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## Switzerland Country Report International Cotton Advisory Committee (ICAC) Year 2021

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### Historical relevance of Cotton for Swiss Industries:

While Switzerland does not grow cotton, it has been an essential element of the industrial fabric of the country. Cotton has been woven in Switzerland as early as 1380, and Geneva developed into one of the principal gateways into Europe for raw and spun cotton. Things have evolved, and while the main production sites no longer reside in Geneva, Swiss-based companies trade about one-fourth of the global cotton trade. Indeed, Switzerland is home to several of the major trading companies and many dedicated NGOs that support the growth of sustainable cotton worldwide. With over 200 Swiss textile companies, Switzerland remains a committed player in the world of cotton.

### Cotton in the World:

Switzerland welcomes the fact that the United Nations General Assembly recognized the 7th of October as World Cotton Day. Even though this year's celebration had to take place primarily virtual, it was an opportunity to recognize the global importance of cotton. We must continue bringing together senior government officials, cotton and textile industry professionals, national and international organizations, and the private sector business executives to discuss and reflect the importance of cotton as a global commodity.

Switzerland supports the ICAC in its mission to serve as a valued source of objective information about cotton and a forum to discuss developments in the world of cotton. Consumer's education regarding the ecological and economic benefits of cotton must remain a priority task of ICAC. We believe it is important for the organization to strengthen its activities in the field of sustainable cotton and, in particular organic and Fairtrade cotton.

On the supply side, we see an increase in world production while, at the same time, China and India have seen their production decrease. The global Covid Pandemic certainly has affected our industry, and we must be cognizant of it. Here, we support ICAC on the survey it launches, and we are looking forward to reading its analysis of the results. Cotton farmers in developing economies face numerous challenges: monoculture cropping systems, water scarcity, and over-application of chemical pesticides and fertilizer have sometimes led to health problems, depleted soil fertility, and reduced yields. In some places, the low yields combined with volatile world market prices resulted in negative gross margins and increased indebtedness of farmers. Under such circumstances, organic agriculture can offer a way out of indebtedness and reduce farming families' health hazards. With reduced expensive and harmful chemical inputs, farmers will have a better income and a better quality of life. Educating consumers about the benefits of organic cotton will create an increased demand for such products, allowing cotton growers to get the price they deserve for the quality they produce.

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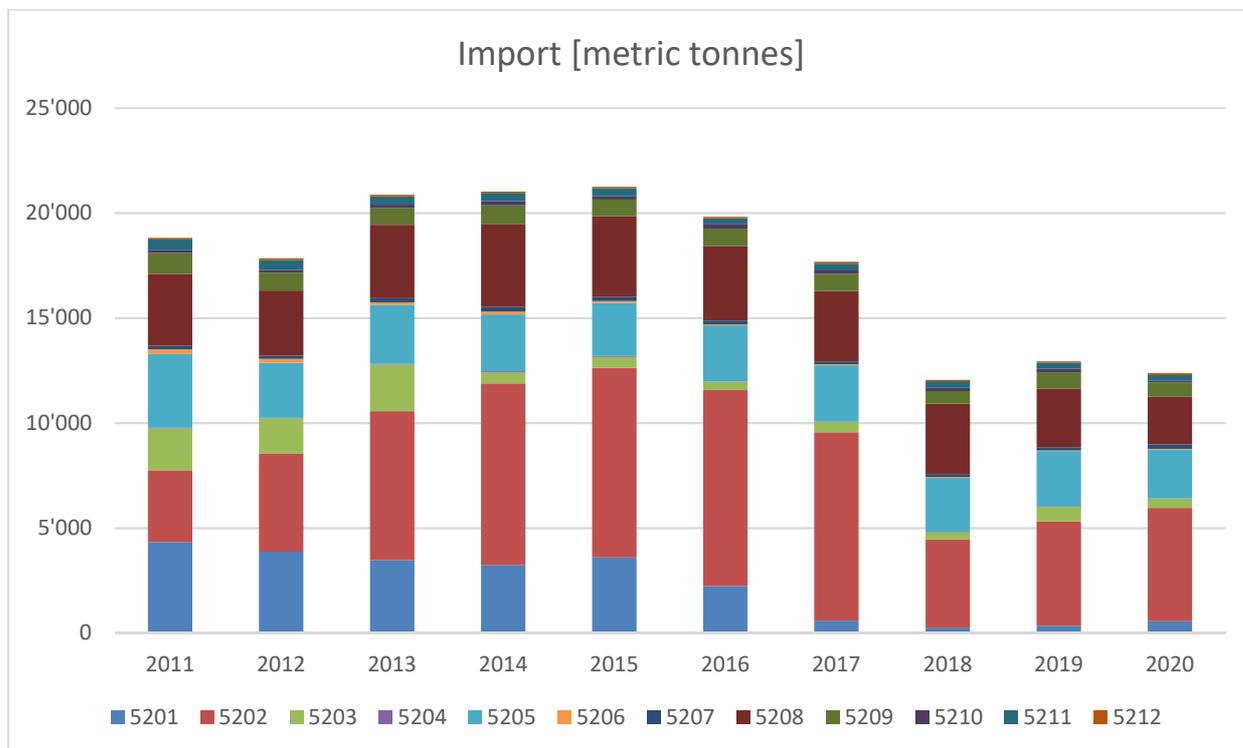
## Swiss Import and export of Cotton in the last 10 years:

This section encompasses the main statistical numbers for import and exports of Cotton in/from Switzerland for the last 10 years. Numbers are broken down to the different type of cotton imported/exported. All data can be accessed and pulled from the Swiss Import Export Statistic office website at: <https://www.gate.ezv.admin.ch/swissimpex/>

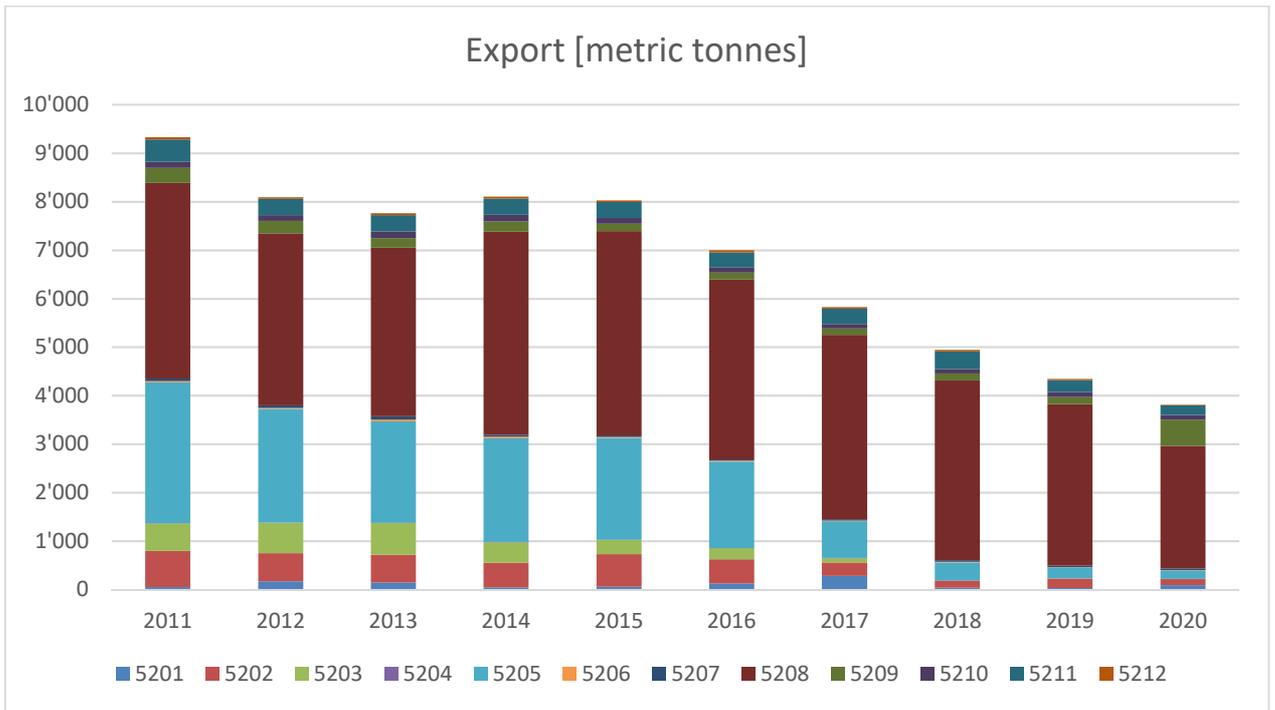
Legend:

H.S. code	Description
5201	Cotton, neither carded nor combed
5202	Cotton waste, incl. yarn waste and garneted stock
5203	Cotton, carded or combed
5204	Cotton sewing thread, whether or not put up for retail sale
5205	Cotton yarn other than sewing thread, containing $\geq 85\%$ cotton by weight (excl. that put up for retail sale)
5206	Cotton yarn containing predominantly, but $< 85\%$ cotton by weight (excl. sewing thread and yarn put up for retail sale)
5207	Cotton yarn put up for retail sale (excl. sewing thread)
5208	Woven fabrics of cotton, containing $\geq 85\%$ cotton by weight and weighing $\leq 200$ g/m <sup>2</sup>
5209	Woven fabrics of cotton, containing $\geq 85\%$ cotton by weight and weighing $> 200$ g/m <sup>2</sup>
5210	Woven fabrics of cotton, containing predominantly, but $< 85\%$ cotton by weight, mixed principally or solely with man-made fibres and weighing $\leq 200$ g/m <sup>2</sup>
5211	Woven fabrics of cotton, containing predominantly, but $< 85\%$ cotton by weight, mixed principally or solely with man-made fibres and weighing $> 200$ g/m <sup>2</sup>
5212	Woven fabrics of cotton, containing predominantly, but $< 85\%$ cotton by weight, other than those mixed principally or solely with man-made fibres

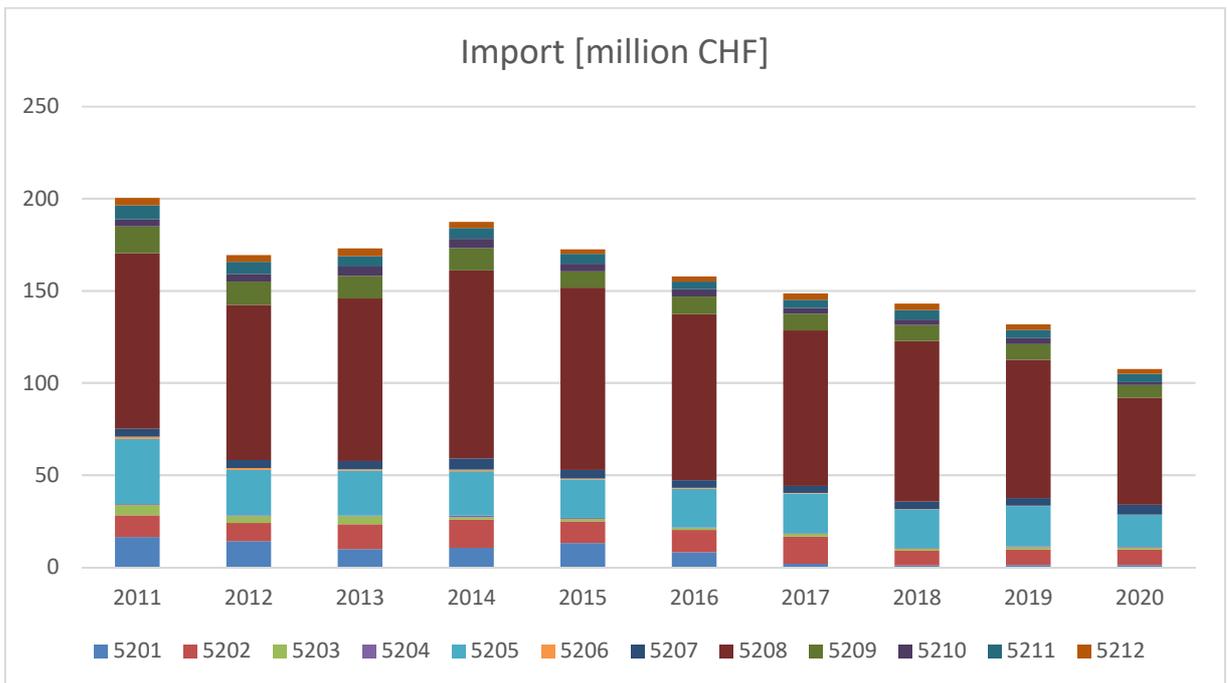
### Imports 2011-2020 (metric tons):



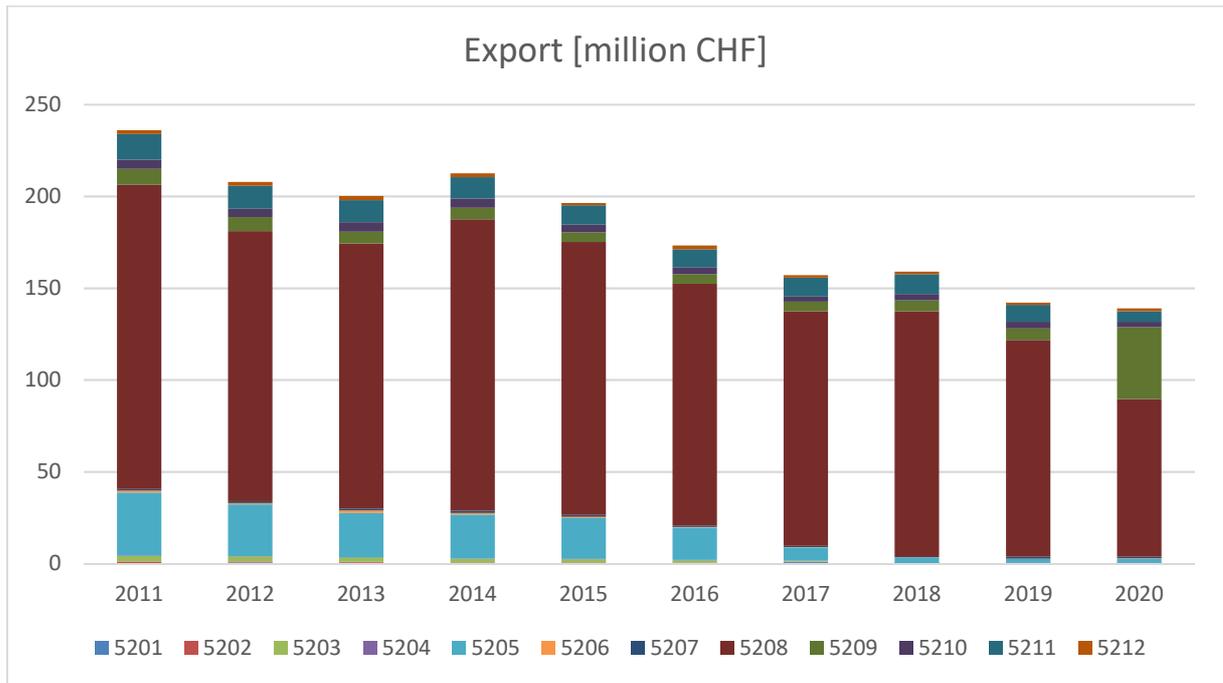
**Exports 2011-2020 (metric tons):**



**Imports 2011-2020 (Value Swiss Francs):**



### Exports 2011-2020 (Value Swiss Francs):



## Swiss initiatives in the sustainable cotton industry

During 2021 Switzerland has been supporting the following initiatives contributing to a more sustainable cotton industry:

**Sustainable Textiles Switzerland 2030 Program (STS 2030):** The STS 2030 program supports Swiss actors in the textile and clothing sector to help them improve the environmental and social impact of their supply chains. It emphasizes integrating transparent and sustainable measures at the core of these companies. With the majority of textile production carried out outside of Switzerland, the program is simultaneously internationally coordinated and specifically tailored to the requirements of the Swiss context. In the long term, the multi-stakeholder program contributes to sustainable development and the sector's competitiveness along the entire value chain.

Three associations *Swiss Textiles*, *Amfori* and *Swiss Fair Trade* are responsible for STS 2030. If needs be, this consortium can be extended, and other organizations added. The Government of Switzerland through the State Secretariat for Economic Affairs (SECO) financially supports STS 2030 and provides strategic support with the Federal Office for the Environment (FOEN). Both ministries are active members of the steering committee. Every Swiss textile and clothing industry actor is encouraged to actively participate in the Sustainable Textiles Switzerland 2030 program.

**Global Textiles & Clothing Program GTEX:** The Global Textiles and Clothing Programme (GTEX) and its related work in the Middle East and North Africa (MENATEX) promotes Textile and Clothing (T&C) exports from countries in Central Asia, the Middle East, and North Africa. The aim is to stimulate employment and income generation along the value chain. Focusing on improving the Textiles and clothing competitiveness of SMEs, the main goal of the GTEX Program is to increase the export competitiveness of SMEs in the textile and clothing sector and to ensure greater employment and income along the textiles and clothing (T&C) value chain. The GTEX program is financially supported by the Government of Switzerland.

Investing in more competitive enterprises in this crucial manufacturing sector can contribute to achieving targets linked to the United Nations (UN) 2030 Agenda, mainly related to the Sustainable Development Goals (SDG) 8 "promoting sustained, inclusive and sustainable economic growth, full and productive employment," SDG 12 concerning "responsible consumption and production," SDG 9 "industry, innovation & infrastructure" and SDG 5 "gender equality."

The envisaged impact of the program is to increase employment and income along the T&C value chain in the six selected priority countries (Jordan, Egypt, Morocco, Tunisia, Kyrgyzstan, Tajikistan). To achieve this long-term objective, the program foresees to accomplish two major outcomes by the end of the program. One is related to the institutional infrastructure around the sector in the priority countries, including policy aspects, where required, and is formulated as “Improved business environment and Trade and Investment Support Institutions (TISI) performance in the T&C sector.” The second outcome targets the enterprise level and is formulated as “Improved competitiveness of Small and Medium-sized Enterprises (SMEs) in the T&C sector.”

***The Delta Project: Bridging the Gap in Measuring Real-Time Sustainability Performance:*** Many sustainability standards and public-sector initiatives promote and drive sustainability within commodity sectors. However, there is no alignment on how data is collected and reported, making it difficult to have a clear view of the collective ability of these programs to progress towards the United Nation’s Sustainable Development Goals (SDGs) on a global scale. As the sustainability standards and initiatives increasingly focus on reliable data and credible reporting, more information is required from producers on their environmental, social, and economic performance. Data collection becomes more time-consuming and costly while not necessarily adding value for producers.

The Delta Framework project focuses on producing a clear, consistent way to measure and report the progress of farms participating in individual sustainable commodity certification schemes. Funded by the ISEAL Innovation Fund, the project will see significant sustainability standard organizations collaborating to create a common framework (or language) for sustainability performance monitoring and SDG reporting across diverse agricultural sectors, starting with cotton and coffee. The founding organizations are Better Cotton, the Global Coffee Platform (GCP), the International Cotton Advisory Committee (ICAC), and the International Coffee Association (ICO).

The result will be a harmonized approach to sustainability performance reporting. It will be designed to support businesses, governments, and not-for-profit actors alike in quantifying and communicating their progress towards the SDGs. It will also provide an opportunity to develop cross-sector services to respond to producers’ collective challenges while reducing their reporting burden and providing a greater incentive to monitor progress. The Delta Project is co-financed by the Government of Switzerland in the frame of an overarching cooperation with ISEAL.

***The Sustainable Trade Initiative IDH Phase II:*** The program aims at delivering systemic scaling of sustainability in agricultural commodity sectors (including cotton) to improve the livelihood of smallholder farmers and workers. It also seeks to help them mitigate and adapt to climate change challenges. It focuses on three core pillars: improving governance, better business practices, and improved field adoption of sustainable farming practices. Public and private actors must align and coordinate through strengthened governance to secure effective structural changes. Business practices of financial institutions, retailers, brands, traders, and producers should change and better integrate sustainable sourcing, investments, monitoring, and service offering to farmers.

The Sustainable Trade Initiative IDH has been determining in the establishment of the Better Cotton Initiative (BCI). BCI is a global not-for-profit organization created to address challenges in cotton production. It is the largest cotton sustainability program in the world: its aim is to transform cotton production by developing Better Cotton as a sustainable, mainstream commodity. IDH and BCI are strategic partner to the BCI Growth & Innovation Fund – with IDH providing the fund management services, in addition to IDH’s role as a funder. Switzerland, together with the Netherlands and Denmark are core donors to IDH.