

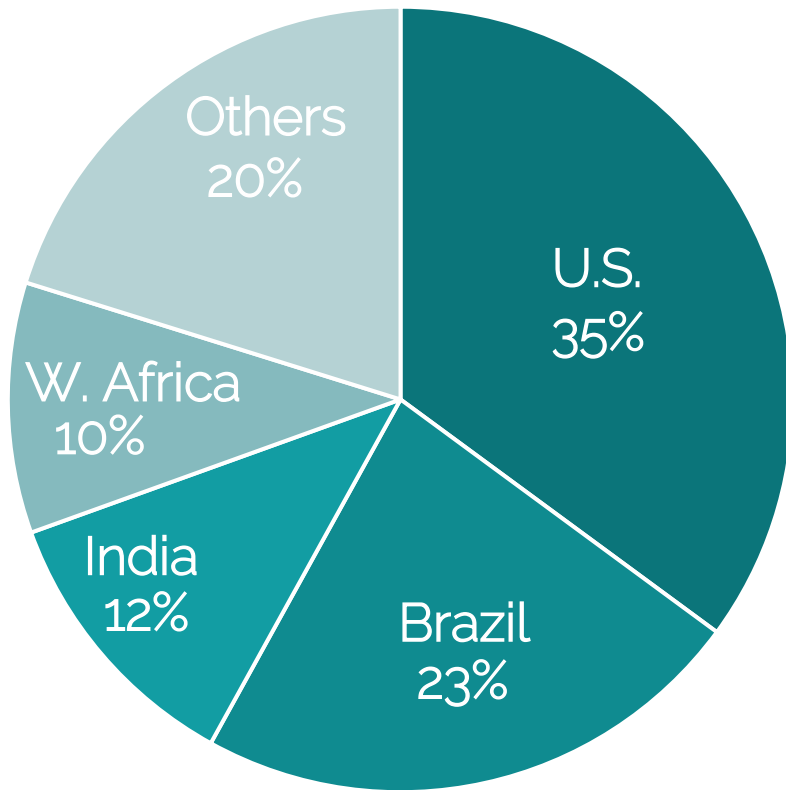


# Cotton Flow

Exports, Imports, and the Flow Out of China

## Cotton Exports

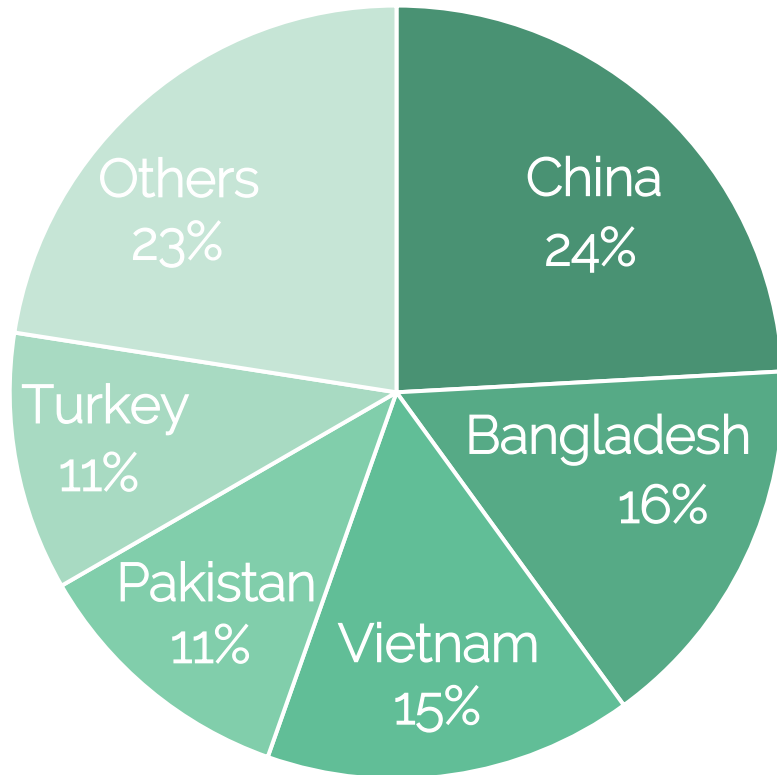
Top four **exporters** by origin of raw cotton account for 80% of global shipments of raw cotton





## Cotton Imports

Top five **importers** of raw cotton account for about 80% of globally traded cotton



## Chinese Cotton Flow

### KEY FACTS

China is the world's:

- Second largest cotton grower.
- Largest cotton spinner.
- Largest manufacturer of fabric.
- Largest apparel exporter.



## Chinese Cotton Flow

### FIBER & FABRIC DEMAND

The flow of cotton fiber through China is driven by fabric demand.





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**Xinjiang** is China's top cotton-producing province, expected to represent **90% of China's 2020/21 total cotton grown**.



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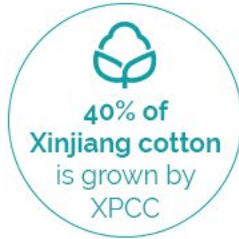
40% of cotton grown in Xinjiang is grown by the Xinjiang Production & Construction Corps (XPCC).



## Chinese Cotton Flow

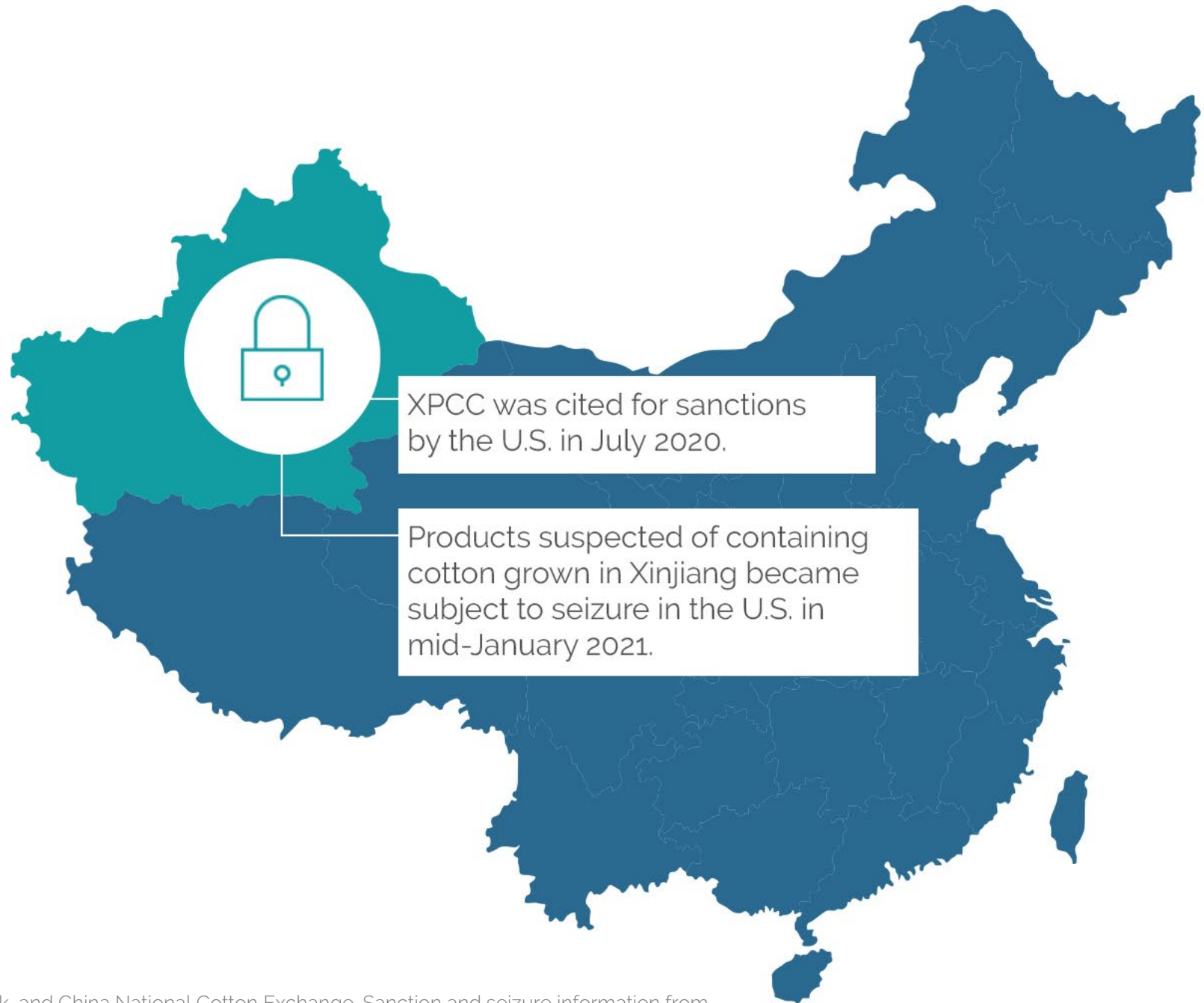
### FIBER & FABRIC DEMAND

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## Chinese Cotton Flow

### FIBER & FABRIC DEMAND

The flow of cotton fiber through China is driven by fabric demand.



Much of the cotton grown in China is kept in the country for yarn, fabric, and garment manufacturing.

Current fiber demand for fabric manufacturing equates to **37.5 million bales of cotton** spun into yarn.

*China exports virtually no cotton, but imports fiber as needed for mills and reserves.*



Sources: Beijing Cotton Outlook,  
China National Cotton Exchange,  
China Customs, Trade Data Monitor.  
Data in 480 lbs bales.  
1 ton = 4,593 bales.  
Figures may not sum due to rounding.

## Chinese Cotton Flow

### FIBER & FABRIC DEMAND

The flow of cotton fiber through China is driven by fabric demand.



**27.5 million bales grown**  
*25 million from Xinjiang*  
*2.5 million from rest of China*

Fiber grown in China can flow directly to spinning mills  
 OR  
 it can be transferred to the Chinese reserve system.

KEY

Produced in China

Reserves



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 China National Cotton Exchange,  
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## Chinese Cotton Flow

### FIBER & FABRIC DEMAND

The flow of cotton fiber through China is driven by fabric demand.

Fiber grown in China can flow directly to spinning mills  
OR  
it can be transferred to the Chinese reserve system.

**China's reserve system** was designed for price stability.

- It can buy to support prices.
- It can sell to support mills.

Reserves can be stored for years & volumes can go up and down.



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## Chinese Cotton Flow

### FIBER & FABRIC DEMAND

The flow of cotton fiber through China is driven by fabric demand.



**10.5 million bales imported**  
*0.1 million bales re-exported*

Chinese mills and reserves can also be supplied by cotton imported from other countries.

Some imported cotton fiber is re-exported when traders realign on supplies needed.

KEY

Imported

Produced in China

Reserves



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China National Cotton Exchange,  
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## Chinese Cotton Flow

### FIBER & FABRIC DEMAND

The flow of cotton fiber through China is driven by fabric demand.

China is the world's largest importer of cotton yarn.



KEY

Imported

Produced in China

Exported

Sources: Beijing Cotton Outlook,  
China National Cotton Exchange,  
China Customs, Trade Data Monitor.  
Data in 480 lbs bales.  
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## Chinese Cotton Flow

### FIBER & FABRIC DEMAND

The flow of cotton fiber through China is driven by fabric demand.

China is the world's largest importer of cotton yarn.

Weight of fiber available for fabric is ~40% of global cotton use.



KEY

Imported

Produced in China

Exported

Available to meet demand

Sources: Beijing Cotton Outlook, China National Cotton Exchange, China Customs, Trade Data Monitor.  
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## Chinese Cotton Flow

### FIBER & FABRIC DEMAND

The flow of cotton fiber through China is driven by fabric demand.

China is the world's largest importer of cotton yarn.

Weight of fiber available for fabric is ~40% of global cotton use.

China is the world's largest exporter of cotton fabric, and imports very little fabric.



KEY

Imported

Produced in China

Exported

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## Chinese Cotton Flow

### FIBER & FABRIC DEMAND

The flow of cotton fiber through China is driven by fabric demand.

### 34.9 million bales for finished goods

16 million bales of exported finished goods

- 5.4 million bales to the US
- 3.8 million bales to the EU
- 1.7 million bales to Japan
- 5.1 million bales to other countries

19 million bales of finished goods remaining for Chinese consumers



KEY

Imported

Produced in China

Exported

Available to meet demand

Sources: Beijing Cotton Outlook, China National Cotton Exchange, China Customs, Trade Data Monitor.

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