

Status and Outlook of China's Chemical Fiber Industry

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目 录

01

**Overview of
China's Textile
Industry
in 2025**

02

**Operational
Performance of
China's Chemical Fiber
Industry in 2025**

03

**Outlook for
China's Chemical
Fiber Industry
in 2026**



Part one

Overview of China's Textile Industry in 2025

PART ONE



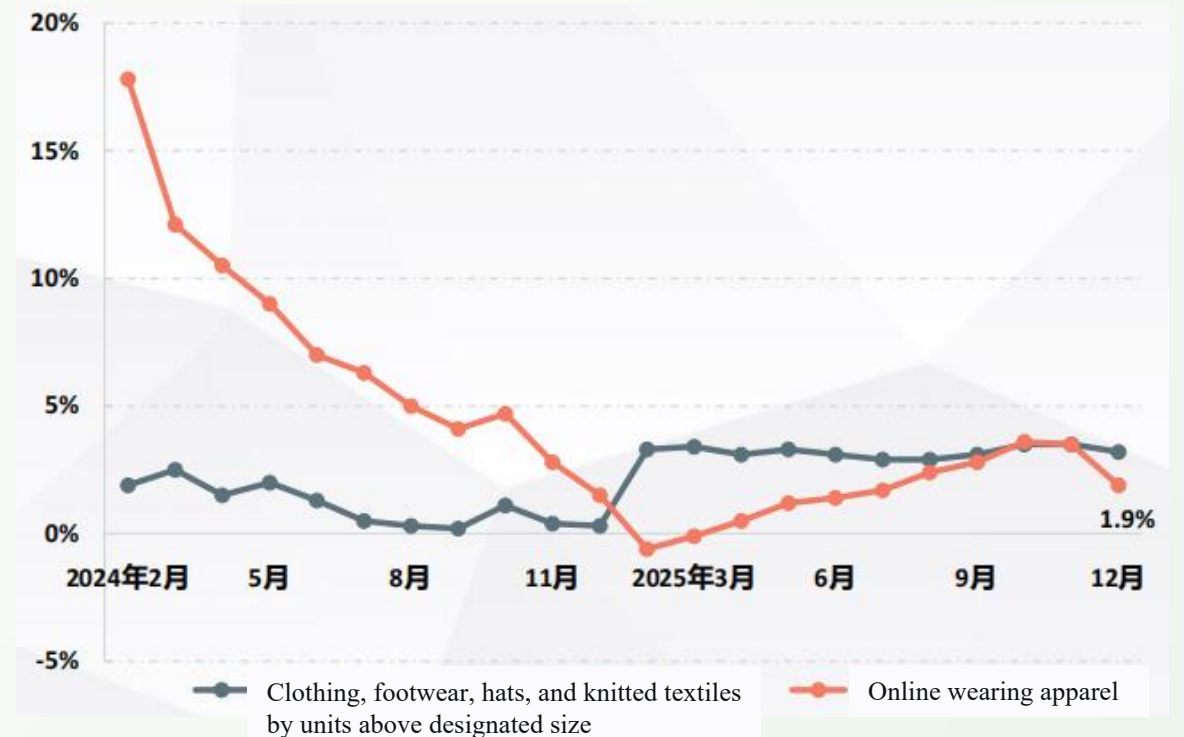


Domestic Market - Moderate Growth

2025

- ▶ Per capita consumption expenditure on clothing by residents increased by 2.2% year-on-year.
- ▶ The total retail sales of clothing, footwear, hats, and knitted textiles above a designated size exceeded 1.5 trillion yuan, a year-on-year increase of 3.2%.
- ▶ Business models and channel innovations such as live-streaming e-commerce and instant retail, along with product and design innovations in areas like national style/traditional Chinese trends, sports and outdoor apparel, and sustainable fashion, drove steady growth in online textile and apparel retail channels. Online retail sales of wearing apparel increased by 1.9% year-on-year.

Overview of China's textile and apparel domestic sales situation from 2024 to 2025



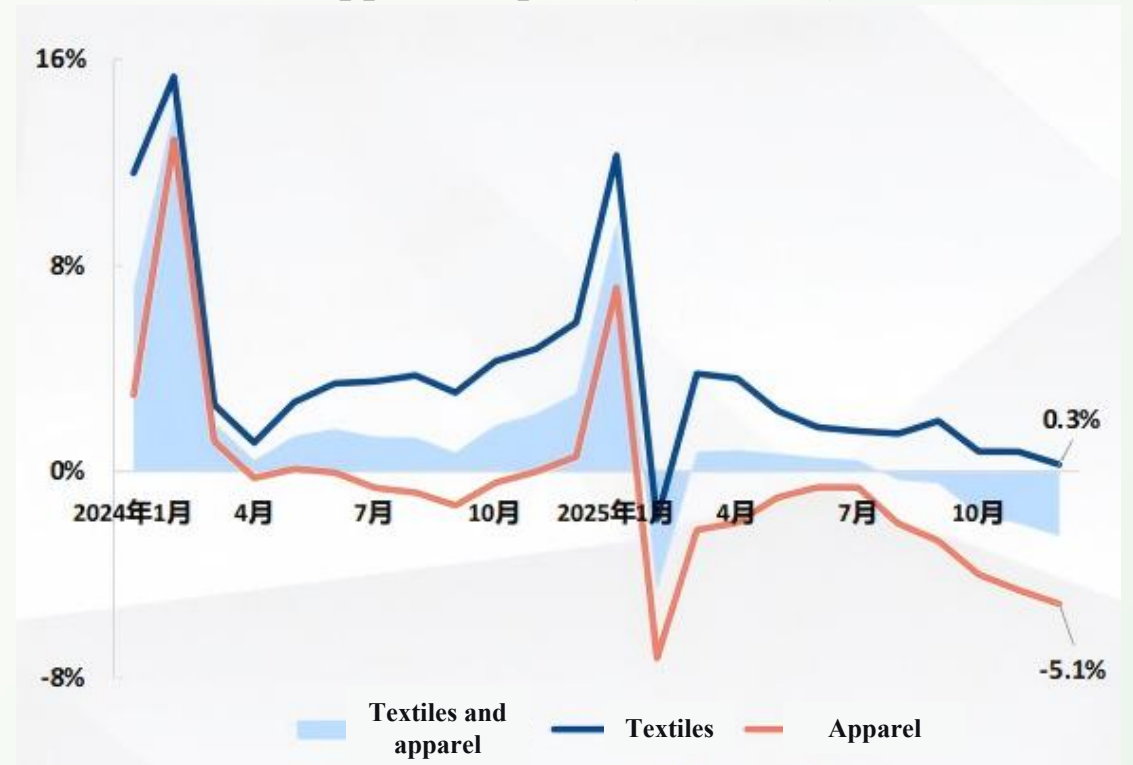


Exports face pressure while maintaining stability

2025

- ▶ China's total textile and apparel exports amounted to US\$312.18 billion, a year-on-year decrease of 2.5%, yet remained above US\$300 billion for the sixth consecutive year, demonstrating strong development resilience.
- ▶ Exports of textile intermediate products such as chemical fibers, yarns, and fabrics achieved solid growth, with export value increasing by 1.8% year-on-year.
- ▶ Major export markets showed a trend of diversified differentiation, with positive export growth achieved for more than 150 trading partners globally, including the European Union, the United Kingdom, Japan, and Canada.

Cumulative Year-on-Year Growth of China's Textile and Apparel Exports (2024–2025)





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Part two

Operational Performance of China's Chemical Fiber Industry in 2025





General overview

In 2025, facing a complex and volatile external environment, the chemical fiber industry adhered to the general principle of pursuing progress while maintaining stability, steadily advanced the optimization and adjustment of the industrial structure, deeply explored downstream demand, and maintained generally stable economic performance.

- ▶ Production maintained steady growth while new capacity expansion slowed.
- ▶ International market demand increased, and China's chemical fiber exports continued to grow.
- ▶ Intertwined risk factors such as weakening raw material support and intensified market competition led to a year-on-year decline in both revenue and profit.



Production maintained steady growth while inventory fluctuated downward

- ▶ In 2025, overall operating rates in the chemical fiber industry remained generally normal, with performance varying across sub-sectors. According to statistics from the China Chemical Fibers Association, chemical fiber production reached 77.93 million tons in 2025, a year-on-year increase of 4.3%, representing a decrease of 4.5 percentage points compared to 2024.
- ▶ Industry production and sales remained generally stable, and overall chemical fiber product inventories improved compared to 2024.

China chemical fiber production in 2025

Product	Output in 2025 (10 thousands tons)	YOY (%)
Cheimal fibers	7793	4.3
Recycled cellulosic fiber	548.0	6.3
Viscose fiber	456.3	2.9
SF	433	2.9
Filament	23.3	3.6
Synthetic fibers	7245	4.1
Polyester	6477	4.0
SF	1348	8.2
Filament	5129	3.0
Nylon	472	2.8
Acrylic fiber	62.6	1.0
Vinylon	8.5	1.2
Polypropylene fiber	47	6.3
Spandex	110	4.3

Source: China Chemical Fibers Association



International market demand increased, and China's chemical fiber exports continued to grow

- ▶ According to China Customs data, total chemical fiber product exports reached 7.62 million tons in 2025, a year-on-year increase of 14.64%, continuing the growth trend.
- ▶ Chemical fiber export markets are relatively concentrated. In 2025, exports to the top ten destinations accounted for 68% of the total. Among them, countries such as Vietnam, Pakistan, India, Indonesia, and Bangladesh, with their rapidly developing textile industries, saw an increasing demand for fiber raw materials.

Export situation of major Chinese chemical fiber products in 2025

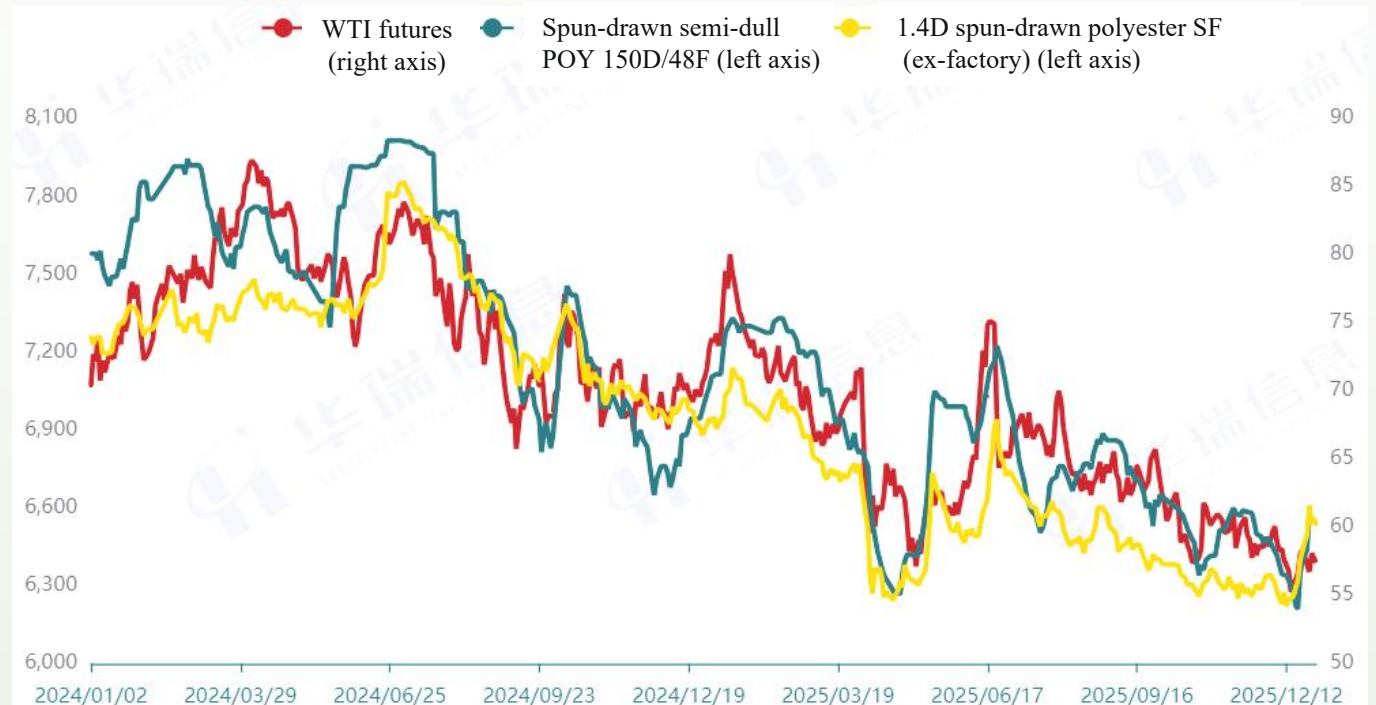
Product	Export in 2025 (10 thousands tons)	YOY (%)
Chemical fiber	762.17	14.64
Polyester F	435.05	10.62
Polyester SF	171.34	28.03
Nylon F	51.38	13.51
Acrylic fiber	4.54	0.76
Viscose F	12.51	13.36
Viscose SF	22.37	9.59
Spandex	8.12	3.06



The central axis of oil price fluctuations shifted downward, leading to an overall decline in chemical fiber prices

- ▶ In 2025, global economic growth slowed, leading to a significant decline in market demand for crude oil. Crude oil prices remained under pressure due to insufficient demand, with WTI crude oil prices ranging between \$55 and \$80 per barrel throughout the year, generally trending downward.
- ▶ With weakening support from raw material costs coupled with insufficient demand, market prices of chemical fiber products generally declined to varying degrees.

Comparison of Polyester and Crude Oil Price Trends Since 2024

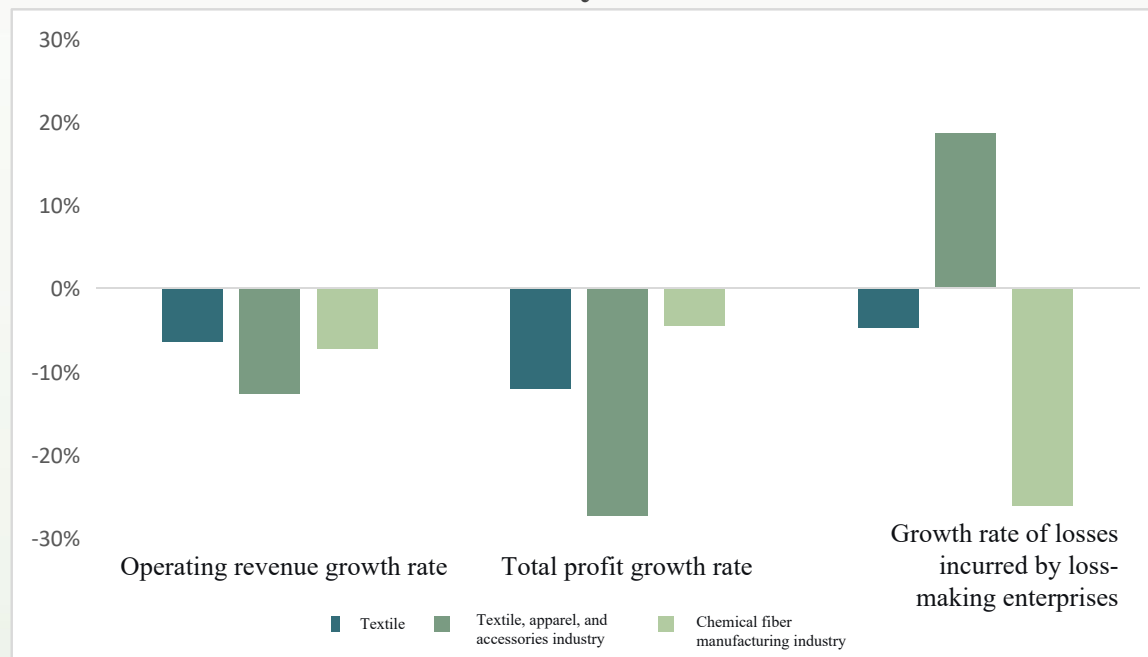




Both revenue and profit declined, with significant profit differentiation across subcategories

- ▶ According to data from the National Bureau of Statistics, the operating revenue of China's chemical fiber industry decreased by 7.31% year-on-year in 2025, mainly dragged down by the year-on-year decline in product prices; total profit decreased by 4.46% year-on-year.
- ▶ Across the textile industry chain, the production side generally outperformed the demand side. At the same time, the chemical fiber industry experienced structural differentiation in economic performance, with profit drivers shifting toward value enhancement.

Changes in the profit growth rate of China's chemical fiber industry in 2025

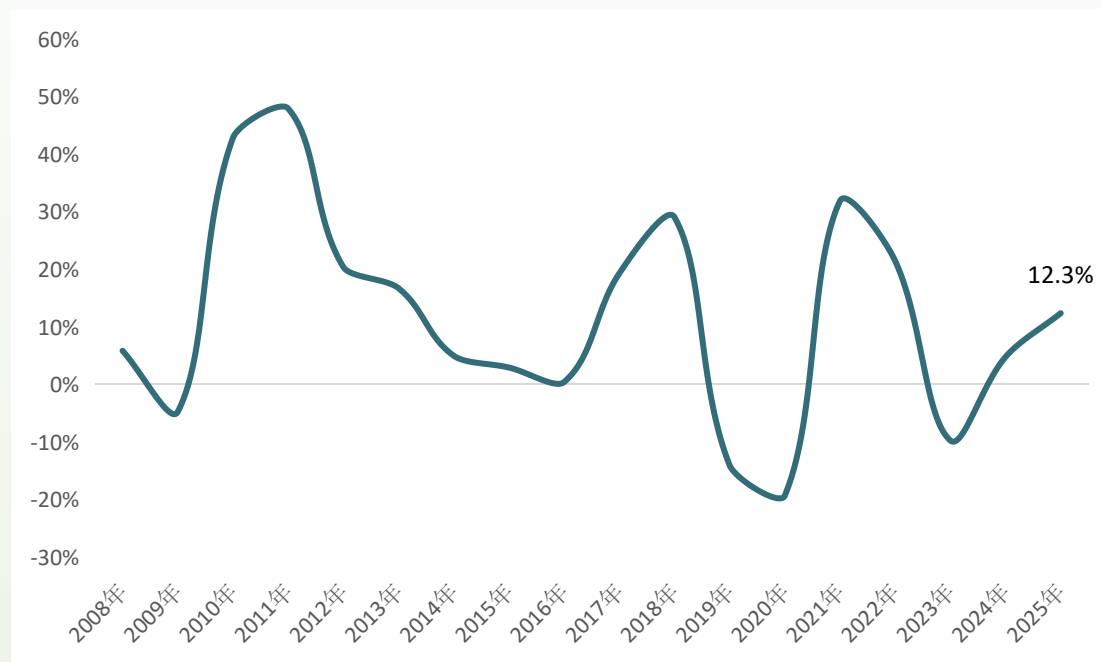




Technological transformation drives investment growth, further optimizing the capacity structure

- ▶ In 2025, fixed asset investment in the chemical fiber industry increased by 12.3% year-on-year.
- ▶ The direction of investment has shifted from adding new capacity to upgrading existing capacity through high-end, intelligent, and green transformation, accelerating the industry's transformation and upgrading.

Changes in the growth rate of fixed asset investment in
China's chemical fiber industry since 2008





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Part Three

Outlook for China's Chemical Fiber Industry in 2026





Outlook for 2026

International and domestic macroeconomic background

- ▶ From an international perspective, global economic growth remains sluggish, and the complexity and uncertainty of the external environment continue to be significant. Growth in advanced economies may slow further, while emerging markets and developing economies face multiple pressures such as capital outflows and exchange rate fluctuations.
- ▶ From a domestic perspective, China's economic work in 2026 will adhere to the principles of "pursuing progress while maintaining stability, and improving quality and efficiency." GDP growth is expected to remain within a reasonable range, potentially slowing slightly compared to 2025, but the quality of growth will further improve. On the policy front, continued efforts will be made to expand domestic demand. With rising household income, enriched consumption scenarios, and optimized consumption policies, service consumption, smart consumption, and green consumption are expected to become growth highlights.



Outlook for 2026

Outlook for China's Chemical Fiber Industry

- ▶ 2026 marks the inaugural year of China's 15th Five-Year Plan. The chemical fiber industry will continue to leverage the certainty of high-quality development to counter the uncertainty of the external environment, increasing investment in intelligent, green, and integrated transformation. It will steadily advance the construction of a modern textile and chemical fiber industrial system, achieving high-quality and sustainable industry development.
- ▶ In 2026, growth in chemical fiber capacity and production is expected to continue slowing, while the supply-demand structure will see improvement. The growth trend in emerging market demand is set to persist, with exports expected to maintain steady growth. Overall industry profitability is anticipated to remain flat or achieve modest growth compared to 2025, with enterprises that have a higher proportion of differentiated and high-value-added products experiencing more pronounced profit growth.

Thank you



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