



Cotton Fact Sheet **Uzbekistan**

The economy of Uzbekistan is the 82th largest in the world with a GDP of USD37.724 billion. The GDP per capita is approximately USD1,336 (2010 estimates).

OVERVIEW

Uzbekistan is the 6th largest producer of cotton worldwide (preceded by China, India, USA, Pakistan and Brazil) and the 3rd largest exporter. Uzbekistan participates extensively in world cotton industry. In 2010/11, Uzbekistan produced 1 million tons of cotton. Economy of Uzbekistan is reliant on exports of commodities including but not limited to cotton, gold, uranium and natural gas. Major crops other than cotton are: wheat, barely, corn, and rice.

ECONOMICS

Although cotton is a major commercial crop for Uzbekistan, there has been a noticeable downward trend in the production of cotton over the past decade. In 1990/91, approximately 1.6 million tons of cotton were produced. In 2010/11, only 1 million tons were produced. The decrease in area allocated to cotton sowing is attributed to issues concerning food security, problems with irrigation and generally the risks associated with monoculture and policy in favor of grain production. These issues, coupled with the problematic shortages in irrigation have decreased cotton production in Uzbekistan. Consumption of cotton, on the other hand, has been slowly growing since 2004/05 reaching 270,000 tons in 2010/11 and accounting for about 25% of production. In 1990/91, consumption was estimated at 205,000 tons. Uzbekistan aims at creating an internationally competitive textile sector.

Uzbekistan is a major exporter of cotton. Exports were close to 1 million tons during the past decade and a half. Traditionally, cotton was (and is still is) Uzbekistan's important cash crop. In 2010, cotton accounted for 11% of total Uzbek exports. However, the share of cotton in Uzbek exports has been declining over the past several years. The traditional consumers of Uzbek cotton are China (Mainland), Bangladesh, Korea and Russia.

Currently, the Uzbek government is pursuing development strategies to reform and modernize cotton supply chain. The governmental Program of Development of the Textile Industry (enacted in January 2005) aims at increasing cotton mill use in Uzbekistan. This program, which affects many stages in the cotton processing chain, including the production of finished textile goods, is intended to improve Uzbek cotton mill use and give it a competitive edge on the international textile and cotton markets. Yarn and grey cloth production is rising, and finding buyers in Russia and Eastern Europe.

PRODUCTION CHARACTERISTICS

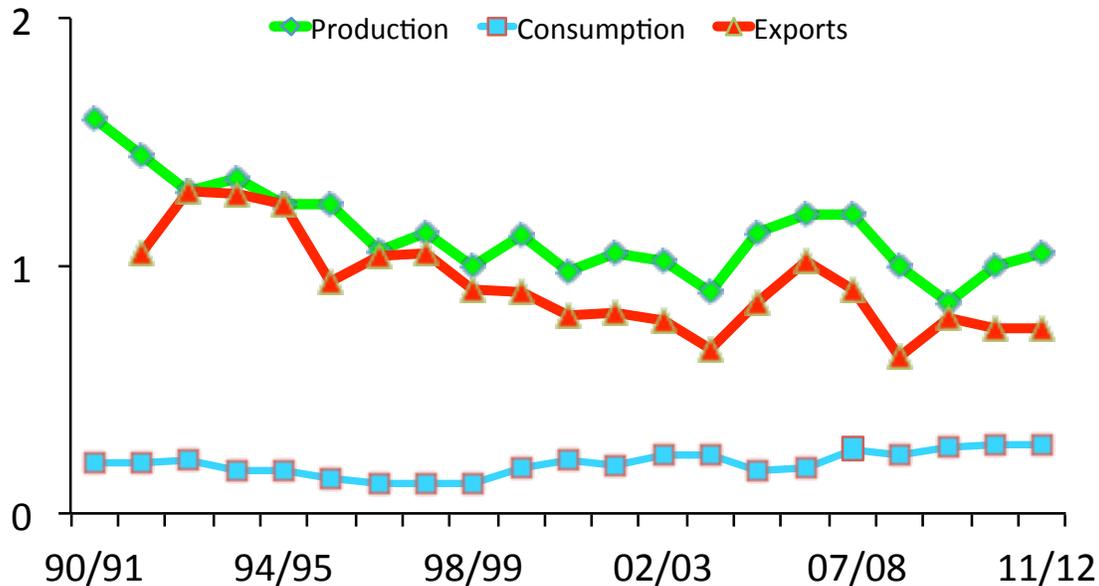
Typically cotton is planted in April and early May, while harvest starts in September. Cotton farming is estimated to employ an approximate 3.6 million people. Most of Uzbek cotton crop is planted along the Aydar-kul lake near Bukhara in the south west of the country, in addition some is planted around the capital city, Tashkent around the Syr Darya river. Cotton is also planted alongside its border with Turkmenistan next to the Amu Darya river. About 1.3 million hectares were planted with cotton, yielding an estimated 752 kilograms/hectare of lint in 2010/11. There are a number of early maturing varieties, such as Okdare-6, Namangan-77 and Tashkent-6 that are widely used. Since the beginning of 2009, the Uzbek cotton breeders have completed several projects to improve the varietal lineup and developing new early-maturing, high-yield cultivars resistant to diseases and pests, distinguished by virtue of enhanced fiber quality and lint yield: Bukhara-102, Bukhara-8, Andijan-35 and Khoesm-150. In Uzbekistan, 90% of farmland is irrigated. However, current irrigation systems are in need of



renovation and are a cause of water loss and inefficiency. Pests are not a widespread problem due to Uzbekistan efficient use of biological pest control.

Uzbekistan

Million tons



STRUCTURE OF INDUSTRY

Although almost all state farms have undergone privatization, the government of Uzbekistan still maintains tight control over all aspects of cotton production. These aspects include the area utilized, production targets, prices, inputs, procurement and marketing. Domestic supplies of cotton are allocated according to the governmental quota. Three principal research institutions drive the cottonseed breeding effort: the Cotton Breeding and Seed Production Institute, the Institute of Genetics and Plant Experimental Biology and the University of Agrarian Reforms.

ISSUES

A major issue in the Uzbek cotton sector is the lack of adequate water resources. Although there are two rivers (the aforementioned Amu Darya river and Syr Darya river) water management still remains an issue. The problem is essentially regional in nature as water is generally scarce and it remains an arid region. Furthermore, the international nature of the issue would require communication with Kazakhstan and Turkmenistan. Towards this end, a Regional Water Commission has been set up and is in the process of allocating resources.