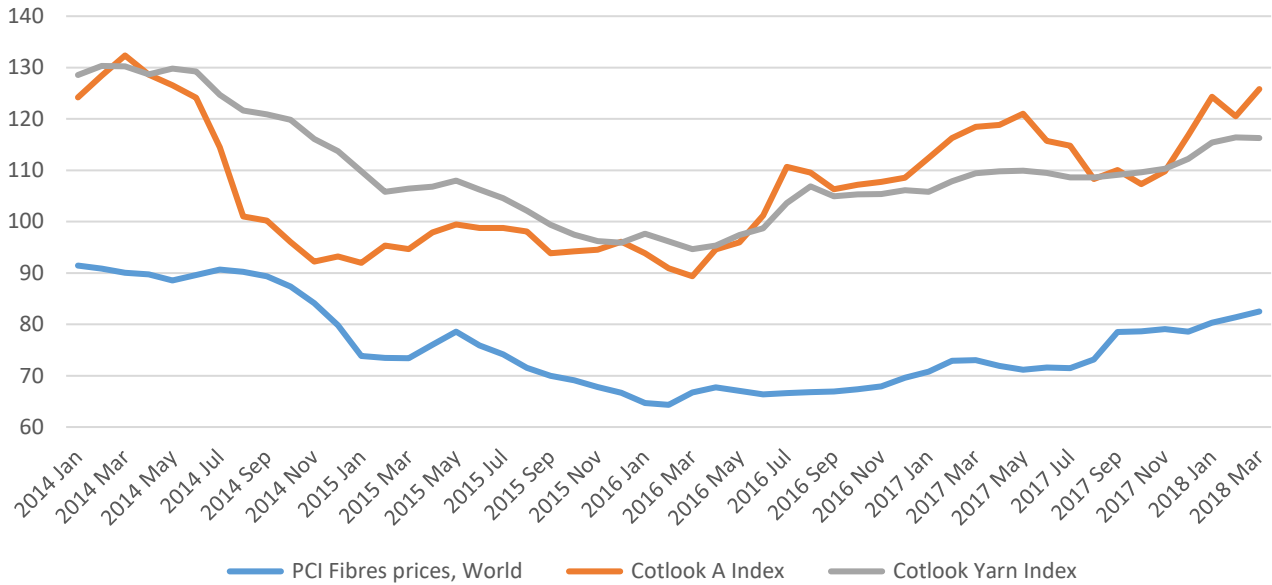
	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17
Africa (Egypt)	23.3	27.1	26.7	21.9	25.8	22.6	26.4	25.7	28.7
Austria	62.3	72.5	69.0	64.2	75.4	92.9	85.1	78.3	90.0
Belgium	61.5	61.5	61.5	61.5	61.5	61.5	61.5	61.5	61.5
France	8.1	7.9	7.7	7.6	7.5	7.6	7.5	7.5	7.5
Germany	51.0	50.0	49.2	49.2	50.1	52.7	52.0	53.0	53.6
Spain	37.8	37.8	37.8	37.8	37.8	37.8	37.8	37.8	37.8
Europe	41.8	42.0	41.4	41.1	42.2	44.5	43.6	43.6	44.6
South America (Brazil)	57.6	60.3	72.4	70.2	45.8	46.8	52.9	62.6	43.0
Asia (Korea Rep.)	8.3	9.3	8.7	7.2	6.8	7.2	7.2	7.2	7.2



*The figures for Korean Rep. are missing since Q3/2017 for an undetermined time.

Cotton and Yarn Prices

Cotton, polyester and yarn prices



Source: Cotlook

The **YarnPrice Index** is calculated from the average FOB quotation (in US dollars per kg) for ring spuncarded 20's and 30's in the following countries: India, Indonesia, Pakistan, Turkey and China. The Index base (=100) is the export-weighted average price prevailing in these markets over the year 2005. The **CotlookA Index** is calculated by taking a simple average of the day's cheapest five of Cotlook's Far Eastern quotations. The **PCI Synthetic Fibres Index** tracks the relative movement of prices for the major synthetic fibres by taking a weighted basket of prices for acrylic, nylon, polyester and polypropylene filament yarns and staple fibres for Asia/Far East on a CFR basis and the USA and West Europe on a delivered basis..

Quarterly average export prices (in USD dollars per kg FOB)										
	20's yarn					30's yarn				
	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17
China	3.13	3.17	3.17	3.22	3.30	3.50	3.34	3.36	3.39	3.51
India	2.30	2.40	2.50	2.52	2.56	2.55	2.67	2.80	2.80	2.81
Indonesia	2.56	2.56	2.56	2.56	2.56	2.86	2.86	2.86	2.85	2.85
Pakistan	2.44	2.45	2.43	2.30	2.33	2.83	2.84	2.82	2.69	2.72
Turkey	2.85	2.88	2.90	2.95	3.12	3.05	3.08	3.10	3.15	3.32
Index Group	2.34	2.58	2.68	2.73	2.75	2.75	2.98	3.01	2.98	3.02

Notes

Unless otherwise stated, the State of Trade Report reflects the activity level in the short-staple sector of the textile industry. The short-staple sector is meant to cover the spinning and weaving of cotton and man-made fibres. This would generally exclude wool and hard fibres. Further details relating to the data basis and methodological approach used for this report may be obtained from the ITMF Secretariat.

Country specific notes:

Belgium: Data for the reference quarter are provisional. Fabric order data are based on value. Since Q2/2014 data are no longer available.

Brazil: ABIT, the Brazilian Textile and Apparel Industry Association, changed the survey sample for all the Brazilian data from Q1/2014 onwards. In addition, they introduced a new base year (2014 = 100). As ITMF's base year is 2003, Brazil's data were transformed to match with ITMF's base year.

China: Index for yarn production is based on cotton and cotton blended yarns only (excluding cotton type chemical fibre yarns).

France: Data for Q4/2017 are estimates.

Germany: All indices are based on data from the German statistical office (Statistisches Bundesamt). Data for stocks are no longer available.

India: Data for the weaving sector relate to the organized (mill-) sector only. Data for the reference quarter are provisional.

Italy: Data for orders and stocks are no longer available. Yarn and fabric production data from Q3/2009 onwards refer to total production, since data for yarn and fabric production on the cotton system are no longer available.

Korea Rep.: Data for fabric orders and production are estimates since Q2/2017.

USA: Total yarn production data from Q3/2009 onwards are revised and based on cotton yarn only. Data for fabric production are no longer available. Data for Q4/2017 are estimates.

Cotlook A Index and Cotlook Yarn Index: The cotton and yarn prices on which the Cotlook A Index and the Cotlook Yarn Index are based are collected from sources which Cotlook Ltd. believe to be accurate. The indexes have been interpreted in a manner which Cotlook Ltd. trusts to be a true reflection of market levels. However, Cotlook Ltd. and ITMF accept no legal responsibility for any inaccuracy or misinterpretation published herewith, even if caused by negligence by them, their employees or agents.

PCI Fibres Index: The PCI Synthetic Fibres Index is an index produced every month by PCI Fibres. It tracks the relative movement of prices for the major synthetic fibres by taking a weighted basket of prices for acrylic, nylon, polyester and polypropylene filament yarns and staple fibres for Asia/Far East on a CFR basis and the USA and West Europe on a delivered basis.

Data revision

Germany: The data for yarn and fabric production, stocks and order have been revised since Q1/2016.

Turkey: The data for yarn production have been revised since Q1/2017.

Yarn and fabric production decreased in Q4/17

Global yarn production decreased by -23% between Q3/17 and Q4/17. Output reductions in Brazil (-23%), Asia (-14%), and the U.S.A. (-4%) have balanced out the increase in Africa (+12%) and Europe (+15%). All surveyed countries, apart from Brazil and Germany, expect a decrease in yarn output in Q1/2018. **Global yarn stocks** were stable between Q3/17 and Q4/17. A reduction in Brazil (-11%), Egypt (-9%), and Europe (-4%) was cancelled out by a 3% increase in Asia. Altogether, yarn stocks reached 96% of their previous year level for the same quarter. **Yarn orders** increased on average between Q3/17 and Q4/17 (+7%). The order contraction in Korea Rep. (-8%) has been compensated by positive trends in the other reporting countries.

Global fabric production decreased from Q3/17 to Q4/17 by -2%. A respective -12% and -2% contraction in Brazil and Asia drove the world average in the negative range. Fabric output, however, increased by 6% and 10% in Africa and Europe respectively. The world output level reached 95% of its Q4/16 level. Europe and Brazil are expected to increase production in Q1/18. In Q4/17, the **global fabric stock** level slightly grew (+3%). This increase was driven by Brazil (+15%) and brought the index of fabrics stocks 3% above the Q4/16 level. In 2017, stocks have been stable in Asia and the U.S.A. They increased steadily in Europe and Brazil and constantly decreased in Egypt. On average, **fabric orders** have reduced by -23% between Q3/17 and Q4/17 in the countries under review. The growth of +11% and +2% in Egypt and Europe was not sufficient to compensate for the reductions of -31% in Brazil. The global index for fabric orders decrease by 3% since Q4/16.

World Production of Yarn and Fabric

