

PRODUCTION AND EXPORT OF COTTON YARN

- ❖ Approximately 30 to 33 % of annual production of cotton yarn was exported over the past five years.
- ❖ Export of Cotton Yarn grew from 1,108 Mn Kgs in the year 2012-13 to 1,203 Mn KGs in the year 2016-17, recording a CAGR of 1.66 % over the 5 years period, whereas, production of cotton yarn grew at a CAGR of 2.51 % during this period.
- ❖ There was a marginal decline in production as well as export of cotton yarn in the year 2016-17 over the previous year. Decline in production can be attributed to marginal increase in production of blended yarns.

Year	Installed capacity Mn Spindles	Production Mn Kgs	Export Mn Kgs	% of Export to Production
2012-13	49	3,582	1,108	31 %
2013-14	49	3,928	1,310	33 %
2014-15	50	4,054	1,253	31 %
2015-16	51	4,136	1,307	32 %
2016-17	52	4,054	1,203	30 %

Source: O/o Tx C & Global Trade Atlas

SPINNING CAPACITY ESTIMATE IN MAJOR TEXTILE MANUFACTURING COUNTRIES

- ❖ **Vietnam** has a spinning capacity of around **7.20 million** spindles, of which, Chinese investment including Texhong, Bros Eastern, Huafu and Luthai account for around 2.30 million spindles. 50 % of cotton yarn exported from Vietnam is from the Chinese owned spinning companies.
- ❖ Spinning capacity in **India** is around **52 million** spindles. Export of cotton yarn to China plunged during the current year mainly due to stiff competition from Vietnam.
- ❖ Spinning capacity in **Pakistan** is around **12 million** spindles. It is reported that Cotton quality available for low count siro spun yarn in Pakistan, hence partial demand for low-count siro-spun cotton yarn has been replaced by open-end ones.
- ❖ Spinning capacity totaled around **10 million** spindles in **Indonesia**. Price of Indonesian cotton yarn is slanting high, mainly contamination free. It was reported that more than 20 spinning mills have been shut down in Indonesia this year.
- ❖ Some Chinese textile mills like LT Textile International and Zhongtai New Silk Road have invested in **Uzbekistan** and Tajikistan. LT Textile International's first phase project covering 0.12 million spindles has started operation in Uzbekistan, and is scheduled to reach 0.48 million spindles in the future. Zhongtai's industrial park in Tajikistan will have 0.11 million spindles of capacity after established and cover cotton upstream and downstream sectors. Currently, Uzbekistan has around 137 spinning mills with capacity around 2 million spindles, and spinners are mainly small-sized ones with 5,000-20,000 spindles.
- ❖ In **China**, spinning capacity was estimated to be around **113 million** spindles by the end of 2016. Capacity growth in China in recent years is mainly contributed by Autonomous Region of Xinjiang. Current spinning capacity in Xinjiang is around 13.60 million spindles, which is expected to rise to 20 million spindles by 2020. Textile capacity expansion in Xinjiang is faster than earlier plan. Spinning capacity in Xinjiang is expected to be 17-18 million spindles by end-2017. Some Chinese companies are also investing in spinning in Malaysia, but the investment scale is small, only for self-consumption

Source: CCF report dt 3rd August 2017

Major Exporters of Cotton Yarn in the World

Country	2014-15		2015-16		2016-17		% Share QTY 2016-17
	Mn US \$	Mn Kgs	Mn US \$	Mn Kgs	Mn US \$	Mn Kgs	
Total	15,185	4,458	13,494	4,491	13,071	4,379	
India	3,938	1,253	3,611	1,307	3,352	1,203	27.47
Vietnam	1,582	509	1,701	616	2,159	792	18.09
China	1,897	397	1,571	327	1,551	362	8.27
Pakistan	1,933	695	1,429	603	1,176	478	10.92
United States	1,396	473	1,279	486	1,206	468	10.69
Hong Kong	1,181	268	979	230	795	201	4.59
Indonesia	569	191	510	199	523	207	4.73
Turkey	443	140	448	157	486	165	3.77
Taiwan	318	125	265	122	259	127	2.90
Italy	258	29	220	30	211	27	0.62
Egypt	219	48	223	84	178	31	0.71
South Korea	274	76	216	68	154	49	1.12
Thailand	182	54	138	49	126	44	1.00
Germany	132	19	103	17	106	18	0.41
Malaysia	60	23	92	34	99	39	0.89

Source: GTIS, Geneva

- India continues to be the top exporter of Cotton Yarn with a share of 27.47 % in the year 2016-17 showing a declining trend from 29.10 % in the year 2015-16.
- World export of Cotton Yarn (quantity terms) declined by (-) 2.49 %, while export from India also declined by (-) 7.96 % in quantity terms and (-) 7.17 % in the year 2016-17 over the previous year.
- Top 15 countries account for about 96 % cotton yarn export in the world.

Major Importers of Cotton Yarn in the World

Table 3: Top 25 Importers of Cotton Yarn in the World							
Country	2014-15		2015-16		2016-17		% Share QTY 2016-17
	Mn US\$	Mn KGs	Mn US\$	Mn KGs	Mn US\$	Mn KGs	
World	14,476	4,327	13,101	4,368	12,527	4,214	
China	6,267	2,089	5,899	2,223	5,382	2,034	48.28
Bangladesh	822	233	856	258	885	259	6.15
Hong Kong	1,106	268	919	231	775	203	4.81
Turkey	481	147	464	159	510	177	4.19
South Korea	505	135	449	134	468	147	3.48
Italy	392	73	353	74	357	76	1.80
Portugal	321	92	305	99	323	107	2.53
Russia	253	120	248	134	286	152	3.61
Pakistan	120	29	164	48	275	81	1.93
Vietnam	548	144	250	62	257	68	1.61
Japan	287	62	237	59	237	61	1.46
Germany	235	50	206	52	216	57	1.35
Egypt	228	107	214	95	203	72	1.72
USA	163	38	150	37	141	34	0.80
Guatemala	163	43	178	49	137	40	0.95
Colombia	151	47	126	48	130	50	1.18
Peru	152	44	120	42	128	46	1.09
Sri Lanka	125	29	129	34	123	33	0.78
Thailand	77	16	79	19	102	27	0.65
Malaysia	121	38	122	40	96	33	0.78
Morocco	53	13	78	26	96	32	0.75
Spain	130	36	108	35	95	30	0.70
El Salvador	199	60	175	59	88	31	0.73
Indonesia	105	27	88	24	83	21	0.51
Poland	96	31	81	30	80	29	0.70

Source: GTIS, Geneva

- ❖ World import of Cotton Yarn has declined by (-) 9 % in quantity terms and declined by (-) 11 % in value terms in the year 2016 over the previous year.
- ❖ China and Hong Kong put together account for 53 % of world import of Cotton Yarn in the year 2016.

Major markets for export of Cotton Yarn from India

Table 4: Top 25 markets for export of Cotton Yarn from India										
Country	2014-15		UVR	2015-16		UVR	2016-17		UVR	% Share QTY 2016-17
	Mn US \$	Mn Kgs	US\$/Kg	Mn US \$	Mn Kgs	US\$/Kg	Mn US \$	Mn Kgs	US\$/Kg	
World	3938.19	1253.33	3.14	3610.56	1307.11	2.76	3352.25	1203.25	2.79	100%
China	1516.99	545.72	2.78	1475.49	588.58	2.51	1050.88	455.03	2.31	38%
Bangladesh	554.43	163.43	3.39	572.09	194.34	2.94	594.69	192.66	3.09	16%
Pakistan	90.37	22.82	3.96	131.79	40.77	3.23	215.10	66.15	3.25	5%
Egypt	186.59	59.51	3.14	164.42	60.35	2.72	133.20	45.87	2.90	4%
Portugal	112.53	34.48	3.26	110.10	40.54	2.72	126.92	45.32	2.80	4%
S. Korea	142.03	41.96	3.38	107.81	35.00	3.08	109.69	34.99	3.13	3%
Peru	119.77	37.57	3.19	86.65	32.22	2.69	100.22	36.12	2.77	3%
Vietnam	177.37	53.93	3.29	70.26	24.01	2.93	76.77	25.34	3.03	2%
Sri Lanka	73.41	18.71	3.92	73.61	21.12	3.48	70.89	20.31	3.49	2%
Hong Kong	75.78	24.39	3.11	49.11	17.83	2.75	68.83	23.78	2.89	2%
Germany	53.55	12.82	4.18	51.19	15.14	3.38	64.34	18.24	3.53	2%
Colombia	81.38	26.41	3.08	69.23	26.83	2.58	62.89	23.61	2.66	2%
Italy	56.20	11.53	4.88	51.31	12.43	4.13	54.18	12.91	4.20	1%
Turkey	37.61	9.81	3.83	30.81	10.35	2.98	44.46	13.53	3.29	1%
Japan	52.37	8.91	5.88	45.81	9.01	5.09	41.31	8.01	5.16	1%
Myanmar	38.02	9.68	3.93	40.85	11.37	3.59	37.60	10.53	3.57	1%
Poland	31.47	10.23	3.08	29.89	11.13	2.69	32.51	11.61	2.80	1%
Thailand	16.53	4.77	3.46	22.16	7.76	2.86	32.36	12.72	2.54	1%
Iran	27.64	8.07	3.43	29.41	10.80	2.72	31.51	10.97	2.87	1%
Taiwan	29.79	9.84	3.03	29.20	11.31	2.58	30.35	11.63	2.61	1%
Mauritius	27.97	7.61	3.68	26.59	8.30	3.21	27.77	8.72	3.19	1%
Indonesia	35.26	10.16	3.47	35.89	12.47	2.88	24.90	8.24	3.02	1%
Spain	28.93	8.26	3.50	21.61	7.15	3.02	23.97	7.77	3.09	1%
Malaysia	19.30	5.81	3.32	23.92	8.43	2.84	20.60	6.99	2.95	1%
Brazil	26.28	7.77	3.38	5.13	1.62	3.17	20.26	6.90	2.94	1%

Source: GTIS, Geneva

- Total export of cotton yarn has declined by (-) 7.95% in quantity terms in the year 2016-17 over the previous year.
- 38 % of cotton yarn exported from India in the year 2016-17 was destined to China.
- Export to China has declined by (-) 22.69 % in quantity terms in the year 2016-17 over the previous year.
- There was a positive growth in export to Pakistan, Portugal, Peru, Hong Kong, Turkey, Thailand and Brazil in the year 2016-17 over the previous year.

Monthly export of cotton yarn from India

Monthly export in Quantity terms for the period April 2015 to March 2016

Country	Million Kilograms						
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	TOTAL
World	133	108	90	66	66	79	542
China	57	38	19	9	11	16	150
Bangladesh	18	18	19	17	17	16	105
Pakistan	11	9	7	6	4	5	42
Portugal	5	4	5	4	4	3	25
Egypt	5	4	4	3	3	5	24
Peru	2	3	4	2	3	3	17
Vietnam	3	3	3	2	1	2	14
South Korea	3	3	2	2	1	2	13
Turkey	1	1	1	1	2	6	12
Colombia	2	2	2	2	2	2	12

Source: GTA / DGCIS

Monthly export in Value terms for the period April 2015 to March 2016

Country	Million United States Dollars						
	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	TOTAL
World	376	323	282	219	216	254	1,670
China	146	102	54	26	32	44	404
Bangladesh	56	55	61	58	59	56	345
Pakistan	33	29	24	20	14	16	136
Portugal	13	13	14	13	11	10	74
Egypt	13	12	12	9	8	15	69
Peru	6	8	11	7	8	10	50
South Korea	11	9	8	6	6	6	46
Vietnam	9	10	10	5	5	5	44
Turkey	4	4	2	4	6	18	38
Germany	6	8	6	6	6	5	37

Source: GTA / DGCIS

There was a sharp decline in export to China and Pakistan month on month from Jan to June 2017. Committee may note.

Trade in Cotton Yarn & Blended Yarn

Table 7: World Import of All Yarn, Cotton Yarn & Blended Yarn						
Commodity	2014-15		2015-16		2016-17	
	Mn US \$	Mn Kgs	Mn US \$	Mn Kgs	Mn US \$	Mn Kgs
All Yarn	44,006	12,755	39,727	12,871	38,756	13,066
Cotton Yarn	14,476	4,299	13,101	4,358	12,529	4,198
Other Yarns of all fibres (including filaments)	29,530	8,455	26,626	8,513	26,226	8,868

Source of Data: GTA / Ministry of Commerce

Table 8: India's Export : All Yarn, Cotton Yarn & Blended Yarn						
Commodity	2014-15		2015-16		2016-17	
	Mn US \$	Mn Kgs	Mn US \$	Mn Kgs	Mn US \$	Mn Kgs
All Yarn	5,950	2,197	5,359	2,228	5,235	2,251
Cotton Yarn	3,938	1,253	3,611	1,307	3,352	1,203
Other Yarns of all fibres (including filaments)	2,012	944	1,749	921	1,883	1,048

Source of Data: GTA / Ministry of Commerce

- In the year 2016-17, world import of yarn (cotton and blended) was 13,066 Mn Kgs, of which, share of 100% cotton yarn was 32 % and share of blended yarn was 68%.
- Whereas, 53% of yarn exported from India was 100% cotton yarn and the balance 47% was blended yarn.