

**I am a representative of: EGYPT**

**Signature: Dr. Mohamed Negm, Head of Egypt Delegates**

**Date signed: 29-11-2019**

Dear Members of delegations and representatives of international bodies and organizations participating in the 78th Plenary Meeting of the International Cotton Advisory Committee.

I am honored to deliver the statement of the Arab Republic of Egypt at this important international forum for cotton.

At the outset, I would like to express on my own behalf and on behalf of the Egyptian delegation and the people and government of my country, thanks and gratitude to the people and the Government of Australia, especially the city of Brisbane, for hosting this important conference and for receiving them well.

I would also like to thank all the participants, including official delegations, observers, and representatives of international organizations, the Executive Director, the members of the Secretariat and the Interpretation Group and the organizers of this Plenary Meeting.

**Dear Mr. Chairman, Dear Distinguished Delegates**

**On behalf of Mr. Mohamed Khedr, Chairman of Egyptian Delegate, and Chairman of Cotton Arbitration and Testing General Organization,** It is for me an honor and great privilege to have the rare opportunity and pleasure to deliver this statement to this very historical, to us, ICAC plenary meeting, which wishes first and foremost to recognize the important role played by the ICAC, the leading international forum of the cotton activities. Today cotton still remains the most important raw material by far in the textile industry.

**Current Egyptian Cotton Situation**

In 2019/20, cotton area harvested is forecast to drop by almost 30 percent to 102,000 ha, from 142,000 ha in 2018/19. The total production decrease to 67,000 tons, down from 124,000 tons last season; a 30 percent decrease. The decrease attributes to the low price of cotton in 2018 and the devaluation of US Dollar against the Egyptian Pound. High carryover from the previous season decreased prices and discouraged farmers from planting cotton in 2019. In 2019/20, imports are forecast to increase to 120,000 tons.

## **THE EGYPTIAN COTTON PROJECT" - PROMOTION OF SUSTAINABLE COTTON IN EGYPT**

The United Nations Industrial Development Organization (UNIDO) has launched "The Egyptian Cotton Project" to advance sustainability of the whole Egyptian cotton value-chain. One of the key activities is to train cotton farmers on more sustainable cotton production practices. The aim is to reduce the impact of cotton production on the environment while improving conditions for cotton producers.

The ultimate aim of the project is to improve the economic, social and environmental performance of Egyptian cotton farmers and processors at the national level. To achieve this goal, the project participant Better Cotton Initiative (BCI) in coordination with other implementing partners which support UNIDO on the activation of the pilot area. BCI will provide cotton farmers with guidance and relevant expertise on more sustainable cotton production practices, including water stewardship, the use of biological pesticide alternatives and decreased reliance on synthetic fertilizers. In addition, educational projects are being set up in schools, including lectures on sustainable cotton cultivation and on spinning and weaving processes, in order to sensitize young people at an early stage and make it easier for them to start working in this sector.

## **EGYPT'S FARMERS WELCOME NEW COTTON TRADE STRATEGY**

In an attempt to restore the Egyptian cotton's global standing, the Egyptian government unveiled in June 30 2019 a new cotton trading system in Egypt that already apply piloted in Fayoum and BeniSuef governorates during the current harvest season 2019/2020. The system aims at overcoming the disadvantages of the previous trading system and achieving the highest returns for farmers.

There are 17 centers to receive cotton from farmers directly — without an intermediary — will be designated in the governorates of Fayoum and BeniSuef. Cotton will only be received through identification cards and agricultural holding cards, to prevent any fraud by intermediaries.

According to the new system, special packs made of jute to protect the cotton from contamination will be made available to farmers in the first week of cotton picking season at the new cotton centers, which are run by a subsidiary of the Cotton and Textile Industries Holding Company, Egypt's largest end consumer.

Furthermore, sales will be made through public bidding based on the global price in the cotton exchange market.

Under the old system, the government would set a fixed price for cotton. In 2018, the price of one seed cotton kantar (157.5 Kg) of cotton in the Nile Delta was set at 2,700 Egyptian pounds (\$163) and 2,500 Egyptian pounds (\$151) in Upper Egypt. Farmers complained about those prices, describing them as “unfair” as they do not cover cost of production.

The success of the new system in restoring the global standing of the Egyptian cotton depends primarily on state intervention to protect the farmer and on imposing rigorous control. The new cotton trading system act as a commodity exchange, and the price will change on a daily basis, following the global market trends that are now difficult to determine.

## **MODERNIZATION OF THE TEXTILE INDUSTRY OF THE PUBLIC SECTOR OF EGYPT**

In June 2019, the Cotton & Textile Industries Holding Co. of Egypt kicked off the implementation of a major modernization program. The program, supported by the Egyptian government, aims to upgrade Egypt’s upstream textile industry to support its competitiveness to become a major regional sourcing hub in the Mediterranean region.

The restructuring program performed and supervised by International Consultant Bureau aims to restore Egypt’s prominent position in the world markets, capitalizing on the global renown fine Egyptian cotton fiber.

The program includes the modernization of Ginning, spinning, weaving, knitting, dyeing, finishing, printing and confection, based on a product line definition which brings forth added value to Egyptian cotton, from cotton farming to ready-made goods with world class level in terms of quality and efficiency – aiming to support Egypt Private Sector upstream manufacturers competitiveness in the world markets.

The total value of the program is approximately 1 Billion Euros.

## **ANNOUNCING THE WORLD COTTON RESEARCH CONFERENCE-7**

We are pleased to invite you to One of the world’s most important events on cotton research will take place in Egypt, on October 3 – 7, 2020. The city of

SharmEl-Sheikh will host the World Cotton Research Conference (WCRC-7), which will bring together cotton researchers and specialists from around the world. The event will be a great opportunity for researchers to present the results of their work, expand and strengthen their professional contact network and learn about the most important research done in the world.

The WCRC-7 will be a joint event with the International Cotton Researchers Association (ICRA), an entity that represents cotton researchers throughout the world. These investigators will bring their vast experience in the field, accumulated after six conferences held in different countries. The International Cotton Advisory Committee (ICAC) will participate in the organization.

**With these few remarks, I would like to wish you every success in your deliberations.**