



INTERNATIONAL COTTON ADVISORY COMMITTEE

1629 K Street NW, Suite 702, Washington, DC 20006 USA

Telephone (202) 463-6660 • Fax (202) 463-6950 • email secretariat@icac.org

From the Secretariat

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Concentration of Cotton in Asia Continuing

World cotton production is expected to decline by 1% to 25.1 million tons in 2007/08, and world mill use is projected to increase by 2.6% to 26.8 million tons. Driven by China (Mainland), India and Pakistan, Asia is expected to account for 55% of world cotton production in 2007/08, up from 53% in 2006/07, and for 76% of world mill use in 2007/08, up from 74% in 2006/07.

World cotton imports are expected to increase from 8.3 million tons in 2006/07 to 8.9 million tons in 2007/08, driven by a forecast rebound in Chinese imports. However, imports by other Asian countries and the rest of the world are expected to decline. U.S. exports are projected to increase by 25% to 3.6 million tons in 2007/08, due to large stocks, increased demand from China (Mainland), and lower competition from other large exporting countries.

World cotton ending stocks are expected to decline by 10% to 11.0 million tons in 2007/08, after a decline of only 1% in 2006/07.

WORLD COTTON SUPPLY AND DISTRIBUTION

	2005/06	2006/07	2007/08	2005/06	2006/07	2007/08
	Million Tons			Million Bales		
Production	24.67	25.3	25.1	113.3	116	115
Consumption	24.90	26.1	26.8	114.4	120	123
Exports	9.75	8.3	8.9	44.8	38	41
Ending Stocks	12.31	12.2	11.0	56.5	56	51
Stocks Adjustment	0.43	0.5	0.6	2.0	2	3
Cotlook A Index*	56.15	58**	62***	56.15	58**	62***

* Season-average Cotlook A Index (U.S. cents per pound).

** **Not a projection.** Average for the first ten months of 2006/07 (August 1, 2006 to May 31, 2007).

*** The projection for 2007/08 represents the Secretariat's judgment based on projections for net China (Mainland) trade and the world-less-China (Mainland) ending stocks-to-use ratio.

(Press releases are available via e-mail. For further information, please contact us at Publications@icac.org)

The International Cotton Advisory Committee is an association of 43 governments of cotton producing and consuming countries. The Secretariat of the Committee publishes information related to world cotton production, supply, demand and prices, and provides technical information on cotton production technology. Detailed statistics are found bimonthly in COTTON: Review of the World Situation, \$170 per year. A monthly outlook by fax is also available for \$315 per year or on the Internet for \$265 per year. Access to the weekly estimates of world cotton supply and use by the Secretariat is also available on the Internet for \$420 per year.