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Cotton Statistics And News

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Drastic Fall in Cotton's Market Share in World Textile Consumption

A study of the long-term data published by the International Cotton Advisory Committee (ICAC) reveals that between 1960 and 2010 the market share of cotton in the world textile fibre consumption dropped sharply. The present share of cotton is just about half of that in 1960. The relevant data as published by the ICAC are presented in the table below.

World Textile Fibre Consumption

Year	Kg per Capita		Total Consumption*		Cotton's
	Cotton	Non-Cotton	Cotton	Non-Cotton	Market Share
1960	3.43	1.59	10.36	4.80	68.3
1970	3.28	2.61	12.11	9.64	55.7
1980	3.23	3.45	14.30	15.29	48.3
1990	3.54	3.67	18.60	19.28	49.1
2000	3.30	4.92	19.98	29.81	40.1
2010	3.29	6.15	22.45	42.00	34.8

** In million tonnes*

It will be seen that while the per capita consumption of cotton did not show significant change between 1960 and 2010, that of non-cotton rose by nearly four times. With regard to total consumption, while cotton consumption doubled, that of non-cotton was almost nine times more. Thus, the market share of cotton almost halved from 68.3 to 34.8.

In the case of both per capita and total consumption, non-cotton use was trailing that of cotton till 1970s, but it overtook cotton from the 1980s, and in subsequent decades the margin became wider and wider. Similarly, cotton's market share stood its ground till 1970s but went down below 50 per cent from the 1980s. The sizable amount spent by big companies in research led to the development of new man-made fibres combining attractive properties like gloss, strength, durability, etc. and cotton could not compete with them. However, in spite of their other advantages, non-cotton could not compete with cotton in such properties as moisture absorption, weaving comfort, etc. There are indications that recently cotton has come back to favour and is finding a place even in fashion wear.

Surprisingly, the region-wise data published by ICAC show that contrary to the popular conception, it is in the developing countries that the share of cotton has dropped drastically while in the industrial countries it has gone up to some extent. In the Asia/Oceania region the share has been maintained. The relevant data are given below :

Market Share of Cotton

Year	Industrial Countries	Developing Countries	Asia / Oceania
1981	37.4	57.1	45.7
1991	42.9	55.3	42.2
2001	43.4	39.8	43.9
2010	45.0	26.8	45.7

Better Business Confidence Among Spinners in Indian Sub-Continent - Cotton Outlook Survey

The reputed international Weekly, "Cotton Outlook" has published the findings from its latest quarterly Business Confidence Survey conducted immediately prior to end of 2009. Some of the findings from the Survey are mentioned below :

As has been the trend in recent surveys, the most upbeat responses are said to be again from the Indian Sub-Continent. The sentiment is stated to have improved slightly in India during the latter stages of 2009. Spinning capacity appears to have remained static during the fourth quarter and there seems to be little evidence of plans for investment early in 2010. Nevertheless, a few respondents appear to have indicated that they have increased their use of raw cotton presumably to meet an upturn in yarn orders. Concern seems to have been expressed about the sharp rise in raw cotton prices.

The average view of the business outlook is stated to have slightly improved in Pakistan also compared to the previous quarter. A few responses appear to have made a reference to some recent investment, partly in additional spindles and also in modernisation and energy saving technology. Although the composition of spinners' blends does not appear to have changed greatly, some mention seems to have been made about a shift in fibre preferences in favour of raw cotton over polyester.

Responses from a majority of the mills that replied from China are said to have been neutral about the yarn business prospects although this marks an improvement over the outright pessimism expressed six months earlier. Despite the apparent improvement in sentiment, nearly one-third of the respondents are stated to have reduced their capacity during the last quarter of 2009. Most of the mills seem to have opined that cotton consumption this season will fall well short of the nine million bales forecast by the leading agencies.

In US, the mood of spinners is said to be brighter with most respondents indicating that they are neutral to optimistic about the business outlook. A few mills appear to believe that yarn inventories may fall during the next quarter although others are more cautious. There seems to have been some further contraction in spindleage. There seems to be little scope for optimism in Europe and even some of the financially stable spinners in Greece are said to be moving out of the business. Contraction in spindleage is reported from Italy also.

Organic Cotton Market

In the course of global warming people are sensibilized for environmental issues and attend to take more attention to organic products. Since the organic products become more important to the customer, consumers enquire the producer to supply more organic products.

During the 2007–2008 crop years, organic cotton production enhanced 152 percent, according to the Organic Cotton Farm and Fiber Report 2008 released by Organic Exchange. As a result, organic cotton production reached 145,872 metric tons (MT), equaling 668,581 bales, grown on 161,000 hectares in 22 countries.

Today, the biggest organic cotton producer is India, followed by Turkey on the second place. There are also several countries that start to produce organic cotton in large quantities, like Syria, China, Tanzania, the United States, Uganda, Peru, Egypt and Burkina Faso.

The organic cotton business is potentially promising, as organic cotton is predicted to become a bigger issue in the future. Since people's awareness is risen, the organic cotton demand is increased. The organic cotton trends will be always expanding and not only become a brief trend.

The organic market is wide ranging. Due to its various product categories, organic cotton products can be used in any public scope. From children garments to home textiles, organic cotton provides a solution to all of our needs. Without any doubt, the growth of organic cotton is also supported by the fashion industry. Today the fashion apparels start to sell clothes and accessories that is made from organic cotton. In the future, organic cotton turns into the next fashion trends. And not at least because consumers are persuaded to contribute something for the environment while they are buying clothes.

World Textile Fibre Consumption Quadruples During Last 50 Years

A study of the data published by the International Cotton Advisory Committee (ICAC) reveals that the world consumption of textile fibres more than quadrupled during the last 50 years. The relevant data are presented in the following table :

Textile Fibre Consumption ('000 tonnes)			
Year	World Total	Industrial Countries	Asia
1960	15,153	7,685	3,230
1970	21,741	10,641	4,257
1980	29,580	12,994	6,981
1990	37,882	16,959	10,631
2000	49,790	21,488	18,366
2010 (proj.)	64,446	25,075	30,697

From 15.15 million tonnes in 1960s, world textile fibre consumption is expected to soar to a projected 64.45 million tonnes in 2010, a four-fold rise. The segregated data also show that while consumption between 1960 and 2010 recorded a growth of just over three times from 7.69 million tonnes to 25.08 million tonnes in the Industrial Countries, Asia's consumption registered a near tenfold increase from 3.23 million tonnes in 1960 to a projected 30.70 million tonnes in 2010. As is well known, industrial countries had been far more advanced in economic development for quite a long time and this is reflected in their higher textile fibre consumption for several decades now. Hence the growth in consumption has not been comparable to that in Asia consisting mostly of developing countries which had a low base in fibre consumption in the 1960s and 1970s. Hence, their rate of growth has been faster as their economic development gathered pace.

This disparate growth rate in the industrial and developing countries has been evident in the region-wise data for the last three decades which are presented below :

Textile Fibre Consumption ('000 tonnes)		
Year	All Industrial Countries	Developing Countries
1981	12,587	11,671
1991	17,306	16,200
2001	21,468	26,112
2010 (Proj.)	25,075	36,061

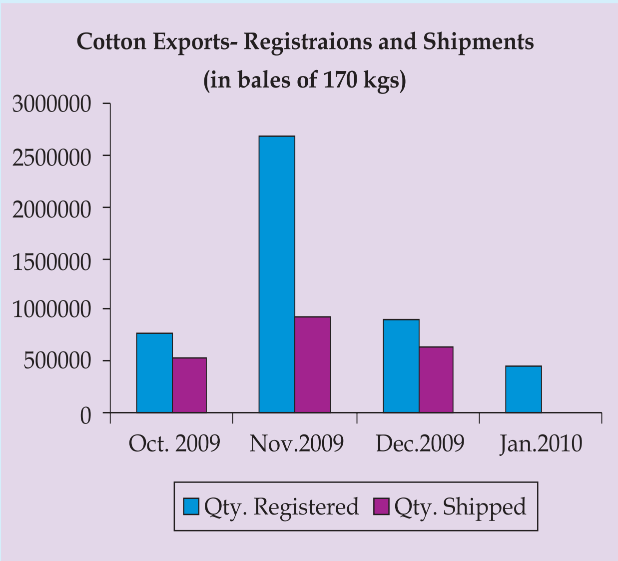
As may be seen, consumption in the industrial countries just doubled between 1981 and 2010 whereas it tripled in the developing countries.

Note : Result of study of the cotton and non-cotton textile fibre consumption and cotton's market share will be presented in a subsequent issue.

Cotton Exports Surpass 21 Lakh Bales as on 15th January

According to the data published by the office of the Textile Commissioner, as on 15th January 2010, the quantity of cotton exports registered was stood at 48,22,327 bales and the actual shipments at 21,05,943 bales. The data shows a reduction in the quantity registered in November as compared to earlier published data of 29.46 lakh bales. The January registration upto 15th were shown as 4,55,022 bales.

With the shipment of 21 lakh bales already effected, it appears that this season's exports may meet the estimated 55 lakh bales as projected by Cotton Advisory Board in its last meeting, as the overseas demand is said to be strong due to recovery in world textile industry which was caused by the global economic crisis.



SNIPPETS

Cotton imports by China soared to their highest level since May 2008 to 2.17 lakh tonnes in December, says a report. This was almost twice the quantity imported in November 2009 and about 30 per cent higher compared to December 2008. The total imports during the season from August to December amount to 6.6 lakh tonnes, almost equal to the quantity imported during the corresponding period of previous year.

Bowing to the continuing complaints from downstream textile manufacturers regarding the strong pace of cotton yarn exports and the resultant hike in domestic prices, the Cabinet Committee on Textiles of Pakistan is reported to have decided, with immediate effect, the volume that can be exported during the current fiscal ending in June 2010 to 50,000 tonnes per month. The Trade Development Authority of Pakistan will register exports upto that monthly limit on a first-come-first served basis. Cotton yarn exports by Pakistan during the last six months of 2009 have aggregated to 3.68 lakh tonnes.

According to statistics from the Customs released recently, the Chinese Textile and garment exports showed positive figures in December 2009. During the period of December, the textile and garments exports increased 4.48 percent from the same period a year earlier, the first time the year it turned positive. Despite China's efforts to expand domestic consumption, textile and garment industry still heavily relies on exports; the exports are estimated to account for more than 25 percent of its gross production. As textile and garment exports improved, together with well performed domestic market, demands for chemical fibres and other raw materials has also increased.

UPCOUNTRY SPOT RATES

(Rs./Candy)

Official quotations for standard descriptions with basic grade and staple in Millimetres based on Upper Half mean Length under By-law 66 (A)(a)(4)						SPOT RATES (UPCOUNTRY) 2008-09 CROP January 2010					
						23rd	25th	26th	27th	28th	29th
03.	ICS-102	22mm	V-797	4.5-5.9	19		21200		-	-	-
04.	ICS-103	23mm	Jayadhar	4.0-5.5	19	H	23200	H	23000	22000	22000
2009-10 CROP											
01.	ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0	15	O	22700	O	22500	22500	22500
02.	ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0	15		23700		23500	23300	23300
03.	ICS-102	22mm	V-797	4.5-5.9	19	L	-	L	20000	19100	19100
05.	ICS-104	24mm	Y-1	4.0-5.5	20		24400		24100	24000	24000
06.	ICS-202	25mm	J-34	3.5-4.9	23		25600		25400	25000	25000
07.	ICS-105	25mm	NHH-44	3.5-4.9	22	I	N.A.	I	N.A.	N.A.	N.A.
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24		25200		25200	25000	25000
09.	ICS-105	28mm	H-4 / MECH-1	3.5-4.9	25	D	25400	D	25400	25100	25100
10.	ICS-105	29mm	S-6	3.5-4.9	26		26400		26100	26000	26000
11.	ICS-105	31mm	Bunny / Brahma	3.5-4.9	27	A	26600	A	26300	26300	26300
12.	ICS-106	33mm	MCU-5 / Surabhi	3.3-4.5	28		27500		27200	27200	27200
13.	ICS-107	35mm	DCH-32	2.8-3.6	31	Y	40100	Y	40100	40000	40000
14.	ICS-301	26mm	ICC	3.7-4.3	25		25100		25100	25100	25100