

## Everybody needs good neighbours

Australian cotton is reaching more markets than ever before. With China's 2020 soft ban on Australian cotton, Australian cotton merchants were challenged with finding new buyers and rekindling old friendships to buy the bumper crops being produced in Australia.

This market diversification has resulted in a greater global reach that includes Bangladesh, China, India, Indonesia, Japan, Korea, Malaysia, Mauritius, New Zealand, Pakistan, Philippines, Portugal, Spain, Taiwan, Thailand, Turkey the United Arab Emirates and Vietnam.

Without doubt, this work in diversifying markets has been underpinned by the Commonwealth Government's ATMAC program and also our long-standing relationship with Austrade, providing additional opportunity to take the Australian cotton story to market and step up our in-market visits.

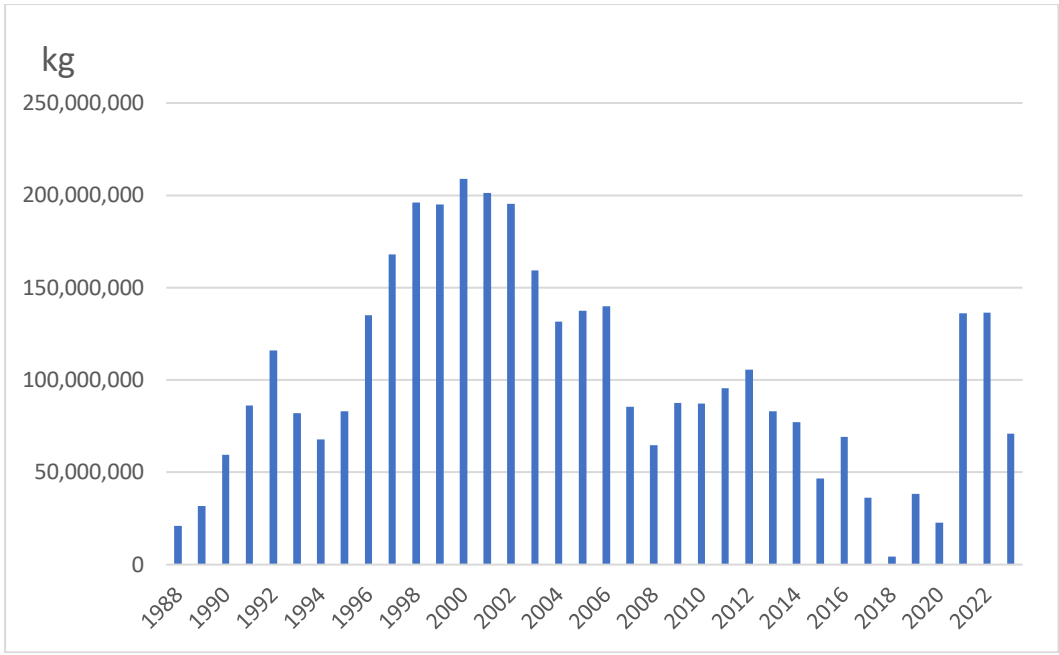
The benefit of collating export data year on year is that it serves to demonstrate that there are markets that have stuck with Australian cotton year on year, through thick and thin. One such long term buyer, good friend and neighbour is Indonesia.

Australian merchants have been trading with Indonesian spinning mills for decades and both merchants and mills have seen an array of changes to both markets over this time. What hasn't changed is Australian cotton's reputation for high quality, consistency and contamination-free cotton. Australian cotton has longstanding, trusted relationships with this market.

This past 12 months ACSA has visited Indonesia twice, showcasing Australian innovation, sustainability, traceability practices and unique value propositions to the Indonesian textile and fashion industry. The extended activity into the fashion sector was supported by Cotton Australia and valuable new connections were made for the Cotton to Market program.

Whilst Indonesia may have taken smaller volumes of cotton in the years leading up to Covid, they have been a consistent buyer of Australian cotton. The change in marketing opportunities owing to the China soft ban (and Covid) facilitated a shift in basis for Australian cotton and allowed Australian merchants to reclaim market share from competitors Brazil and US cotton. Our long trade history, strong in-market relationships and geographic proximity were obvious competitive advantages that underpinned the ability to offer additional cotton to Indonesia.

While we will see different sized crops over the years and Indonesia's requirements will vary depending on consumer demand, we believe the future is bright for Australian cotton in Indonesia. The country is one of the fastest growing economies in Southeast Asia and its textile industry is expanding and demand for nature fibres is rising – and Australia is perfectly placed to fill Indonesia's demand for high-quality, sustainable cotton.



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