

# Italian Mills Spin a Good Yarn— of U.S. Pima

By Wanda Besozzi

Italy is one of Europe's largest, most developed and affluent countries, with per capita retail spending greater than France, Germany or the United Kingdom. Italy also imports more U.S. upland and Pima cotton than any other European nation (\$20.9 million in 2002).

This combination of strong export and retail markets presents great opportunities for U.S. cotton, as evidenced by the success of the Supima® brand and the COTTON USA promotion campaigns.

The Supima Association has three large Italian licensees—Legnano, Albini and Franzoni—who guarantee products made of 100 percent U.S. Pima cotton with the Supima® brand. Cotton Council International, the international division of the National Cotton Council of America has been promoting its COTTON USA licensing campaign among Italian spinners for years and, most recently, with Italian retailer UPIM.

## Runways Drive Cotton Sales

The Italian fashion industry is renowned for its original, distinctive products that cater to the changing tastes of a vast clientele. It has been this enduring innovation and creativity, and a coveted reputation for quality, that has kept the Italian textile and clothing industries in vogue over the years.

Nevertheless, U.S. Pima exporters have seen recent economic trends trim sales in their fourth largest market. Italian mills processed 28,700 480-pound bales of mostly U.S. Pima cotton in marketing



22233

## Mills Concentrated in Lombardy

Most cotton in Italy is spun or woven in Lombardy. This northern region claims more than half the spinning capacity for yarns and two-thirds of the country's cotton-weaving capability.

In calendar 2002, Uzbekistan supplied the most raw cotton to Italy. The largest suppliers of cotton yarn were Turkey, India and Syria, while the largest suppliers of cotton fabric were Russia, followed by Turkey, Belgium and Germany.

In 2002, Italian imports of raw cotton decreased by 3 percent, down to 270,000 metric tons (1.24 million bales). Overall Italian imports of cotton products (including yarns and fabrics) dropped 5.7 percent in value.

Italian exports of cotton yarn fell 8.6 percent in value in 2002 to \$345 million with Germany, Spain and France being principal customers. Fabric exports, mostly to Tunisia, Romania and Turkey, did increase 8.5 percent in value.

year August 2001/July 2002, down from 34,100 bales the year before.

The official production and trade statistics from the *Associazione Tessile Italiana* show that output has declined as well as imports and use: total cotton textile output for calendar 2002 dropped 3.9 percent from a year earlier, to \$10.7 billion.

By 2005, Italy's textile products will be facing added challenges as they become freely traded within the EU (European Union). The resulting increased competition among EU members will pressure an industry already beset with high production costs and foreign competition.

### Current Challenges

All textile sectors in Italy have been affected by the geopolitical climate of 2003, but specific market trends are further contributing to falling textile output.

While the strength of the euro has raised prices outside the EU for made-in-Italy products, imports from countries with low-cost labor and limited environmental constraints have gained market



19172

share. Italy's ability to compete is also hindered by a lack of market access in some countries. Imitation products further jeopardize the Italian reputation for quality.

But the news is not all bad for the textile industry in Italy. Despite the slump in 2001/02, trade circles expect a minor recovery in the industry beginning in late 2003 and strengthening in 2004. With a favorable climate of low interest rates, reviving consumer confidence and accelerating world demand, mill managers will gain the impetus to engage in the product promotion, market competition and innovation needed to fuel the recovery.

### Cotton Still King

Cotton fiber reigns as the most popular textile in Italy, even with novelty yarns of man-made fibers encroaching upon the province of the natural fiber.

And U.S. Pima continues to meet a significant portion of demand among Italy's "fine-count" spinners. The major criterion affecting U.S. Pima exports to Italy is its price relative to the Type 146 ELS cotton produced by Egypt and China. (Egypt appears to be supplanting its traditional Giza 86 long staple cotton with other ELS varieties.) However, the recent decline in the U.S. dollar should make U.S. Pima more competitive.

## Pima, the Cotton of Choice

**P**ima is a generic name for ELS cotton grown in the United States, Australia, Peru and a few other locations. It accounts for just 3 percent of U.S. cotton production.

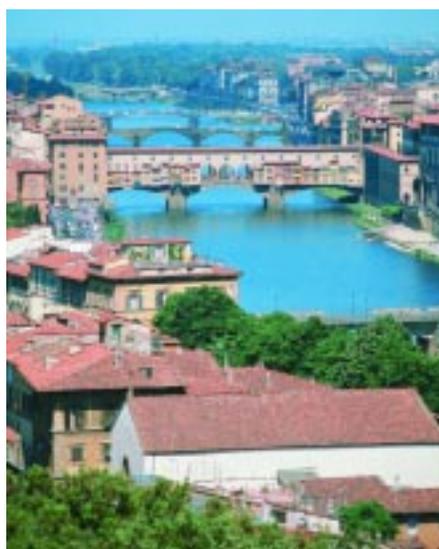
The designation of ELS cotton fiber is reserved for cotton fibers at least 1-3/8 inches in length. U.S. Pima cotton fibers, averaging 1-7/16 inches, are noted for their length and strength.

This extra long staple provides tensile strength up to 50 percent higher than other cotton varieties. With superior strength, Pima can be spun into finer yarns that yield a highly desirable appearance and softness and enable better color registration and added luster.

The Pima name, bestowed in 1910, honors the Arizona Pima Indians who grew plants in USDA's Pima breeding program.

Moreover, as sophisticated mills are always looking for top quality fibers for their diverse product lines, exporters should be prepared to extol the spinning characteristics of U.S. Pima that overcome price differentials. Past successes have provided the foundation that can enable this strong market to continue. ■

*The author is a contractor with the FAS office at the U.S. Embassy in Rome, Italy. Tel.: (011-390-6) 4674-2362; Fax: (011-390-6) 478-87008; E-mail: agrome2001@yahoo.com*



5313

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