



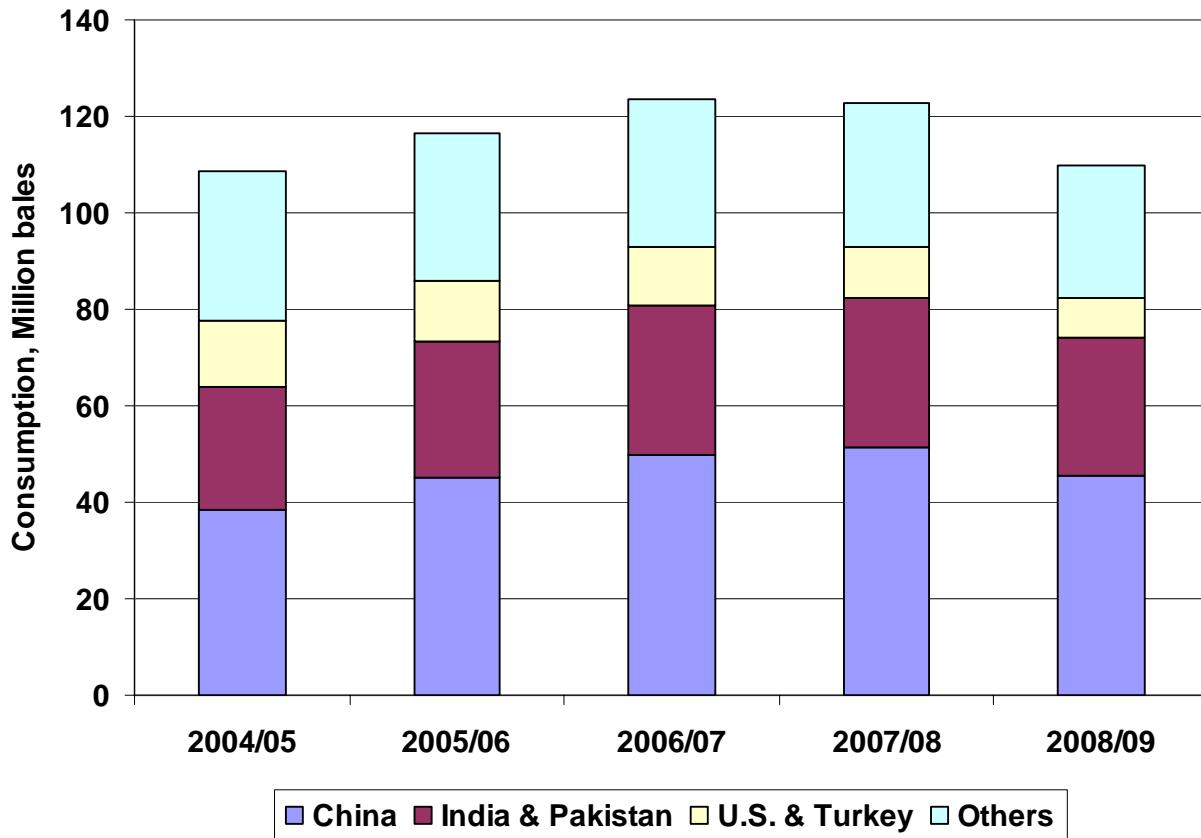
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Cotton: World Markets and Trade

World Consumption Continues to Weaken as Economic Situation Shows Few Signs of Improvement



Due to the worsening economic recession, world cotton consumption is now forecast to fall more than 10 percent from the 2007/08 level, which is the largest year-to-year global decline since records began in 1920. Virtually every major consuming country is experiencing the largest shrinkage in some 30 years. Consumption in China is falling faster than previously expected and accounts for nearly half of the decline. India and Pakistan will see reductions averaging about 8 percent, while in Turkey and the United States consumption will tumble about 20 percent.

In April, USDA lowered the 2008/09 world consumption by 1.3 million bales. Further decline in China's consumption accounted for most of the change, as new evidence indicates that the spinning sector is now faring worse than in many other countries. U.S. consumption was lowered by 100,000 bales due to recent very bearish data from the spinning sector.

