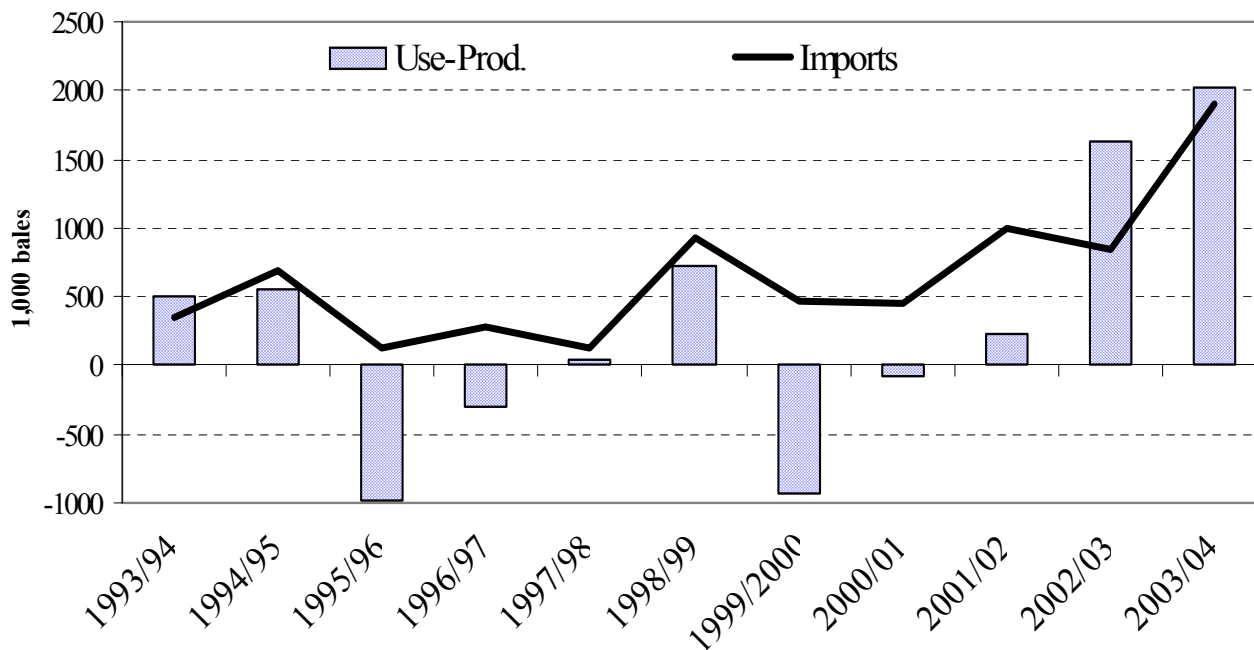




# Cotton: World Markets and Trade

## Pakistan Cotton Imports Forecast a Record High in 2003/04



This month, USDA increased Pakistan's cotton import forecast for MY 2003/04 by 350,000 bales to 1.9 million bales, which would make Pakistan the third largest cotton importer in the world. The 1.9 million bales would be an all time record for Pakistan cotton imports, and nearly double last year's total.

The United States is a major cotton exporter to Pakistan. From January to November 2003, the United States exported more than 500,000 bales of cotton to this country, making it the seventh largest market for U.S. cotton.

In recent years, Pakistan mill use has shown strong growth mainly due to export-oriented textile industries. Pakistan's textile and apparel industries have shown a strong performance in the world market, and its cotton yarn exports reached a record in December. According to Pakistan's Federal Bureau of Statistics cotton fabric exports in 2003 exceeded 2 billion square meters (2.24 billion square yards), showing a 0.2 percent growth over a year ago. Both knitwear and bed wear exports, with growth rates of 32.3 percent and 23.9 percent, respectively, reached new records in 2003.

Pakistan's production has not kept pace with consumption, fueling the need for more cotton imports. Spinners are mostly interested in high-grade longer staple cottons. Reports indicate that high-grade lots are traded as high as 71.11 cents per pound for F.O.B. gin yard.