



CONFEDERATION OF INDIAN TEXTILE INDUSTRY  
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# **Strengthening Cotton-to-Consumer Value Chains**

## **Investment Imperatives in Emerging Markets**

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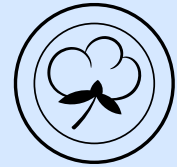
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# Cotton is a Major Fibre, but Value Creation Lies Elsewhere



- Cotton accounts for ~**25%** of global fibre consumption and has a global production of ~**26 Mn tons**



- Cotton value chain lacks end-to-end integration;
- Share of major cotton producers in global cotton production: ~**84%**
  - Share of them in global T&A exports: ~**43%**



- Such missing downstream capacities leads to
- Higher logistic cost
  - Longer lead times
  - Lower investor confidence

**Value addition in downstream is about 6X the value of fibre**

## Share of major producers of cotton in global T&A exports

Country (Rank)	China (1)	India (2)	Brazil (3)	USA (4)	Pakistan (5)	Australia (6)
Cotton production (MT)	7,620	5,117	4,082	3,030	1,089	980
Share in global cotton production	29.2%	19.6%	15.6%	11.6%	4.2%	3.8%
Share in global T&A exports	33.3%	4.1%	0.7%	2.6%	2.0%	0.5%

# Raw Material Availability Alone is not Sufficient to Attract Investment

Countries with high import dependence on cotton are gaining share in T&A exports

Key drivers include:

- FTAs and market access
- Low-cost manufacturing ecosystems
- Logistics and turnaround efficiency

Investment is driven by market access, efficiency and scale—not just raw material availability.

## Global T&A Export Share vs Cotton Dependence

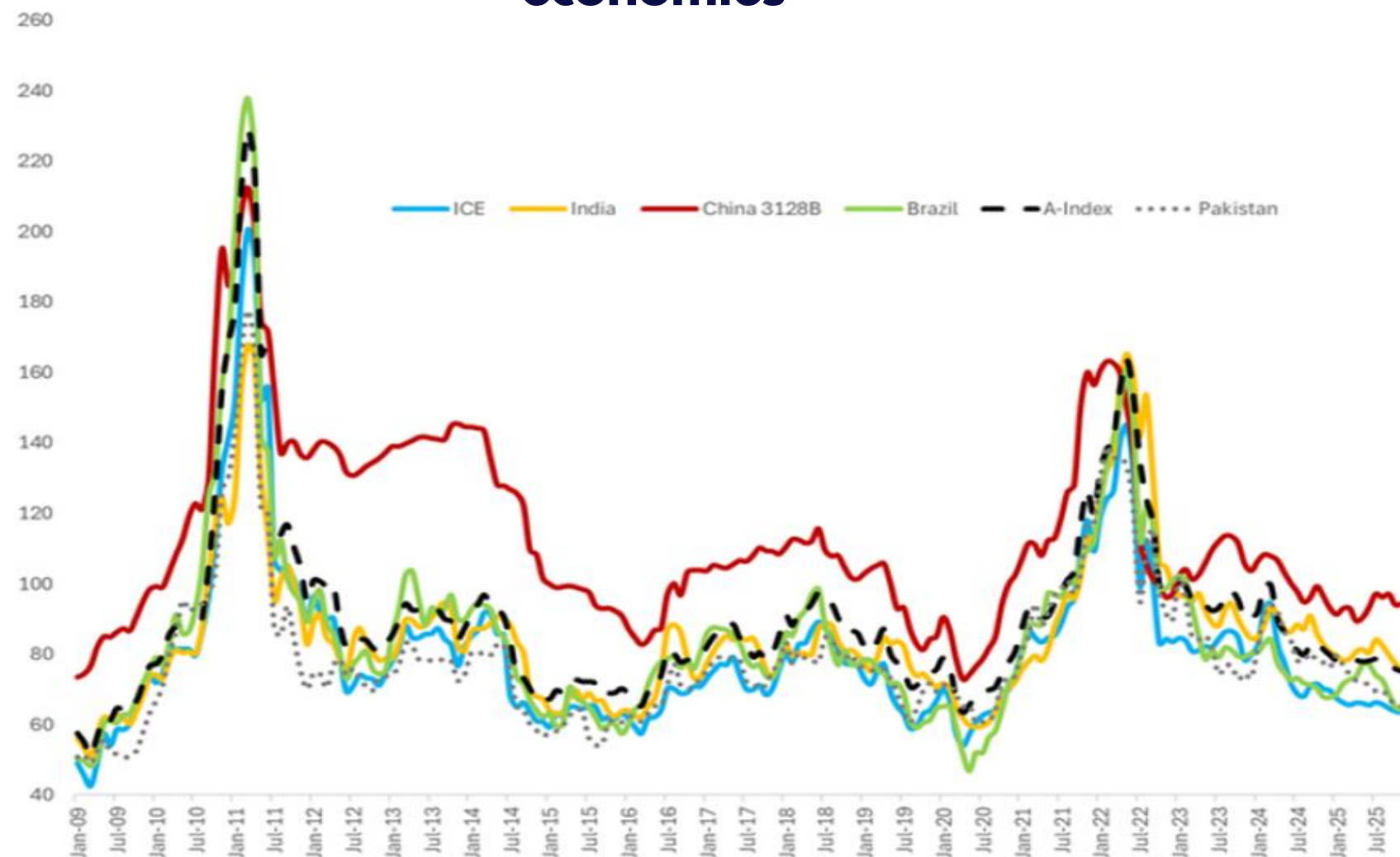
S No	Country	2015	2024	Import Dependence on cotton	Key factors driving growth
1	China	35.6%	33.3%	Low	VC, Scale, Infra, Tech
2	Bangladesh	3.7%	6.0%	High	FTA, Low Cost, Apparel
3	Vietnam	3.6%	5.0%	High	FTA, Logistics, China+1
4	Germany	3.9%	4.7%	High	Tech, Branding, Re-export
5	Italy	4.1%	4.5%	High	Luxury, Design, Niche
6	India	4.8%	4.1%	Low	VC, Cotton Base, Domestic
7	Türkiye	3.4%	3.6%	Medium	EU Proximity, VC, Speed
8	USA	3.3%	2.7%	Low	Cotton, Tech Textiles
9	France	1.9%	2.4%	High	Luxury, Branding
10	Netherlands	1.6%	2.1%	High	Logistics Hub, Re-export

Source: ITC Trade Map and CITI Analysis

VC = Value Chain, FTA = Free Trade Agreements, Infra = Infrastructure, Tech = Technology

# Why Cotton-Growing Economies are Not Attracting Downstream Investment

## Monthly cotton prices in major cotton producing economies



Source: Gherzi Analysis

### 1. Higher perceived risk

- Price volatility and quality variability

### 2. Supply-side constraints

- Productivity and labour challenges

### 3. Weak global positioning of cotton

- Limited data-backed sustainability attributes
- Fragmented traceability and certification frameworks

### 4. High degree of informality leading to

- Limits access to formal finance and scaling
- Challenges in meeting global labour and social standards

### 5. Sustainability perception gap

- Natural and biodegradable attributes under-recognized
- Competing fibre narratives influencing sourcing

**FACILITATING  
INVESTMENT IN  
INTEGRATED  
COTTON-TEXTILE  
ECOSYSTEMS**

**1. Strengthen cotton ecosystems**

- Improve productivity, quality, and climate resilience



**2. Ensure stable and predictable policy frameworks**

- Provide long-term visibility to investors
- Rationalize duties and reduce policy distortions



**3. Enhance market access**

- Strengthen trade linkages with emerging markets
- Improve competitiveness in global markets



**4. Build integrated value chain infrastructure**

- Develop cluster-based, farm-to-fashion ecosystems
- Enhance logistics efficiency and reduce lead times



**5. Improve access to finance**

- Enable affordable, long-term capital
- Expand green financing solutions



**6. Strengthen sustainability positioning of cotton**

- Promote evidence based, balanced fibre narratives
- Align traceability and certification systems globally



**Facilitating investment is not about one intervention – it is about aligning cotton systems, policy frameworks, and sustainability into a single, integrated ecosystem.**

# Way Forward

- Emerging markets will shape the future of cotton and textiles
- Cotton remains central to building sustainable and inclusive value chains
- The opportunity is clear, but realization requires coordinated action



## Governments

Ensure stable, predictable, and enabling policy frameworks



## Industry

Invest in scale, efficiency, and sustainable practices



## Global institutions

Support harmonized standards, traceability, and financing mechanisms

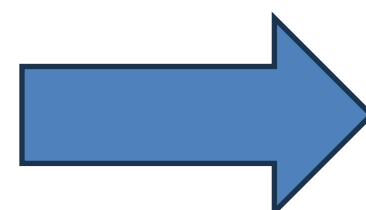
**Investment will not flow to fragmented value chains—it will flow to ecosystems that are integrated, competitive, and credibly sustainable**

# Rebalancing the Sustainability Narrative for Cotton



## Current Perception

- Water-intensive and resource heavy
- Environmental concerns emphasized
- Lower reliability for large-scale sourcing



## Cotton Reality

- Natural, renewable, and biodegradable fibre
- Strong alignment with circular economy principles
- Continuous improvements in sustainable farming practices
- High potential for traceable and responsible sourcing

**Perception is increasingly shaping sourcing and investment decisions—cotton's sustainability strengths must be communicated with clarity, consistency, and credibility**



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# Thank you

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