

# ITMF PRESS RELEASE

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## **ITMF Annual Conference 2012 in Hanoi**

### **Supply Chain Session:**

#### **Cotton Incorporated's Messura Addresses Cotton's Future in the Supply Chain**

There is always a lot of discussion about the ongoing competition between cotton and synthetic fibers, which is to be expected. The two industries fight hard for every scrap of market share to ensure their future profitability.

But the biggest threat to cotton's future viability isn't rayon, nylon, or even polyester -- it's the cell phone. And education. And healthcare, food, and fuel.

That was the primary message delivered by Cotton Incorporated's Mark Messura during his presentation at the annual meeting of the International Textile Manufacturers Federation, held in Hanoi, Vietnam Nov. 4-6.

"Without question, the competition between cotton and synthetic fibers is intense, but the real concern for all of us in the textile industry is that people today have increasingly diverse expenses" that eat into their expenditures on clothing, he said. In the United States, for example, clothing's share of total consumer spending has dropped from 5.7% in 1989, to 4.7% in 1999, to 3.5% in 2011.

At the same time, healthcare expenditures have grown from 5.1% to 5.3% to 6.7% during that time period. Fuel expenditures have increased from 3.5% in 1989 to 5.3% in 2011, while education expenditures jumped from 1.3% to 2.1% during that timeframe.

While cotton and synthetic fibers will continue to fight tooth and nail for market share, the bigger picture for cotton is the ability to expand its number of uses and applications.

"Between 80% and 85% of all cotton produced in the world goes into clothing, and clothing will continue dominate the end uses for cotton," he said. "But it's also used in oil, ice cream, animal feed and construction materials. Textile companies might not be able to spin cotton seed, so those applications don't necessarily impact mill owners. But they are critically important to the economic health of cotton farmers, so expanding the number of applications cotton can be used in will be a driving force for production in the future.

"The quality of cotton fiber is constantly changing and improving through technology," Messura continued. "Cotton isn't a synthetic fiber, but it is an engineered fiber, and it's constantly evolving."

Meanwhile, environmental friendliness and sustainability -- commonly thought of as crucial factors for consumers when they make purchasing decisions -- are fundamentally supply chain issues, not market issues, he added.

"Cotton Incorporated research shows that very few consumers are willing to pay a premium for clothing or home textiles that are environmentally friendly, organic, sustainable, recyclable or compostable," Messura said. "About 27% of consumers say they put effort into finding environmentally friendly apparel, and that number is lower than it was five years ago. It's not a factor that's becoming more important to consumers; it's actually becoming less important to them when they make purchasing decisions."

He was careful to point out that the research doesn't mean sustainability isn't important ... only that it's a more important issue for the supply chain than it is for consumers.

"People often ask: How can we strive to plant more cotton when the world needs more food? Well, in the future, the world is going to need more of a lot of things! That's why cotton has - and will continue to - improve its production practices. The industry will innovate and find ways for cotton to require less land, less water, less energy, and fewer chemicals to generate even more fiber," he said.

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