

Statement at the 66th ICAC Plenary Meeting

Japan Spinners' Association
The Japan Cotton Traders Association

It is my great pleasure to make a presentation to distinguished representatives of the leading cotton producing and consuming countries who participate in this meeting. I wish to express my sincere appreciation to the staff members of the Organizing Committee in Izmir and Dr. Terry Townsend, the Executive Director, ICAC for giving this opportunity for me.

On behalf of both sectors of Spinners and Cotton Traders in Japan, I would like to report on the current situation on Japanese cotton industries and to make some proposals as a cotton consuming country in relation to cotton production.

1. Current Situation of Japanese Cotton Industry

In Japan, the robust performance in the corporate sector contributes to the moderate recovery of the economy. However, there are some differentials in performance on each domestic industry sector.

The Japanese Textile Industry, especially cotton sector, loses its share in the domestic market mainly due to rapid increase of textile imports, mostly consisted of made-up goods, and, as a result, continuously reduces its production capacity year by year. Japan's imports of cotton made-up goods increased by 12 % for the last 5 years to 702 thousands metric ton in 2006, as against 627 thousands tons in 2001. Japan's total imports of cotton products including cotton yarn, fabrics and made-up goods increased by 14% during the same period to 1.094 million tons in 2006, as against 0.958 million tons in 2001.

Japan's spinning capacity recorded the highest 11.76 million spindles in 1972 and since then decreased year by year to 2.75 million spindles in 2001, and to 1.55 million spindles in 2006. Japan's total imports of cotton decreased by 43% to 136 thousands tons in 2006, comparing with 240 thousands tons in 2001.

On the other hand, however, the relocation of spinning capacity to overseas is proceeding and total 2 million spindles, it is estimated, works at the joint-venture mills in Southeast Asian and South American countries.

2. Proposal for Cotton Producing Countries

(1) Offering "High Spinnability Cotton"

No high-class cotton products are made without the right quality and defect-free yarns and these high quality yarns heavily depend on raw cotton quality.

For producing desirable and trouble-free yarns, we spinners need the cotton that is contamination-free with less neps as well as desirable on qualities in the regular properties of grade, staple length, micronaire and fiber strength.

In addition, the efficiency of the spinning operation, which is the determining factor of the production cost, is equally important to maintain yarn quality. We strive to process cotton at high speeds while preventing yarn breakage, and improve the spinning yield while reducing the outbreak of the cotton waste.

We, cotton consumers, are wishing for the cotton that satisfy two objectives of quality and efficiency at the same time and, therefore, sincerely request producers to strive for producing such cotton as “High Spinnability Cotton”.

(2) Facilitating Commercial Standardization of Instrument Testing of Cotton (CSITC)

We understand that traditional hand classing is unable to provide full technical information required for processing of cotton in spinning mills and that it is becoming more difficult to maintain the conventional classification system of cotton with worldwide shortage of trained and experienced classers and, therefore, expect that the current Hand Classing based system will be replaced by the Instrument Testing based system in the near future. In view of this, we highly appreciate of the activities of the ICAC Task Force on Commercial Standardization of Instrument Testing of Cotton (CSITC).

We consider it very important to establish the reliability of the Instrument Testing through the round trial carried out now and to introduce the additional parameters of the nep, trash, maturity and short fiber index into the classification system at the earliest possible opportunity.

(3) Environment- Friendly Cotton production

We hope cotton production to be sustainable, and for the purpose, the adoption of Integrated Pest Management and other better Management that enable producers to improve resource use, to reduce environmental outcomes waste and to strengthen relations with local stakeholders.

Thank you very much.

Table 1 Spinning Capacity and Yarn Production in Japan

	Spinning Capacity			Yarn Production (1,000 Metric Tons)				
	Ring Spindle (1,000Spds)	OE Roter (1,000Roters)		Cotton Yarn	Rayon Yarn	Synthetic Fiber Yarn	Others	
1997	3,880.0	94.1	3,974.1	183.5	43.1	214.5	64.3	505.4
1998	3,677.1	86.3	3,763.4	173.4	31.0	177.1	49.6	431.1
1999	3,383.6	68.6	3,452.2	171.0	25.1	158.7	45.7	400.5
2000	2,920.7	65.3	2,986.0	158.8	22.3	146.6	37.7	365.4
2001	2,684.8	60.8	2,745.6	139.5	18.2	122.6	31.8	312.1
2002	2,514.3	58.2	2,572.5	122.2	12.1	95.5	28.1	257.9
2003	2,215.8	51.1	2,266.9	107.5	11.6	87.3	23.0	229.4
2004	1,992.6	51.1	2,043.7	103.3	10.8	77.8	21.1	213.0
2005	1,803.3	51.1	1,854.5	91.9	10.0	65.6	18.1	185.6
2006	1,506.7	46.6	1,553.3	78.1	9.8	61.1	19.0	167.9

Source : Ministry of Economy, Trade and Industry

Table 2 Japan's Imports of Cotton Yarn, Cotton Fabrics And Cotton Made-Up Goods

Unit : 1,000 Metric Tons (Million Sq. Meter)

	Cotton Yarn				Cotton Fabrics a)				Cotton Made-Up Goods		
		Pakistan	Indonesia	China			China		China	Vietnam	
1997	202.0	107.6	27.0	22.9	106.2	(753.2)	75.6	(577.9)	382.3	280.0	14.6
1998	155.0	78.2	29.0	17.5	90.5	(650.1)	67.2	(516.9)	368.2	280.0	13.4
1999	160.6	74.8	37.4	17.2	103.8	(744.3)	73.3	(569.1)	439.2	348.3	14.7
2000	124.3	59.4	26.8	12.3	96.9	(686.8)	67.2	(515.1)	578.0	468.0	18.6
2001	110.8	44.1	23.7	14.7	85.8	(591.2)	60.7	(445.2)	626.5	535.5	18.2
2002	102.7	35.0	21.8	17.8	77.7	(549.6)	57.3	(428.4)	612.2	537.7	16.9
2003	104.2	27.0	24.0	23.0	81.8	(564.9)	57.3	(432.1)	653.1	537.7	16.9
2004	94.5	24.9	20.6	21.6	75.8	(505.9)	54.3	(383.8)	685.5	615.3	19.8
2005	83.0	28.0	17.4	14.8	72.9	(501.0)	53.4	(387.9)	692.3	622.9	21.6
2006	73.4	22.9	14.5	14.6	37.3	(459.6)	49.4	(355.4)	701.7	632.9	23.1

Source : Ministry of Finance

Table 3 Japan's Raw Cotton Imports by Country

Unit : Metric Ton

	U.S.A	Australia	Brazil	India	Syria	Egypt	Others	Total
1997	138,905	90,344	0	19,627	2,234	4,376	37,469	292,955
1998	141,724	114,795	0	7,342	4,904	5,871	28,373	303,009
1999	87,296	130,447	0	8,290	10,145	4,124	27,984	268,286
2000	95,857	128,640	0	8,014	12,246	4,421	25,872	275,050
2001	78,158	135,693	179	5,255	2,033	3,514	14,842	239,674
2002	91,641	96,987	2,841	5,006	4,773	4,135	19,669	225,052
2003	79,346	69,652	15,696	6,949	6,882	3,885	17,156	199,566
2004	65,073	50,861	27,006	4,175	1,969	4,198	13,771	167,053
2005	62,033	39,108	30,572	4,791	11,025	4,068	17,029	168,626
2006	55,658	33,647	26,024	5,011	3,726	2,347	9,161	135,574

Source : Ministry of Finance