SUMMARY

1. Introduction
2. Production
3. Trade
4. Consumption
5. Stocks
6. Government Support Measures
7. 75th ICAC Plenary Meeting
 SHARE OF TRADE IN WORLD PRODUCTION

COTTON EXPORTS BY COUNTRY

WORLD COTTON EXPORTS

WORLD COTTON IMPORTS

- Forecast
TOP 5 COTTON IMPORTERS

CHINA IMPORTS BY COUNTRY

BANGLADESH IMPORTS BY COUNTRY

VIETNAM IMPORTS BY COUNTRY

2003/04
1.9 m tons

2015/16
960,000 tons

2013/14

2015/16
INDONESIA IMPORTS BY COUNTRY

2015/16

ROW 76%
CI 4%
Bangladesh 4%
Mali 3%
Zambia 2%
Other Africa 8%

WORLD COTTON MILL USE

millions of tons

CHANGES IN COTTON MILL USE

1996/97
19 million tons

ROW 29%
China 23%
India 15%
US 13%
Pakistan 6%
Brazil 4%
Turkey 4%

2016/17
23.8 million tons

ROW 12%
China 50%
India 12%
US 11%
Pakistan 8%
Brazil 6%
Turkey 6%
Bangladesh 5%

7 Countries: 70%
9 Countries: 87%

CHINA MILL USE AND WORLD SHARE

US cents/lb

0% 10% 20% 30% 40% 50%

0 2 4 6 8 10 12

90/91 95/96 00/01 05/06 10/11 15/16
DIRECT ASSISTANCE TO COTTON

- Direct support to production
- Border protection
- Crop insurance subsidies
- Minimum support price mechanisms
- Input subsidies
- Transportation subsidies

DIRECT ASSISTANCE TO COTTON

US$ billion

A Index (US$/lb)

WORLD PRODUCTION UNDER DIRECT ASSISTANCE

Average with Assistance: 55%

Source: ICAC and Cotton Outlook
**SUSTAINABILITY**

- The Indicator framework recommended by the Expert Panel on the Social, Environmental and Economic Performance of Cotton (SEEP) provides a common language to measure sustainability in cotton production all over the world.
- Field testing: Australia, Benin, Bolivia, Cameroon, Colombia, China, Paraguay, Peru, Senegal, Togo, US and Zambia.
- Nat’l workshops: Burkina Faso, Ivory Coast, Guinea, Mali and Niger
- 2017: “Lessons learned”

**COTTON & POLYESTER PRICES**

Source: Cotton Outlook

**WORLD CONSUMPTION OF TEXTILE FIBERS**

- Cellulosic
- Non-Cellulosic
- Wool
- Cotton

Source: Cotton Outlook
MARKET SHARE OF COTTON IN WORLD TEXTILE FIBER CONSUMPTION

FINAL STATEMENT – 1: Interfiber Competition

Competition from polyester is cotton’s greatest competitive threat. Polyester had made considerable gains in the market for downstream products, such as yarn, filament, staple and apparel. This trend is due to cheaper polyester prices caused by current oil prices and underutilized industrial capacity in the polyester industry. The Committee approved a recommendation of the Private Sector Advisory Panel to broaden the terms of reference of the Secretariat’s ongoing studies of the polyester market to include government support measures that have stimulated overcapacity in the polyester industry.

FINAL STATEMENT – 2: Reduce Trade “Friction”

Greater harmonization of phytosanitary measures affecting the international trade of cotton is required. The Committee received a report from the Private Sector Advisory Panel emphasizing the need for harmonization of phytosanitary regulations affecting the world trade of cotton. In particular, the PSAP noted that requirements for fumigation of cotton varied widely among countries and requested the Standing Committee to examine possible ways in which to reduce these differences during the coming year.

FINAL STATEMENT – 3: Work of the WTO

World Trade Organization supports reduction in export subsidies and domestic support for cotton. The Committee noted that the Nairobi Ministerial Conference of the World Trade Organization, held in December 2015, had adopted a decision on cotton prohibiting export subsidies and calling for a further reduction in domestic support... The Committee reaffirmed the importance of trade policy as a driver in the promotion of world economic growth and development, and voiced support for a multilateral trading system under the aegis of the WTO.
Thank you
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