



**Committee on Agriculture
Special Session
Sub-Committee on Cotton**

COTTON

BACKGROUND PAPER BY THE SECRETARIAT¹

Addendum

This document contains two additional replies from Burundi and Turkey to the questionnaire on recent policy developments for cotton circulated by the Secretariat on 21 September 2020. The addendum should be read in conjunction with Annex 4 of document TN/AG/GEN/34/Rev.13/Add.1 - TN/AG/SCC/GEN/13/Rev.13/Add.1, which was circulated on 2 November 2020.

Reply from Burundi

The Permanent Mission of the Republic of Burundi to the United Nations Office and other international organizations in Geneva presents its compliments to the World Trade Organization (WTO) and, with reference to the fourteenth dedicated discussion on cotton and the WTO Secretariat's request that Members submit information on any new or updated cotton-related policy developments, has the honour to inform the Secretariat of the following:

The cotton sector has experienced difficulties in recent years, with seed cotton production falling from 8,900 tonnes to less than 1,000 tonnes today.

Burundi's revival and development policy for the cotton, textile and clothing sector provides the country with a national strategy for the period 2019-2027. The strategy seeks to revitalize the sector by increasing cotton production with a view to ensuring supply for domestic agro-textile industries. Increased production will also enable Burundi to export surplus lint to regional and international markets.

The State of Burundi is also mobilizing all cotton, textile and clothing industry actors and partners operating in Burundi, so as to ensure that they adhere to the strategy and work together.

In order to leverage funding and develop the sector, Burundi has introduced a proactive investment facilitation policy for national and foreign investors, which is implemented through the Investment Promotion Agency (API). The country has also established other regulatory frameworks, most notably legislation on public-private partnerships (PPP).

Within this framework, a memorandum of understanding on cotton production revitalization was signed by the State of Burundi and the domestic textile firm AFRITEXTILE.

¹ This document has been prepared under the Secretariat's own responsibility and is without prejudice to the positions of Members or to their rights and obligations under the WTO. It has been prepared for information only and is not intended to provide any authoritative or official legal interpretation of the provisions of the WTO Agreements in general or in relation to any measure listed in this document.

Regarding market access, the amount of cotton produced falls well below the level required to meet the demand of the domestic textile industry, which means there are no exports.

The Permanent Mission of the Republic of Burundi to the United Nations Office and other international organizations in Geneva avails itself of this opportunity to renew to the World Trade Organization the assurances of its highest consideration.

Reply from Turkey

The major input of Turkey's textile and clothing sector is cotton. Textile and clothing sector consumes about 1,5 million tonnes of cotton and there was 882 thousand tonnes at 2017/2018 season, 997 thousand tonnes at 2018/2019 season cotton has been produced in Turkey. The domestic production and import ratio was 59,5% at 2017/2018 and 69,7% at 2018/2019 season.

According to ICAC, Turkey was ranked at 6th in terms of production, 5th in terms of consumption and 4th in terms of imports among the world. According to the estimates of Ministry of Agriculture and Forestry, 2019/20 season cotton production will be around 814 thousand tonnes.

Turkey has imported at 2018-2019 season about 1,35 billion dollars and 761 thousand tonnes of cotton.

The import tax for cotton is 0% and VAT is 8%. There is 3% anti damping duty for USA origin cotton of CIF value.

COTTON DATA

Import Tax:	0%
VAT:	8%
WTO Rate:	6%
Support:	0,064 USD/Kg at 2018/2019 season (For whom use certified crops)
Fuel-Fertiliser Support:	7,75 USD/Da Fuel Support + 0,5 USD/Da (Fertiliser Support) = 8,25 USD Total for 2018-2019 Season

Production

Season (1 August - 31 July)	Turkey		1,000 Tonnes
	TÜİK ²	ICAC ³	World (ICAC)
2012/2013	858	858	27,079
2013/2014	877	878	26,225
2014/2015	846	720	26,234
2015/2016	738	640	21,476
2016/2017	756	703	23,075
2017/2018	882	792	26,678
2018/2019	977	977	25,750
2019/2020*	814	800	26,025

(*) Turkish Institute of Statistics, Forcast.

² Turkish Institute of Statistics.

³ International Cotton Advisory Committee (ICAC).

Consumption

Season (1 August - 31 July)	Turkey		1,000 Tonnes World (ICAC)
	MAF ⁴	ICAC ⁵	
2012/2013	1,785	1,350	23,448
2013/2014	1,637	1,400	24,101
2014/2015	1,501	1,486	24,587
2015/2016	1,500	1,500	24,139
2016/2017	1,450	1,455	24,516
2017/2018	1,481	1,481	26,351
2018/2019	1,400	1,555	26,344
2019/2020	-	1,477	22,870

(*) Forecast.

Foreign Trade

(GTIP No: 5201) (Sezon)

Season	Cotton Foreign Trade			
	Export		Import	
	Value (tonne)	Value USD (USD 1,000)	Value (tonne)	Value USD (USD 1,000)
2005/06	47,030	66,447	762,315	960,891
2006/07	66,002	92,034	877,261	1,137,935
2007/08	80,647	141,864	711,414	1,099,841
2008/09	29,678	53,888	635,632	872,934
2009/10	32,557	60,568	956,682	1,565,191
2010/11	31,825	102,656	729,428	2,044,108
2011/12	65,237	143,793	518,610	1,274,291
2012/13	47,384	97,703	803,760	1,513,800
2013/14	44,332	92,185	924,373	1,843,536
2014/15	52,279	84,481	800,068	1,306,133
2015/16	50,327	81,283	918,307	1,369,259
2016/17	72,816	130,732	801,007	1,408,137
2017/18	70,723	139,127	876,211	1,620,713
2018/19	104,871	183,991	761,891	1,351,087

Cotton Season: 20XX 01 August - 20XX + 31 July.

Source: Turkish Institute of Statistics.

MARKET ACCESS

In Turkey's Harmonized System, there are two products with 12 digits code under in heading 52.01 (cotton, not carded or combed) as followings:

- 5201.00.10.00.00 - Rendered absorbent or bleached;
- 5201.00.90.00.00 - Others.

Turkey applies %0 customs duty to all countries for these goods.

Notwithstanding, as of 17.04.2016, Turkey has started to implement a rate of 3% (CIF) anti-dumping duty, if the goods are, which listed above, with the US origin.

⁴ Ministry of Agriculture and Forestry.

⁵ International Cotton Advisory Committee (ICAC).