



Global Dynamics Impacting Yarn Production and Consumption

Suvalee Tangboonritruthai, Ph.D. Student

Nancy L. Cassill, Professor

William Oxenham, Professor/Associate Dean for Academic Programs

North Carolina State University, College of Textiles

Raleigh, NC.

ABSTRACT

This paper will provide the overview of the factors likely to affect the competition in the global yarn market related to yarn production and consumption. This report examines research, trade literature and government statistical reports regarding the yarn production, exports and imports, movement of machinery, preferential trade agreements and yarn consumption. To conclude, the trends in yarn production and consumption in different regions will be identified. Additionally, this study will provide the factors that should be considered for the yarn industry to stay competitive in this globally dynamic yarn market.

Keywords: Yarn Production, Yarn Consumption, Global Dynamics, Competitiveness, Imports and Exports

Introduction

Since the global yarn market has become competitive, domestic consolidation and regional adjustments are anticipated (Dockery, 2005). It is possible, from historical data, to examine the different factors that affect yarn production and consumption.

In a quota-free world, it is anticipated that relatively low-priced imported textile products will reduce the demand for domestic yarn (Gazanfer, 2005). As for the changes currently taking place in textile industry, the elimination of quota resulted in a flooding of Chinese imports last year. This year, additional adjustments will be required to deal with new 2006-2008 Chinese quotas, a possible upward revaluation of the undervalued Chinese yuan and all the new producer distribution-retail channels that are

J being developed and refined (Reichard, 2006). Many strategies evolved to stay competitive in yarn market during the year 2006. James W. Chesnutt, CEO, National Spinning Co. Inc., New York City and Chairman, National Council of Textile Organizations (NCTO), Washington asserts that if U.S. textile industry is going to be successful, it must go through Congress. One of the most successful legislations passed by congress in recent years is to put 34 categories of textiles and apparel products from China under safeguards (Chesnutt, 2006).

Some of the United States spinners have provided an outlook for spinning industry in 2006 and beyond. They envision in short term, that the U.S. spinning industry will have the advantage to work with Central American vendors, especially with the passage of CAFTA-DR. However, the