INTERNATIONAL
COTTON
ADVISORY
COMMITTEE

WORLD COTTON TRADE
December 2021

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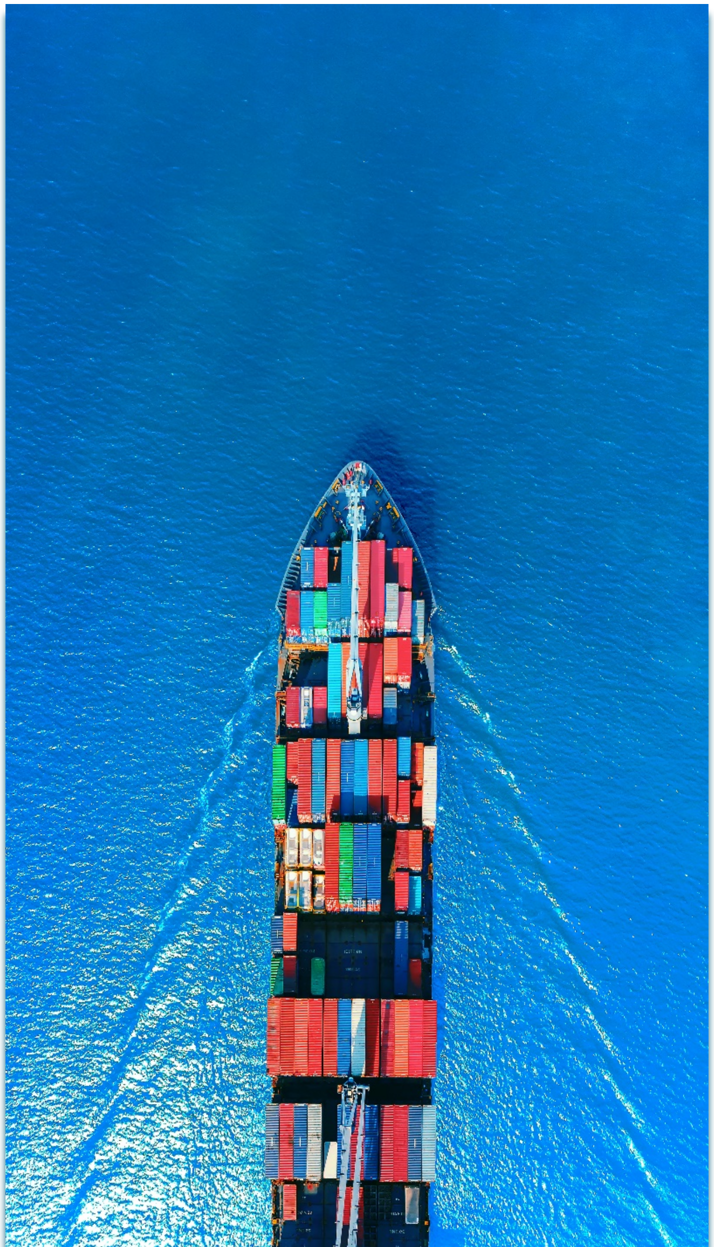

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WORLD COTTON TRADE

December 2021

A Report by the Secretariat of the International Cotton Advisory Committee

This season's report is a revamp of the annual ICAC trade report reporting on information obtained from around 50 cotton trading countries. The report has expanded its scope to include information on trade data for all the partner countries for each reporting country. Another new addition is that the report, starting this year, will also provide information on the value of cotton lint traded, with the data sets already updated for the past seven seasons for each of the reporting countries. The report will be provided in two formats: PDF and Excel.

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Please note that some countries whose ports are used to repost cotton have also qualified as partner countries, but they may not produce or consume cotton lint.

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'The outbreak of the Covid-19 pandemic in early 2020 was the onset of the chain of events that would ultimately halt the global economy, affect consumption and decrease the global cotton export to 9 million tonnes. The markets were enveloped by an unusual slowdown due to pandemic-induced lockdowns, business closures, shipment and transport restrictions, in a way that was never experienced before. The continuous rise in cases and future uncertainties, affected the demand for textiles and apparel and global cotton consumption in the 2019/20 fell by 13%, reducing imports by 6% to 8.7 million tonnes by the end of the season. The first Quarter of 2021 witnessed the rollout of vaccines which helped mitigate the public health crises and assisted in global economic recovery. Eventually the market witnessed a demand rebound. With the revival in consumer demand for non-durable goods, cotton lint demand also revived. Backlogs from the previous season, extra savings and the fresh boost in consumption, increased exports by stronger-than-expected margins to reach 10.6 million tonnes by the end of 2020/21 season, its highest ever level. For the 2021/22 season, with 20 million tonnes of stocks and an estimated production of 25.7 million tonnes, it is estimated that the world trade will remain strong at 10.1 million tonnes'

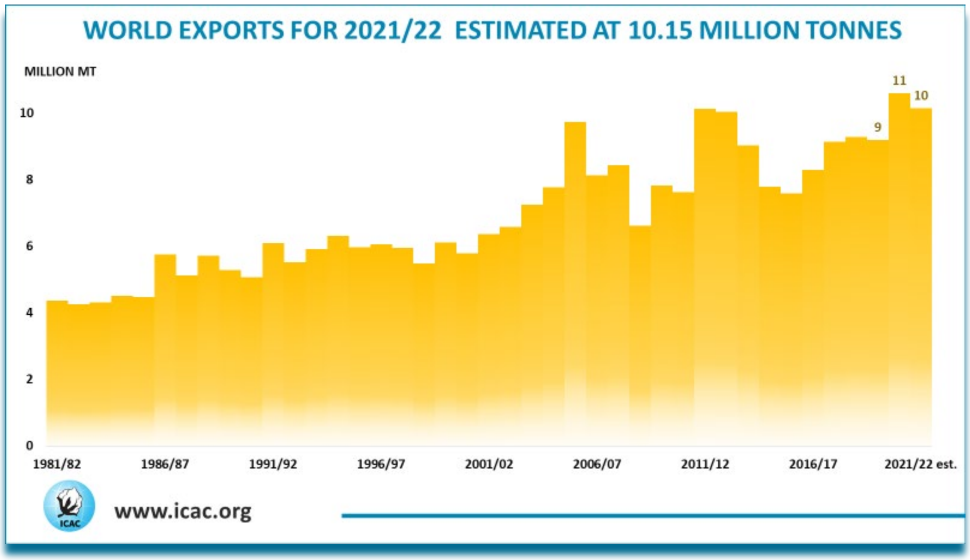
WORLD

Increase in exports and imports

In the 2020/21 season:

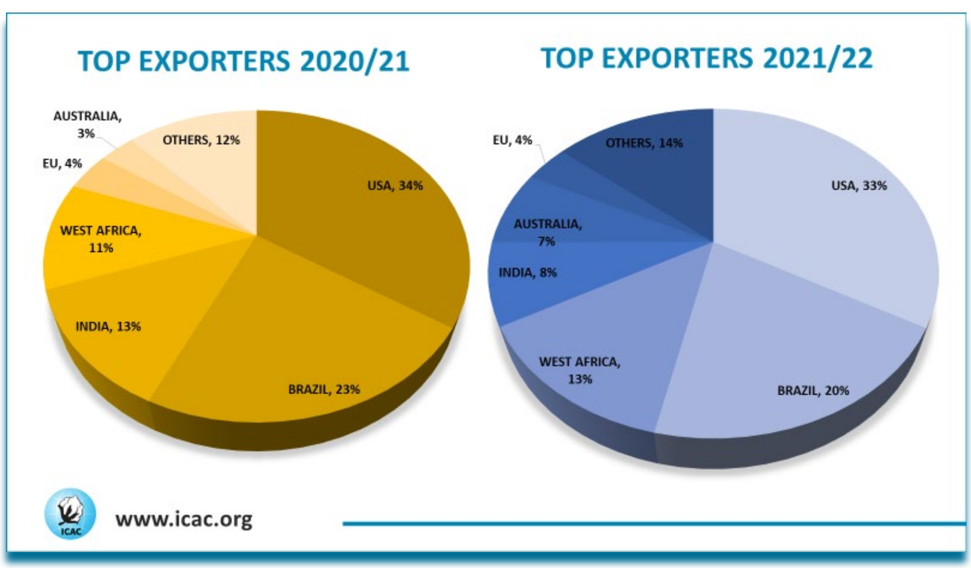
- **World exports at 10.6 million tonnes**
- **World imports at 10 million tonnes**

Substantial changes in cotton trade flows have occurred over the past 20 years. The decline in mill use in developed economies and the rapid expansion of the spinning industry in Asia has led to a major shift in the destinations for world exports. Asia has become the primary destination for cotton shipments over the past 20 years.

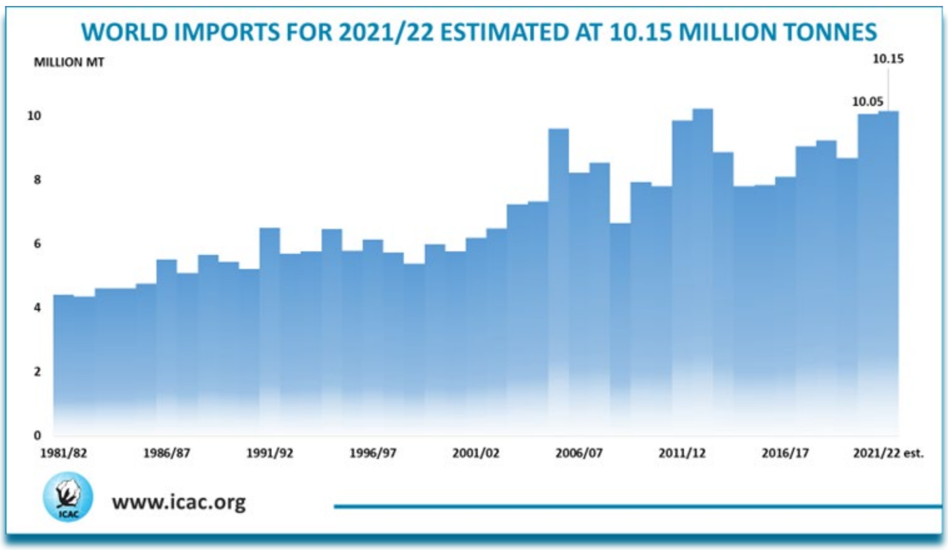


Overall, world cotton exports have shown a healthy growth, crossing the mark of 10 million tonnes thrice: in 2011, 2012 and in the last season. In 2011 and 2012, mostly as a result of a major rebound in demand following the global financial crises and boosted by the Chinese policy of stockpiling domestically produced cotton as well as relying on substantial imports of lower-priced foreign growths. In the previous season of 2020/21, there was predominantly a demand rebound after the great lockdown.

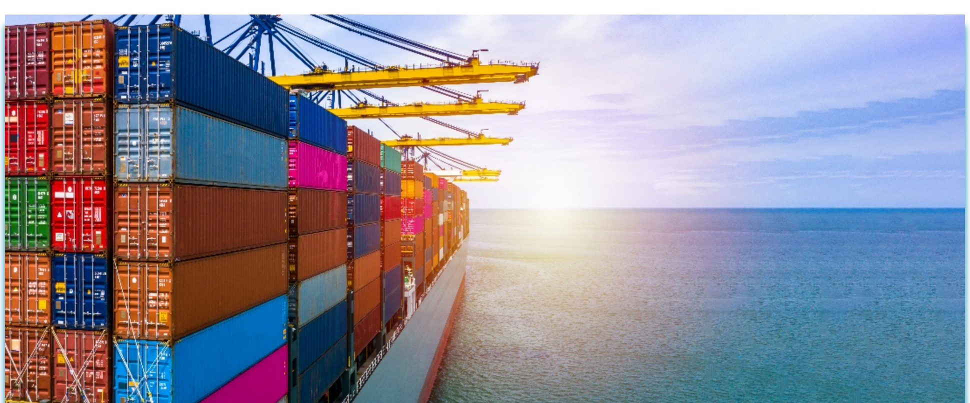
The 2019/20 season saw the outbreak of the 19 pandemic which evoked many mitigation measures across the globe, severely curtailing economic activity. While measures like lockdown and restriction in movements affected the movement of cotton lint to the ports for the exporting countries, store



closures and fall in demand for textiles and clothing impacted the demand for cotton lint, leading to postponing and even cancellation of orders by the cotton lint importing countries. The fall in cotton lint prices created a fall in the value of cotton lint exports (compared to previous seasons) and led to re-negotiations of the already sold contracts to lower prices.



World trade of raw cotton fell less than consumption and the world was left with 22 million tonnes of stocks: the highest for the last 5 seasons. Later, starting in March 2021, the roll out of vaccines helped mitigate the public health crises and assisted in global economic recovery. This recovery boosted consumer confidence and the slowdown in the spread of infections helped in the revival of consumer demand for non-durable goods like clothing and textiles. Eventually, cotton demand revived and back-logs from the previous season and the fresh boost in demand, increased trade by a stronger-than-expected margin to 10.6 million tonnes by the end of the 2020/21 season, its highest level ever experienced. For the 2021/22 season, with 20 million tonnes of stocks and an estimated production of 25.7 million tonnes, it is estimated that world trade will remain strong at 10.1 million tonnes.



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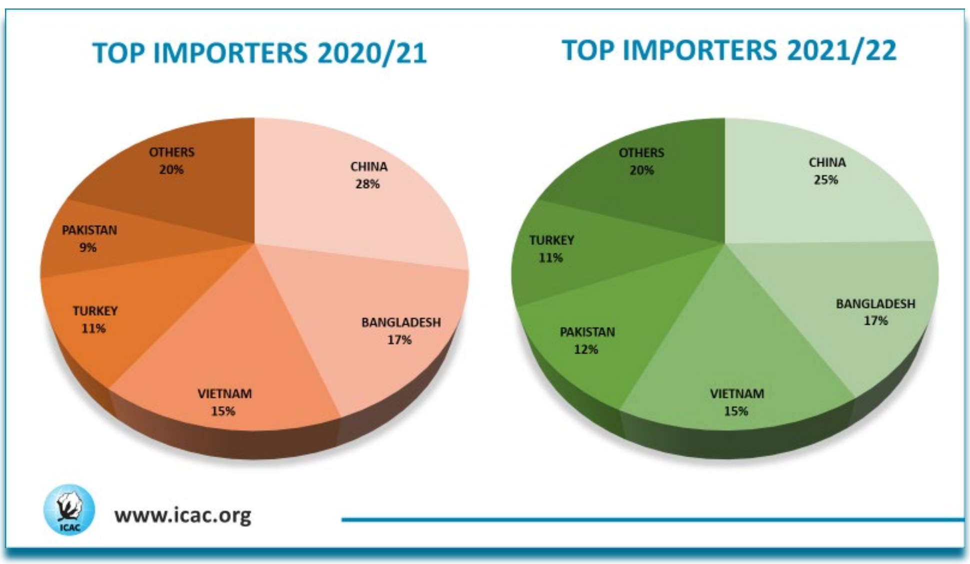
With respect to exports by country, while the top exporters in 2021/22 will remain the same as in the last season, there is a slight change in their share of total world exports.

While the US, Brazil and India may record a small fall, Australia and West Africa region are expected to regain some share. For the 2021/22 season, it is estimated that the United States will be largest cotton exporter followed by Brazil, the West African region, India, Australia and the EU, all together accounting for 86% of world total exports. Within the EU, exports in 2020/21 were led by Greece followed by Spain and that pattern is expected to remain the same for the 2021/22 season. Global consumption in the 2019/20 season fell by 13%, reducing the amount of imports by 6% to 8.7 million tonnes. This was mainly due to the near-total stoppage of cotton spinning and textile manufacturing in March-April 2020. Signs of recovery in consumption started to appear in early March 2021 and this aided imports, reviving them by 16% to reach 10 million tonnes by the end of the season. For the 2021/22 season imports are expected to remain strong at 10.1 million tonnes.

With respect to imports by country, the major importing countries in 2021/22 season will be the same as in 2020/21. In 2021/22, imports will be led by China with approximately 2.5 million tonnes of imports, followed by Bangladesh, Vietnam, Pakistan and Turkey, together accounting for 80% of total world imports. While factory operations have revived in consuming countries, concerns about the spread of Covid-19's new variants and the rise in cases still pose a threat to the recovering cotton sector.



ARGENTINA

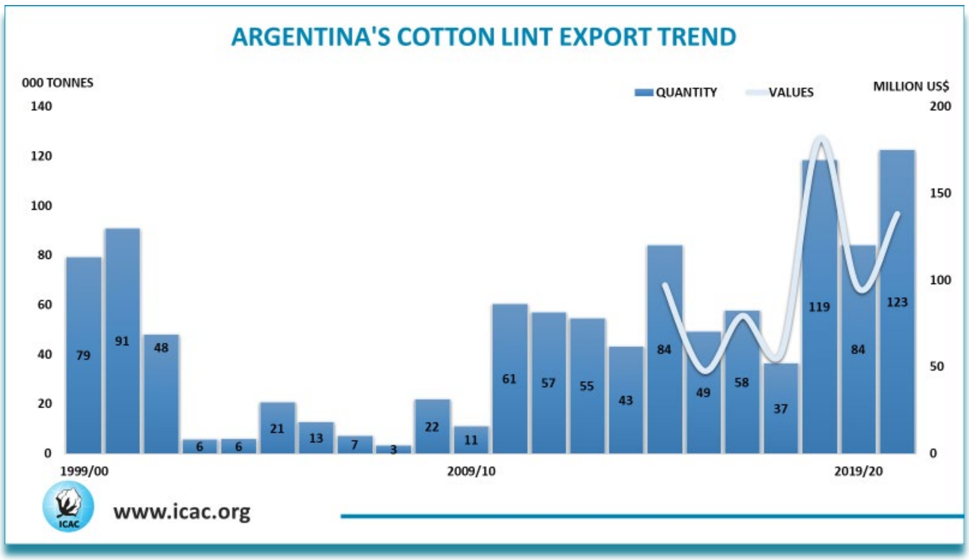
Increase in exports

'Argentina reaches its highest levels of exports in the last 2 decades in 2020/21, with the same major exporting partners as in the previous season'

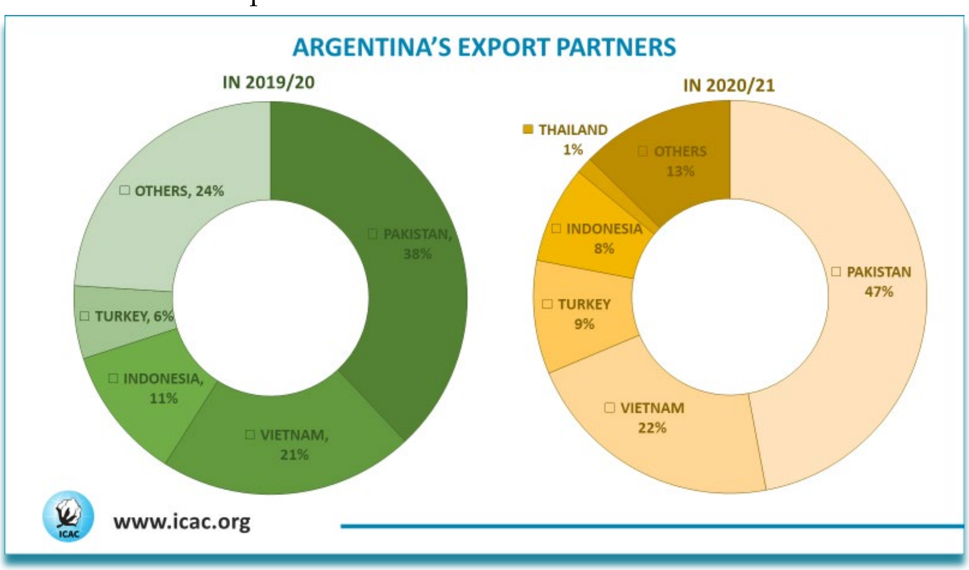
In the 2020/21 season:

- **Exports 123,000 tonnes**
- **Exports value $138 million**

Argentina's exports in 2020/21 increased by 45% to 123,000 tonnes compared to the previous season, the highest for the last 2 decades. A similar trend was seen for exports in value terms where exports increased by 45% to $138 million. The major exporting partners for Argentina in 2020/21 were Pakistan, Vietnam, Turkey, Indonesia and Thailand, together accounting for 87% of total exports and making the continent of Asia its most important export destination. In the previous season (2019/20), Argentina accounted for 1% of total world exports with the highest amount of cotton lint being exported to Pakistan followed by Vietnam, Indonesia and Turkey making the continent of Asia as its most important cotton export destination.



Argentina's exports were the highest in the mid-90s reaching 298,000 tonnes in 1996/97. Following this season, Argentina's exports fell sharply over the next decade being negatively affected by Argentina's depression (1998-2002) and the global financial crises (2007-09). Since then, Argentina has tried to revive its cotton exports.



Exports have increased phenomenally by 224% to 118,000 tonnes in 2018/19, one of the largest increases since the mid-90s. This upward trajectory was affected in the 2019/20 season when exports fell by 29% mostly because of the pandemic induced slowdown in the global economy and trade. However, after the outbreak of Covid-19 in March 2020, Argentina declared agricultural and livestock activities in general, including cotton production, as essential activities. All other cotton activities including cotton ginning were also exempted from the general restrictions imposed due to the pandemic. This helped cushion any further impacts on cotton trade, resulting in a revival of exports in 2020/21. Currently, same levels of exports are projected for Argentina in 2021/22 as experienced in 2020/21, estimating to be 122,000 tonnes.

AUSTRALIA

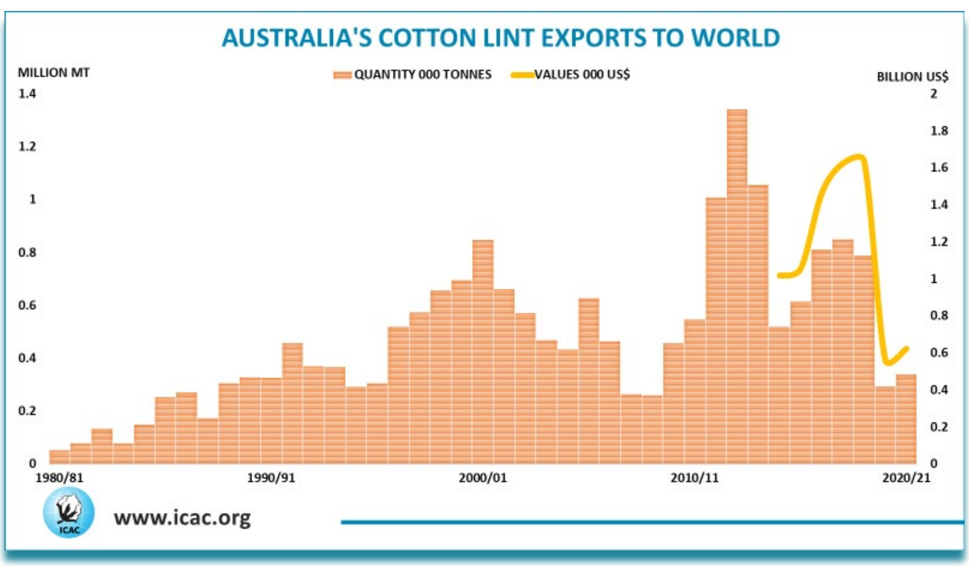
Increase in exports

'After falling by more than 60% in the 2019/20 season, Australia's cotton exports revived by 15% in 2020/21 for quantities and by 10% in value. This is the second lowest level in the last decade'

In the 2020/21 season:

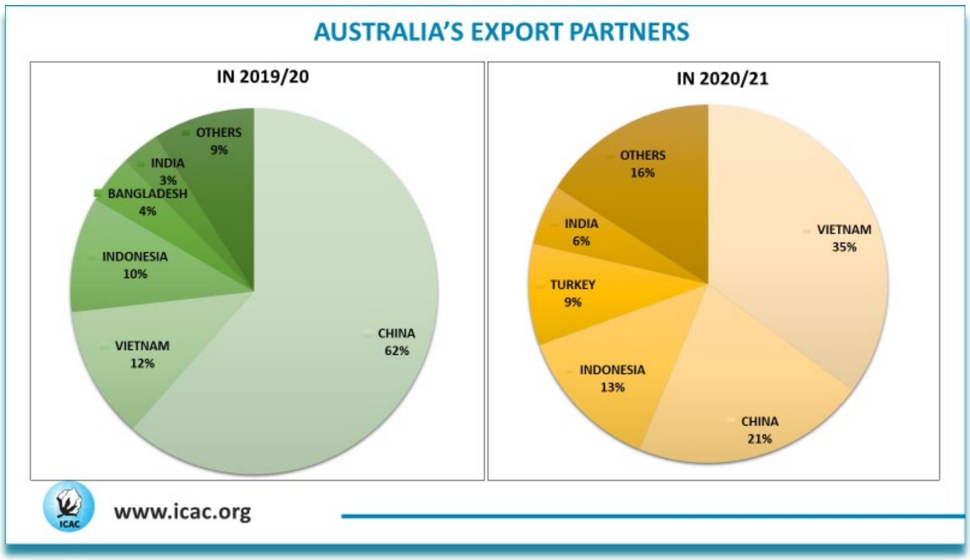
- **World's 6th largest exporter**
- **Exports 340,000 tonnes**
- **Exports value $625 million**

Major exporting partners in 2020/21 were Vietnam, China, Indonesia, Turkey and India respectively, accounting for 84% of its total exports and making the continent of Asia its most important export destination.



- Although revived from previous season, Australia's exports are still considerably lower than its decadal average.
- Another highlight from this season was its trade relationship with China.

China was Australia's largest export destination in the 2018/19 and 2019/20 season and these exports to China fell by 60% in 2020/21 to 72,000 tonnes. While China accounted for 62% of its total exports in 2019/20, it fell to 21% in 2020/21. Some of the reasons that may led to this could have been Australia's call for an international inquiry into China's handling of the coronavirus outbreak. Although no tariff restrictions were imposed on cotton, the export of cotton was sluggish in 2020/21. Another reason, stated by China, was the availability of quality cotton domestically.



The estimates for the 2021/22 season indicate a revival in Australian cotton exports to 749,000 tonnes, a 100% increase from the previous season but still lower than the decadal average. Australia has performed very well with respect to its cotton exports, increasing by around 400% between 1970-2012 and reaching its highest levels in 2012/13. Although it experienced a slowdown in 2014/15, it was climbing an upward trajectory until it was halted due to the pandemic induced slowdown in 2019/20. As most cotton produced in Australia is exported, the Australian cotton sector relies on demand in other countries. The potential for further disruption to production and logistics outside Australia may continue to constrain demand on Australian cotton.

BRAZIL

Increase in export

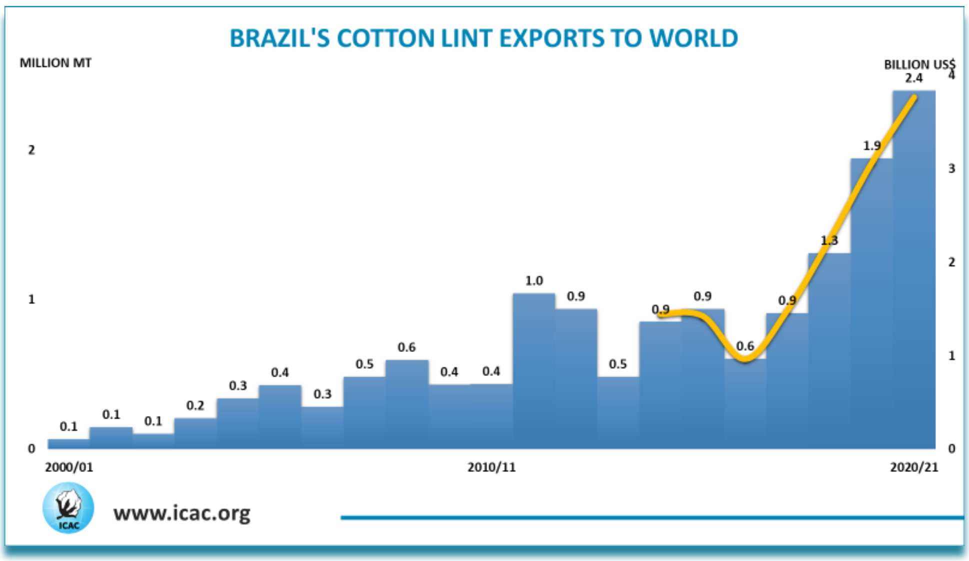
'Brazil's exports increased for the fourth season in a row in 2020/21, 23% higher than the previous season and the highest levels ever experienced. In values as well the Brazilian exports increased by 23% compared to the previous season'

In the 2020/21 season:

- **World's 2nd largest exporter.**
- **Exports 2.4 tonnes.**
- **Exports value $3.7 billion.**

Brazil has emerged to be one of leaders in cotton lint exports during the last 2 decades. In the 2000/01 season, Brazil's cotton lint exports were a mere 68,000 tonnes which has phenomenally increased to the level of 2.4 million tonnes by the 2020/21 season. In the 2019/20 season, while world exports reduced due to the Covid-19 lockdown and shipment delays, Brazil managed to increase its level of cotton lint exports.

Major exporting partners for Brazil in 2020/21 remained the same as in 2019/20 season. The most important export partner for Brazil is China. In the 2018/19 season, Brazil became the major beneficiary of the tariff dispute between the USA and China and was able to increase exports to China sharply, replacing US cotton. The increase was also aided by a significant increase in production in Brazil in 2018/19, which rose by third to a record 2.7 million tonnes.



During the following season, the US-China trade deal came into force, and it was thought likely that China would increase its imports from US, which might have had an effect on China's imports from Brazil. However, in the 2020/21 season, Brazil exported around 721,000 tonnes of cotton lint to China maintaining its share of 30% in its

total exports. To deepen their ties, the China National Cotton Exchange (CNCE) and the Brazilian Association of Cotton Producers (Abrapa) signed a formal MOU in June 2021 encouraging joint market development. Amongst other importers of Brazilian cotton: Vietnam, Pakistan and Turkey saw their share increase in total Brazil's exports compared to the past season. Brazil exported more than 99% of its exports to the continent of Asia making it as its most important export destination.

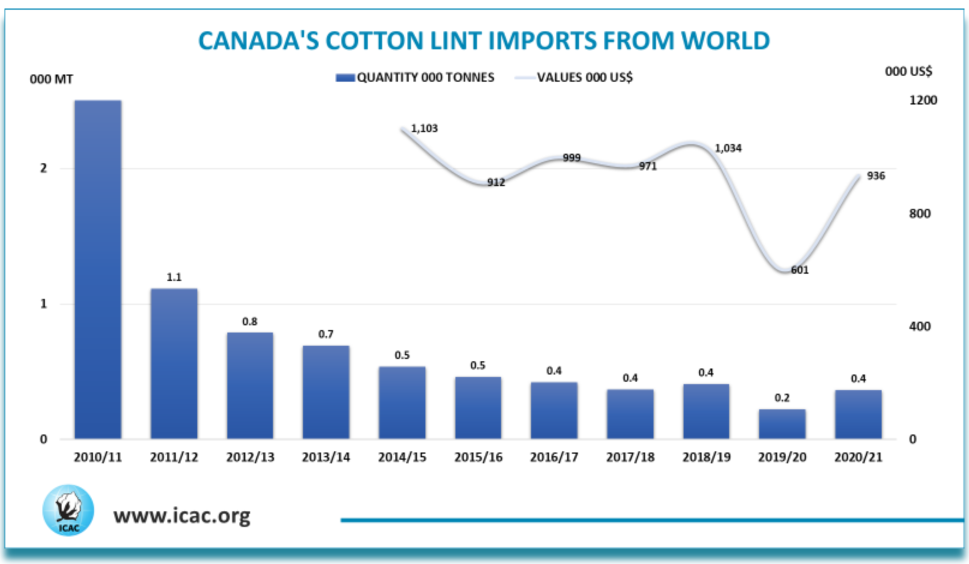
CANADA

Increase in imports

'A small importer of cotton lint; Canada, after experiencing a drop of 45% last season experienced a revival in it imports by 64% in the 2020/21 season'

In 2020/21 season:-

- **Imports 367 tonnes.**
- **Imports value $936,000.**



Canada imports a very small level of cotton lint every year. Peaking in 2000/01 it has followed a downward trajectory ever since. This level of imports fell sharply in 2019/20 but revived again in 2020/21. The major import partners for Canada over the years has been Turkey (55%) and US (38%), accounting to more than 93% of Canada's total imports in the 2020/21 season.

CHINA

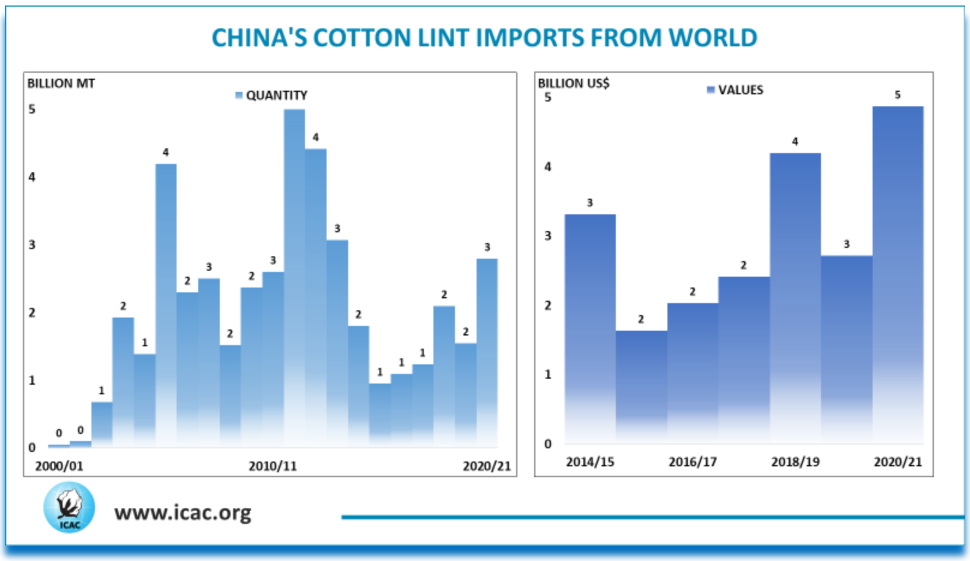
Increase in imports

'China retained its position as the world's largest importer of cotton lint, accounting for 28% total world imports in the 2020/21 season. China recorded an increase of 80% in quantity and value of its cotton lint imports from the last season'

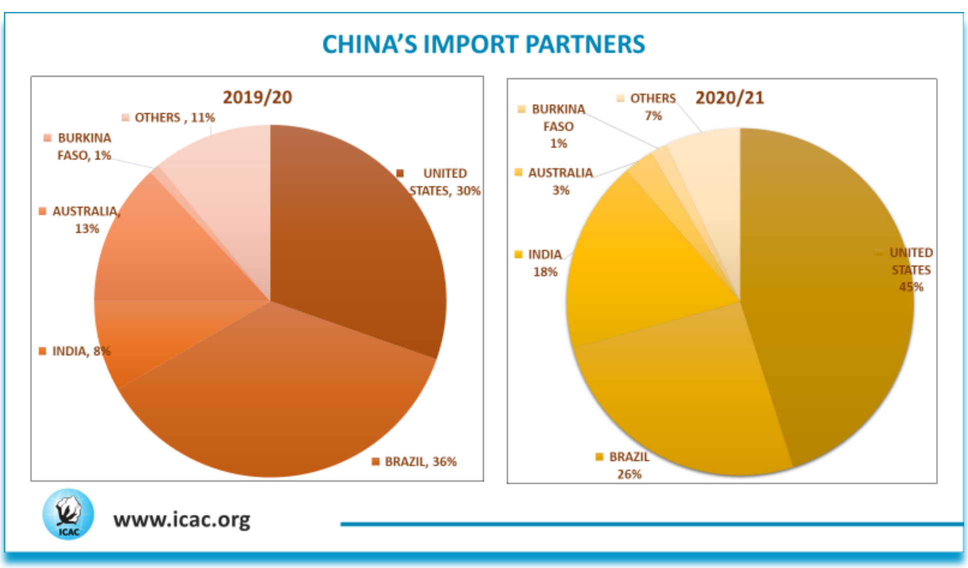
In the 2020/21 season:

- **World's largest importer.**
- **Imports 2.8m tonnes.**
- **Exports value $4.8 billion.**

China is one of the world's largest cotton lint importers, with imports increasing since the early 2000s, peaking at 5.3 million tonnes in 2011/12. It has subsequently decreased from this level, but China's imports are still as high as 2.8 million tonnes.



China's top 5 importers in 2020/21 remained the same as in the previous season. However, while US, India and Burkina Faso saw their shares increase, the shares for Brazil and Australia fell. As mentioned above Australia's share may have dropped due to political differences and the availability of quality cotton within China. The share for Brazil, which increased during the trade dispute between US-China in the 2018/19 season, whilst seeing a decrease is still higher than before the 2018/19 season.



In the next season, some factors that might affect China's cotton lint imports are:

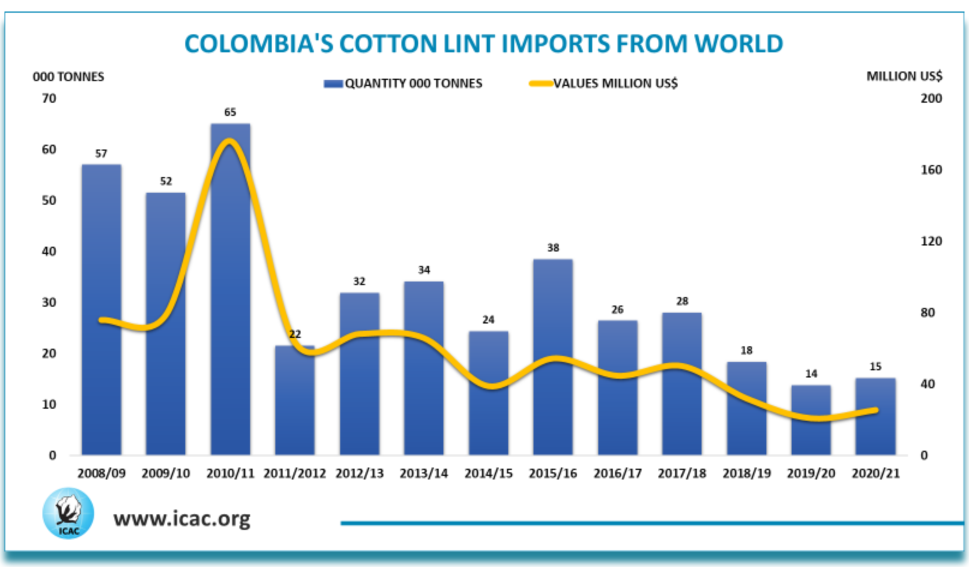
- The US-China Phase One Economic and Trade Agreement which came into force in 2020. In order to expand agriculture trade between the two countries, the Agreement specifies that for agricultural goods (identified in Annex 6.1 of the Agreement), no less than $12.5 billion above the corresponding 2017 baseline amount is to be purchased and imported into China from the USA in 2020; this value for 2021 is $19.5 billion. It was also decided that the trajectory of increase in the amount of goods imported into China will continue from 2022 through to 2025 and that the purchases will be made at market prices based on commercial considerations and that market conditions, particularly in the case of agricultural goods, may dictate the timing of purchases within any given year. This agreement includes the trade in cotton lint between the two countries and is up for renewal in December 2021.
- The import restrictions on the cotton products from western China's Xinjiang region, imposed by the U.S. Customs and Border Protection on raw fibres, apparel and textiles made from Xinjiang-grown cotton. The Department of Homeland Security (DHS) estimates that about $9 billion of cotton products were imported from China into the United States in the past year.

These factors together will define the trade baskets of both China and US.

COLOMBIA

Increase in imports

'Imports by Colombia increased by 10% in the 2020/21 season in quantities and by 22% in value after falling for 25% and 34% respectively in 2019/20 season'



In the 2020/21 season:

- Imports 15,000 tonnes.
- Imports value $25.7 million.

Colombia imports very small levels of cotton lint and its major importing partners have remained the same for the last four seasons: Brazil, US, Argentina and Turkey. In the last decade the most important trading partner for Colombia has been the U.S.A with Colombia importing on an average more than 80% of its total cotton lint imports from the U.S.A. Although, Colombia's total cotton lint imports from the world have reduced, the share of U.S.A. cotton has remained relatively high. However, between 2019/20 and 2020/21, the share of imports from Brazil to Colombia increased from 31% to 59%, while the share of US imports fell from 62% to 27%.

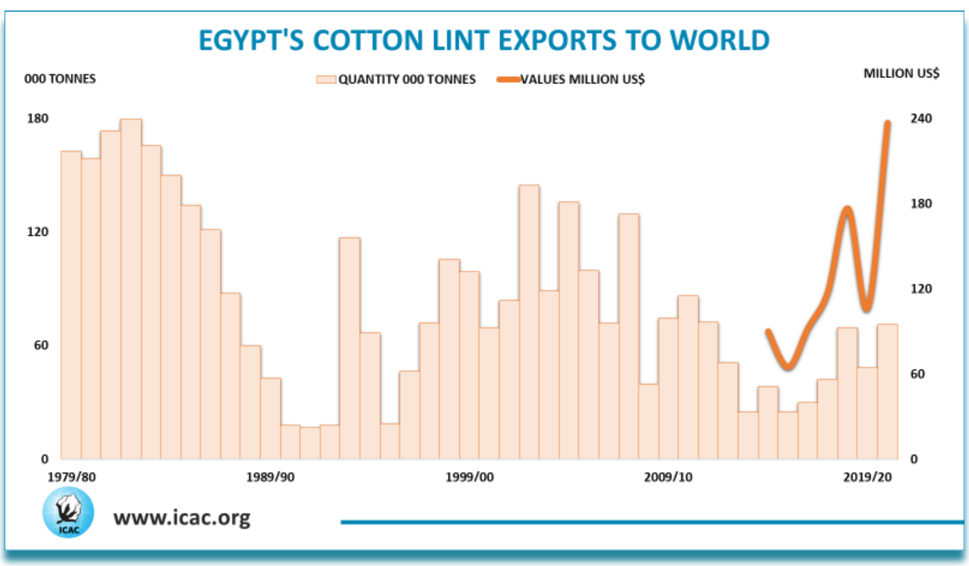
EGYPT

Increase in exports

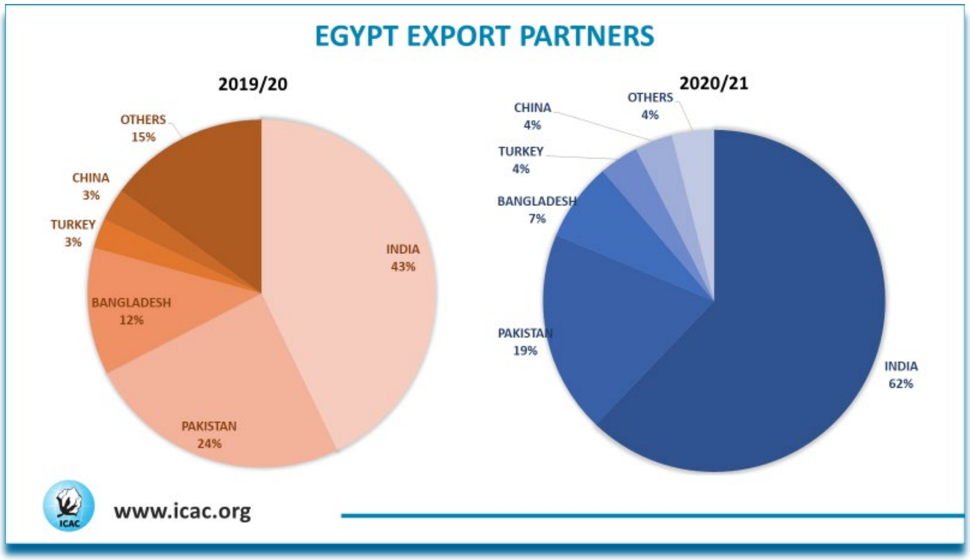
'Egypt's exports increased by 48% in quantity and by 122% in value in the 2020/21 season compared to the previous season, with India absorbing more than 60% of its total exports'

In the 2020/21 season:

- **Exports 71,000 tonnes.**
- **Exports value $237 million.**



Egypt used to export most of its cotton in the 1980's. However, since then it has reduced its exports significantly due to reduced production and higher internal consumption. In the last decade while production has fluctuated between 70,000-130,000 tonnes, consumption has remained consistently over 100,000 tonnes. Whilst Egypt exports only a portion of its production, it still relies on imports to meet its consumption demand.



The major exporting partners for Egypt were same in 2020/21 as in 2019/20. However, while Pakistan's and Bangladesh's share in Egypt's total exports reduced, India saw its share rise from 43% to 62% in 2020/21 compared to the previous season. In the last 6 seasons, India has accounted for 40% or more of Egypt's total exports. The primary reason for this trade partnership is the India-Egypt Bilateral Trade Agreement which has been in operation since March 1978 and is based on the Most Favored Nation clause. According to the Egyptian Central Agency for Public Mobilization and Statistics (CAPMAS), in the season of (FY) 2020/21, India was the 6th largest importer of Egyptian goods. India imported a total of $1890 million worth of goods from Egypt, out of which cotton was the 4th largest amount of commodity imported. Egypt exported around 96% of its total cotton lint to the continent of Asia, making it Egypt's most important export destination.

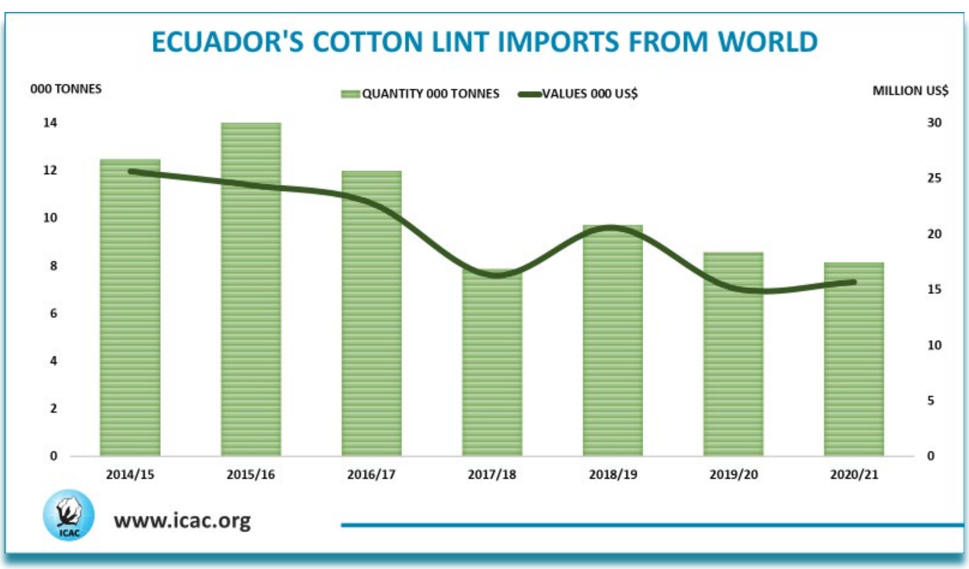
ECUADOR

Decrease in imports

'Ecuador reduced the amount of cotton lint imports for 2020/21 by 5% compared to 2019/20'

In the 2020/21 season:

- **Imports 8,100 tonnes**
- **Imports value $15.7 million**



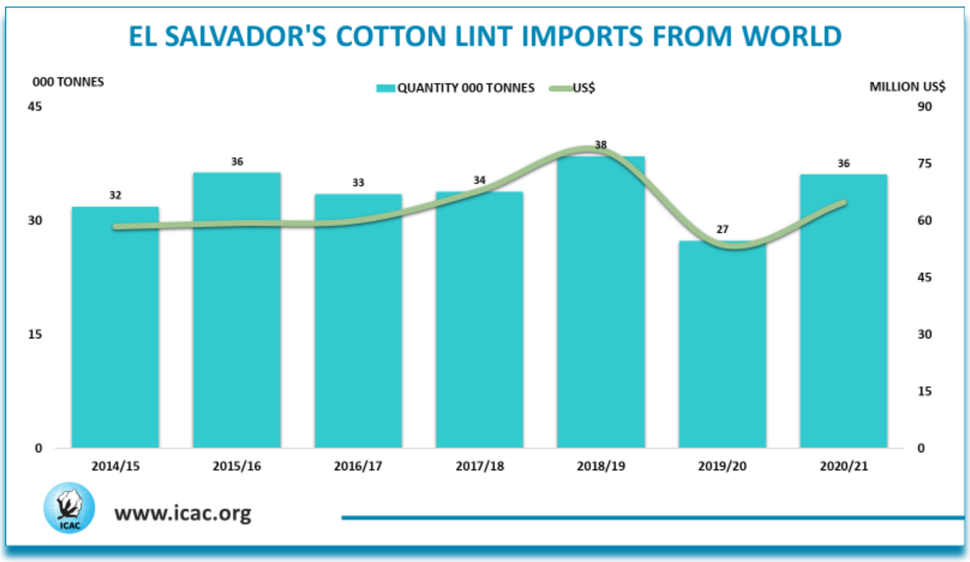
Ecuador's cotton lint imports reduced in 2019/20 by 11.6% to reach 8,500 tonnes and its value decreased by 26.4% to reach $15 million. This is one of the lowest reported levels in the last 6 years. The imports in 2020/21 fell further to 8,100 tonnes. The major importing partners for Ecuador in 2020/21 were the United States (81%), Mexico (16%) and Peru (3%).

El SALVADOR

Increase in imports

In the 2020/21 season:

- **Imports 36,000 tonnes**
- **Imports value $64.8 million**



El Salvador is a very small importer of cotton lint. They recorded an increase of 32% in quantity and 21% in value in the 2020/21 season compared to the previous season. El Salvador imports all of its cotton lint from the United States.

EUROPEAN UNION

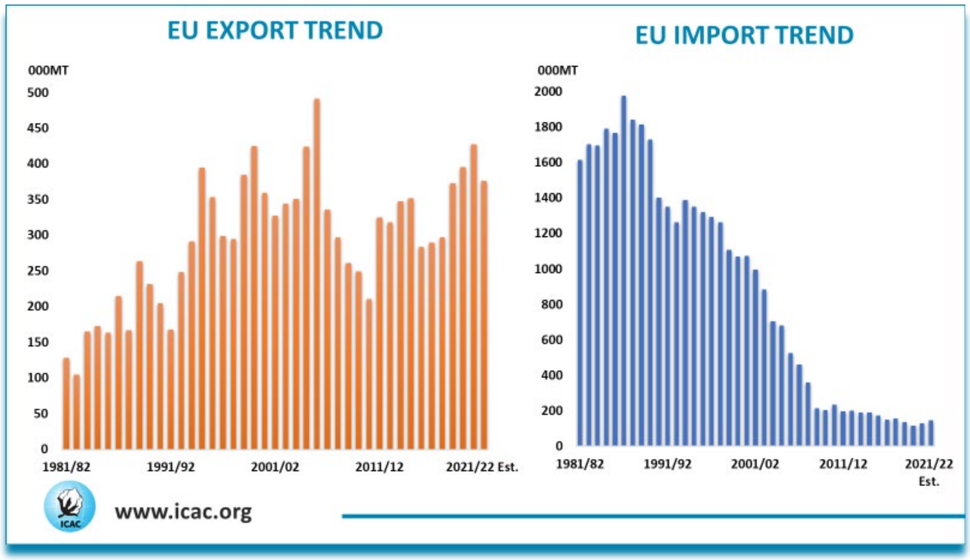
Increase in exports and imports

In the 2020/21 season:

- **Exports 428,000 tonnes**
- **Imports 128,000 tonnes**

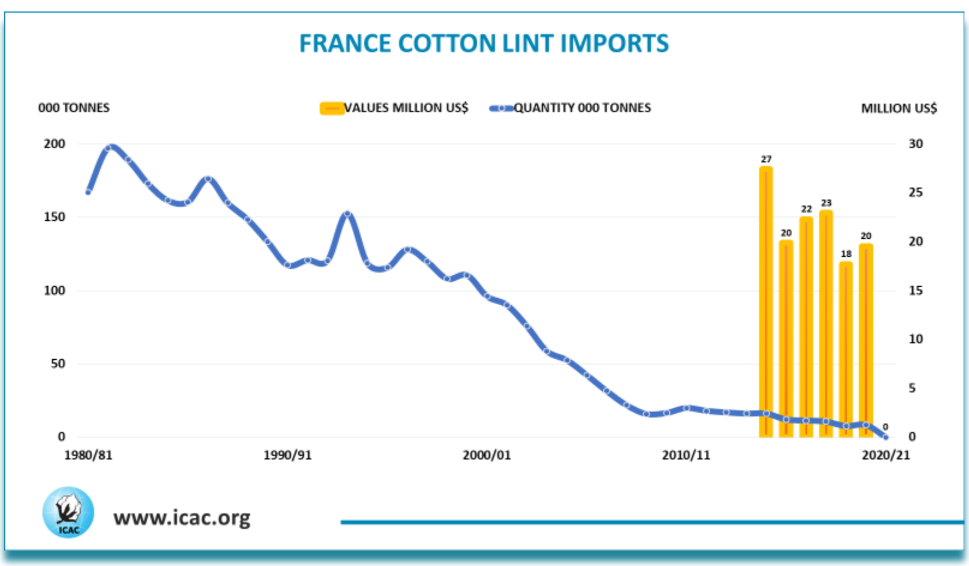
Image source: ShutterStock

In the 1980s, the European Union was as a major importer of cotton, importing around 1.5 million tonnes in the 1980/81 season alone. Over the decades mill use in the European Union has fallen sharply, mostly due to cheaper and easily available textiles outside the EU. In the last decade, cotton lint consumption and imports by the EU has consistently fallen, while exports have been moderately increasing. Within the EU, in the 2020/21 season, the major exporters were Greece followed by Spain, while the major importers were Portugal, Italy and Germany, importing very small levels of cotton.



FRANCE

'France reported a 5% increase in cotton lint imports equating to a 20% increase in value for the 2020/21 season compared to 2019/20'



France's imports were highest in the early 1970s. Since then, it has been constantly decreasing, reaching its second ever lowest levels in 2020/21. The most import importing partners for France in 2020/21 were Turkey (21%), Kazakhstan (19%), United States (15%) and Tanzania (9%) amongst others. In the 2019/20 season, France imported only 5 tonnes of cotton lint from the US. However, in 2020/21 France imported 1316 tonnes of cotton, making it France's 3rd largest import partner. Apart from US, in 2020/21, France reported an increase in imports from countries like Turkey and Burkina Faso.

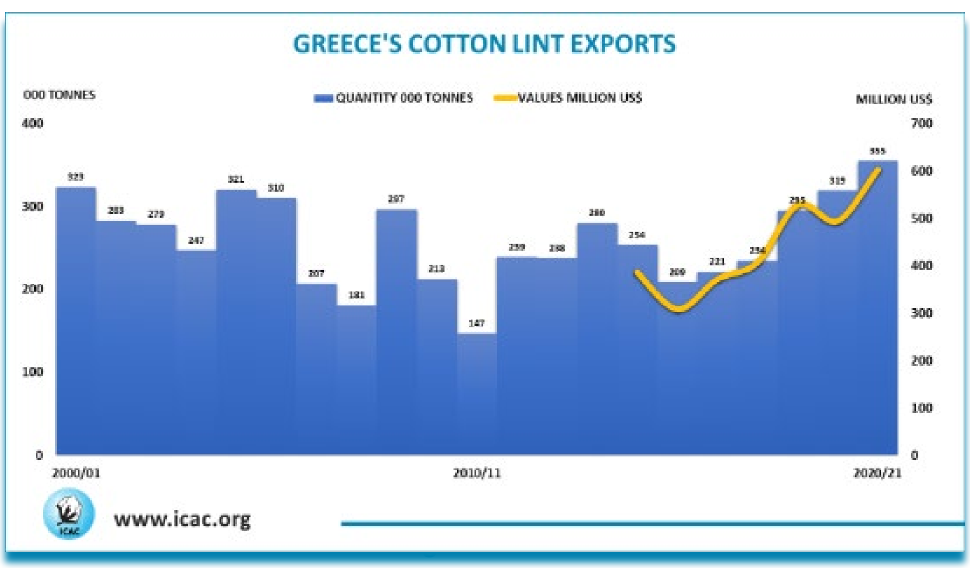
GERMANY

"For the 2020/21 season compared to 2019/20, Germany reported a 22% decrease in its cotton lint imports, equating to a 15% decrease in value, to reach its lowest ever experienced levels"

Germany's import of cotton lint was highest in the 1990s, since then it has been constantly reducing. In recent times, it has reduced to its lowest levels. The major importing partners for Germany in the 2019/20 season were Kazakhstan (20%), Turkey (20%), United States (8%), India (7.9%). In 2020/21, these shares mostly remained the same with Kazakhstan (14%), Turkey (11%), United States (10%) and Togo (9%) amongst others.

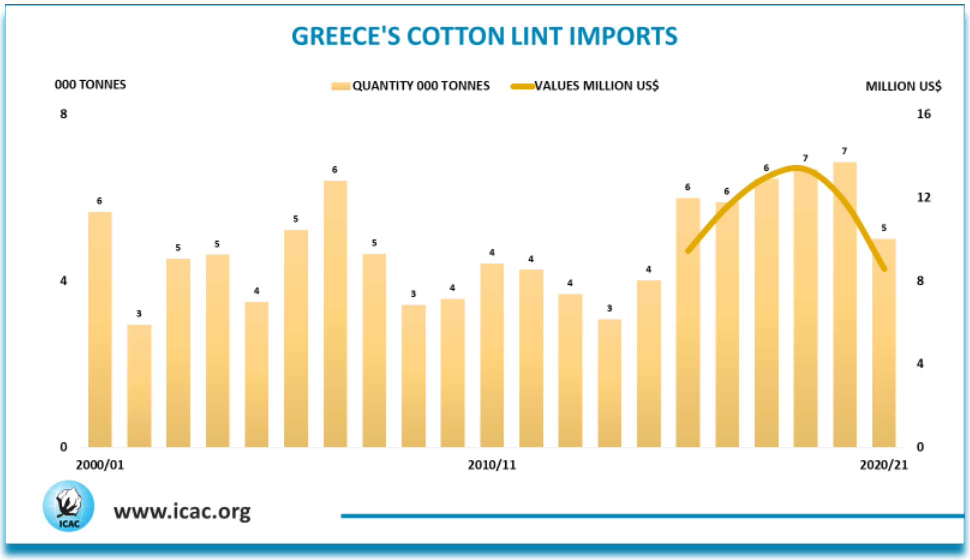
GREECE

'Greece recorded an increase of 11% in quantity and an increase of 22 % in value in the 2020/21 season compared to 2019/20'



Major exporting partners for

Greece for the 2019/20 season were Turkey (52%), Egypt (18%), Indonesia (8%), Bangladesh (6%) amongst others and with around 77% of their total exports being shipped to Asia. In 2020/21, these partners remained the same with a slight variation in their shares Turkey (50%), Egypt (21%), Bangladesh (6%) and Pakistan (6%).



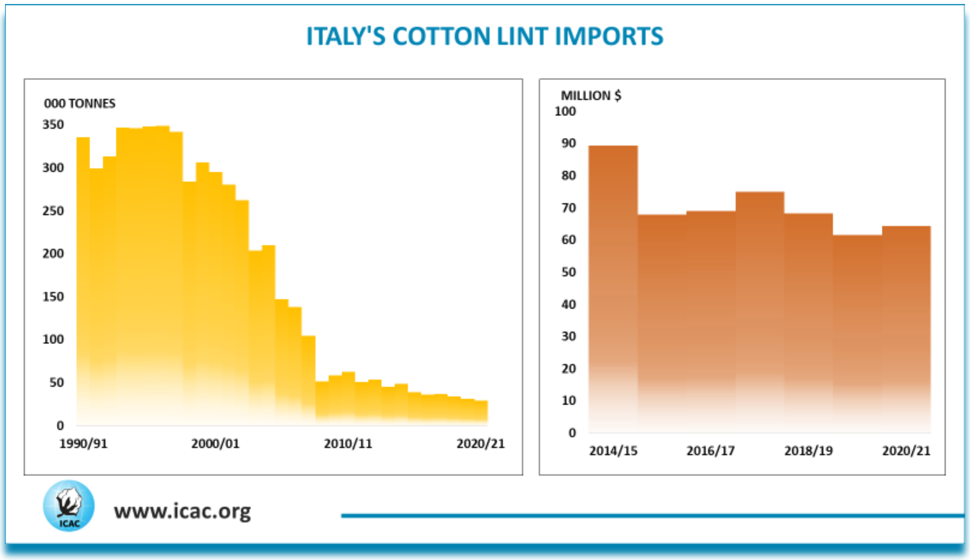
Since the early 2000s Turkey has remained a significant export destination for Greece, with Greece exporting at least 30% of their total cotton lint exports to Turkey every year over the last 2 decades. Another relevant exporting partner since the early 2000s has been Egypt. With Turkey and Egypt together accounting for approx. 50-70% or more of Greece's cotton lint exports every year in the last 2 decades.

Greece has been importing small amounts of cotton lint since the 1980s, with the highest figures in the 1980s, but in the recent years these imports have decreased significantly. Imports in the 2020/21 season witnessed a 27% decrease compared to the season of 2019/20 to reach 5,000 tonnes and a decrease of 27% in value to $8.6 million. While the importing partners in the 2019/20 season and 2020/21 remained the same, there were some changes in their shares. While the shares of Bulgaria and Pakistan saw an increase, the import shares from Turkey and the United States fell in the 2020/21 season compared to the previous season.

ITALY

'Cotton imports for Italy fell by 7% but increased by 4% in value in the 2020/21 season compared to the previous season'

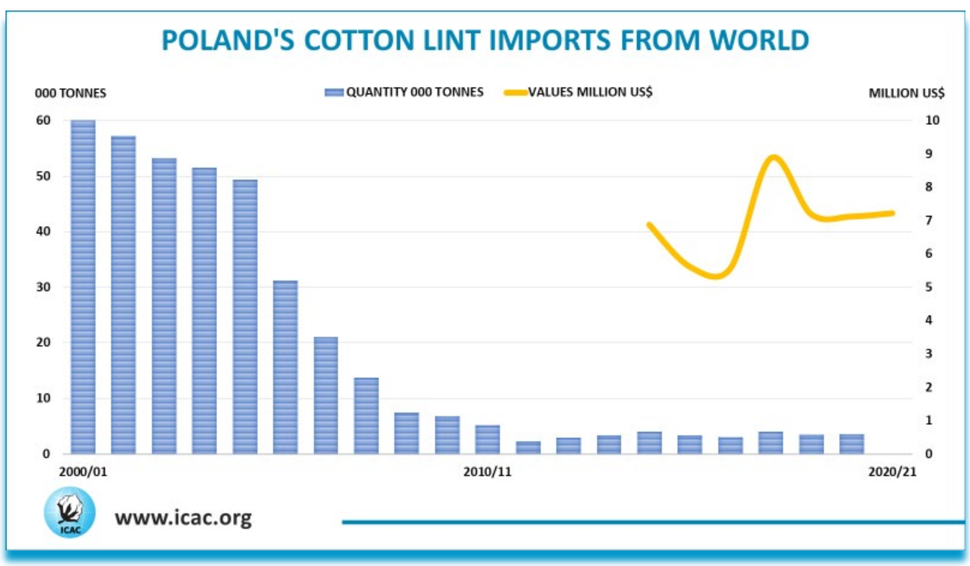
Italy has recorded a 7% reduction in its cotton lint imports in the 2019/20 season compared to 2018/19 to reach approx. 31,700 tonnes. It fell further during the 2020/21 season to reach 29,000 tonnes. In 2019/20, major importing partners for Italy were Turkey (30%), Brazil (26%), India (11%), Pakistan (8%) and the United States (8%).



In the 2020/21 season while the major importing partners remained the same the shares for many of them declined in Italy's import baskets: Turkey (22%), Brazil (21%), India (17%) and the United States (6%) amongst others. Italy imports more than 92% of its total cotton lint imports from outside European Union trade. Italy has considerably reduced its level of cotton lint imports over the last decade due to the increased outsourcing of textile production to lower-cost countries.

POLAND

'Poland recorded an increase in its cotton lint imports by 2% to reach 3,630 tonnes. and by 1% to reach $7.2 million in value in 2020/21 compared to the previous season'

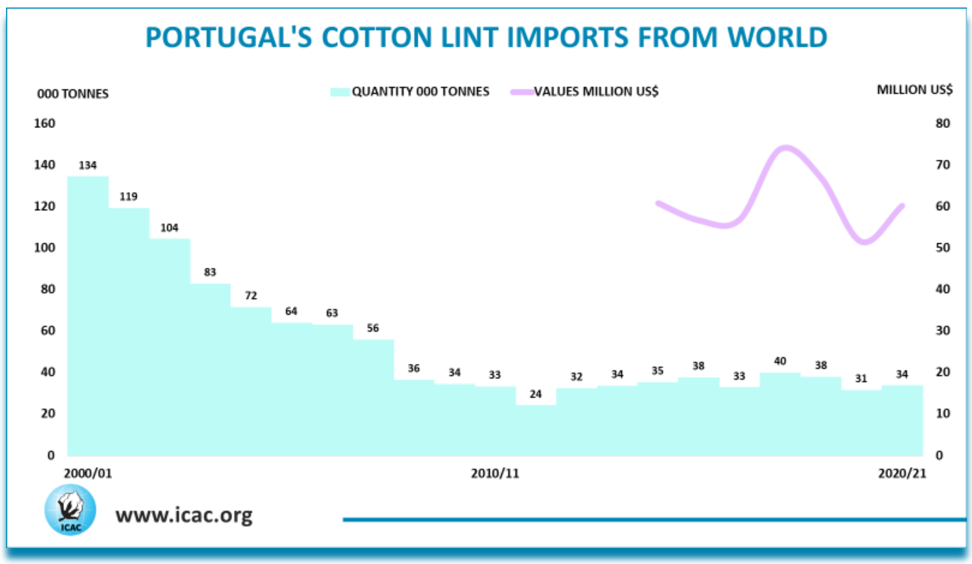


The major importing partners for Poland in 2019/20 were Turkey (65%), Germany (27%), Pakistan (5%), Kazakhstan (2%) amongst others. Poland imported approximately 70% of its cotton lint from the continent of Asia, making it its most important importer. This trend remained the same in the 2020/21 season with the top three importing partners for Poland being Turkey (63%), Germany (30%) and Pakistan (5%), with Asia being its most important import continent with approx. 68% of its total imports.

PORTUGAL

'Portugal recorded an increase in its cotton lint imports by 7% to reach 33760 tonnes and by 17% to reach to the level of $60 million in value in the 2020/21 season compared to the previous season'

Portugal imported high level of cotton lint in the 1970s, peaking in the 1980s and reaching 197, 000 tonnes in 1989-90. Ever since, these imports have been reducing gradually reaching their lowest levels in 5 decades in 2011-12 and recording another low-level last season, 2019/20. However, the major importing partners for Portugal have remained the same in 2020/21 as in 2019/20 which are Brazil, Spain, India, US, Turkey, Cote d'Ivoire and Uganda. However, the shares in Portugal's total imports for Brazil, Spain and Uganda fell in 2020/21 compared to the previous season.

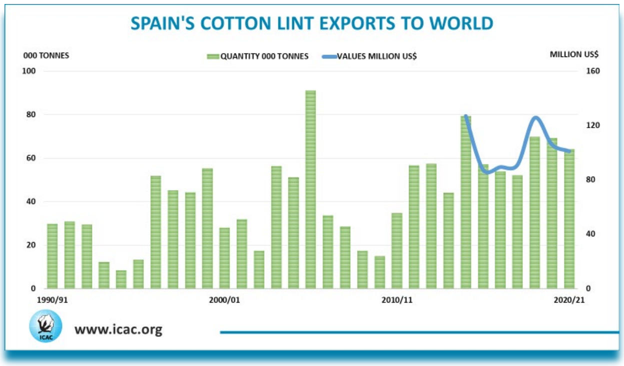


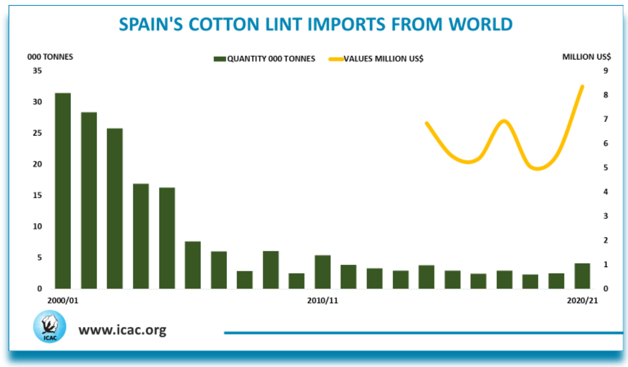
SPAIN

'Spain recorded a decrease in the levels of cotton lint exports by 7% in quantity and by 5% in value in 2020/21 compared to the previous season. In the same season it recorded an increase in its imports by 63% in quantity and by 52% in value'

Spain recorded a 1% reduction in exports to 69,130 tonnes for 2019/20 compared to 2018/19. This level further reduced by 7% in 2020/21 to 64,131 tonnes.
In the 2019/20 season the major exporting partners for Spain were Bangladesh (42%), Vietnam (10%), Pakistan (9%) and Morocco (6%) amongst others. Spain exported more than 70% of its total cotton lint to the Asian continent, making it its most important export destination. In 2020/21 the major exporting partners for Spain were: Bangladesh (41%), Pakistan (20%), Morocco (10%) and

Portugal (6%). Pakistan's share increased greatly in the 2020/21 season compared to the previous season attributing to the overall increase in imports into Pakistan in the 2020/21 season.





With respect to imports, Spain reported a 63% increase in its cotton lint imports to reach 4,000 tonnes equating to a 52% increase in value of $8.3 million. In the 2019/20 season the major importing partners for Spain were Turkey (51%), Portugal (10%), Brazil (10%) and France (9%). In 2020/21, there were some new importing partners for Spain, while Turkey had a share of 36%, Italy gained a 15% share and countries like India and France also increased their respective shares in Spain's import basket.

INDIA

Increase in exports **Decrease in imports**

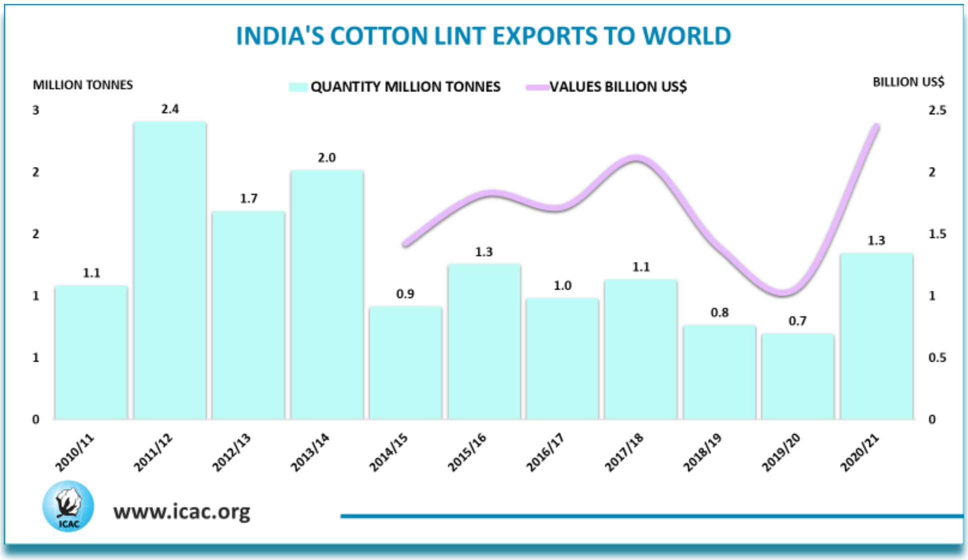
'In the 2020/21 season, India recorded an increase of 94% in quantity and of 121% in value for cotton lint exports, while it recorded a 63% fall in quantities and 52% in value in its imports'

In the 2020/21 season:

- **World's 3rd largest exporter.**
- **Exports 1.34 million tonnes**
- **Export value $2.35 billion**
- **World's 8th largest importer.**
- **Imports 183,700 tonnes**
- **Import value $441.91 million**

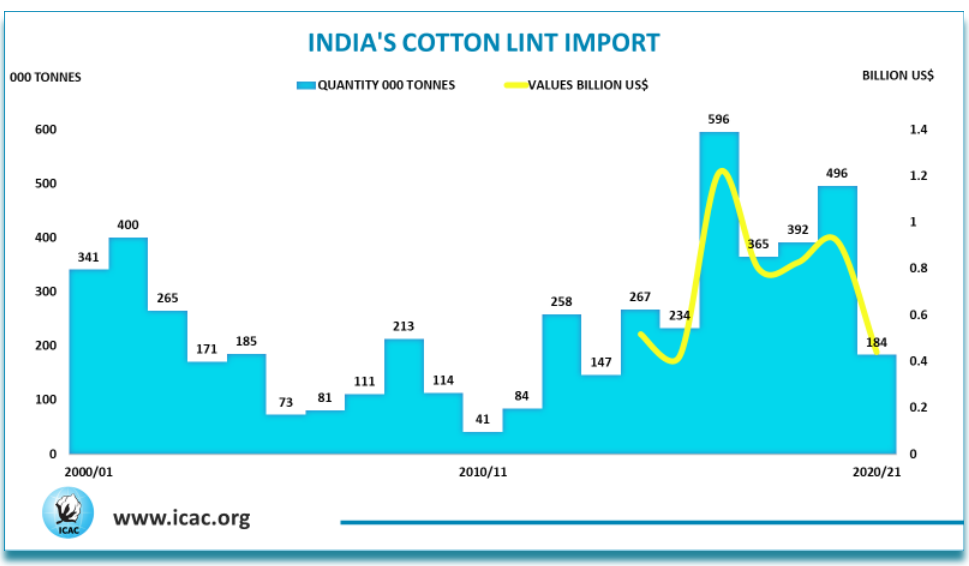
Image source: Shutterstock

After recording a decrease of 9% in its cotton lint exports in 2019/20, India's cotton lint exports increased by 94% compared to the previous season in 2020/21. In value, it had dropped by 23% to $1 billion in 2019/20 and then recovered by 121% to reach $2.37 billion.



In the 2019/20 season, the main exporting partners for India were Bangladesh (59%), China (20%), Vietnam (9%) and Indonesia (6%). India exported around 97% of its cotton lint to the Asian continent, making it its most important export destination. Major partners for India remained the same with slight changes in its export shares; Bangladesh (41%), China (38%), Vietnam (12%) and Indonesia (5%) amongst others.

India recorded a decrease in the exports of cotton lint to its partners like China, Pakistan, United States, Vietnam and Iran in 2019/20 and recorded a fall of more than 97% in its exports to Pakistan and United States (individually) in the 2019/20 season. For 2020/21, exports to the United States further reduced by 47% to 8 tonnes. Pakistan didn't import cotton lint from India in 2020/21, in the light of Pakistan's decision to suspend bilateral trade with India in August 2019. Earlier that year, India had also applied a 200% tariff on Pakistani imports after India revoked Pakistan's Most Favoured Nation (MFN) status. India continues to export around 97% of its total exports to the Asian continent keeping it as its most import destination.



India has been exporting cotton since the mid-1970s and these exports have picked up in intensity in the 2000s, reaching its highest level of around 2 million tonnes in the season of 2011/12. Since then, India has been exporting mainly to its regional partners like Bangladesh, China, Indonesia, Pakistan and Vietnam. In 2014/15, when China reduced its level of cotton lint imports, India witnessed a sharp drop in its exports to China (more than 60%), yet China has remained as one of the major exporting partners for India.

Imports for India increased in 2019/20, India recorded a 63% decrease in imports and a 52% drop in value in 2020/21 compared to the previous season. On 1st February 2021, India also imposed a 10% duty on cotton imports as a move to support farmers.

The most important importing partners in the 2019/20 season for India were United States (46%), Cote d'Ivoire (7%), Brazil (7%) and Egypt (5%). The major partners in the 2020/21 were the United States (36%), Egypt (34%), Australia (5%) and Greece (3%). Egypt saw its share in imports increase substantially in this season, mostly taking advantage of the India and Egypt bilateral trade agreement with the MFN status.

INDONESIA

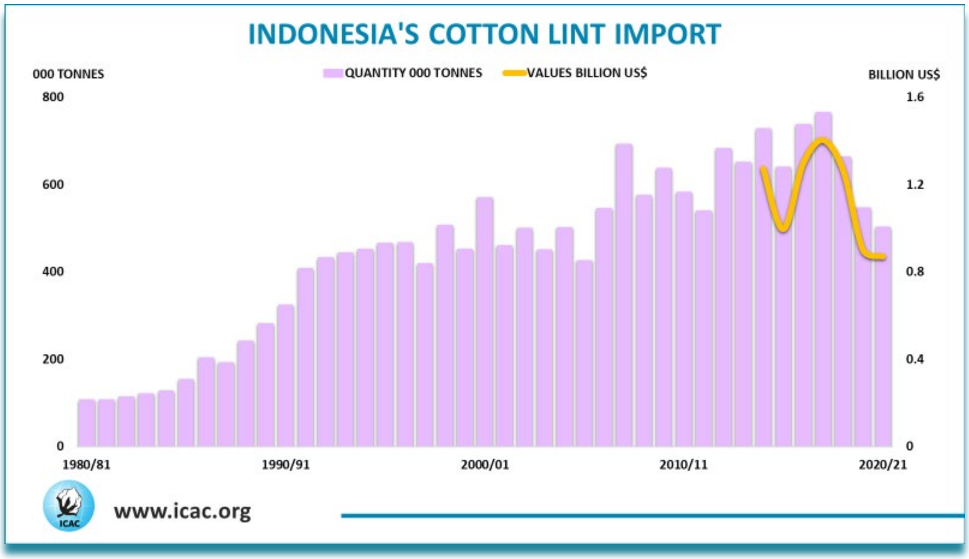
Decrease in imports

'Indonesia reported a decrease in its cotton lint imports both in quantity and value in the 2020/21 season compared to 2019/20'

In the 2020/21 season:

- **World's 6th largest importer**
- **Imports 502,000 tonnes**
- **Import value $871.9 million**

Indonesia's cotton lint imports reduced by 18% to $547,000 in 2019/20 compared to the 2018/19 season and in value it reduced by 29% to $900 million in 2019/20. This further reduced in 2020/21 by 8% in quantity and by 4% in value compared to the previous season. In the 2019/20 season, the major importing partners for Indonesia were United States (36%), Brazil (34%), India (7%), Australia (6%) amongst others. In this season, Indonesia recorded an overall decrease in imports but an increase in imports from partners like India and Cameroon. In 2020/21, the major importing partners for Indonesia remained the same; Brazil (39%), United States (27%), India (12%) amongst others, with the United States reporting a fall in their exports to Indonesia.



Indonesia has been importing cotton since the early 1970s, consistently increasing the level of imports and reaching its highest level of 765 000 tonnes in 2017/18. However, it has slowed down a bit in the last 2 seasons. In the last decade, the major importing partners for Indonesia had been the United States, Brazil, India and Australia.

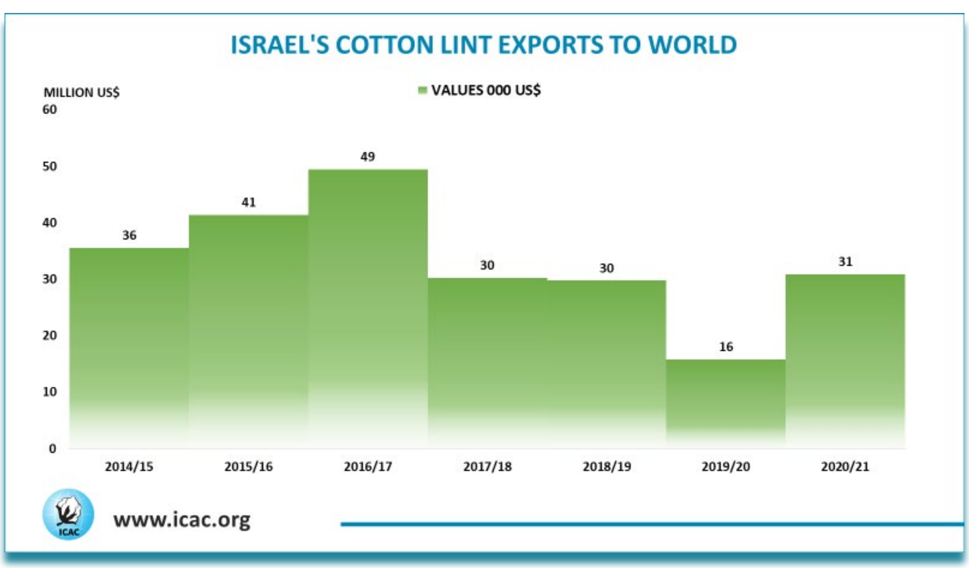
ISRAEL

Increase in exports

'Israel reported an increase in the export value by 96% in 2020/21 compared to the previous season'

In the 2020/21 season:

- **Export value $31 million**



Israel had been exporting small levels of cotton lint since the mid-1970s. In terms of value, these exports reduced by 47% in 2019/20 compared to the 2018/19 season to reach levels of $15 million, however it revived in 2020/21 to reach

$31 million. This season (2019/20) the main exporting partners for Israel were China (60%), India (14%), Germany (9%) and Greece (9%). In 2020/21, the major exporting partners were India (33%), China (25%), Turkey (12%) and Germany (9%).

JAPAN

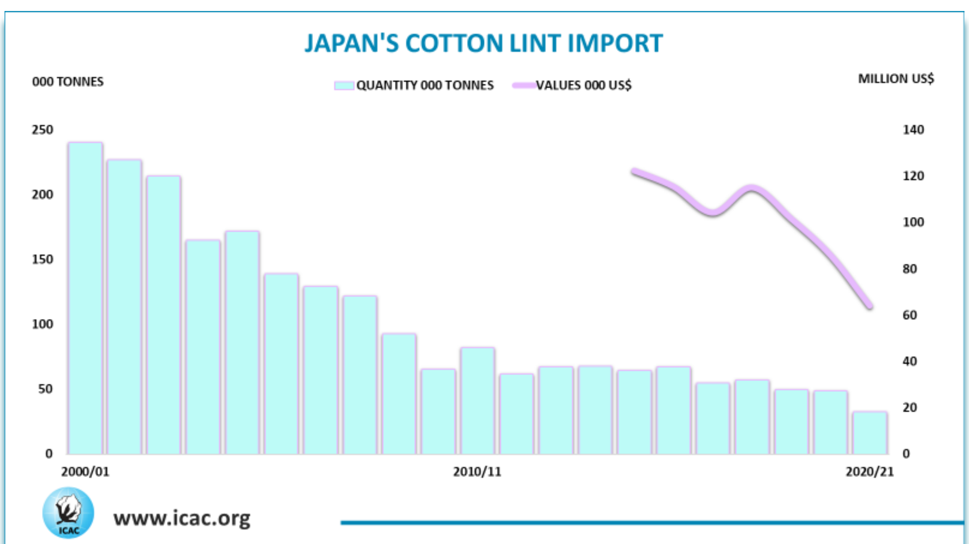
Decrease in imports

'Japan's cotton lint imports declined in the 2020/21 season compared to 2019/20, reducing by 33% in quantity and by 25% in value'

In the 2020/21 season:

- **Imports 32,800 tonnes**
- **Import value $64 million**

Japanese cotton lint imports reduced by 2% to 48,800 tonnes in 2019/20 compared to 2018/19 and by 15% in value to reach $86 million. The major importing partners for 2019/20 season were the United States (56%), Australia (13%), Greece (11%), Brazil (10%) amongst others. This level fell further during 2020/21. While the major partners remained the same for Japan, their shares saw slight changes in the 2020/21 season; United States (51%), Greece (16%)., Australia (12%) and Brazil (9%) amongst others.



Japan's cotton lint imports were the highest in the 1980s, but these imports have consistently reduced since the 1990s due to the relocation of production sites overseas and the growth of the specialty store retailers of Private label Apparel (SPAs) whose production bases have congregated in China (Japanese External Trade Organisation).

KAZAKHSTAN

Decrease in exports

'Kazakhstan's cotton lint exports decreased in the 2020/21 season compared to 2019/20, by 18% and by 11% in value'

In the 2020/21 season:

- **Exports 52,400 tonnes**
- **Export value $76 million**

Kazakhstan recorded a 23% fall in its cotton lint exports in 2019/20 compared to the season of 2018/19, to reach to the level of 64 000 tones. In values these exports fell by 36% to reach $85 million in the same period. These levels further fell in the 2020/21 season,

In 2019/20, the major exporting partners for Kazakhstan were Latvia (39%), Turkey (20%), China (16%) and Moldova (13%). The trading partners remained the same in the 2020/21 season: Turkey (33%), Latvia (23%), Moldova (18%) and China (12%) amongst others.

Kazakhstan is a country at the northern most latitude of cotton production in the world. It cultivates cotton over three different climatic regions: southern, middle, and northern zone. The southern zone produces around 65% of its total production. Kazakhstan aims to establish more processing plants.

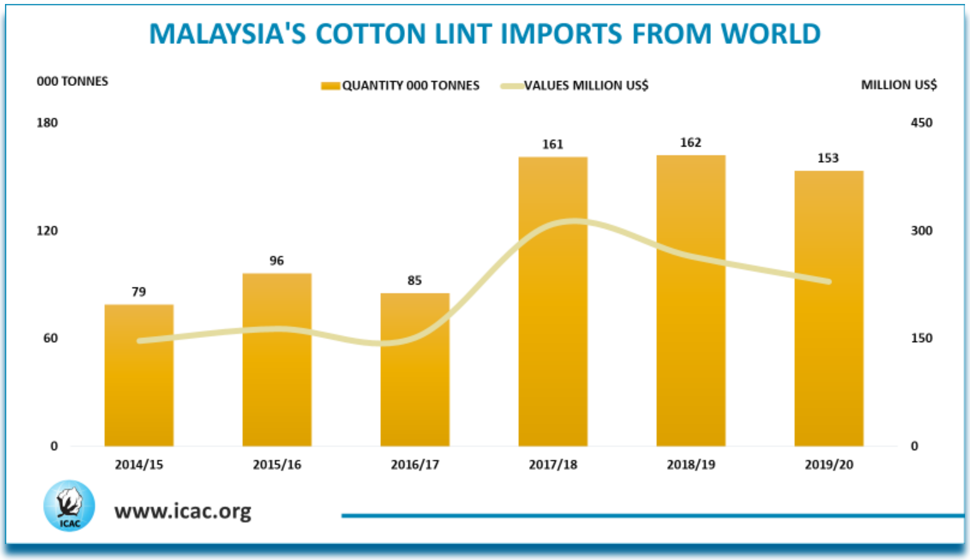
MALAYSIA

Decrease in imports

'Malaysia's cotton lint imports decreased in 2020/21 compared to 20119/20, both in quantity and value'

In the 2020/21 season:

- **Imports 1.37 million tonnes**
- **Import value $243 million**



Malaysia reported a 5% decrease in its cotton lint imports in 2019/20 to reach 153,000 metric tonnes worth $230 million. This level fell in quantities but increased in value in the 2020/21 season. The major importing partners for the 2019/20 season were United States (37%), Brazil (33%), Cote d' Ivoire (9%), Togo (9%) and Australia (6%). However, the small shares of Togo, Australia and Cote d'Ivoire was largely taken over by United States (48%) and Brazil (45%) in 2020/21.

MEXICO

Decrease in exports **Increase in imports**

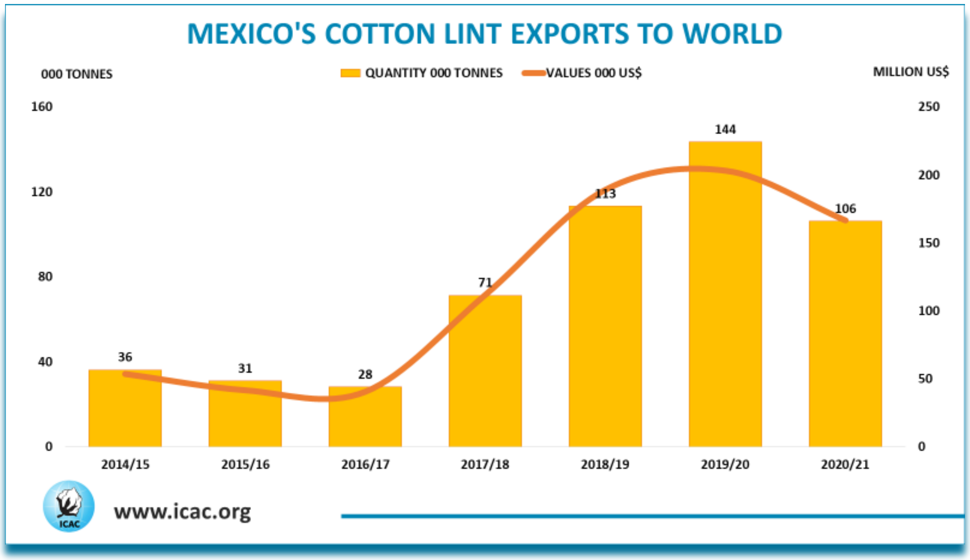
'Mexico recorded a 26% decrease in its cotton lint exports and a corresponding 18% decrease in their value in 2020/21 compared to the previous season. Mexico's cotton lint imports increased by 57% and by 72% in value'

In the 2020/21 season:

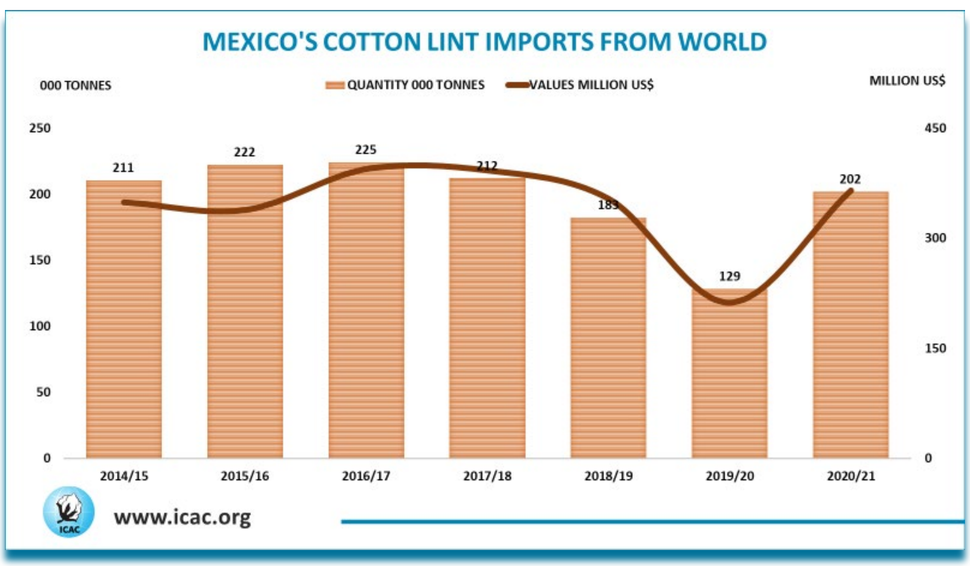
- **Exports 106,000 tonnes**
- **Export value $167 million**
- **World's 7th largest importer**
- **Imports 202,000 tonnes**
- **Import value $366 million**

Mexico reported an increase in its cotton lint exports in the 2019/20 season compared to 2018/19, by 26.7% to reach 143,600 tonnes. and by 7% to reach $203 million in value. This trend revised in the 2020/21 season, with increase in exports for Mexico.

In the 2019/20 season, the major exporting partners for Mexico were Turkey (35%), Pakistan (27%), India (10%), China (6%) amongst others. Mexico exported approx. 93% of its total cotton lint exports to the continent of Asia making it as its main export destination. In the 2020/21 season, Mexico's exports to India fell by more than 96%, taking it off their major export partners list. Amongst other major exporting partners, while Turkey and China increased their exports from Mexico, Pakistan's imports from Mexico fell slightly.



In the last 6 seasons, Mexico has showed a phenomenal increase in its cotton lint exports, increasing from 36 000 tonnes to 143,600 tonnes between 2014-15 and 2019/20. This trend revised when the exports fell in 2020/21 mainly because of a 38% fall in its cotton production. Between 2014-20, Mexico recorded an increase in exports to mostly all its exporting partners. However, some partners that witnessed a fall were China, United States and Thailand, with the exports to China falling by around 50 percent between 2014/15 and 2019/20.



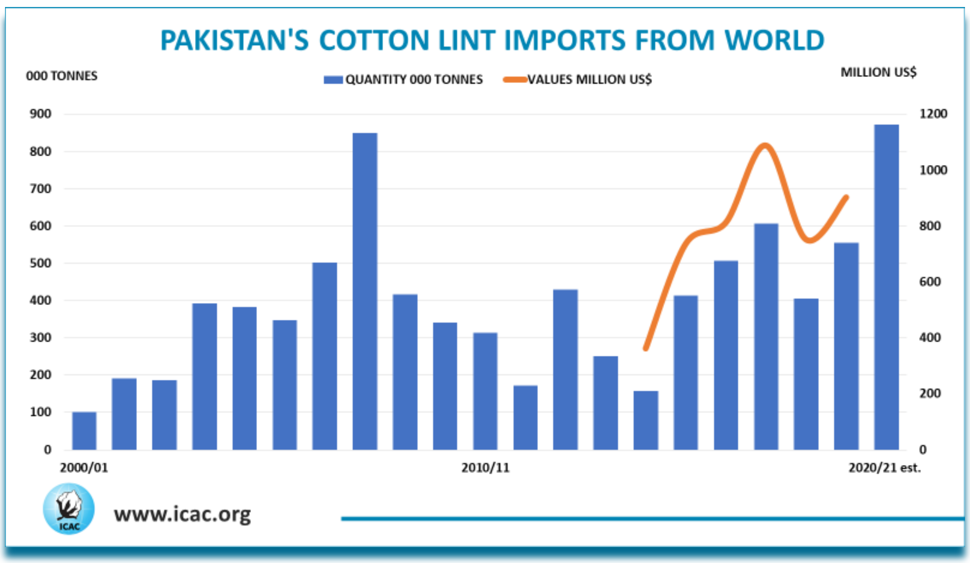
Mexico's imports of cotton, neither carded nor combed, recorded a decrease of approx. 30% in quantity to reach 128,600 tonnes and approx. 40 % in value to reach $212 million in the 2019/20 season compared to the season of 2018/19. This trend reversed when the imports increased in 2020/21, defining one of the highest year-to-year increases for Mexico's imports. Mexico imports most of its cotton lint from the United States and in the 2020/21 season, it imported 99.9% of its imports from United States.

PAKISTAN

'Pakistan was the 4th largest cotton lint importer in the world in the 2020/21 season, accounting for around 12% of total world imports'

In the 2020/21 season:

- **Imports 873,000 tonnes (est.)**
- **Exports 9,000 tonnes (est.)**



Pakistan reduced its cotton lint exports in the 2019/20 season compared to 2018/19 by 40% to reach 9,000 tonnes. The major exporting partners for Pakistan in the 2019/20 season were Vietnam (52%), Indonesia (21%), Bangladesh (18%), Oman (8%) amongst other. In the same season, Pakistan exported all of its cotton lint to the continent of Asia making it as its most important export destination.

Pakistan imports Cotton, neither carded nor combed (520100) and recorded an increase in its cotton lint imports in the 2019/20 season compared to 2018/19 by 48% to reach 890,000 tonnes. In the season of 2019/20, the major importing partners were United States (49%), Brazil (21%), Tanzania (7%), Mexico (5%), Afghanistan (4%) amongst others. Significant demand for cotton yarn, especially from China — in addition to increasing demand for textiles as the result of the European Union's (EU) granting of duty-free status for Pakistan's textile exports under the Generalised System of Preferences (GSP) — support cotton mill use in Pakistan.

The 2020/21 season saw Pakistan's cotton production decline by 33% compared to the previous season to 890,000 tonnes, lowest in more than 35 years with a 21% reduction in the harvested area. Whilst a reduction in planted area as farmers turned to food crops early in the season, yield losses due to monsoons in Sindh and pest attacks in Punjab further reduced the crop. With domestic consumption expected at about 2.2 million tonnes, imports were expected to increase to meet the supply gap. For the 2020/21 season, while the final numbers are not yet reported, estimates show that Pakistan's exports remained the same at around 900 tonnes and imports also remained the same approximately at 900,000 tonnes.

Pakistan didn't import cotton lint from India in the 2019/20 season, in the light of Pakistan's decision to suspend bilateral trade with India in August 2019. Earlier that year, India had also applied a 200% tariff on Pakistan imports after India revoked Pakistan's Most Favoured Nation (MFN) status.

PARAGUAY — Increase in exports

'Paraguay recorded an increase in the quantities of its cotton lint exports in the 2020/21 season compared to the previous season by 92% in quantity and by 86% in value'

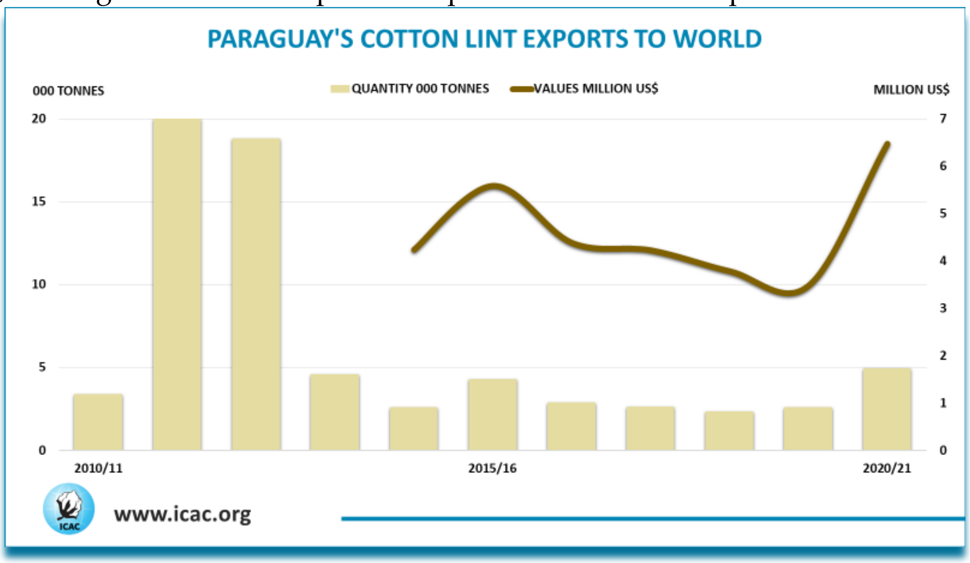
In the 2020/21 season:

- **Exports 4,970 tonnes**
- **Export values at $6.4 million**

Paraguay exports very small levels of cotton. It exports peaked in the last 1980s and early 1990s and since then it has reduced consistently over the seasons. From 100,000 tonnes in the 2003/04 season, it exported a mere of 4,970 tonnes last season.

It recorded an increase in its cotton lint exports in the 2019/20 season compared to 2018/19, by 31% to reach 2,600 tonnes. While in the same season it recorded a decrease in the value of its cotton lint exports of 8% to reach $3 million. Paraguay's exports levels revived in the 2020/21 season both in value and quantities.

The major exporting partners for Paraguay in the 2019/20 season were Indonesia (62%), Vietnam (20%), Turkey (17%), Chile (2%) amongst others. Paraguay exported around 98% of its cotton lint to the continent of Asia, making it as its most important export destination. This pattern remained almost the same in the 2020/21 season with Indonesia (49%), Turkey (31%) and Vietnam (21%) retaining their positions as the major export partners and Asia maintain its status of the most important export destination accounting for 100% of Paraguay's total exports.



PHILIPPINES

Increase in imports

'Philippines recorded an increase in its cotton lint imports in the 2020/21 season compared to the last season in quantities by 51% and in value by 68%'

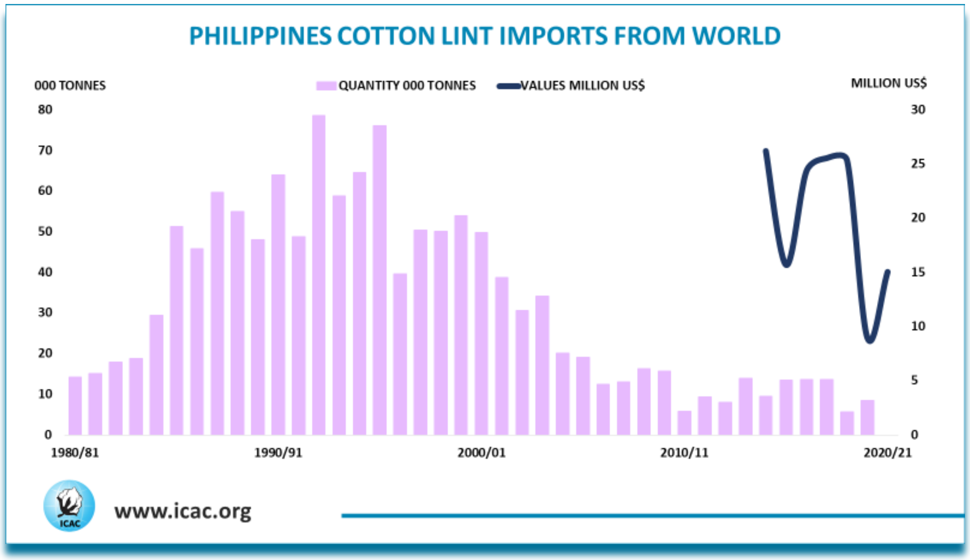
In the 2020/21 season:

- **Imports 8,480 tonnes**
- **Import value at $15 million**

Philippines recorded a massive reduction in the level of its cotton lint imports in the 2019/20 season compared to 2018/19. This reduction was of around 59% in quantity to reduce 5,600 tonnes and 65% in value to reach $9 million. The level of imports in the 2019/20 season is the lowest recorded imports in 5 decades.

Imports revived in 2020/21 and reached to 8,480 tonnes by the end of the season. In this season, the importing partners for Philippines were United States (38%), India (33%), Pakistan (14%), China (6%), South Africa (4%) amongst others. In the 2020/21 season, Philippines increased its levels of imports from United States, Pakistan, Brazil and Australia, while reduced its imports from India.

Philippines imported approx. 58% of its total cotton lint in the 2019/20 season from the continent of Asia, making it as its most important import destination. In the 2020/21 season, this share reduced to 42%. US has always remained a major importing partner for Philippines in the last 5 decades, with Philippines importing 100% of its imports in the early 70s from US, over the years this percentage had reduced. However, in the season of 2016-17, it recorded around 91% of its total imports from US and for the past season US amounted for 44% of its total imports.



RUSSIA

Increase in imports

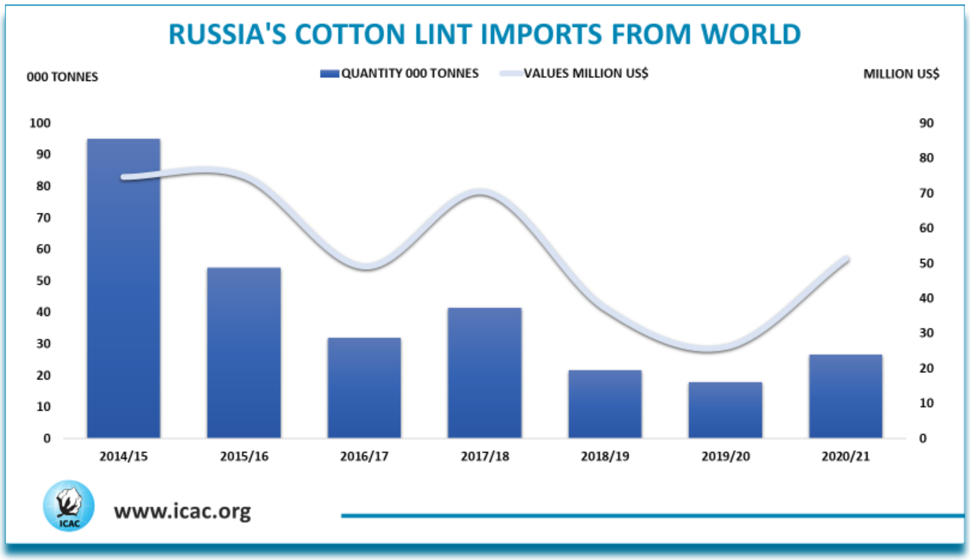
'Russia's imports increased by 48% in quantity and by 97% in value in the 2020/21 season compared to the last season'

In the 2020/21 season:

- **Imports 26,586 tonnes**
- **Import value at $51.42 million**

In the last six seasons, Russian imports have declined from 95,000 tonnes in 2014/15 to 26,500 in the last season mainly due to the consistently reducing mill use in Russia. Russia recorded a decrease in its imports of cotton lint in the 2019/20 season compared to the season of 2018/19, by 18% to reach 17,900 tonnes. and by 30% to reach $26 million in value. These levels revised slightly in the 2020/21 season but still remain at an all-time low levels.

The major importing partners for Russia in the 2019/20 season were Kazakhstan (33%), Kyrgyzstan (29%), Tajikistan (29%) amongst others. While these partners remained the major partners in the 2020/21 season as well, their shares revised a bit: Tajikistan (50%), Kazakhstan (26%), Kyrgyzstan (16%) amongst others.



SOUTH AFRICA

Decrease in exports Increase in imports

'South Africa exports decreased by 34% and imports increased by 41% in 2020/21 compared to the last season'

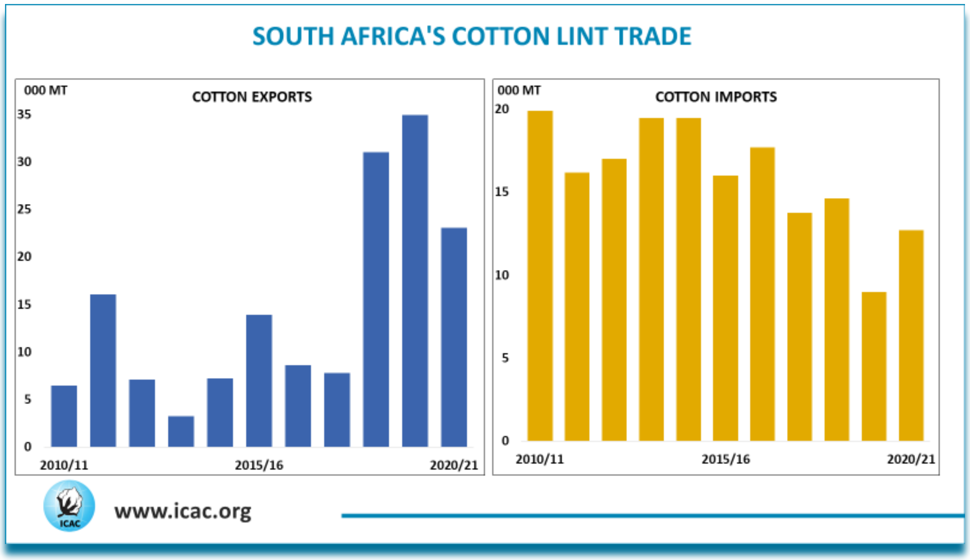
In the 2020/21 season:

- **Exports 23,000 tonnes**
- **Import quanitity at 13,000 tonnes**

In South Africa agriculture (including cotton) remained insulated from the effects of Covid-19 as its operations were allowed to be continued as essential services but it had experienced certain delays in transportation of cotton to the ports and shipping of cotton was slower than normal because of Covid-19.

South Africa reported that, during the 2019/20 marketing year approximately 12,124 tonnes of lint have been imported. This volume is 39% less than the year before while most lint imports were from the Southern African Development Community countries (SADC), mostly Zambia and Zimbabwe. South Africa exported 35,705 tonnes of lint during 2019/20, 13% more than in 2018/19 and is the second consecutive year that South Africa is a net exporter of lint. Approximately 80% of lint production is exported.

The 2019/20 average price received by farmers for cotton lint in 2019/20 was R22.69 per kg lint which is marginally higher than the season before, however, the South African price converted to a dollar price showed a decline because of the weakening of the rand.



Some issues facing the South African cotton industry are • Availability of new seed varieties – regulatory process and timeframe to register new technology and varieties. • Harvesting equipment cost and capacity. • Availability of contractors. • High input costs, finance of inputs and financing criteria. • Competition from higher value commodities. • Capital requirement for investment in domestic spinning capacity.

SOUTH KOREA

Decrease in imports

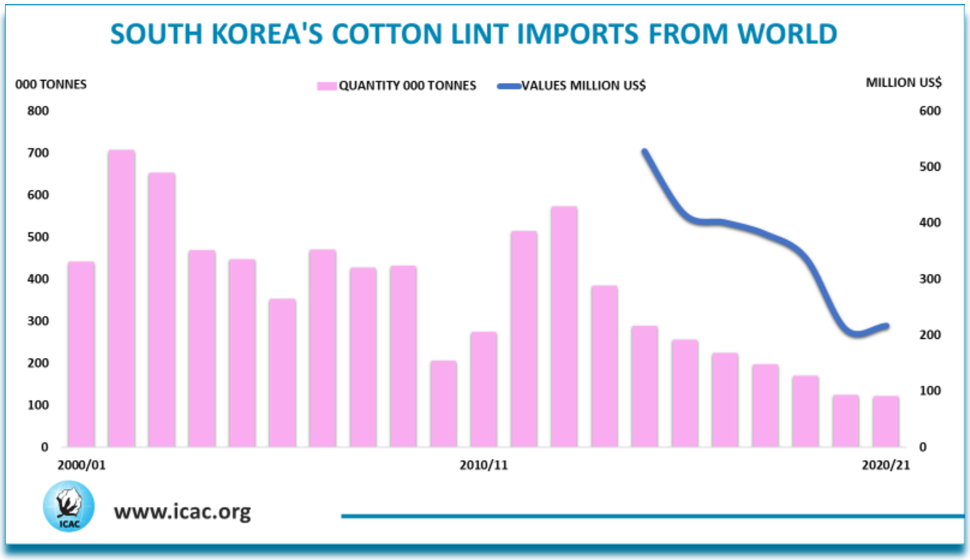
'South Korea imports fell by 3% in quantity and value in 2020/21 compared to the previous season'

In the 2020/21 season:

- **Imports 121,000 tonnes**
- **Import value at $217 million**

South Korea recorded a decrease in its cotton lint imports in the 2019/20 season compared to 2018/19, by 27% to reach 124,000 tonnes and by 38% to reach $209 million. This level further decreased in 2020/21 to reach 121,000 tonnes, its lowest level in the last three decades.

In the 2020/21 season South Korea imported the lowest levels of cotton lint in the last 3 decades. In the 2019/20 season, the major importing partners for South Korea were United States (62%), Brazil (36%) and India (1%). In the 2020/21 season, brazil replaced US to become South Korea's top importing partner with 59% share, followed by US (38%) and Australia (2%) amongst others. The mill use in South Korea has been falling over the years and in the last decade it has fallen down from about 500,000 tonnes to 121,000 tonnes.



SWITZERLAND

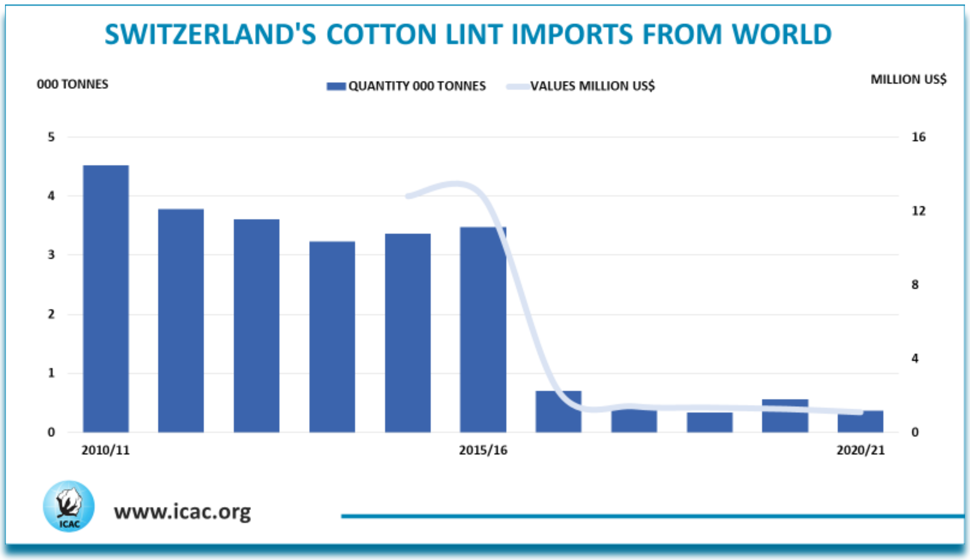
Decrease in imports

'Switzerland recorded a fall in its imports quantities by 34% and in import values by 14% in 2020/21'

In the 2020/21 season:

- **Import quantities at 370 tonnes**
- **Import values at $1 million**

Switzerland imports very small levels of cotton lint, peaking in the mid-80s, and its imports are falling, reaching a level less than a 1,000 tonnes annually. It imported around 560 tonnes and $1 million in value in the 2019/20 season, this indicates a 65% increase in quantities while a 5% decrease in value of cotton lint imported in the 2019/20 season compared to the 2018/19 season. In the 2020/21 season, these imports fell in both quantities and values. The major importing partners for Switzerland in the 2019/20 season were Turkey (57%), Italy (17%), Poland (11%), Peru (4%) amongst others. For the 2020/21 season, Switzerland's major partners were Turkey (60%), France (10%) and Germany (7%) amongst others.



TAIWAN

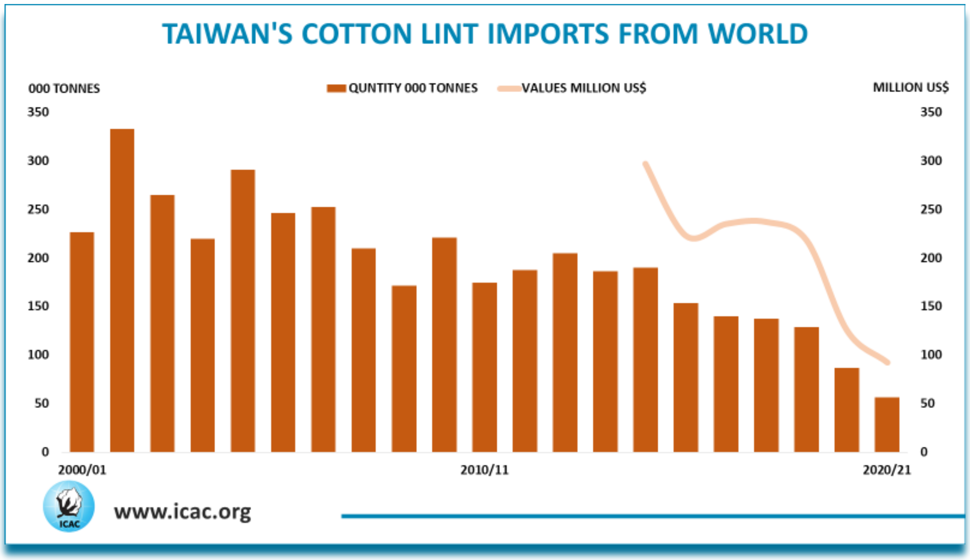
Decrease in imports

'Taiwan recorded a decrease in its cotton lint imports in the 2020/21 season compared to 2019/20, by 35% in quantity and by 26% in value. This quantity is the lowest recorded imports by Taiwan in the last 5 decades'

In the 2020/21 season:

- **Imports 56,710 tonnes**
- **Import value at $92 million**

In the 2019/20 season, the major importing partners for Taiwan were United States (73%), Mexico (9%), South Africa (6%), Brazil (6%) amongst others. For 2020/21 the major partners were United States (65%), South Africa (14%), Mexico (6%) amongst others. In the last six seasons Taiwan has imported around 50% or more of its cotton lint from the United States making it as its most important importing partner.



In 2019/20, Taiwan's textile industry experienced contraction of the overall production value and number of manufacturers. Because of the economic conflict between China and the United States at the end of year 2018 and outbreak of COVID-19 at the end of year 2019, whole supply chain as well as market demand was impacted seriously. Further reducing their textiles exports for the season.

THAILAND

Decrease in imports

'Thailand's cotton lint imports have been falling since the last five seasons. It further recorded a fall in its cotton lint imports in the 2020/21 season compared to the last season, by 15 % in quantity and by 8% in value'

In the 2020/21 season:

- **Imports 130,000 tonnes**
- **Import value at $237 million**

Thailand's imports fell by 35% in quantity to reach 152,000 tonnes and by 46% in value to reach $256 million in 2019/20 season compared to the last season, these levels fell further in the 2020/21 season with this season's quantities being the lowest recorded imports in the last 3 decades. Thailand's ministry of Industry's Department of Industrial Works reported that one spinning mill and 20 garment factories had closed between January and September 2020, putting around 5,713 workers out of work. It is expected that with the revival in Thailand's economic growth, the textile sector will also revive.

Thailand has a very small level of production of around 2,000 tonnes and it heavily relies on the imports of cotton lint to meet its consumption needs of around 153,000 tonnes. Thailand depends on high quality cotton lint imports mostly from US for its domestic lint demand. Thailand's consumption needs have been falling since the last 4 seasons, causing an eventual fall in its lint imports. The USA has been Thailand's important trading partner and in the last five seasons Thailand has imported around 50% and more of its total imports from USA. Thailand's share of cotton lint imports from United States have also nearly doubled, while in the 2014/15season, Thailand imported around 34% of its total cotton lint from the USA, this share in the 2019/20 season grew up to become 60%. With the falling consumption, Thailand is also moving towards cheaper import of cotton lint from countries like India, Mali, Burkina Faso, Cote d' Ivoire amongst others and the US share in 2020/21 fell to 48%.

Other major importing partners for Thailand in the 2019/20 season were Brazil (16%), Australia (4%), Mali (4%) amongst others, in 2020/21 thesy were the USA (48%), Brazil (18%), Australia (9%) and India (7%) amongst others.

TURKEY

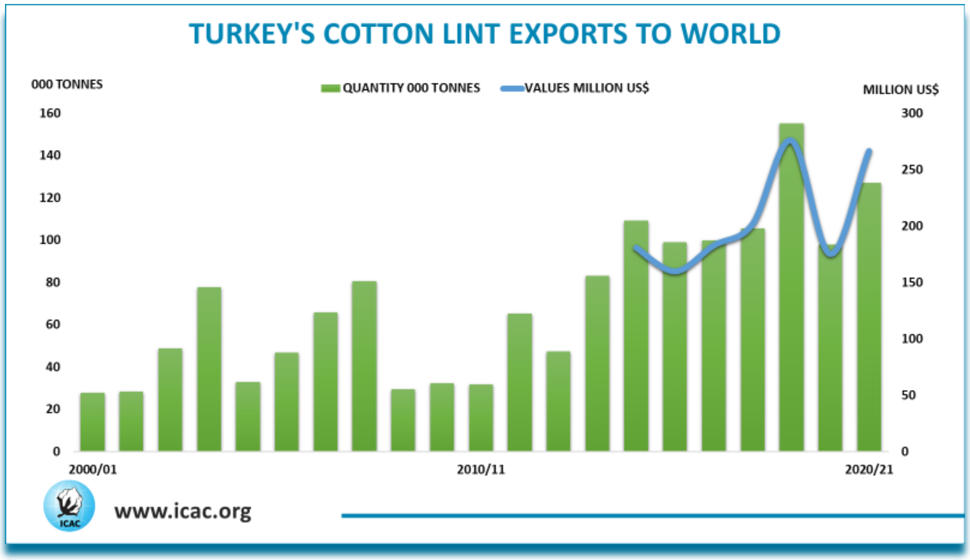
Increase in exports **Increase in imports**

'Turkey recorded an increase in its exports by 30% in quantity and by 52% in value and an increase in its imports by 14% in quantity and by 24% in value in 2020/21 compared to the previous season'

In the 2020/21 season:

- **World's 5th largest importer.**
- **Imports 1.15 million tonnes**
- **Import values at $2 billion**

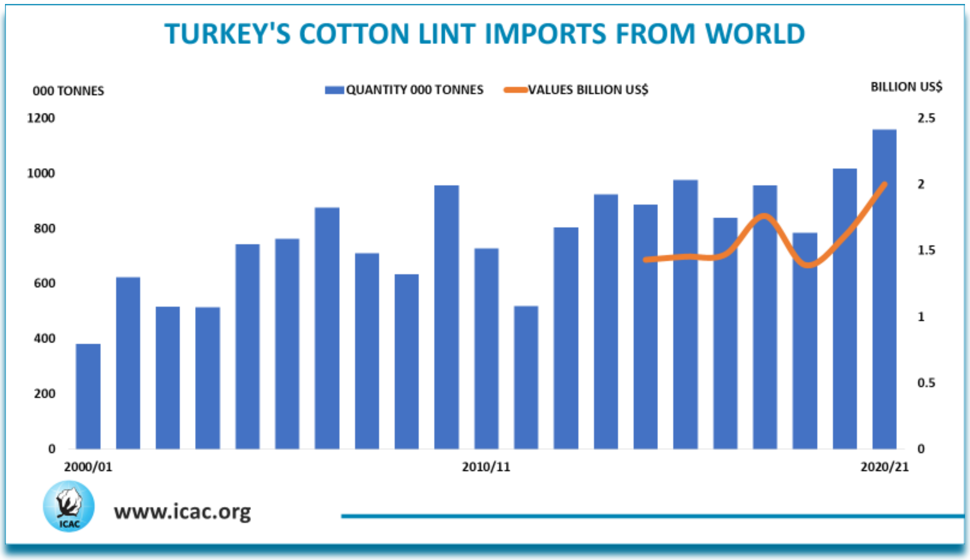
- World's 15th largest exporter
- Exports 127,000 tonnes
- Export value at $267 million



In the 2020/21 season, Turkey was the 8th largest cotton lint exporter, exporting around 1.2 % of total world exports in the same season. Turkey recorded a fall in its cotton lint exports in the 2019/20 season compared to 2018/19, by 37% to reach 97,800 tonnes. and by 36% to reach $176 million in value. In 2020/21, its exports revived in a big way.

In the 2019/20 season, the major exporting partners for Turkey were Bangladesh (23%), Pakistan (15%), Italy (10%) and Germany (8%) amongst others. Destination wise, in the 2019/20 season, Turkey exported around 46% of its cotton lint to Asia and around 41% to the continent of Europe. In the 2020/21 season, Turkey's exports to Pakistan more than doubled, mostly because of lack of availability of cotton domestically in Pakistan which resulted in an overall increase in Pakistan imports. Another country which experienced higher exports from Turkey was China, whereas countries like Bangladesh, Germany, Italy and Poland experienced a fall.

Turkey's consumption exceeds its production and it has to rely on imports to meet its needs. Turkey's mill use has been increasing since the 1950s and staying above 1 million tonnes since 1960s. This consumption was at its highest in the 2018/19 season and is estimated to stay strong at 1.6 million tonnes for the 2021/22 season. Turkey recorded an increase in its level of imports in the 2019/20 season by 30% in quantity to reach 1 million tonnes and by 16 % in value to reach $1.6 billion in value. These levels further increased in the 2020/21 season, reaching to this highest ever experienced levels.



The major importing partner for Turkey were United States (38%), Brazil (19%), Greece (16%), Azerbaijan (7%) amongst others in 2019/20, for the 2020/21 while the major partners remained the same their shares slightly changed: United States (25%), Brazil (24%), Greece (15%), Azerbaijan (11%) amongst others. Turkey's textile industry was affected when Tukey went through recession in the 2019 year and then was further affected by the Covid-19 pandemic related slowdown and business closures. Further in 2019, Turkey had also imposed 5% to 8% custom tariff against imported cotton yarn and synthetic yarns. The mill use in Turkey for the current season is estimated to stay strong with an estimated 1% increase in imports to be at 1.17 million tonnes.

UNITED STATES

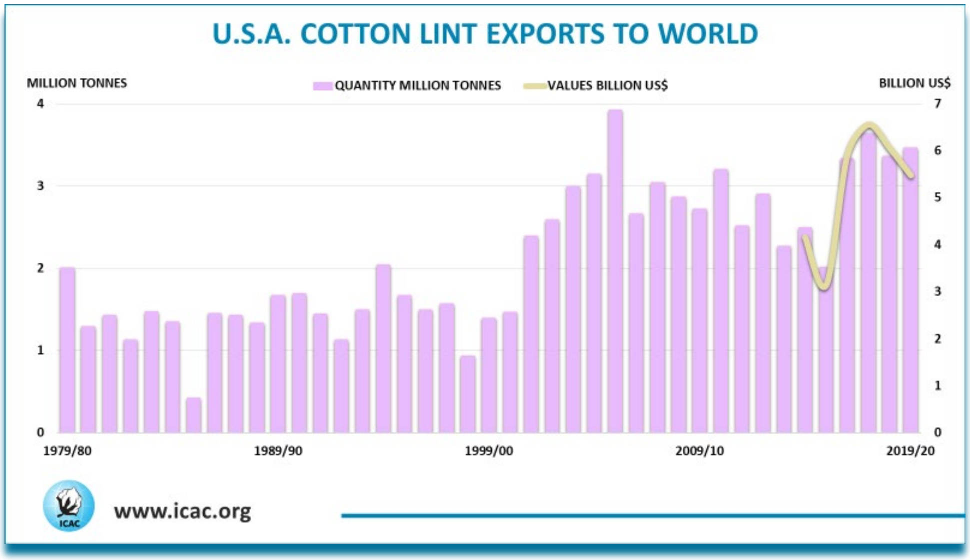
Increase in exports

'United States remained the largest cotton lint exporter in the world, exporting around 34% of total world exports. In the 2020/21 season compared to 2019/20, US recorded an increase in its exports by 5% in quantity and by 14% in value'

In the 2020/21 season:

- **World's largest exporter.**
- **Exports 3.6 million tonnes**
- **Export value at $6.2 billion**

United States recorded an increase in its cotton lint exports in the 2019/20 season compared to 2018/19, by 3% to reach 3.46 million tonnes.. However, the value of these cotton lint exports fell by 10% to reach to the level of $5.5 billion. This level further increase in the 2020/21 season both in quantities and in value.



In the 2019/20 season, the major exporting partners for US were Vietnam (24%), China (19%), Pakistan (14%), Turkey (11%) amongst others. In this season, US exported around 92% of its total cotton lint to the continent of Asia making it as its most important export destination. In the 2019/20 season compared to the previous season, record exports were made to China and Pakistan and huge export fall was seen for Indian and Mexico. While the fall can be explained by the weak global consumption amid sluggish economic growth in major markets and lower relative prices for competing fibres such as polyester, the increase in exports to China was as result of the US-China Phase One Economic and Trade Agreement that came into force in 2020 and as for Pakistan, owing to unavailability of high-quality cotton in Pakistan, the country's textile industry is becoming increasingly reliant on imported fibre, mainly from the US.

In 2018 and 2019, the tariff escalations between US and China impacted their trade in cotton. In 2020, the US-China Phase One Economic and Trade Agreement came into force. In order to expand agriculture trade between the two countries, the Agreement Cotton specifies that for agricultural goods (identified in Annex 6.1 of the Agreement), no less than $12.5 billion above the corresponding 2017 baseline amount is to be purchased and imported into China from the USA in 2020; this value for 2021 is $19.5 billion. It was also decided that the trajectory of increase in the amount of goods imported into China will continue from 2022 through 2025 and that the purchases will be made at market prices based on commercial considerations and that market conditions, particularly in the case of agricultural goods, may dictate the timing of purchases within any given year. This again affected the trade between US and China. By the end of 2020/21, China became US's most important export partner with its share increasing from 19% to 31% in 2020/21 compared to the previous season.

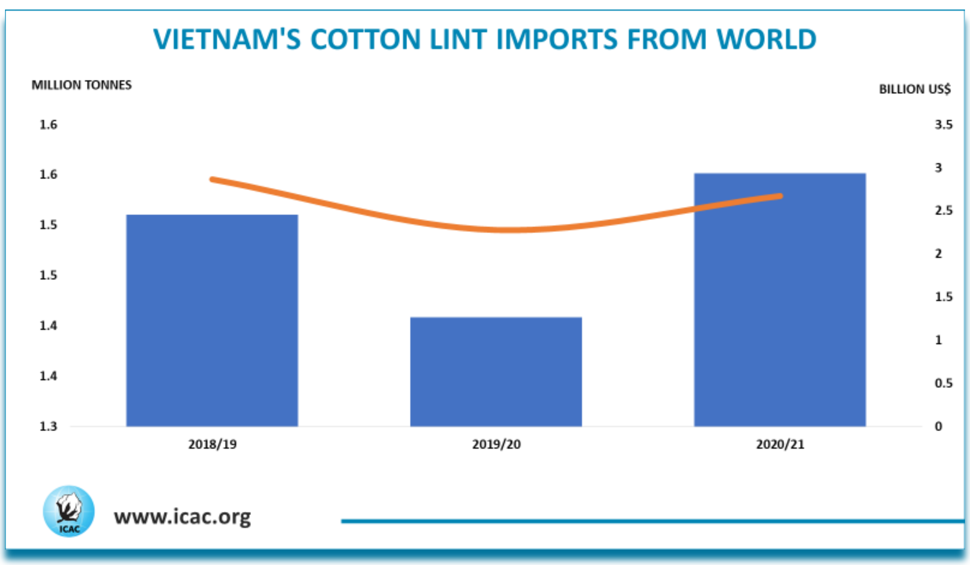
In the middle on the ongoing trade agreement, the United States announced sanctions against cotton products from western China's Xinjiang region over allegations that they are made with forced labor from detained Uighur Muslims: These restrictions were imposed by the US Customs and Border Protection over raw fibres, apparel and textiles made from Xinjiang-grown cotton. The Department of Homeland Security (DHS) estimates that about $9 billion of cotton products were imported from China into the United States in the past year. While the trade deal between the USA and China is up for renewal in the December 2021, these factors together will determine the trade between these countries and the impact on their respective trade baskets.

Other than China, most of the other US exporting partners like Vietnam, Pakistan, Turkey, Bangladesh amongst others experienced a fall in their respective share in exports. Another important development was that in April 2021, the government of Turkey removed the 3% anti-dumping duty on US cotton which was imposed back in 2016 for a five-year period and may create a shift in the trade baskets of both these countries in the current season.

VIETNAM

Increase in imports

'Vietnam recorded an increase in its cotton lint imports by 10% in quantities and by 16% in value in 2020/21 compared to the last season'



In the 2020/21 season:

- **World's 3rd largest importer**
- **Imports 1.5 million tonnes**
- **Import value at $2.64 billion**

Vietnam was the 3rd largest cotton lint importer in the world, accounting for 15% of total world imports in the 2019/20 season, however, it recorded a fall in its imports in the 2019/20 season compared to 2018/19, both in quantities and in value. The cotton lint imports by Vietnam fell by 7% to reach 1.4 million tonnes. and by 21% to reach $2.2 billion in value in the 2019/20 season compared to the previous season. These levels revived in the 2020/21 season. However, in 2021, Vietnam experienced a high rise in Covid infections and pandemic-related lockdowns and business closures which negatively affected its textiles exports.

In the past years, the textile industry in Vietnam has attracted substantial investment, including spinning, weaving and knitting, dyeing and finishing. Cotton mill use in Vietnam continues to show robust growth. Major textile industry growth factors for Vietnam included the granting of most favoured nation (MFN) status by the USA in 2001 and the accession of Vietnam to the World Trade Organization in 2007. The government of Vietnam provides sizeable incentives for foreign investments in textile production. Since 2000, spinning capacity in Vietnam has tripled. Strong demand for cotton yarn from China and Turkey is another factor causing Vietnam to increase its imports in recent seasons.

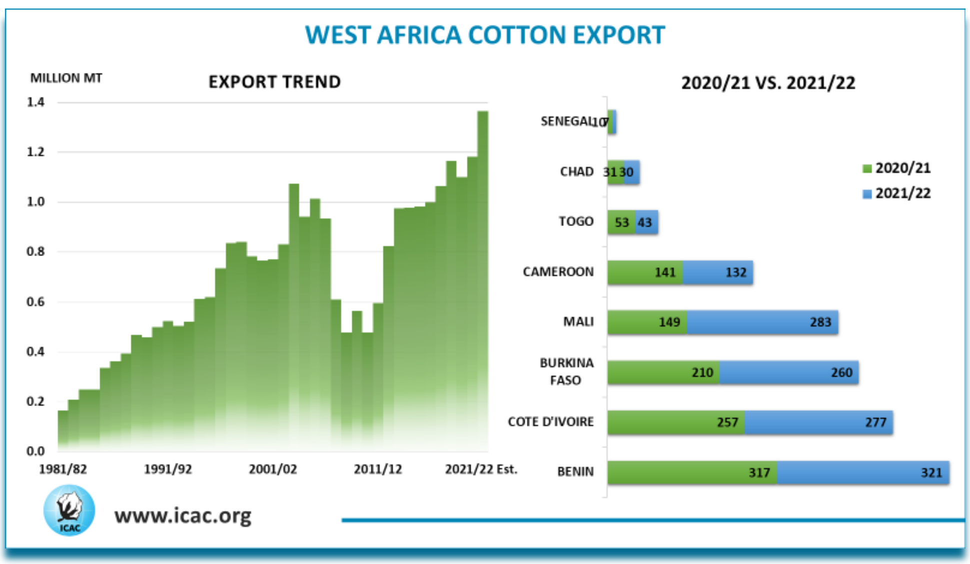
WEST AFRICA

Increase in exports

'Exports from West Africa increased by 7% in the 2020/21 season compared to the previous season'

In the 2020/21 season:

- **World's 3rd largest exporter**
- **Exports 1.18 million tonnes**

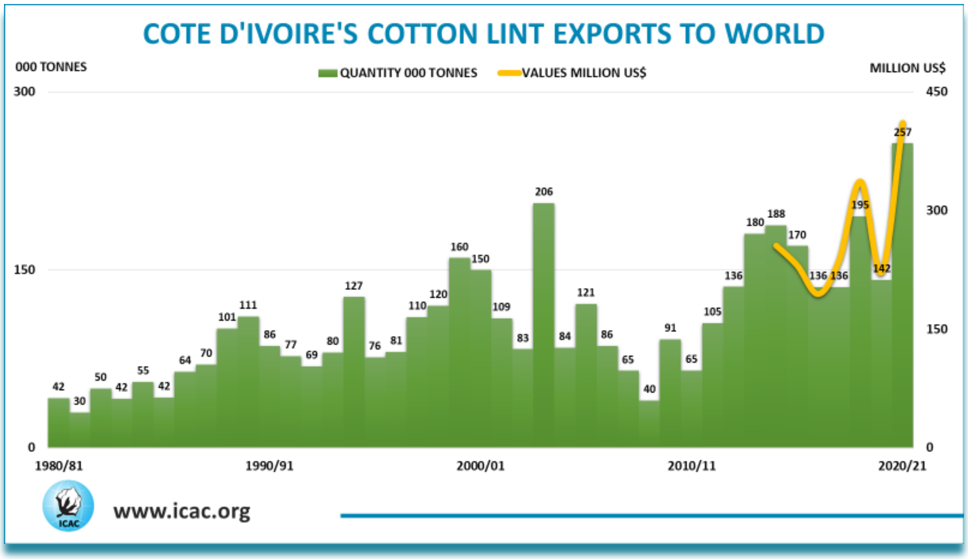


West African exports have grown consistently in the last decade. At 596,000 tonnes in 2011/12, it reached 1.18 million tonnes in the 2020/21 season. It is estimated that West Africa will have 37% higher production and 15% higher exports at 1.36 million tonnes in the 2021/22 season, reaching its highest level ever. Many West African countries like Mali, Burkina Faso, Cote d'Ivoire and Benin are estimated to export higher levels of cotton in 2021/22 compared to the previous season.

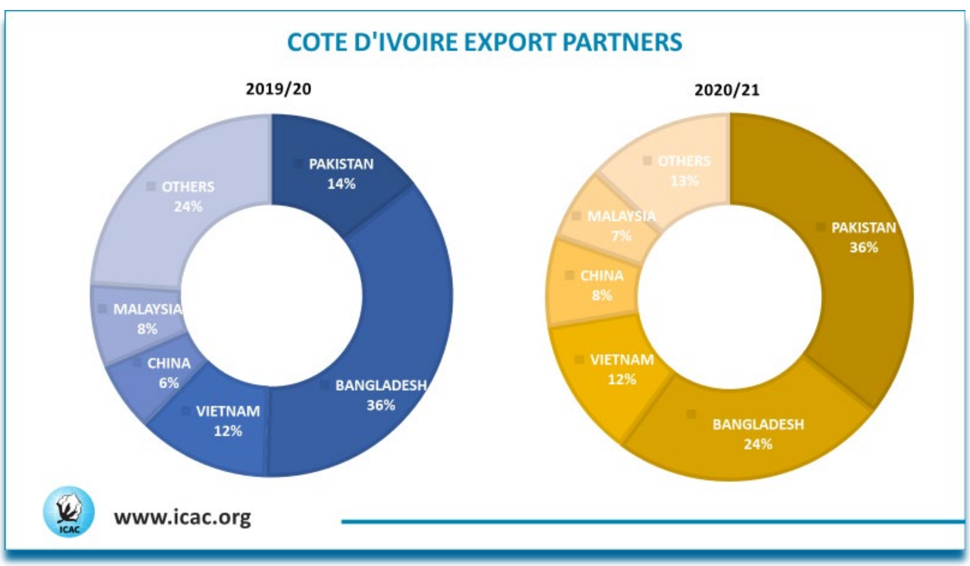
BENIN

Benin's cotton exports have shown a healthy growth in the last decade, increasing from 64,000 tonnes in the 2010/11 season and reaching to 317,000 tonnes in 2020/21. Benin increased its cotton production by 2% in 2020/21 compared to the previous season, leading to an increase in exports by 4% to 317,000 tonnes, their highest level ever. It is estimated that in the next season Benin will further increase its production by 5% and exports by 1%.

COTE d' IVOIRE



Cote d'Ivoire's cotton lint exports increased by 81% in the 2020/21 season after falling by 27% in the prior season. While the major exporting partners for Cote d' Ivoire remained the same between 2019/20 and 2020/21 season, the share within these partners saw a change, with Pakistan's share of Cote d'ivoire total exports increased from 14% to 36%, Bangladesh fell from 36% to 24%. Cote d'Ivoire exported more than 95% of its total shipments to, Asia making it its most important export destination.



As businesses were disrupted in Asia due to the Covid-19 pandemic, it affected the export of cotton lint from Cote d' Ivoire. Many buyers from Asia completely cancelled their orders. This led to issues like:

- Increase in cotton stocks in storage.
- less space for storage.
- Increase in the cost for this storage.
- Diminishing quality of the cotton in storage.

The result was tension between the cotton companies and the banks as the interest weighed heavily on the cotton industry.

Image source: Shutterstock

BURKINA FASO

Burkina Faso reached its highest level of exports in 2015/16 at 272,000 tonnes; although it has tried to keep its exports high, it hasn't reached the same levels in recent years. Last season, Burkina Faso exports performed well with a 5% increase compared to 2018/19, mostly due to a similar level of increase in production. It increased its production and exports even further in the 2020/21 season compared to the prior season by 9%. Burkina Faso exports reached 210,000 tonnes and are expected to grow further in the 2021/22 season.

MALI

Mali exported a total of 208,000 tonnes in 2019/20. The major exporting partners for Mali were Bangladesh (57%), India (10%), Malaysia (8%), Vietnam (8%) and China (6%) amongst others. Mali faced multiple problems in trading its cotton lint. The country reported that due to the closing of its exporting partner countries' ports, it was not able to export its cotton lint. This in turn increased the levels of cotton in with Mali and also increased damages due to longer-than-expected periods of storage. Other factors that affected Mali's cotton lint exports:

- Decrease in prices
- Decrease in the value of the dollar.
- Increased competition from Brazil who has lower prices in comparison and has shorter delivery times.

This had a severe impact on the area under cotton in the 2020/21 season, which fell by 78%, eventually affecting exports in cotton which fell by 30% to 149,000 tonnes. Overall, the season was harsh for cotton producers and traders in Mali and the Mali government is helping the sector revive for the 2021/22 season.

CAMEROON

Cameroon's cotton lint exports increased by 7,000 tonnes to reach 137,000 tonnes in the 2019/20 season compared to 2018/19. These levels further increased by 3% to reaching 141,000 tonnes by the end of the 2021/22 season. In the last 5 decades, Cameroon has reported a consistent increase in their cotton lint exports, from an average level of 15,000 tonnes in the 1970s, it reached to an average level of around 100,000 tonnes between 2010 and 2020.

TOGO

Last season, Togo's exports fell by 20% to 38,000 tonnes. The 2020/21 season also saw stocks 34% higher than the prior season at 38,000 tonnes. Further, Togo also experienced a 43% decrease in production in 2020/21. As economies revived from the pandemic, Togo's exports grew by 39% to 53,000 tonnes by the end of 2020/21.

Image source: Shutterstock

CHAD

Chad's cotton production increased by 4% in 2020/21 compared to the previous season, also increasing its exports by 1% to 31,000 tonnes. For the current season, Chad's cotton production is expected to increase by 20% to 61,000 tonnes, while exports are estimated to remain strong at 30,000 tonnes.

SENEGAL

Senegal recorded an increase in its level of cotton lint exports in the 2019/20 season compared to 2018/19 by 9% to reach 6,000 tonnes and by 23% to reach $9 million in value.

Senegal export's increased by 72% in 2020/21 comapred to the previous season to reach 9,700 tonnes and by 74% to $16.4 million in value. The major exporting partners for Senegal in the 2019/20 season were Bangladesh (72%), Vietnam (15%), Guinea (4%), Turkey (4%) amongst others. In this season Senegal exported around 92% of its total cotton lint to Asia, making it the most import export destination. In the 2020/21 season, there was a drastic fall in Sengal's exports to Vietnam, falling from 925,000 tonnes in 2019/20 to 157,000 tonnes. The exports mostly went to Bangladesh, which increased its share of Senegal's export market. The major exporting partners for Senegal in the 2020/21 season were Bangladesh (90%), Turkey (6%), Portugal (2%) and Vietnam (2%) amongst others. Vietnam exported more than 97% of its total exports to Asia, which remained its most important export destination.