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# Cotton Statistics And News

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## **ICA President Visits CAI**

Mr. Cliff White, President, alongwith Mr. Kai Hughes, Managing Director of International Cotton Association visited CAI last week. They were given a warm welcome by the CAI team led by the President, Mr. Dhiren N. Sheth. The visiting guests were taken around the Cotton Exchange Building. They also visited our Laboratory and Standards Room.



*Mr. Cliff White and Mr. Kai Hughes in an interactive session with the CAI team*

An interactive session between them and the members of Domestic By laws Committee and International By laws Committee of CAI was also held where several issues of mutual interest including standardisation of trading rules were discussed.

A dinner was also hosted by CAI in the honour of Mr. Cliff White, where he alongwith Mr. Kai Hughes had a good opportunity to interact with the members and other eminent personalities from the cotton trade present at the dinner. At the request of Mr. Sheth, Mr. Kai Hughes apprised the invitees of the salient features of the Arbitrator Training Course being conducted by ICA. Mr. Sheth encouraged the invitees to take up this Course.



*Mr.Cliff White and Mr. Kai Hughes at the Cotton Exchange Building*



*Mr. Pankaj Kotak briefing the visitors about the Laboratory operations*

Mr. Sheth made a presentation to Mr. Cliff White and Mr. Kai Hughes highlighting the role and activities of CAI. By another presentation, they were also apprised of the Cotton Promotion plans of CAI and the initiatives being taken in this regard.



*Mr. Cliff White and Mr. Kai Hughes at the Dinner hosted by CAI*

## Global Textile Production Bounces Back in Q-2 of 2009

The global textile production had registered a fall during the first quarter of 2009 as output in most regions declined. However, according to the latest State of Trade Report of the International Textile Manufacturers Federation (ITMF), second quarter of the year witnessed an impressive rebound. Both global yarn and fabric production is reported to have surged during the quarter driven by Asia in general and China in particular. Global yarn and fabric stocks are said to have continued to fall slightly both reaching long-term lows. Yarn orders were reportedly up in Europe while they showed a significant jump in Brazil.

The ITMF report states that world yarn production showed a remarkable rise of 22.4 per cent during the second quarter of 2009 as compared to the first quarter after having fallen continuously since the second quarter of 2007. All regions are stated to have recorded increases, especially South America with 44.9 per cent followed by Asia with 23.3 per cent, Europe with 2.2 per cent and North America bringing up the rear with 1.5 per cent. In comparison with last year's second quarter, only South America and Asia are said to have shown increases of 1.9 per cent and 1.0 per cent respectively, while yarn production in North America and Europe was still considerably below last year's levels by 25.2 per cent and 15.3 per cent respectively.

As per the ITMF report, global yarn inventories were down by 3 per cent in the second quarter of 2009 as compared to the previous quarter. Yarn stocks are said to have plummeted in South America by 15.3 per cent while Asian stocks were lower by 3.4 per cent. Stocks in Europe and North America are said to have remained stable. On an annual basis, yarn stocks were down by 1.3 per cent globally with South America and Asia witnessing a reduction of 6.1 per cent and 1.7 per cent respectively. There was a marginal increase of 0.7 per cent in Europe.

Yarn orders during the second quarter of 2009 are said to have risen slightly by 2.4 per cent in Europe and strongly by 12.0 per cent in Brazil. On an annual basis, yarn orders are stated to have been still considerably down by 10.4 per cent in Europe but jumped by 25.3 per cent in Brazil.

The situation regarding fabrics has also been reportedly similar to that of yarn. Fabric production appears to have soared globally by 14.4 per cent during the second quarter of 2009 in comparison with the previous quarter. Unlike yarn production, global fabric production is stated to have risen only in Asia and North America recording increases of 16.7 per cent and 7.8 per cent respectively. There was a minor fall of 0.4 per cent in Europe and 0.6 per cent in South America. Year-on-year, there is stated to have been an increase of 3.2 per cent in global fabric production, driven by a 6.7 per cent increase in output in Asia, while production in North America, Europe and South continued to be down by 22.5 per cent, 18.8 per cent and 3.1 per cent respectively. Fabric inventories reportedly fell by 4.5 per cent globally during the second quarter of 2009, touching the lowest level in years. The reduction was spread across all regions.

All in all, it would appear that global textile activity had been on the up during the second quarter of 2009 as compared to the first, indicating that the industry is gradually limping back to normalcy from the crisis it faced due to the global economic melt-down.

### Cotton Arrivals

Cotton arrivals upto January 16, touched 152 lakh bales, almost the same arrivals by the same date last year, according to the data available from the Cotton Corporation of India. Daily arrivals are said to have been at 1.7 lakh bales.

Arrivals were particularly higher in Gujarat at 53.25 lakh bales, 51 per cent higher compared to last season at 35.25 lakh bales.

On the other hand, arrivals are stated to have been lower than last year in the Northern States at 28.75 lakh bales (as against 30.85 lakh bales) and Southern States at 25.60 lakh bales (as against 31.45 lakh bales).

## 'Makar Sankranti' Celebrated at Cotton Exchange Building

On 14th January 2010, our Association celebrated 'Makar Sankranti' with fervour. The tradition of kite flying added zeal to the festival. Members gathered on the terrace of the Cotton Exchange Building and enjoyed the festivity by flying colourful kites.



*CAI members in festive mood*

More interestingly, the ICA President, Mr. Cliff White and Mr. Kai Hughes, Managing Director of ICA who had visited the CAI on the previous day, also participated in this event and had an exciting experience of this festival alongwith the CAI members and their families.



*ICA President, Mr. Cliff White enjoying the kite flying*



*Children too displayed their talent in kite flying*

A sumptuous dinner was also arranged by the members on this occasion.

## Textile and Clothing Industry on the Revival Path

The Union Textile Minister is quoted to have stated that the country's textile and clothing industry including exports has shown an improved performance during the eight-month period from April to November 2009. Production of cloth is stated to have risen by 10.8 percent, man-made fibre by 21.3 percent and yarn by 11.8 percent.

After witnessing a sharp decline of 21.8 percent in the first quarter of 2009-10 due to the global economic crisis, the textile exports reportedly turned positive since July by posting a growth of 2.92 percent. The Textile Minister is reported to have indicated that although hit by the decline in demand by the US and European Union, the Indian textile exports showed resilience as compared to the competitors. Further, he is stated to have assured the

industry help in its demand for distortion-free Goods and Service Tax. A study by the National Council of Applied Economic Research (NCAER), a distortion-free indirect tax regime like GST could boost exports by 3.2 percent to 6.3 percent.

The improvement in the textile industry's performance is claimed to have been visible in the balance sheets of the textile companies in the quarter ended September. Weaving companies reportedly posted a sales growth of 19.7 percent, spinning industry 8.9 percent, man-made fibre industry 15.7 percent and ready made garment industry 14.2 percent. According to the Minister, currently many of the local taxes are not refunded to the exporters, thereby reducing their competitiveness in the global markets.

## SNIPPETS

Growing for the second consecutive month, India's merchandise exports reportedly touched \$ 14.6 billion in December, the highest in the past 15 months. The December growth is about 16 percent from a year ago, while it is about 10 percent compared to the shipments in November 2009. The growth in November and December comes after exports have been declining for 13 months in a row since October 2008. The uptrend now is said to indicate that demand for Indian goods is reviving in the Western markets.



Another encouraging development is reported to be increase in the country's industrial output which rose by an impressive 11.7 percent in November 2009, the fastest growth in two years. During November 2008, industrial output had expanded by just 2.5 percent. The spurt in November 2009 was driven by a remarkable growth of 37.3 percent year-on-year in consumer durables output. Other sectors which posted positive growth were manufacturing with 12.7 percent, mining with 10 percent and electricity generation by 3.3 percent. Obviously, the rise has been helped by a revival in the retail demand



### Issue of Certificates of Origin (Non-Preferential)

The CAI has been enlisted by the Director General of Foreign Trade, New Delhi and is authorized us to issue Certificates of Origin (Non-Preferential). This service has already been commenced by CAI from 20<sup>th</sup> November 2008.

The purpose of this is to serve all the stakeholders in cotton value chain better and more effectively. We invite all of you to avail of these services.

The interested parties may contact the CAI Secretariat or visit our website: [www.caionline.in](http://www.caionline.in) for more details.

## 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						
					16 <sup>th</sup>	8 <sup>th</sup>	19 <sup>th</sup>	20 <sup>th</sup>	21 <sup>st</sup>	22 <sup>nd</sup>	
03.	ICS-102	22mm	V-797	4.5-5.9	19	21200	21200	21200	21200	21200	21200
04.	ICS-103	23mm	Jayadhar	4.0-5.5	19	23200	23200	23200	23200	23200	23200
<b>2009-10 CROP</b>											
01.	ICS-101	Below 22mm	Bengal Deshi(RG)	5.0-7.0	15	22700	22700	22700	22700	22700	22700
02.	ICS-201	Below 22mm	Bengal Deshi(SG)	5.0-7.0	15	23700	23700	23700	23700	23700	23700
05.	ICS-104	24mm	Y-1	4.0-5.5	20	24400	24400	24400	24400	24400	24400
06.	ICS-202	25mm	J-34 (SG)	3.5-4.9	23	26600	26600	26600	25600	25600	25600
07.	ICS-105	25mm	NHH-44	3.5-4.9	22	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24	25300	25300	25200	25200	25200	25200
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25	25600	25600	25500	25600	25600	25600
10.	ICS-105	29mm	S-6	3.5-4.9	26	26800	26700	26600	26600	26600	26600
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9	27	26800	26800	26800	26800	26800	26800
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5	28	27700	27700	27700	27700	27700	27700
13.	ICS-107	35mm	DCH-32	2.8-3.6	31	40300	40300	40300	40300	40300	40300
14.	ICS-301	26mm	ICC	3.7-4.3	25	25200	25200	25100	25100	25100	25100