Information about Sustainability

SSTCL makes an investment of Euro 11.6 million to build a new production line for the chemical fiber and felt filter fabric

Sinoma Science & Technology Co., Ltd. (SSTCL) made an announcement that SSTCL Membrane Materials Company will pour Euro 3.9 million to build a wholly-owned subsidiary company in Tengzhou, Shandong province, namely SSTCL Membrane Materials (Shandong) Co., Ltd., in order to adapt to the trend of instant development of filter materials in the power industry. The new company will assume the construction of project of product line, of which the annual production capacity is 5,000,000 square meters of chemical fiber felt filter materials. After the new company is established, it will undertake the production line construction of “annual production capacity of 5,000,000 square meters chemical fiber felt filter materials”. The project has a gross investment of Euro 11.6 million, including the equity fund of Euro 3.5 million and the bank loan of Euro 8.1 million. The project construction phase is 6 months. The project will purchase two imported feltmaking production lines and auxiliary equipment from Germany AUTEFA so as to reach the annual production capacity of 5,000,000 square meters of chemical fiber felt filter materials. (Securities Times)
Information about Relocation of textile industry

**Rongcheng pours Euro 2.8 million to build a garment research center**

According to the news at the beginning of October, Rongcheng County of Baoding of Hebei province has poured Euro 2.8 million to carry out the Rongcheng garment research design center project in order to further improve the whole level of research and development of garment industry and search after the establishment of modern research and development system.

At present, the research center is about to be completed. As the industrial supporting project supported by the country, the center will be built into a high-level research and development, detection and exhibition center so as to form 6 major research and development systems including Western-style clothes, shirt and cotton clothes and provide strong technical support for the upgrading of garment industry of Rongcheng.

(China Textile News)

**A textile technical demonstration base to be built in Fujian**

General Sanming (Yong'an) Industrial Park held a project planning demonstration meeting and an investment invitation and promotion conference in Beijing on October 19, 2014.

The General Sanming (Yong'an) Industrial Park, which is jointly built by China Textile Institute of Science and Technology, China General Consulting & Investment Co., Ltd. and two-tier governments of Sanming and Yong'an municipalities of Fujian province, was formally initiated on August 27, 2014. The industrial park, boasting high-end intelligence, green low carbon and industrial agglomeration, covers a land area of 4 square kilometers. Moreover, it, integrating textile new materials, knitting, dyeing and finishing, ready-made apparel, textile machinery and industrial incubation, makes an effort to promote the transformation and upgrading of traditional textile industry in Sanming, Fujian Province, and boost the development of textile industrial chain to high level, environmental friendliness and intellectualization.

Gao Yong, Vice Chairperson of China National Textile and Apparel Council, said that China's textile industry will speed up the technical upgrading and industrial transfer during the period of The Thirteenth Five-Year Plan while China's economy enters into a new normal stage.
The construction objective of industrial park is same with the development priority of textile industry. (China Textile News)

**Xinjiang Fuli Zhenlun Spinning Co., Ltd. signs a contract in Korla**

Xinjiang Fuli Zhenlun Spinning Co., Ltd. signed a contract in Korla Economic and Technological Development Zone on October 27 to start the project of 2,000,000 ingots of spinning. The investment of the project is Euro 516.9 million, and it is planned to be completed and put into production at the end of 2016. The world leading-edge spinning equipment and spinning techniques are adopted in the project to produce high-quality spun rayon, spun cotton mixture yarn and cotton fine count. The world leading-edge vortex spinning, fully automatic air spinning, Siro compact spinning, fore-spinning matching blowing-carding unit and on-line measurement drawing frame are used in the project. After the project is completed, it will boast the production capacity of 2,000,000 ingots of spinning and the annual output of different high-quality yarns of 300,000 tons. Moreover, the annual output value will be Euro 646.2 million. (China Textile News)

**Information about energy**

**Emulate the foreign manufacturers in the aspect of energy conservation and environmental protection**

According to the news in the mid-October, China has become the biggest textile machinery manufacturing country after the economic boom. There is a wide gap between Chinese-made and foreign textile machinery in the performance. In particular, the high material cost and soaring labor cost in China, as well as a series of environmental protection policies, have further improved the requirements for energy conservation and environmental protection of textile machinery.

Foreign textile machinery manufacturers pay more attention to energy conservation

In contrast, foreign textile machinery manufacturers lay more emphases on the energy conservation, environmental protection and sustainable development of the products. For instance, Italian textile machinery manufacturers set up the green labels to identify the energy and environment performance of the textile machinery, such as the e-save energy-saving idea of Oerlikon Textile Group. German textile machinery manufacturers launch "blue competence" technology, which is used in the
whole process of textile production and supply chain. The high energy 
efficiency and reliable production technology help the textile 
manufacturers save cost and provide high profit returns. French high-tech 
textile machinery manufacturers pay more attention to the energy 
conservation of products, and the energy conservation rate of lots of 
French textile machinery enterprises could reach 30%-40%. Meanwhile, 
they also lay stress on cyclic utilization of wastes so as to realize the 
sustainable development of textile industry. For instance, Laroche, a 
French professional company in the cyclic utilization of wastes, realizes 
the cyclic utilization of all fabric wastes by means of launching Airlay 
non-weaving production line that is used to manufacture raw materials of 
different non-weaving felt goods.

Domestic textile machinery boasts good performance in energy 
conservation

Meanwhile, different domestic textile machinery enterprises have 
improved the performance of products in the energy conservation and 
environmental protection in order to reduce production energy dissipation, 
improve the environmental protection of products and use highly efficient 
cleaning system.

Enterprises could reduce the energy consumption and labor cost in the 
production and improve the competitive power of products by means of 
optimizing the design of textile equipment and using advanced 
technologies. For instance, TA250 high-temperature overflowing dyeing 
machine, produced by Zhejiang Taitan industry Co., Ltd., uses precise 
dye solution flow control and cloth-solution isolation techniques so as to 
greatly lower the dye bath ratio (bath ratio:1:4.7), reduce the water 
consumption and realize the energy conservation and environmental 
protection. Moreover, the highly automatic program control could reduce 
the manual manipulation intensity and provide a guarantee for dyeing 
quality.

HCP810 series high-speed air-jet looms, produced by Qingdao 
Over-world Group Share Co., Ltd., adopt the auxiliary gas tank to be 
directly connected with auxiliary spraying electromagnetic valve so that 
there is no air consumption of piping. The back-up jet orifice has a conical 
flow concentration angle, which is useful for the flow concentration 
application of high-pressure air, so as to improve the utilization efficiency 
of high-pressure air and effectively reduce the air consumption in the 
process of weft insertion. The design of new reed intensive pneumatic 
weft insertion flow passage could effectively reduce the high-pressure air 
consumption in the weft insertion.
The terylene short fiber equipment, produced by CHTC Heavy Industry Co., Ltd., adopts many advanced technologies, including CAD technique, three-dimensional simulation technique and finite element analysis technique, and furthermore, the fiber consumption per ton has reached the domestically, and even internationally, advanced level: Power consumption is 145 kilowatt-hour, the steam consumption is 750 kilogram, the desalted water consumption is less than 0.61 cubic meter, the cooling water consumption is 51 cubic meters, the refrigeration water consumption is 25 cubic meters, and the industrial water consumption is 0.6 cubic meter.

Moreover, enterprises could save the cost in the product protection via the effective cleaning process, such as environment-friendly specific reed cleaning fluid of Changzhou Reed Co., Ltd. The contaminants, formed during the use of reeds, could be hardly cleaned, which had a strong impact on the weaving efficiency and weft quality. According to the maintenance characteristics operating requirements of air blast and water spraying reeds, Changzhou Reed Co., Ltd. conducts the research and development of series environment-friendly specific cleaning liquor product, such as LJT601, LJT602 and LJT603, which are applicable to different textile accessories and equipment, including various reeds and steel heald used in the shuttleless looms. The products boast simple operation and high cleaning efficiency so that they could keep the reed quality and performance for a long time. Moreover, they are green, environment-friendly and energy-saving. The cleaning cost is far lower than manual cleaning of reed and ultrasonic washing of reed, and the equipment investment is only one-third of the ultrasonic washing.

To learn from foreign energy conservation idea

It is well-known that the genuine energy conservation of products may mean adopting environment-friendly and recycled raw materials in the production and reducing the energy consumption and waste discharge in the production. Moreover, it also means that the products should be environment-friendly and wastes could be recycled. On the contrary, China's textile machinery industry pay more attention to the energy conservation and environmental protection in the production, while foreign textile machinery manufacturers lay stress on that in the whole production chains. Therefore, insiders appeal China's textile machinery enterprises to learn from foreign advanced experience and avoid the circumstances that there is so-called energy-saving sophisticated equipment by textile machinery manufacturers, but there are no valid standards. (China Textile News)
Information about textile machinery manufacture

6 textile technical renovation projects to be supported by Hubei energy conservation special project

According to information from the Hubei Provincial Development and Reform Commission at the end of October, the technical transformation projects of 6 textile enterprises will be brought into the special project implementation plan of energy conservation of Hubei province in 2014 so as to win the support of special fund.

The said 6 textile enterprises and projects are respectively the energy conservation and renovation project of acid supply system by Hubei Golden Ring Co., Ltd., the energy conservation project of coal burning boiler and electric motor variable-frequency by Hubei Chulong Printing and Dyeing Co., Ltd., the project of spun yarn negative pressure fan energy conservation reconstruction and air compressor waste heat utilization by Xiaogan Hubei Cotton Industry Group Co., Ltd., the boiler improvement and production line energy system optimization construction project by Zhongjian Medical and Hygienic Supplies Co., Ltd. and the integrated energy-saving technology renovation project of highly-efficient electric motor of air spinning production line by Qianjiang Hengli Textile Co., Ltd. (China Textile News)

Wuhan Textile University becomes the major intelligence introduction project of State Administration of Foreign Experts Affairs

It is acquired from Wuhan Textile University on October 20 that the project of "the study of key generality theory and technology of high-end textile equipment design and production" declared by the university has been approved by State Administration of Foreign Experts Affairs as the major intelligence introduction project in the aspect of education, science, culture and public health. The project directors, namely Professor Gureyev Alexey and Professor Andrianov Nikolay, have been hired by State Administration of Foreign Experts Affairs as major experts.

It is known that the main contents of the said project are the design philosophy and method study of high-end textile equipment, the innovation design and development of numerical control textile equipment, the study of advanced manufacturing technology of key spare parts of high-end textile equipment, the implementation of joint cultivation
of students with doctor's degree and academic visits by backbone teachers, and cultivation of high-level talents in the textile equipment field for the purpose of tackling the problems and improve technical levels of China's textile equipment manufacturing industry.

It is reported that the major intelligence introduction project of State Administration of Foreign Experts Affairs in the field of education, science, culture and public health is a valuable approach to thoroughly implement the strategies of China's rejuvenation by science and education and through human resource development and improve the innovation capacity in the aspect of education, science, culture and public health. (Chutian Daily)

**Note:**

<table>
<thead>
<tr>
<th>Date</th>
<th>EURO : U. S. Dollar</th>
<th>EURO: RMB</th>
</tr>
</thead>
</table>
Quarterly information for China Textile Machinery Industry

Production Status in Apr - Jun 2014

Chart 1 Key Economical Index of China Textile Machinery Industry

<table>
<thead>
<tr>
<th>Index</th>
<th>Unit</th>
<th>Jan-Mar 2014</th>
<th>Apr-Jun 2014</th>
<th>Rate of change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Thousand Euro</td>
<td>3,139,343</td>
<td>3,476,941</td>
<td>10.8%</td>
</tr>
<tr>
<td>Profit</td>
<td>Thousand Euro</td>
<td>185,233</td>
<td>217,623</td>
<td>17.5%</td>
</tr>
<tr>
<td>Export Volume</td>
<td>Thousand Euro</td>
<td>390,458</td>
<td>496,410</td>
<td>27.1%</td>
</tr>
<tr>
<td>Import Volume</td>
<td>Thousand Euro</td>
<td>685,801</td>
<td>683,489</td>
<td>-0.3%</td>
</tr>
</tbody>
</table>

Rate of change (%) was compared with same period of last quarter.

Note:
1 Data Source: NBSC, General Administration of Customs

2 Exchange Rate: 100 Euro exchanging RMB 839.46yuan
Import & Export in Apr- Jun 2014

Data Source: General Administration of Customs

Chart 1 Market Shares of Key Export Products in Apr - Jun 2014

Data Source: General Administration of Customs

Chart 2 Market Shares Of Key Export Countries in Apr – Jun 2014
Chart 3 Market Shares of Key Import Products in Apr - Jun 2014

- Auxiliary machinery and parts: 21%
- Chemical fibre equipment: 35%
- Knitting machine: 16%
- Spinning machine: 16%
- Fabrics machine: 12%

Data Source: General Administration of Customs

Chart 4 Market Shares of Key Import Countries in Apr - Jun 2014

- Germany: 40%
- Japan: 35%
- Italy: 9%
- Switzerland: 5%
- France: 2%
- Others: 6%
- Belgium: 3%

Data Source: General Administration of Customs
Services of VDMA China Office

With 10 years of service experience in China, the
VDMA China Office, namely VDMA Beijing Representative Office and VDMA Shanghai Representative Office, provides support for VDMA member companies in China. The VDMA China Office has a strong focus & profound understanding with regard to selected machinery industry sectors in China:

- Agricultural Machinery
- Construction Equipment & Building Material Machinery
- Food Processing and Packaging Machinery
- Machine Tools and Manufacturing Systems
- Metallurgy (Foundry, Metallurgical Plants and Rolling Mills, Thermo Process Technology)
- Mining Equipment
- Plastics and Rubber Machinery
- Power Transmission Engineering /
- Fluid Power
- Robotics + Automation
- Textile Machinery
- Woodworking Machinery

The VDMA China Office is established to act as a bridgehead for VDMA member companies.

We support the following enquiries:

- **HR issues** (e.g. recruitment, salary reports)
- **Visa issues** (e.g. normal and special invitation letters, residence- and working permits)
- **Translations** (e.g. company brochure, business cards, technical translations)
- **Trade Fairs** (e.g. booth at large scale VDMA-pavilion (“German pavilion”), speaker slots)
- **Market Studies** (e.g. analysis of customers, suppliers, dealers)
- **Seminars** (e.g. about debt collection, sales management, welding)
- **Project Management** (e.g. business travel support, hotel and train ticket booking)
- **Market Entry Package** (e.g. market entry plan, personal one day support of Chief Representative)

Our professional teams in Beijing and Shanghai are fluent in German, English and Chinese.

We look forward to serving you - please do not hesitate to contact us today!

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