

# Global cotton consumption starts rising again after Covid-19 shutdown

Says Bruce Atherley, executive director of Cotton Council International

The ongoing coronavirus pandemic has severely disrupted global supply chains and the cotton sector is no exception. Bangladesh's primary textile industry is almost completely dependent on imported cotton as local growers can meet less than 3 per cent of the country's annual consumption.

For details on how the Covid-19 fallout has affected cotton trade, The Daily Star's senior staff reporter Refayet Ullah Mirdha took an interview of Bruce Atherley, executive director of Cotton Council International, a non-profit trade association that promotes US cotton products around the world. Below are excerpts of the online conversation.

manufacturers to cotton growers and all segments in between.

Besides, due to the sharp drop in demand and resulting price pressure, the US cotton industry has faced many adversities in its efforts to contain the virus. Retail outlets were shuttered, billions of dollars of orders were cancelled and manufacturing facilities in key markets for yarn and other fabrics were closed down as the country implemented a full lockdown.

Meanwhile, the merchandising and distribution channels are facing increased costs for storage, bank interest, insurance and other carrying costs associated with delays



Bruce Atherley

store closures led to massive layoffs in the US apparel/textile retail industry.

DS: Do you think global cotton consumption will decline due to fall in sales of clothing items around the world?

Atherley: Prior to the Covid-19 outbreak, it was estimated that all the mills worldwide collectively produced 121 million bales of yarn for the 2019 crop year.

The World Agricultural Supply and Demand Estimates, a comprehensive monthly report published by the US Department of Agriculture (USDA) on the supply and demand for major

crops and livestock, has estimated that the mills would produce 102 million bales of yarn for 2019, about 19 million bales lower than the pre-outbreak estimation.

DS: How is man-made fibre eating up global cotton trade and what is the current ratio of cotton fibre and man-made fibre (MMF)?

Atherley: The 70/30 split between MMF and cotton continues. However, consumer attitudes remain more positive toward cotton and other natural fibres as opposed to MMF, particularly in terms of sustainability, comfort and quality.

Innovations in cotton also can give it functional performance benefits that have been attributed to MMF in the past, especially with active wear.

DS: Is China still a major producer, trader and consumer of cotton globally? If yes, why?

Atherley: In the 2019-20 marketing year, China accounted for just over 22 per cent of total world cotton production. China exports only a small amount of cotton lint, 0.5 per cent of its production. Most of the remaining exports are re-exports of foreign cotton from consignment warehouses.

Besides, China is the world's largest importer of cotton. This provides China with a supply of cotton normally greater than one-third of world use and nearly 40 per cent larger than India.

DS: What is the global outlook on cotton production and who do you think are the major producers of cotton for this year?

emerged as the largest international market for US cotton while Bangladesh is an emerging market that continues to grow. Our local mills are also a big market for the product.

DS: How much of the previously stocked cotton is still available and do you think that merging this old stock with the new harvest will create an oversupply of cotton this year? Also, what is the current cotton consumption trend?

Atherley: Current USDA estimates show that global consumption in 2019-20 and 2020-21 combined will be just under 25 million bales with the 2020-21 coming down 15 per cent from the February outlook projections.

Meanwhile, world production forecast for the same year is virtually unchanged and Covid-19's negative impact on cotton demand was too late in the season to shift planting decisions away from cotton for most

Despite the widespread availability of clothing and textile products through online shopping platforms, the uncertainty surrounding the coronavirus pandemic forced many consumers to limit their spending on non-essential items

The Daily Star (DS): What is the current state of the global cotton trade market amid the Covid-19 outbreak?

Bruce Atherley: The Covid-19 pandemic has caused unprecedented disruptions to the global supply chain for cotton and textile industries and subsequently the US markets. The collapse in demand for cotton has been felt across the US, from textile

in commodity merchandising and consumption.

Despite the widespread availability of clothing and textile products through online shopping platforms, the uncertainty surrounding the coronavirus pandemic forced many consumers to limit their spending on non-essential items.

Moreover, the reduced sales and

In recent years, Vietnam has emerged as the largest international market for US cotton while Bangladesh is an emerging market that continues to grow

Atherley: The US is the third largest cotton producer after India and China in that order. The top international markets for US cotton are Vietnam, China, Pakistan, Turkey, Bangladesh, Mexico, and Indonesia.

In recent years, Vietnam has

major producing countries.

This has pushed the stocks-to-use ratio back into the 90 per cent range, meaning mills will continue to buy on a hand-to-mouth basis while maintaining little buffer stocks.

READ MORE ON B3



COLLECTED

Garment workers are taking a look at the lists of employees who were terminated from the Sidco Group's Ashulia factory in Jamgora, Savar yesterday.

## Sidco Group terminates 165 workers from Ashulia garment factory

OUR CORRESPONDENT, Savar

The workers of Sidco Group have alleged that the apparel maker terminated 165 employees from its factory at Jamgora in Ashulia as they demonstrated to demand last month's salary.

Yesterday, the factory authorities put up a notice with photographs of the terminated workers in front of the factory gate.

The workers also alleged that the company has not been paying salaries to its 600 workers on time for the last couple of months.

The workers started protesting when the authorities ended the day without paying them on October 11, the deadline for clearing the salaries

for September, they told The Daily Star.

Instead of clearing the payments, the company shut down the factory on October 13 and later reopened it as the workers began protesting in front of the factory gate.

But this time the factory authorities came up with a notice with the pictures and names of the terminated workers, one of the workers said.

"The authorities did not give any notice before terminating us," he said.

Despite repeated attempts through phone calls and text messages, this correspondent could not reach Nazrul Islam, assistant general manager of Sidco Group, for comments.

The authorities of Sidco Group illegally terminated the workers as

they demanded salary, said Sarowar Hossen, organising secretary of the Bangladesh Textile and Garment Workers League.

The factory also filed a general diary with the local police station to harass the workers, he said.

"We have informed the industrial police as well as the officials of Bangladesh Garment Manufacturers and Exporters Association about the incident."

Contacted Helal Uddin Bhuyan, senior assistant superintendent of police of the Dhaka Industrial Police, said he is aware of the incident and they are looking into the matter.

The police will sit with the factory authorities and the workers to settle the matter today, he said.

## Western Marine builds tugboat for Payra port

STAFF CORRESPONDENT, Ctg

Western Marine Shipyard, the country's leading shipbuilder, has made a tugboat for Payra Sea Port.

The tugboat, Tiakhali-1, was launched at the Karnaphuli river in Chattogram yesterday. After a sea trial, the port authorities will receive the vessel, said Shahidul Bashar, assistant general manager for commercial of the shipbuilder.

A tugboat is a secondary boat which helps in a ship's mooring or berthing operations by either towing or pushing the vessel towards a port.

The tugboat would help the port located in the southern coastal district of Patuakhali operate its activities through swift handling of inbound and outbound ships in the seaport area.

The tugboat, which was built at a cost of Tk 35 crore, has a capacity of 60-tonne bollard pull power. The tugboat will speed up port activities and help increase port surveillance, Western Marine Shipyard said in a press release.

The company built the tugboat after winning the work order in a tender, Bashar said.

It has already supplied three tugboats to Chittagong Port and exported one to the Gambia. It also delivered two workboats to the Mongla Port and one to the Chittagong Port, he added.

Since its inception in 2000 in Chattogram, the yard has built more than 150 ships for local and international clients and are

currently building more than 33 ships.

The vessels include deep-sea fishing trawlers, port utility vessels, tugs, container ships, tankers, bulk carriers, and passenger ships.

Western Marine has so far exported 32 ocean-going vessels to clients in countries such as Germany, Denmark, Finland, Tanzania, New Zealand, Kenya, the UAE, India, Ecuador, Pakistan, the Gambia and Uganda.

It exported two 5,200 dead-weight tonnage capacity cargo ships to India at the beginning of 2000, the press release said.

The shipbuilder employs 3,500 people, including skilled and semi-skilled labourers. More than 500 professionals, including marine experts, mechanical experts, electrical engineers and naval architects are working at the shipyard in the Patiya upazila of Chattogram, according to the company's website.



COLLECTED

The tugboat, built at a cost of Tk 35 crore, will speed up port activities and help strengthen port surveillance, Western Marine Shipyard said.

## Europe's leading brand Beko invents home appliances that eliminate more than 99pc bacteria and viruses, including coronavirus

STAR BUSINESS DESK

Europe's leading home appliance brand Beko has developed HygieneShield, a ground-breaking portfolio of household products that use ultra violet light technology heat and steam for at-home disinfecting eliminating more than 99 per cent bacteria and virus, including Covid-19.

The household products have been created in response to emerging consumer needs in the post-lockdown era, providing a level of reassurance unrivalled in the market place, according to the company.

The seven appliances under the HygieneShield series are: Combi refrigerator with disinfection drawer, HygieneShield Washing Machine, HygieneShield Washer Dryer, Built-in Oven with Saturated Steam and Heat, HygieneShield Dishwasher, Tumble Dryer with UV Light Technology and UV Cleaning Cabinet.

Singer Bangladesh, the exclusive distributor of Beko appliances in the country, shared the information in a statement.

The HygieneShield has been developed as a result of in-depth consumer research conducted across the globe and with innovative new technology, according to Beko, which is owned by Turkish company Arcelik, the major shareholder of Singer Bangladesh.

"As a member of the Arcelik family, Singer is proud to be a part of this humanitarian innovation in response to the global disaster



caused by the Covid-19 pandemic," said MHM Fairoz, CEO of Singer Bangladesh.

"We are expecting to offer these HygieneShield appliances line up to the consumers of Bangladesh soon."

The appliances line has been developed with in-built disinfection programmes and functions to disinfect packaged food and belongings to help consumers adjust to the 'new normal' at home, according to the statement.

The formal announcement of the breakthrough product line came from a virtual press conference attended by Arcelik CEO Hakan Bulgurlu, Chief Marketing Officer Zeynep Yalim Uzun and top medical researchers on October 7.

"We are excited to introduce

Beko's latest innovations and our first ever full product line to market," Bulgurlu said at the event.

"The products have been tailored to help consumers achieve professional levels of hygiene at home and protect them from infections and diseases."

Beko's consumer research across 31 countries revealed that one of the primary concerns is hygiene.

People have increased the amount of cleaning and laundry in their homes, with some people disinfecting bedding for the first time.

Around 75 per cent of the people are cleaning the house more often, 64 per cent are doing more laundry and 68 per cent are paying more attention to the cleanliness of the packaging on purchased products.