

Egyptian Cotton:

Adapting to the Challenges Raised by the Global Pandemic

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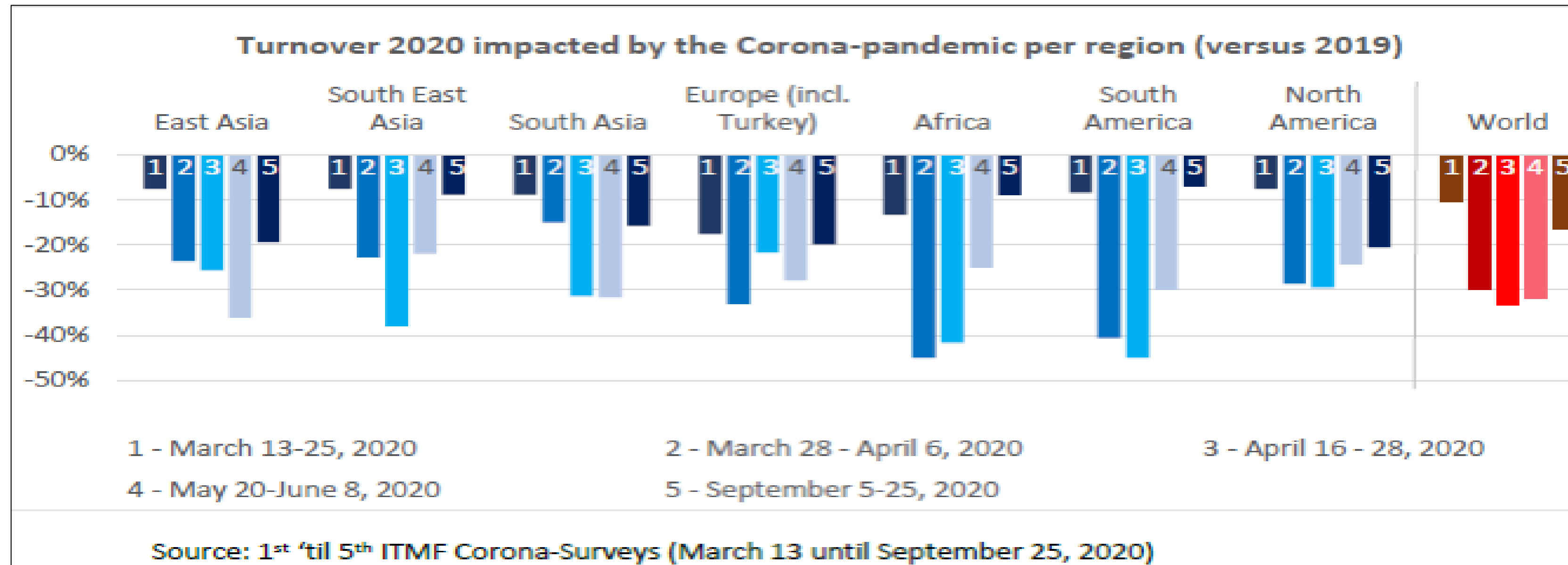
“The Corona-Pandemic: Re-shaping the Global Textile Supply Chain”



COVID-19 CHALLENGES

Impact on global cotton supply chain:

- The rapid spread of COVID-19 has severely impacted the global cotton supply chain.
- An unexpected reduction in cotton mill use data is observed across all of the major cotton spinning countries.
- 31 % orders cancellations reduced to 16% recently.



COVID-19 CHALLENGES

Impact on Egyptian Cotton:

- Egypt's textile industry: around 3% of the country's GDP.
- Egypt's exports in cotton contributed: around USD 471 million during 2019
- 30-40 % less cotton lint production in Egypt
- 35% decrease in Egyptian cotton plantation acres moving to food crops.

So, even though Egypt has not imposed a full lockdown, its obligatory curfew and new health measures have affected cotton production and local demand.



ADAPTING TO COVID-19

Private Sector Efforts:

- Improving digital capabilities & enhancing e-commerce for the supply chain
- Product diversification (medical supplies,...etc.)
- Reducing dependency on limited suppliers



ADAPTING TO COVID-19

Government Support:

- Supporting the export development programs in the textile sector.
- 3 new regions dedicated to cotton cultivation as a part of the 600,000 Hectares National Reclamation Project.
- Complete reform of the cotton system in agricultural, commercial and industrial axes to maximize efficiency.
- US\$ 1.3 billion allocated to develop the textile industry over three years.



NEW GINNING MILL IN FAYOUM (HOLDING COMPANY)



DO NOT REMOVE

Egyptian Cotton 
EGYPTIAN COTTON™

Bale Identifier

State Code 08
Gin. Code 0801
Export Lot

G94

CATGO LOT 64013


18196401385

Misr Gin. Co.

For HVI Results, Please visit
www.egyptcotton-catgo.org/hvi

CATGO | Designed By CATEC |



BCI PROGRAM LAUNCHED IN EGYPT

- Cotton Egypt Association & UNIDO, jointly managing the coordination group of the project officially announced the launch of the BCI in Egypt in June 2020.
- BCI is positively moving forward because of the cooperation and support of the Ministry of Agriculture, Ministry of Trade and Industry, UNIDO, as well as the support of the international partners working closely with the Egyptian Cotton Project.
- The project highlights Egypt's continued efforts to improve the lives of cotton farmers and sustainability

BCI PROGRAM IN EGYPT

- Implementing the sustainable BCI system increased global productivity and considerably improved the quality of crops, while reducing the consumption of water and pesticides.
- Great interest for the BCI program in Egypt by retailers, manufacturers and traders.



HARVEST DAY, OCT. 2019 - KAFR ELSHEIKH

BCI, ADAPTING TO COVID-19

- BCI project launched in spite of the global pandemic
- To ensure safety of farmers, farm workers and on-the-ground partners during the ongoing global COVID-19 pandemic, innovative methods are being employed to deliver the BCI program's trainings.
 - Through digital online platforms, instead of in-person field trainings, in accordance with the precautionary and safety measures set by the government.

CEA & TRACEABILITY

- Bureau Veritas Partnership with CEA.
- Advised and unadvised audit.
- More frequent inspections, if credibility is questioned.
- Samples testing.
- Quantities monitored quarterly.



Coded Traceability System

| Quantity | B. | Batch | Work Ce... | SO |
|----------|----|------------|------------|-----|
| 94.400 | KG | S169160036 | | Com |
| 136.240 | KG | PCD2200061 | | |
| 138.161 | KG | PCD2200061 | | |
| 138.645 | KG | PCD2200061 | | |
| 170.894 | KG | PCD2200061 | | |
| 171.407 | KG | PCD2200061 | | |
| 171.315 | KG | 1602G2F356 | | |

Yarn Batch

Cotton Batch

| Order | Batch |
|------------|------------|
| 1000327077 | SCF20B119A |

Dyeing order to which weaving material issued

Weaving batch issued to Process house



CEA & TRACEABILITY

Fully transparent traceability coding system back to CATGO lot number.

Samples Collection for DNA test





BUREAU VERITAS CONSUMER PRODUCT SERVICES ALLIANCE

- The alliance between Cotton Egypt Association and Bureau Veritas Consumer Products Services add global leadership in testing, inspection and certification, as well as a fully managed solution for Bureau Veritas DNA testing methodology.
- Bureau Veritas audits the Egyptian Cotton™ traceability throughout the entire supply chain to ensure the authenticity of Egyptian Cotton™.



CEA: CHALLENGES FOR PROTECTION & PROMOTION OF EGYPTIAN COTTON

- Globally, governments have restricted inter-state and international travel due to the COVID19 situation.
- Some countries request TRAVEL ENTRY PASS for auditors, which takes a lot of time to be issued, as is the case in many countries.



CEA: CHALLENGES FOR PROTECTION & PROMOTION OF EGYPTIAN COTTON

- Many scheduled audit dates were postponed due to **COVID19** restrictions.
- Great efforts by BV and CEA working closely so that audits and samples testing are carried out in the minimum possible time.
- Certificates extension when necessary.
- Normal audit schedule as from August 2020.

C O R O N A V I R U S

THANK YOU

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