

China's textile and garment industry is in big trouble

TheBL Staff 07/10/22



China's textile and garment industry is in big trouble on Jul. 9, 2022(Spotlight on China/Screenshot via TheBL/Youtube)

Chinese media outlet [Da Ji Yuan](#) reported on July 07 that China's textile and garment industry is suffering from a large number of orders moving out of the country like never before.

According to the report, China is the world's largest manufacturer and supplier of textiles and garments. The regime relies heavily on exports of textiles and garments to secure foreign exchange reserves and stable employment.

In the first half of 2022, data from the China Chamber of Commerce for Import and Export of Textiles (CCCT) estimated that the scale of China's textile and garment orders transferred overseas was about 6 billion dollars. Among these, [1 billion](#) came from textiles and 5 billion from garments.

More specifically, India was the main place for textile orders, while Bangladesh, Vietnam, Cambodia, and Indonesia took apparel orders.

An official at CCCT said that the transfer scale would increase to about 10 billion dollars in the second half of this year, 8 billion of which would relate to garment orders and the rest to textiles.

Yue Jin (pseudonym), head of a small textile firm in Wujiang of Jiangsu province [said](#), “This year’s performance is very weak, even more challenging than 2020, and all orders have dropped by at least 40% compared with last year.” He added that other local small and medium enterprises are also in the same situation. Raw material prices have risen since the beginning of this year but companies have had to keep the same prices for their products to be competitive.

Meng Zhuo, manager of Anhui Garment Import and Export Co., Ltd. [said](#) that most factories have no customers’ orders by September this year. At the same time last year, the orders lasted until at least November. And the production of garment factories was too tight to complete all orders then. But this year, factories will have no orders two or three months earlier than expected.

The China Chamber of Commerce for Import and Export of Textiles has recently conducted a survey where [30%](#) of the surveyees were small and medium enterprises. The result shows that 85% of the companies think that the customers’ orders within the industry will be transferred overseas.

According to [Sina Finance](#), [Hu Kehua](#), Deputy Director of Office for Social Responsibility at China Textile and Apparel Industry Council, said that the main reason for the poor market is “due to epidemic prevention and control.”