

Natural and Man-Made Fibres in China, Hong Kong and Taiwan: Forecasts to 2005

China, Hong Kong and Taiwan are world leaders. But can the momentum be maintained?

China is the world's most important producer and consumer of fibres, textiles and clothing. Add Hong Kong and Taiwan, and the three economies together represent a formidable force in the global fibre, textile and apparel industry. Fibre manufacturing capacity is growing rapidly to feed China's expanding textile and clothing industry as production shifts from advanced Western economies. But can growth be maintained?

Which fibres offer the best growth prospects?

With only 250 mn acres of arable land and a population of 1.3 bn to feed, Chinese production of cotton has fallen. But output of polyester staple fibre in China more than doubled during the 1990s. Production of polyester textile filament yarn more than trebled, and that of polyester industrial filament yarn rose by 19 times. Which fibres offer the best growth prospects to 2005?

Will China's expanding market continue to provide opportunities for Western firms?

Despite rapid expansion in its own industry, China will continue to be a significant importer of fibres and textiles – especially as smaller, inefficient producers are forced out of business. The size of China's markets represents a huge potential opportunity for Western exporters. But will Western firms be able to compete against the most efficient of China's low cost producers?

How will the aftermath of the Asian financial crisis impact on the industry?

Several countries in East and South East Asia were hit hard by the Asian financial crisis as their currencies were sharply devalued. Many players in these countries went out of business. In contrast, the currencies of China and Hong Kong were kept steady. But at what cost to their competitiveness?

How will the market be affected by political developments between China and Taiwan?

Hong Kong is now part of China, but China regards Taiwan as a rogue province and is putting pressure on the territory to move towards reunification. How will Taiwan's continued assertion of independence affect trade and manufacturing in the region?

And how will China's membership of the World Trade Organisation affect its future?

The single most important trade issue is the timing of China's entry to the World Trade Organisation (WTO). Chinese exports will increase rapidly as quotas are eliminated. But how quickly and to what extent will China lower its barriers to imports from foreign suppliers?

Natural and Man-Made Fibres in China, Hong Kong and Taiwan: Forecasts to 2005, published by Textiles Intelligence in association with Brussels-based CIRFS, addresses these and other issues.

The report:

- analyses the region's fibre and textile manufacturing industries, as well as production, consumption and trade in natural and man-made fibres, yarns and fabrics;
- assesses the competitiveness of fibres in China, Hong Kong and Taiwan compared with other countries;
- highlights potential competitive threats but also helps to identify areas for foreign investment from non-Asian partners;
- examines intra-regional and inter-regional trends and trade in man-made fibres, identifying export opportunities for Japanese and Western fibre and textile suppliers;
- assesses recent economic and political developments in China, Hong Kong and Taiwan;
- examines trends in shipments of textile machinery;
- highlights the environmental issues arising from the manufacture of man-made fibres; and
- assesses the availability in China of the raw materials used in the manufacture of man-made fibres.

Natural and Man-Made Fibres in China, Hong Kong and Taiwan: Forecasts to 2005 provides:

- comprehensive data on man-made fibre productive capacities and production by plant and by fibre type;
- lists of quotas which restrict textile and clothing exports from China and Taiwan to the EU and US markets;
- cost comparisons between China, Hong Kong and Taiwan and other countries;
- estimates of mill consumption of man-made fibres in China, Hong Kong and Taiwan;
- details of Chinese tariffs and taxes and other trade barriers;
- information on downstream demand and on technological factors that are likely to influence future demand for fibres in the region;
- basic economic data and macroeconomic forecasts for each country;
- forecasts of man-made fibre production and capacity to 2005; and
- an assessment of future prospects for the textile and clothing industries in the region, on which strategic plans can be based.

THE REPORT IS DIVIDED INTO 10 CHAPTERS AND 5 APPENDICES

Chapter 1 provides an *executive summary*.

Chapter 2 reports on the *economic and political climates* in China, Hong Kong, Taiwan and Macau – including the trading relationships between the four economies and the impact of China's and Taiwan's impending *membership of the World Trade Organisation*.

Chapter 3 analyses data on man-made fibre *production and capacities* and *presents forecasts to the year 2005*. It also examines *environmental issues* arising from the manufacture of man-made fibres. In addition it assesses the *availability of raw materials* used in China in the manufacture of man-made fibres.

Chapter 4 looks at *intra-regional trade* in man-made fibres, and examines *trends in trade with the EU, the USA and Japan*. It also identifies *opportunities for Japanese and Western firms* to supply man-made fibres to China, Hong Kong and Taiwan. In addition, it comments on the impact of EU anti-dumping duties.

Chapter 5 provides *estimates of mill consumption* in China, Hong Kong and Taiwan. Fibre demand is expected to increase significantly, reflecting the need to clothe China's large population. Growth will be especially strong in China after decades of suppressed domestic demand.

Chapter 6 examines the *markets for cotton, wool and silk* in China, Hong Kong and Taiwan. It also assesses the importance of *other natural textile fibres* including sisal, and kenaf and allied fibres.

Chapter 7 examines the *trends in shipments of textile machinery*. It also examines the impact of China's drastic plan to scrap its outdated spinning capacity, as well as future investment in new shuttleless looms.

Chapter 8 focuses on the development of *yarn production, consumption and trade* in China as raw material supplies have improved. It also examines the development of *polyester textured filament yarn* capacity in Taiwan. Forecasts to 2005 are provided, as is an assessment of the likely impact of the *phasing-out of quotas* on China's yarn manufacturing industry.

Chapter 9 examines *fabric production, consumption and trade* in China, Hong Kong and Taiwan and provides *forecasts to 2005*.

Chapter 10 examines the *future prospects* for fibres and textiles in China, Hong Kong and Taiwan, taking into account the political and economic situation, future demographic trends, the move from state to private ownership, and the liberalisation of trade which would follow Chinese entry to the World Trade Organisation.

Appendix 1 provides economic and political data for China, Hong Kong, Macau and Taiwan, including exchange rates, GDP growth and inflation rates.

Appendix 2 presents profiles of seven leading fibre producers in China and Taiwan, with data on products and capacities, and details of the extent of integration upstream and downstream and joint ventures.

Appendix 3 provides details of quotas restricting textile and clothing exports from China and Taiwan to the EU and the USA.

Appendix 4 lists the names, addresses and contact numbers of more than 400 man-made fibre companies in China and Taiwan.

Appendix 5 provides a useful glossary of technical terms and abbreviations used in the report.

VITAL INFORMATION

Natural and Man-Made Fibres in China, Hong Kong and Taiwan: Forecasts to 2005

provides vital information about present and future trends for anyone with an involvement in the global fibres, textiles and clothing business – whether as importer/exporter, manufacturer, machinery maker, merchant, retailer, investment analyst or consultant.

Almost all of the information has been obtained from independent private research and from the opinions of company representatives, and is not available elsewhere.

YOUR PANEL OF EXPERTS

Natural and Man-Made Fibres in China, Hong Kong and Taiwan: Forecasts to 2005

has been researched and prepared by a team of leading experts in their fields, drawn from seven leading organisations based in five different countries.

This report is based on research originally conducted by a China Working Group within the Brussels-based organisation CIRFS (Comité International de la Rayonne et des Fibres Synthétiques). The members of the working group were: Mr D David of Fisipe, Portugal; Mr T Johnson, a consultant previously with Acordis, UK; Mr D Montalbano of Novaceta, Italy; Dr F Prezzavento, a consultant previously with Montefibre, Italy; Mr J Rice of Wellman International, Ireland; and Mr T Secchiari of Bemberg, Italy. This updated report was written by David Morris and produced by Deborah Tunney of CIRFS.

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