

INJURY FROM LOW COTTON PRICES

UZBEKISTAN

The Republic of Uzbekistan is one of the largest manufacturers of cotton in the world, occupying the fifth place in the world in terms of production and second in terms of export.

World conjuncture during the period of 1998-2001 was characterized by the tendency of decreasing world cotton prices.

Excess of production volumes over consumption, increase of ending stocks continues to render negative pressure on the world prices. Improvement of technologies of cultivation, government measures on export support in some countries, expansion of cotton acreage affect significantly the countries producing and exporting cotton fiber.

It is known, that cotton industry is one of the most dynamically developing sectors of the economy of Uzbekistan.

Currently Uzbekistan adheres to strategy of keeping optimal volumes of cotton fiber production through innovative technologies directed to:

- Decrease planted area and develop new technologies in the cotton sector, including the spheres of seed development, irrigation, cotton-seed cultivation, as well as processing and packaging of cotton fiber;
- Increase a share of cotton fiber in domestic textile consumption;
- Seek for ways of decrease the production costs of cotton, improve its qualitative and technical characteristics;
- Stimulate consumption (export) of Uzbek cotton fiber on global scale.

To reach the aforesaid goals the Government of the Republic of Uzbekistan continues to play an important role in deepening of the economic reforms, determining the sowing area, procurement prices etc.

Production volumes of cotton were stable despite of the fall of world cotton prices during the period of 1998-2001 in order to cover the needs of enterprises of the republic, as well as executing the export contracts obligations.

Thus, the un-received proceeds from cotton export due to falling world cotton prices in 1998 was \$169,3 mln., 1999 - \$470,5 mln., in 2000- \$279 mln., in 2001- \$561 mln.

As a whole, the total injury caused by low cotton prices during the period of 1998-2001 comprises \$1479 mln.