

UNCTAD
GLOBAL COMMODITIES FORUM 2013
Recommitting to commodity sector development
as an engine of economic growth and poverty reduction

Room XVIII
Palais des Nations
Geneva, Switzerland

19 March 2013

**Bringing More Transparency to
Cotton Supply and Use Statistics**

By

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Bringing More Transparency to Cotton Supply and Use Statistics



UNCTAD Global Commodity Forum
March 18-19, 2013

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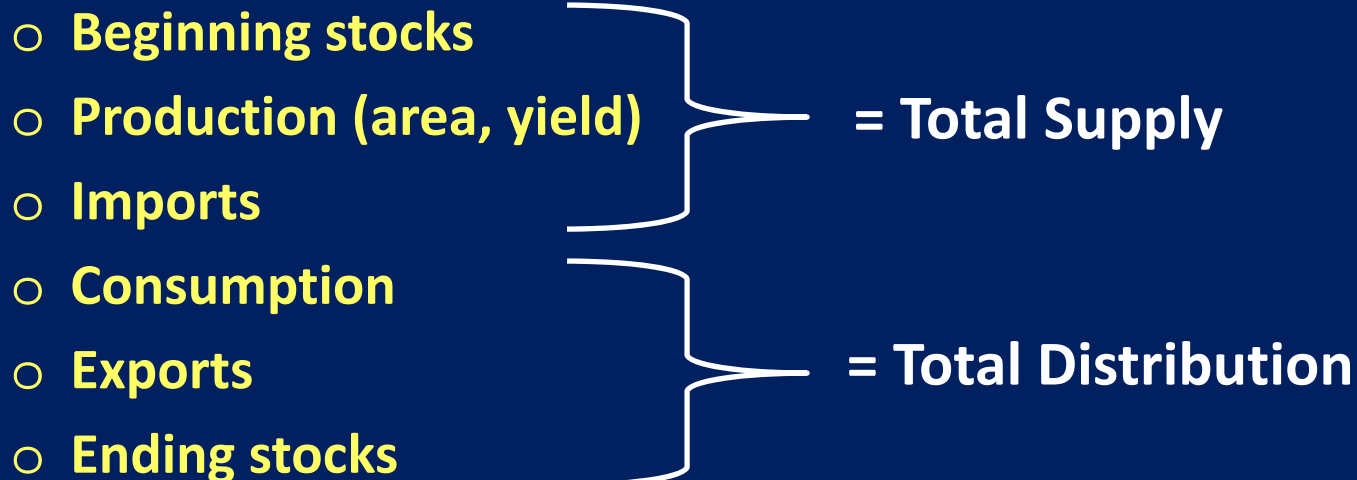
International Cotton Advisory Committee (ICAC)

- Intergovernmental organization (41 governments)
- Mission : assist governments in fostering a healthy world cotton economy
 - provides transparency on cotton market
 - clearinghouse for technical information on cotton production
 - forum for discussion of cotton issues of international significance

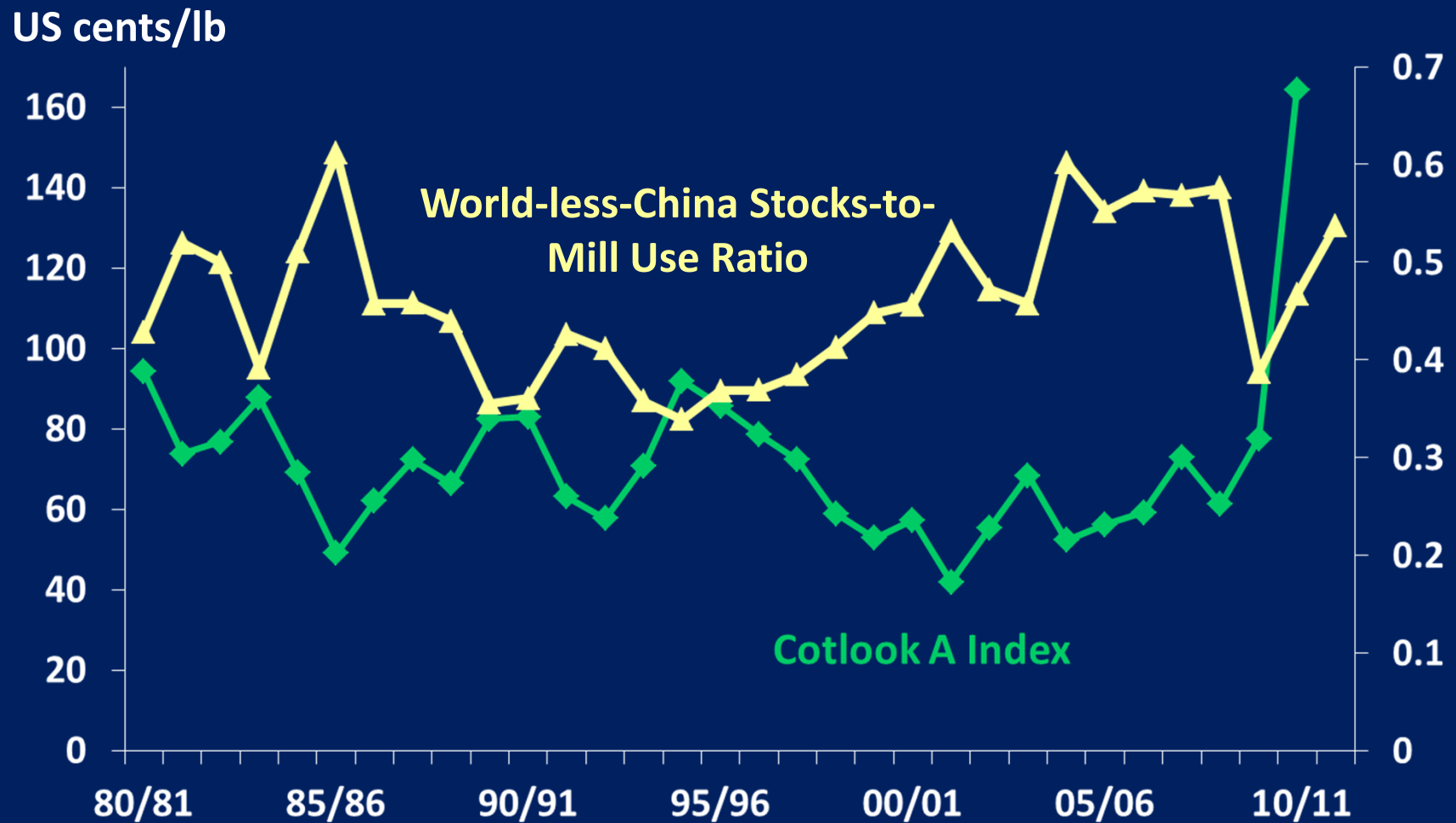


ICAC's Statistics on Cotton Supply & Use

- Users: member governments, private sector, academia, international organizations, general public
- > 60 producing countries, > 90 consuming countries, > 120 importing and/or exporting countries
- Data collected for each country:

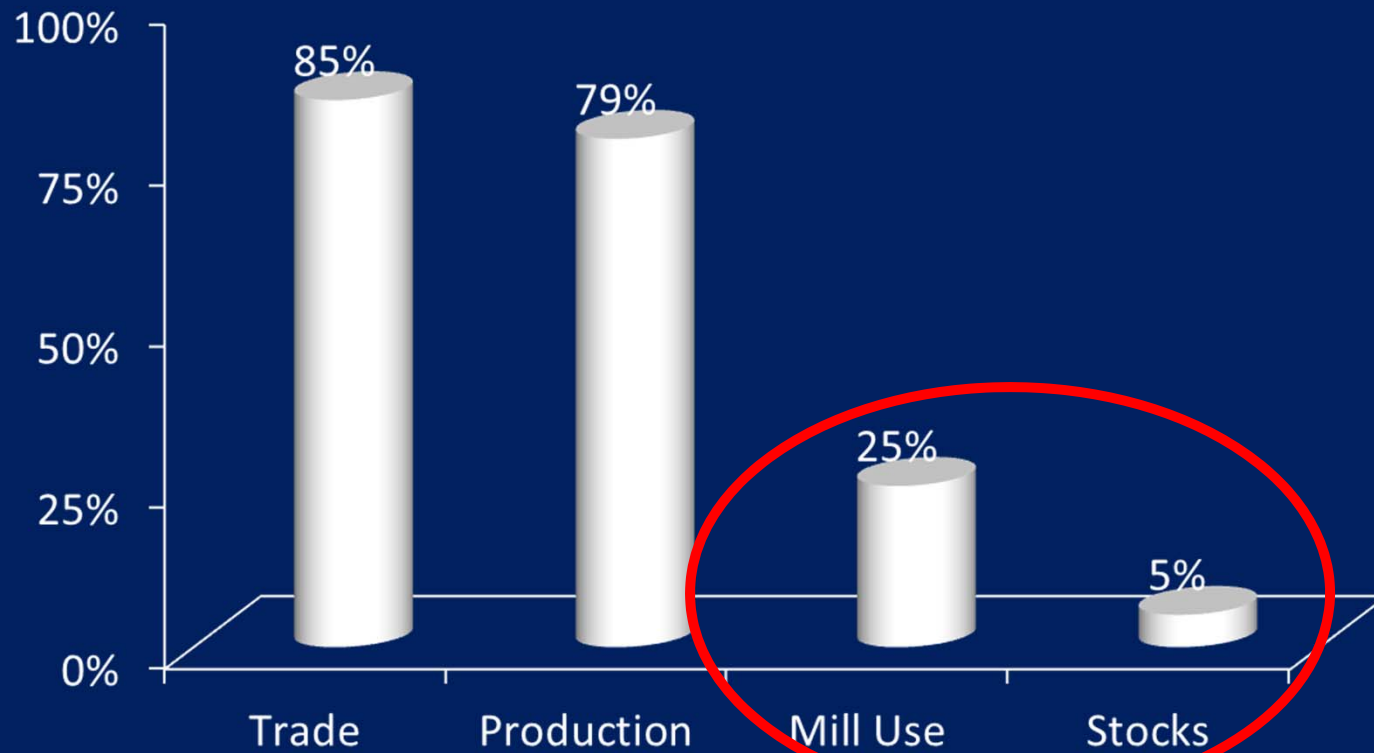


Importance of Having Accurate Mill Use and Stock Estimates



ICAC's Current Sources of Statistics on Cotton S & U

Use of Official Data*



* Share of countries for which official data are used by ICAC.



Issues with Official Cotton Mill Use and Stocks Estimates

- **Cotton Mill Use:**
 - In many countries, not estimated by the government
 - Preference is given to estimation of production and exports of yarn
 - In China (40% of global mill use), official cotton yarn production estimates are object of debate
- **Cotton Stocks:**
 - In most countries, not estimated systematically by the government
 - Most countries do not understand the importance of estimating cotton stocks



General Issues Regarding Official Cotton S & U Estimates

- Lack of resources devoted to the collection of cotton statistics in some countries.
- Lack of interest or willingness:
 - Many governments are not interested in developing a cotton balance sheet or improving their system of data collection and publication.
 - Not all governments agree that transparency is beneficial to their interests. Some countries purposefully withhold information about commodity supply and use to advance national commercial interests.
- Lack of data integrity: Some governments collect data, but lack the procedures and standard to ensure data consistency and accuracy, thus undermine reliability of data collected.



ICAC's Efforts to Increase Transparency

- Asks member governments and observers to submit annual reports to Plenary Meeting
- Advocates the use of metric units
- Published its sources of supply and use statistics by country
- Organized meetings focused on cotton statistics:
 - Workshop in China, June 2011 (5 participating countries)
 - Breakout session, November 2011 (>10 participating countries)
 - Breakout session, October 2012 (>10 participating countries)
- Published a report on 10 countries' methodologies to measure cotton supply and use (December 2011)



Conclusions and Recommendations*

- **Countries should develop accurate cotton S & U estimates**
- It is important to reconcile these estimates in a **national cotton balance sheet**, to help decision making in the public and private sectors
- **Key factors to consider: Independence, reliability, transparency and timeliness**
- Necessity of **regulating** the collection of national cotton statistics, and **timely publication**
- **Involvement of the private sector** in the design and implementation of these regulations

* Endorsed by the ICAC during its 71st Plenary Meeting in October 2012.



Snapshot on Largest Cotton Producing and Consuming countries

- **China:** The central government is heading in the right direction with the setup of the National Cotton Market Monitoring System. Transparency to improve.
- **India:** Realized after ICAC workshop that current system of data collection was imperfect. In the process of developing a new Cotton Statistics Bill.
- **United States:** Adequate system of collection and dissemination of cotton statistics.
- **Pakistan:** Reliable tracking of cotton arrivals, but improvements could be brought to reconcile the various elements of the balance sheet, and estimate bale weight.



How to Move Forward?

- Difficult to motivate governments to change the way they do things, especially if cotton is not a major commodity.
- Difficult to make the government bodies responsible for the collection of different data reconcile their estimates in a balance sheet.
- Improvements in national cotton statistics systems might be more reliable in the long-term if undertaken under a general approach, covering many commodities.
- Should the ICAC focus on the top 10 producing and consuming countries?



Thank you!