



INTERNATIONAL COTTON ADVISORY COMMITTEE

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The Uzbek and Central Asian Cotton Industries: Building on a Successful History to Create a Better Future*

The purposes of the 4th International Cotton and Textile Conference in Tashkent are to exchange information, showcase opportunities for investment and to facilitate increases in cotton trade through expanded interaction. It is an honor for the ICAC Secretariat to partner with the Ministry of Foreign Economic Relations, Investments and Trade of the Government of Uzbekistan, and private sector organizations, including Cotton Outlook and Conference Sponsors, to help with the organization of this 4th Conference. All those who have assisted with preparations for this Conference deserve recognition for their excellent work.

I note with pleasure that the InterContinental Tashkent Hotel is celebrating its 10th Anniversary with special brochures in each room. The 54th Plenary Meeting of the ICAC was held in this hotel in 1996. The ICAC meeting was the first official function in the hotel, and about one-third of the rooms and two of the restaurants had not been completed as of the start of the meeting. When the Secretariat arrived the week before for preparations, we took our meals in the kitchen with staff. The 54th Plenary Meeting was a success in helping to showcase the cotton sector of Uzbekistan. The three previous international cotton and textile conferences in Tashkent since 2000 have furthered the interests of international consultation, and this Conference will be equally successful. I look forward to organizing another ICAC plenary meeting in Uzbekistan sometime in the future.

The world cotton industry faces many challenges. Governments at both the multilateral and national levels are focusing on the need to foster the adoption of socially and environmentally responsible production systems. More support is being provided for research into better and best management practices to optimize input use within responsible management systems. Governments are providing institutional and regulatory support to the private sector to improve input delivery to resource-poor farmers. Governments also recognize the need to reduce measures that distort production and trade in agriculture, especially the cotton sector, and negotiators in Geneva continue to work toward a successful outcome to the Doha Round. There is also a need to improve the collection and reporting of statistics on cotton supply and demand so as to improve transparency. It is sobering to recall that estimates from several sources presented at the Second Uzbek Cotton Fair in 2006 indicated that trade in cotton during 2006/07 would be approximately 2 million tons larger than was actually the case.

Private sector organizations are also recognizing the need to foster responsible production and trade practices. The private sector is involved in efforts to strengthen retail-level demand in the face of competition from polyester, and eighteen cotton industry associations are now members of the International Forum for Cotton Promotion (IFCP). The IFCP is working to bolster consumer demand for cotton products. 2009 has been declared the International Year of Natural Fibres (IYNF) by the United Nations General Assembly. This will provide an opportunity for both the private sector and governments to position natural fibers as renewable, natural and sustainable. The support of all facets of the international cotton community for the IYNF will be crucial to success.

There are matters of interest specific to the cotton industries of Central Asia. At the Third Uzbek International Cotton Conference held in May 2005, key areas of interest raised during discussions included agriculture sector reform, irrigation improvement, rural credit and rural and regional development, infrastructure improvements, and farmer education. There will be opportunities at this Conference two years later to hear about improvements in these areas that are leading to a better cotton future for Uzbekistan and all of Central Asia.

* Remarks by Terry Townsend, executive director of the International Cotton Advisory Committee, delivered on the occasion of the 4th International Cotton and Textile Conference, Tashkent, 17 September 2007.

Uzbekistan has done much to create a reputation for responsibility and reliability in the cotton sector. Already, 100% of Uzbek cotton is evaluated with instrument classing systems. The Uzbek quality evaluation organization, SIFAT, participates in all international check test and round trial programs to assure calibration of instruments to international standards and adherence to international procedures in instrument testing of cotton as specified in the Universal Cotton Standards Agreement. SIFAT reported last year that the average length of Uzbek cotton is increasing.

Uzbekistan is improving procedures for buying and selling cotton and handling cotton shipments. Turnover on the Uzbek Commodity Exchange in 2006 was 100,000 tons of cotton, with no delivery complaints. We can look forward to hearing about further growth in electronic trading this year and how electronic trading is being integrated into the total Uzbek cotton trading system. System-wide terminal capacity is 265,000 tons in 24 terminals, including 4 customs terminals from which cotton can be exported directly. Only SIFAT-tested cotton is eligible for entry into terminals. Inventory management software is being used for efficient national integration and control from Tashkent.

In previous Conferences, it has been reported that Uzbek exports of all kinds, including cotton, are being diversified. Uzbekistan is running foreign trade surpluses, and cotton exports still account for about one-sixth of total export earnings. Uzbek officials report that cotton is purchased from farmers at world prices, and child labor and other forms of labor abuses are outlawed, although children work in farm families. Uzbekistan is working to achieve a Central Asian Common Market. The Government of Uzbekistan is investing in seed multiplication, improved ginning, and new varieties to raise yields. At the Fourth World Cotton Research Conference (WCRC-4) conducted in Lubbock, Texas, USA during 10-14 September, researchers from the Institute of Genetics and Plant Experimental Biology of Uzbekistan gave a presentation during a plenary session on state-of-art biotechnology research being conducted in Uzbekistan.

I also want to make special mention that Kazakhstan is a new member of the ICAC. The ICAC consists of 44 governments of countries that produce, consume and trade cotton, and the membership of Kazakhstan is most welcome. I hope that additional governments from Central Asia will join the Committee in the near future.

Again, it is an honor to be able to partner with Uzbekistan, Cotton Outlook and other sponsors to contribute to the organization of the international cotton and textile conferences in Tashkent. I appreciate the substantial attendance at this meeting, and I look forward to constructive interaction.