

PARTNERS' CONFERENCE ON SUPPORT FOR COTTON AND COTTON BY-PRODUCTS DEVELOPMENT

Room W, 7 October 2019, 2h30 - 4h30 p.m.

INTRODUCTORY REMARKS

by Deputy Director-General Alan Wm. Wolff

- 1. I welcome you all to this Partners' Conference organized in the context of the World Cotton Day celebrations.**
- 2. A special welcome to all those who have travelled to be with us today, and they are many and coming from all over the world.**
- 3. I should also like to acknowledge the presence in the room of H.E. Mr Harouna KABORE, Minister of Commerce and Industry of Burkina Faso, as well as H.E. Mr. Moulaye Ahmed BOUBACAR, Minister of Agriculture of Mali. I thank them for sharing with us their introductory remarks in a few minutes.**
- 4. The Partners' Conference represents a unique high-level platform for development cooperation partners to discuss their**

prospective engagement for the sustainable development of the cotton sector, particularly in Africa and in Least-Developed Countries.

5. This conference and your presence today highlight that cotton development assistance is a non-contentious area of WTO work, characterized by a widespread pragmatic and cooperative spirit.

6. Guessing the reason underpinning this cooperative spirit is not hard.

7. In fact, if we take the example of the C4 countries, we can observe that their GDP per capita is on average US\$2000/year, and that the cotton subsector contributes to at least 13% of GDP formation.

8. In more developed countries that produce cotton, GDP per capita is above US\$59,000/year, and the cotton subsector contributes to less than 1% of GDP formation.

9. **But if we return to the observation of the situation in Africa, looking now at all African cotton-producing nations, we can learn that cotton provides income to over 3.5 million farmers and their families, of which 17% are led by women-farmers.**

10. **Sub-Saharan African countries export more than 90% of the raw cotton lint they produce, earning approximately US\$15.5 billion in 2018 for over 1.5 million metric tonnes of lint.**

11. **However, in spite of the importance of the sector, one of the key issues in Africa remains local processing and value addition.**

12. **Of the 1,272 million metric tonnes of lint produced in French-speaking Africa in 2018, only 19,000 tonnes, or 1.5%, was consumed (i.e. processed) locally, for example.**

13. **This clearly reveals the existence of under-exploited potential.**

14. **Increasing yields, according to the experts of the International Cotton Advisory Committee (I.C.A.C.) is necessary to improve the performance of the cotton sector in Africa.**

15. **The challenge members of the development community face here today relates to how to calibrate development assistance projects in a way that concretely and effectively helps farmers to seize the various untapped potential linked to their cotton production.**

16. **A good example is provided by the case of cotton by-products.**

17. **According to the I.C.A.C., "cottonseed by-products have growing markets and are potentially an important complementary source of revenue for the cotton sector in Africa."**

18. **I.C.A.C. estimates that Africa produces about 2.5 million tonnes of cottonseed, which is 5.8% of global production. Only 75% of the seed is crushed for oil and seed-meal, and that means that 25% of cottonseed produced in Africa goes unused. The estimated value of that unused seed is about US\$237 million.**

19. Accordingly, processing a greater proportion of cottonseed into oil could generate additional income, substitute for imported edible oil and increase food security.

20. In addition to cottonseed oil, we know from work conducted by UNCTAD and ITC that animal feed and heating fuel can also be obtained in significant quantities from the cotton sector in Africa, with inclusive investments and appropriate marketing strategies.

21. Besides the by-products of the ginning process, cotton stalks represent another instance of untapped opportunities, as we shall hear from a number of our speakers today.

22. Stalks represent 80% or more of the cotton plant's total mass, which is almost entirely wasted in Africa. Yet, farmers could benefit directly from utilizing the stalks they would otherwise burn in their fields, either by selling them to a processor or engaging in small-scale processing themselves.

23. As we shall hear today, UNCTAD and ITC are proposing a set of activities to support African farmers' efforts towards exploiting the full potential of cotton by-products.

24. I will conclude with a more generic note on development assistance flows to the cotton sector.

25. Based on the information notified to the Secretariat under the Evolving Table on cotton development assistance, we observe that, in the period 2008-2017, US\$490 million (with 182 projects) went to development assistance for the cotton sector worldwide.

26. Of these US\$490 million, US\$420 million went to Africa for 180 projects (C4 benefited US\$225 million (for 119 projects completed)).

27. I think that commenting these figures in the aggregate does not provide the whole picture, because each of these projects has a story of its own that deserves close attention and analysis in both quantitative and qualitative terms.

28. There are stories of success and project effectiveness, and stories highlighting the need to revise and change certain project elements.

29. To cite I.C.A.C. once again, the fact that at the WTO we conduct these open discussions about cotton projects is quite unique in the world of commodities.

30. Our work on cotton development assistance at the WTO places great importance on transparency and information sharing. The results and lessons learned from some of the projects notified to the Secretariat for inclusion in the Evolving Table have been, and will keep on being, analysed and discussed at the WTO through our regular cotton meetings.

31. Thank you.