

RISING DEMAND FROM BANGLADESH TEXTILE INDUSTRY

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June 2024

I recently participated in an in-market visit to Bangladesh with representatives from both the Australian Cotton Shippers Association (ACSA) and Cotton Australia.

ACSA has been undertaking visits to our export markets for decades, with the major purpose being to promote Australian cotton as a fibre of choice to spinning mills and end users as well as to build on, and further enhance relationships with existing and potential buyers in the countries that we visit.

ACSA has visited India, Thailand, Bangladesh, Vietnam, China and Indonesia this past 12 months, but it is Bangladesh that is increasingly becoming a very important market for Australian cotton and the opportunities for both Australia and Bangladesh are not to be understated.

Bangladesh consumed almost 9% of the Australian crop in 2023 and figures to May 2024 suggest that this volume had improved to 12% by that point in time. The country had also risen to be our third highest export market in terms of volume - at the same time, demonstrating that the end users like the product our growers are producing, as well as the short transit times, the lack of contamination, the micronaire and strength values and the spinnability of our crop.

During the visit, the group conducted a seminar which saw around 130 participants in attendance. There was excellent engagement from the audience, with much interest shown in Australian cotton. In subsequent days, our group met with the Bangladesh Cotton Association and the Bangladesh Textile Manufacturers Association as well as carrying out visits to several spinning mills.

Australia's main competitors in the Bangladesh market are Brazil, the US and West Africa. Whilst Australia produces fantastic quality cotton, it is worth noting that similar quality parameters are being seen from competing countries and price will always be a major consideration in determining from whom a spinner will purchase their requirements.

This being said, fostering good relationships with our customer base will always be an important factor in doing business in any country.

With merchandisers of Australian cotton finding the need to cast our net wider in terms of potential buyers in recent years (and therefore not rely on any single market, as we did prior to Covid), we have made excellent in-roads in this regard of late. It has often been said that "Australian cotton sells itself", and whilst there is certainly no doubt that we have a premium product that is highly sought after, we cannot become complacent in our approach to finding buyers of the crop.

It turns out that Australian farmers are not the only ones with a keen interest in the Australian weather and many questions we fielded were to do with the quality of the Australian crop this season.

It was explained that whilst there had been some wet weather in some production areas prior to picking this season, this was not widespread and in fact, this situation would lead to

opportunities for those spinners who were perhaps looking to spin Australian cotton at a lower price-point, so was not necessarily a negative.

Excellent feedback was received from spinners in terms of Australian cotton and there is no doubt that in-market visits to consuming countries are an extremely worthwhile undertaking. They allow ACSA Members to continue to build on the already solid relationships with end users of our product as well as to develop new relationships and build trust.

With competing growths such as Brazil and the US having quite sizable budgets for promotion of their crops, it is imperative that Australia stays on the front foot in this regard. The commitment from ACSA member organisations will ensure that this is the case as we collectively push the benefits of spinning a premium fibre, Australian grown cotton.

Ends

