



COTTON USA Programs in Pakistan Help Increase U.S. Exports to \$533 Million

FAS Funding Source: MAP

Pakistan remains an important market for the global cotton industry as they are the 6th largest global importer of cotton.¹ More importantly, U.S. exports to Pakistan have more than tripled over the past three marketing years, currently placing Pakistan as the 5th largest importer of U.S. cotton, with an 8% share of the U.S. cotton export market.² Identifying this developing market opportunity, Cotton Council International (CCI) has enhanced its portfolio of export promotion efforts in Pakistan over the past few years to grow this key market for U.S. cotton exports.

While CCI has always maintained a presence in the Pakistani market, its programming efforts were significantly amplified beginning in 2016. CCI's new Executive Director, Mr. Bruce Atherley, visited Pakistan after a gap of 12 years with no visits to Pakistan from CCI staff. Mr. Atherley visited with 20 of the top mills located in Karachi and Lahore. Other activities in 2016 included 16 Pakistani mills participating in COTTON USA's biennial Sourcing Summit and 18 Pakistani mills participating in CCI's annual Hong Kong Sourcing Fair, both events were paid for with MAP funding. In the 2015/16 year, the U.S. sold over 377,000 bales of U.S. cotton to Pakistan, a value of \$128 million.³

In 2017, CCI continued staff visits to Pakistan by sending Mr. Will Bettendorf, Director of Supply Chain Marketing and South Asia, and Mr. Navaid Baqai, International Textile Director to visit the region. During this trip, Mr. Bettendorf and Mr. Baqai visited with 20 mills, various textile associations and cotton organizations, and the FAS office in Islamabad. This staff visit was followed by a high-level executive meeting, held in Dubai, between the CCI Executive Delegation and top Pakistani leaders in the cotton/textile industry. Additional activities for 2017 included a partnership promotion with two of Pakistan's top brands, Gulahmad and Aklaram, as well as an increased Pakistani mill presence at CCI's

¹ Statistics pulled from USDA's *Cotton: World Markets and Trade* report from May 10, 2018 and the National Cotton Council's weekly *Cotton Market Report* from May 31, 2018.

² Statistics pulled from USDA's *Cotton: World Markets and Trade* report from May 10, 2018 and the National Cotton Council's weekly *Cotton Market Report* from May 31, 2018.

³ Statistics pulled from FAS's Marketing Year Ranking Report, total reflects combined exports of upland and pima cotton. Dollar value was calculated using the National Cotton Council's *Upland Spot Cotton Price's* 2016 yearly average of \$.7071/pound.

annual Hong Kong Sourcing Fair. In the 2016/17 year, the U.S. more than doubled its exports to Pakistan, selling over 882,000 bales, a value of nearly \$309 million⁴

Most recently, in the spring of 2018, CCI again sent a delegation to visit Pakistan including Executive Director, Mr. Bruce Atherley and Mr. Navaid Baqai, International Textile Director. Mr. Roger Gilmartin, a newly hired CCI technical consultant, paid for with MAP funds, also joined. During the trip, the CCI team co-sponsored the *Inspiring Change Conference* in Lahore, put on by the textile magazine, *Textalk*. Mr. Gilmartin gave a technical presentation at this conference about the advantages of using U.S. cotton rich yarns in manufacturing, highlighting findings from his recent Bangladesh mill study proving that U.S. cotton performs better than other cotton and ultimately reduces production costs. The CCI team also hosted a COTTON USA seminar in Karachi which included presentations on the advantages of U.S. cotton, sustainability, and CCI's global promotion initiative "*What's New in Cotton*". Over 250 mill owners and top executives in the cotton industry were reached by the CCI team through these two events. The 2017/18 year marked a historic year of sales for U.S. cotton exports to Pakistan, with the U.S. selling an impressive 1.4 million bales of U.S. cotton to Pakistan at a value of \$533 million, indicating a 62% increase in sales from the prior year.⁵

CCI's Pakistani partners have been very grateful and pleased with the increased and consistent visits to Pakistan over the past few years, particularly given the security concerns in the area. CCI's enhanced programming efforts, especially the personalized staff visits, have shown great results over the past few years. Pakistan is now one of CCI's top priority markets and they plan to continue enhancing their programming efforts in the region.

⁴ Statistics pulled from FAS's Marketing Year Ranking Report, total reflects combined exports of upland and pima cotton. Dollar value was calculated using the National Cotton Council's *Upland Spot Cotton Price's* 2017 yearly average of \$0.7292/pound.

⁵ Statistics pulled from the National Cotton Council's weekly *Cotton Market Report* from May 31, 2018. Dollar value was calculated using the National Cotton Council's *Upland Spot Cotton Price's* 2018 yearly average, to-date, of \$0.7793/pound.