

the US economy is still not certain. Therefore the interest rate will continue to be low and therefore there will be huge liquidity coming out at very low interest rates, and this will present, may be a risk of too much liquidity, and therefore asset bubbles, so we have to watch out for that. In 2011, the US economy will be much better. Interest rate will come back up a bit, so bank earnings would be much better, and also the exports and imports of various countries will be better. So I think that 2010 is not going to be easy, but 2011 will be pretty good."

Cliff Sun, Chairman Federation of Hong Kong Industries says, "Since mid-2009, there have been a sign of recovery locally and internationally. The majority of

manufacturing companies reported business improvement, but still not at levels preceding the financial tsunami."

Generally, there has been a 20% increase in export value compared to the period during the worst part of the financial tsunami. But there has been a 10% decrease in average-order value. Industry members say the drop reflected the anxiety over high-priced products by overseas buyers, who tended to buy lower priced items, a trend expected to continue in 2010.

Overseas market recovery in the United States and Japan has been slow. In contrast, business on the Chinese mainland and South American markets has

recorded an increase in export value for the third-quarter of 2009, both compared to data during and before the financial tsunami, indicating that the economic turmoil has a lesser impact on these markets.

Many Hong Kong manufacturers are preparing to explore the mainland market. They are willing to develop their own brands and upgrade their trade products in order to enter the domestic market. Some will transform from a processing plant to a foreign invested enterprise, so that they can sell their products in the domestic market.

Sources-World Bank, WTO, Hong Kong Trader,ITMF, OTEXA, Euratex etc.◆

Ban on polyurethane in performance swimwear

The use of polyurethane in performance swimwear is credited with securing 235 world records over the past two years. But on January 1, 2010, the material will be banned in competitions. According to a ruling from Fina (Fédération Internationale de Natation) - the international governing body for swimming - competitive suits must be made exclusively from "textile fabrics".

The new rules will have a major impact on leading manufacturers of swimwear -- including Adidas, Arena, Jaked, Speedo and Tyr. But the rules are also likely to boost innovation and technological development in textiles, according to a new report published in Performance Apparel Markets.

The report notes that the global market for performance swimwear is worth about US\$200 mn, based on 2008 estimates. Of this figure, about 60% is held by Speedo alone. Significantly, it is thought that Speedo's launch of the LZR Racer in February 2008 alerted regulators of the need to change the rules.

The LZR Racer took the market by storm and played a major role in helping swimmers to shatter world records.

At the Beijing 2008 Olympic Games, for example, 23 of the 25 new world records were set by swimmers wearing the LZR Racer - including the world champion, Michael Phelps, who is sponsored by Speedo.

Furthermore, 89% of all the medals awarded in swimming - including 94% of the gold medals were given to LZR Racer swimmers, according to Speedo.

The LZR suit is ankle length, and leaves only the arms, feet and neck exposed to the water. It is made from a blend of nylon and elastane, and features very thin polyurethane panels placed over "drag hot spots". Drag - a term used to describe fluid resistance is one of the main factors preventing swimmers from maximising their speed through water.

The LZR suit consists of multiple pieces of fabric with ultrasonically welded seams which are said to reduce drag by 6%. During the process of developing the suit, Speedo scanned the bodies of more than 400 elite swimmers. Also it carried out tests on over 100 different fabrics and fabric combinations. These revealed that swimmers wearing the LZR Racer increased their speeds by an average of 4%.

Speedo has already responded to the new rules, and in December 2009 it launched its LZR Racer Elite. This incorporates

the same fully bonded construction and ultrasonically welded seams as its predecessor, but is made exclusively from an ultralightweight and low drag woven nylon and elastane fabric called Pulse.

Other swimwear manufacturers having invested heavily in developing the now-redundant polyurethane-based suits are similarly being forced to work on textile-based replacements.

Fina's new regulations also preclude the use of full length bodysuits. In future, performance swimwear used in competitions must extend no further than from the waist to the knee in the case of men's swimsuits and from the shoulder to the knee in the case of women's.

Performance Apparel Markets also reports that one of the key component fibres in swimwear, elastane (also known as spandex), has enjoyed a big increase in usage over the last decade. However, the fortunes of elastane fibre manufacturers have been mixed in the past two years.

Between 2000 and 2008, consumption of elastane soared from 153,000 tonnes to 300,000 tonnes, although there was a decline in 2008 alone. By 2015 consumption is expected to climb to around 438,000 tonnes.

But most of the expansion has been in China, and the proportion of that capacity which is being utilised remains debatable, the report reveals. Pushed by high profits, Chinese elastane production capacity, which now accounts for 60% of the world total, expanded continuously in 2007 and 2008, but the global economic slowdown has forced prices down significantly.

Not all elastane fibre manufacturers are suffering, however. Invista, for example, appears to have escaped the worst of the downturn which is afflicting low cost competitors. The company produces Lycra by far the best known brand of elastane and has continued to do well by finding new high-value applications and expanding into new international markets.

The success of Lycra, which celebrated its 50th anniversary in 2009 is based on heavy investment in innovation, product development, partnerships and sophisticated consumer marketing campaigns. Chinese manufacturers, according to Performance Apparel Markets, could learn much from the way it has sustained its success.

For further information, please contact Textiles Intelligence, email: info@textilesintelligence.com.