

Oerlikon Textile consecutively sponsors the fifth China Textile Round Table Forum 2010

Structural Adjustment, Innovation and development

Discussions about the economic growth trends of China textile industry in 2010 and the measures to confront

Beijing/Remscheid, 27 January 2010 – The “China Textile Round Table Forum 2010”, hosted by China Textile Economy Research Centre and “China Textile” Magazine, sponsored by Oerlikon Textile, and supervised by China National Textile and Apparel Council (CNTAC), was hold on 27 January 2010 in the International Conference Centre of KunLun Hotel in Beijing, with the theme of “**Structural Adjustment, Innovation & Development**”.

In 2009, under the guidance of “to maintain growth, expand domestic demand and adjust the structure” policy by the central government and “*The Restructuring and Revitalization Planning of the Textile Industry*”, through the hard work of every people in the whole industry, China’s textile industry has overcome many adverse factors such as the uncertainty of the world economic situation, dramatic changes in raw material prices, etc., gradually stepped out of the bottom and achieved a sustained and stable growth. In 2010, China’s economy will continue to face the complicated and changing international and domestic situation, inflation, trade protectionism, raw material prices, labor costs, exchange rate fluctuations and other factors. Textile Industry must firmly focus on adjustment and innovation in a new round of showdowns to strive for a good development trend. Though it is difficult to change the external environmental factors of the industry, the self-development route can be controlled and selected. Focusing on theme of Structural Adjustment, Innovation & Development, China Textile Round Table Forum 2010 is a platform to pass the information that the economy is bettering to the whole industry, to enhance the industry’s determination and confidence to develop, and to offer enterprises a route map with clear sense of direction. Therefore, relevant leaders, experts and scholars from the National Bureau of Statistics, the National Development and Reform Commission, the State Council Development Research

Page 2 Center, China Textile Industry Association and various professional associations, and notable entrepreneurs from home and abroad were invited to the forum, made high-end communications and discussions on the conference theme, and carried a in-depth study on China textile industry development trends and the measures to confront in 2010.

On the Forum, Mr. Yao Jingyuan, Chief Economist of National Bureau of Statistics made a speech entitled "2010 China's Macroeconomic Trends and Policy Measures". He stated that facing the financial crisis, the Chinese government made a scientific assessment of the international and domestic situations and decisively introduced a package of policies including the implementation of the proactive fiscal policy and moderate loose monetary policy to maintain growth, expand domestic demand, readjust the structure, and benefit the people's livelihood, which enabled China to become the first in the world to stop the downturn of the economy, stabilize it and make it rise up, and achieve a hard-won success. He predicted that in 2010, China's economy would be a continuous process during which economic structure would be optimized; the development methods would be transformed; service industry, especially the modern service industry, would develop better and faster; consumption would have a bigger pulling power of the economy; and innovation capacity and technological progress would contribute more to the economy.

Mr. Thomas Babacan, CEO of Oerlikon Textile delivered a speech entitled "Innovation - The Key to the Success during the Crisis". Focusing on textile machinery industry and the self-development of the enterprises, he analyzed the key points of how to respond to the global challenges to ensure growth of China textile industry.

On the Forum, Xu Wening, President of China Cotton Textile Industry Association, Zheng Zhiyi, President of China Chemical Fiber Industry Association, Zhu Minru, Director General of China's Industrial Textiles Association, and Yang Shibin, Director General of China's Knitting Association respectively explained on the operation of various industries in 2009 as well as the key points of structural adjustment, innovation & development of the industry in 2010. In their view, the textile industry is an industrial system, among which different sub-sectors of the industrial chain are interrelated. A unified idea shall guide the industry structural adjustment. It is mentioned in "The

Page 3 Restructuring and Revitalization Planning of the Textile Industry” that the industry development shall co-ordinate two markets, strengthen the independent innovation, accelerate the technological transformation, eliminate the backward, optimize the layout, thus accelerate the pace of industrial restructuring and upgrading, consolidate the industry position, to make a substantial pace on the way to be a powerful textile country. At the same time, they also stressed that the structural adjustment shall not be a simple adjustment of the original structure, but an innovation and development process of transforming and upgrading. Innovation is more of a strategic issue. The goal of industry structural adjustment is to carry innovation and development to the enterprises. Before, innovation was the development need of the enterprises, and for now, innovation is the basic points of enterprises’ survival and competitiveness rather than the development need. Structural adjustment and innovation & development, for the enterprises, are imminent.

Mr. Sun Huaibin, Forum Moderator, Editor-in-chief of China's textile magazine, Director of China Textile Economy Research Center, said that China's textile industry has made great progress in the new century, but is still facing a very grim reality, because our resources and the environment, demands of real domestic and foreign markets restrict the development of the industry, which means that we can not walk broader and broader, but further and further high to broaden the field in the high-end industry, to show the wisdom and ability of China's textile. Only in this way can China usher in a glorious era of powerful country.

At last, Mr. Xu Kunyuan, Vice President of China Textile Industry Association made a concluding statement. The venue atmosphere was warm. During the discussion, focused issues and brilliant analysis aroused applauses. About 350 representatives from various sectors attended the event.

By convention, the delegates attended a dinner reception hold by Oerlikon Group - Oerlikon Evening. Guests proposed a toast to look forward to a better development trend of the textile industry in 2010, and creating a better future of China textile industry. The China Textile Round Table Forum 2010 got a complete success!

Page 4 **About Oerlikon**

Oerlikon (SWX: OERL) is one of the world's leading high-tech industrial groups specializing in machine and plant engineering. The company is a provider of innovative industrial solutions and cutting-edge technologies for textile manufacturing, thin-film coating, drive, precision, vacuum and solar systems. A Swiss company with a tradition going back 100 years, Oerlikon is a global player with around 16,000 employees at 180 locations in 37 countries and sales of CHF 4.8 billion in 2008. The company ranks either first or second in the respective global markets.

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