

# The European market potential for sustainable cotton

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Europe is a strong market for cotton with a total import value of €5.2 billion in 2018. Its biggest markets are located in Italy, Germany, Portugal, Spain, France and Romania. Over the last 5 years, cotton imports to Europe have been declining by 2.5% annually due to the fact that apparel production is in large part outsourced to lower-cost countries. Sustainable cotton comprises 19% of the total world supply, of which 1.5% is organic cotton. It is experiencing strong growth, driven by environmental and social concerns of the public, governments and leading apparel manufacturers, many of whom pledged to only use sustainable cotton by 2025. Sustainable cotton production has been growing at over 20% per year, while organic cotton has been growing at over 10% per year. Both are expected to grow at high rates through 2025.

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## 1. Product description

Cotton is the world's most widely used natural fiber and represents about 30% of all fiber used in the textile sector. It is used in a wide range of clothing, most notably in shirts, T-shirts and jeans but also in coats, jackets, underwear and foundation garments. Globally, around 30 million hectares are planted with cotton, accounting for more than 2% of total arable land and producing approx. 25 million metric tons of cotton annually. Cotton is grown in over 80 countries and its production supports the livelihood of over 350 million people, including between 50 and 100 million farmers.

Sustainable cotton refers to cotton that is grown with conscious attempts to limit the environmental impact and support viable producer livelihoods and communities. Environmental benefits of sustainable cotton farming include improving soil health, improving biodiversity, and reducing the use of water, chemical fertiliser and chemical pesticides. Social and economic benefits include promoting decent work for farmers, workers, and communities, helping farmers become more profitable, and increasing confidence and trust among consumers. Organic cotton is a subset of sustainable cotton for which the requirements are more stringent than for sustainable cotton. Organic cotton must be grown without the use of GMO seeds, insecticides and pesticides. When we refer to sustainable cotton throughout the report it will include organic cotton.

Today, there are many programmes, standards and codes that categorise cotton's sustainability, e.g. by indicating cotton that is organic, fairly-traded or produced sustainably. The most widely recognised cotton sustainability programs include Better Cotton Initiative (BCI), Cotton Made in Africa (CmiA), Fairtrade Cotton, Organic Cotton and Recycled Cotton. Recycled Cotton is certified to an independently verifiable standard such as the Global Recycled Standard (GRS) or the Recycled Claim Standard (RCS). Organic Cotton is defined by

national farming standards such as the USDA National Organic Program (NOP) in the US, EU Organic Regulation in the EU and APEDA's National Programme for Organic production (NPOP) in India. There are two voluntary standards: the Organic Content Standard (OCS) from Textile Exchange and the Global Organic Textile Standard (GOTS) that provide chain of custody assurance from farm to the final product, with the GOTS standard also requiring textile processing social and environmental criteria.

Table 1: Overview of the main Sustainable Cotton Initiatives

	Better Cotton Initiative (BCI)	Cotton Made in Africa (CmiA)	Fairtrade	Organic Production
Objective	Largest cotton sustainability programme in the world. Provides training on more sustainable farming practices to more than 2 million cotton farmers in 21 countries Sets out to improve the sustainability of mainstream cotton production through setting minimum environmental and social requirements.	Aid by Trade Foundation initiative to improve the living conditions of African cotton farmers. CmiA initiative is the largest standard for sustainable cotton from Africa	To make trade fair, empower small scale producers and workers and to foster sustainable livelihoods	To sustain the health of soils, ecosystems and people, organic cotton is grown within a rotation system that builds soil fertility and protects biodiversity, and it is grown without the use of any synthetic chemicals or GMOs. IFOAM – Organics International is the overarching body for organic agriculture and provides information on the family of standards for organic farming.

Producing countries	China, India, Israel, Madagascar, Mali, Mozambique, Pakistan, Senegal, South Africa, Tajikistan, Turkey, USA	Cameroon, Cote d'Ivoire, Ethiopia, Ghana, Mozambique, Tanzania, Uganda, Zambia, Zimbabwe	Burkina Faso, India, Kyrgyzstan, Tajikistan, Senegal, Uganda	Benin, Brazil, Burkina Faso, China, Egypt, India, Israel, Kyrgyzstan, Mali, Pakistan, Peru, Senegal, Tajikistan, Tanzania, Thailand, Turkey, Uganda, USA
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The Cotton product segment includes Raw Cotton, Cotton Yarn and Cotton Fabrics. There are no separate product codes in Eurostat for sustainable cotton as of yet, but the demand can be approximated based on all cotton trade flows. Raw Cotton includes carder or combed and non-carded and non-combed cotton (HS Codes: 52010010, 52010090, 52030000). Cotton Yarn includes single cotton yarn of uncombed and combed fibers (HS Codes: 52051100, 52051200, 52051300, 52051400, 52051510, 52051590, 52052100, 52052200, 52052300, 52052400, 52052600, 52052700, 52052800, 52061100, 52061200, 52061300, 52061400, 52061500, 52062100, 52062200, 52062300, 52062400, 52062500), multiple folded or cabled cotton yarn made of uncombed and combed fibers (HS Codes: 52053100, 52053200, 52053300, 52053400, 52053500, 52054100, 52054200, 52054300, 52054400, 52054600, 52054700, 52054800, 52063100, 52063200, 52063300, 52063400, 52063500, 52064100, 52064200, 52064300, 52064400, 52064500) and cotton yarn with more than or equal to 85% cotton by weight and less than 85% cotton by weight.

Cotton Fabrics include plain woven fabrics of cotton (HS Codes: 52081110, 52081190, 52081216, 52081219, 52081296, 52081299, 52082110, 52082190, 52082216, 52082219, 52082296, 52082299, 52083100, 52083216, 52083219, 52083296, 52083299, 52084100, 52084200, 52085100, 52085200, 52091100, 52092100, 52093100, 52094100, 52095100, 52101100, 52102100, 52103100, 52104100, 52105100, 52111100, 52113100, 52114100, 52115100), woven fabrics of cotton (52081300, 52081900, 52082300, 52082900, 52083300, 52083900, 52084300, 52084900, 52085910, 52085990, 52091200, 52091900, 52092200, 52092900, 52093200, 52093900, 52094300, 52094900, 52095200, 52095900, 52101900, 52102900, 52103200, 52103900, 52104900, 52105900, 52111200, 52112000, 52113200, 52113900, 52114300, 52114910, 52114990, 52115200, 52115900, 52121110, 52121190, 52121290, 52121310, 52121390, 52121410, 52121490, 52121510, 52121590, 52122110, 52122190, 52122210, 52122290, 52122310, 52122390, 52122410, 52122490, 52122510, 52122590, 58063100), denim (HS Codes: 52094200, 52114200), knitted or crocheted cotton fabrics, pile cotton fabrics and looped pile cotton fabrics (HS Codes: 60012100, 60019100, 60032000), unbleached or bleached cotton warp fabrics, dyed cotton warp knit fabrics, cotton warp knit fabrics of different colors yarns, printed cotton warp knit fabrics (HS Codes: 60052100, 60052200, 60052300, 60052400), unbleached or bleached cotton fabrics, knitted or crocheted; dyed cotton fabrics knitted or crocheted; cotton fabrics, knitted or crocheted, of yarns of different colors; printed cotton fabrics, knitted or crocheted (HS Codes: 60062100, 60062200, 60062300, 60062400).

## 2. What makes Europe an interesting market for sustainable cotton?

Cotton is popular in Europe because it is practical, versatile, durable, soft, breathable and biodegradable. It is also easy to dye and blend with other fibers. For that reason, it has been used widely in the European apparel industry. In 2018, global sales from cotton exports by country totaled €54.2 billion, down by 7.4% from 2014

when it was valued at €57.7 billion. Asian suppliers generate the highest portion of worldwide cotton exports at almost two thirds (64.4%) of the global total. Europe is a significant world importer of cotton, cotton yarn and cotton fabrics. In 2018, the value of cotton imports to Europe accounted for €5.2 billion, down from €5.9 billion in 2013. During the last five years, the value of EU's cotton imports has been declining by an average 2.5% annually, most likely reflecting the ever-increasing outsourcing of production to lower-cost countries.

Currently, 55% of EU cotton imports originate from extra-EU countries, while 45% originates from intra-EU countries. In 2018, suppliers from developing countries contributed 16.3% to all cotton imports into the EU in terms of value (up from 14% in 2013), while suppliers from the rest of the world accounted for 38.8% of the import value (up from 37.7% in 2013). The value of EU cotton imports originating from developing countries corresponded to €852 million in 2018 and has grown at an average yearly rate of 0.5% since 2013, while the overall cotton imports have declined during the same time.

Europe's extra-EU cotton imports are dominated by Turkey, Pakistan, India and China. Together, these four countries account for 43% of all cotton imports into the EU. Turkey is the single largest exporter of cotton to the EU with 14.7% of the EU imports value in 2018 (up from 13% in 2013). It is followed by Pakistan with 11.7%, India with 8.6% and China with 7.9%. Other cotton exporters from outside the EU have market shares between 0.5% and 2.3% of the overall cotton import value. Turkey, Pakistan, India, the United States and Japan increased their share of the EU's cotton imports in the last five years. Pakistan was the strongest grower and increased its share by about 3.0%. During the same period, China, Egypt, Indonesia and Thailand observed a decline in market share.

The intra-EU cotton imports are dominated by Italy with a market value of €579 million (equivalent to 11.1% of market share). It is followed by Germany with 9.7% and Spain with 4.3%. The only European market to increase its market share in the last five years was Portugal, all other countries declined in their exports and lost market share.

Table 2: Top 10 extra-EU and intra-EU cotton exporters to EU, 2018 EUR value; average yearly growth

Country	Value	5-yr growth
<b>Top Extra-EU Cotton Exporters</b>		
Turkey	€766 m	↓0.1%
Pakistan	€614 m	↑3.3%
India	€449 m	↓0.7%
China	€411 m	↓2.5%
Egypt	€119 m	↓2.5%
United States	€43 m	↑0.3%
Uzbekistan	€37 m	↓2.2%
Japan	€36 m	↑4.2%

Indonesia	€31 m	↓ 10.4%
Thailand	€27 m	↓ 12.1%
Top Intra-EU Cotton Exporters		
Italy	€579 m	↓ 5.6%
Germany	€505 m	↓ 4.6%
Spain	€223 m	↓ 2.7%
Belgium	€182 m	↓ 2.6%
France	€123 m	↓ 4.6%
Netherlands	€121 m	↓ 5.6%
Portugal	€102 m	↑ 1.0%
Switzerland	€98 m	↓ 3.8%
Austria	€88 m	↓ 4.1%
United Kingdom	€80 m	↓ 3.3%

Source: Eurostat

In the last few years, an increasing number of major retailers have been shifting from using conventionally farmed cotton towards sourcing more sustainable cotton. What began with a few retailers sourcing more sustainable cotton in limited quantities for small collections, has over time grown into overarching sustainable sourcing targets. It is estimated that today 19% of the world's cotton is sustainable (up from 15% in 2017), comprising approx. 1.5 million metric tons. Organic cotton represents a small share of that amount. With a global production of 117,525 metric tons in 2017 (up 10% from 2016), it represents 1.5% of the world's cotton.

In 2018, the production of Better Cotton increased by 50% compared to the 2017 cotton season, nearly or at least doubling in India, Pakistan, South Africa and USA. E.g. 75% year on year volume growth in India. In 2017, India was the largest cotton producing country worldwide with almost 9 million smallholder cotton farmers. The Better Cotton Initiative aims for sustainable cotton to make up 30% of global cotton trade (approx. 8.2 million tons) by 2020. stems for the most part from China, fueled by growing demand both for the organic dairy industry and the domestic textile sector. Other countries that contributed significantly to the growth of organic cotton include Tanzania, Uganda, Benin, Turkey and the USA. It is expected that the demand for sustainable cotton will increase further in the next 5 years.

Since 2017, more than 50 of the most renowned and leading clothing brands pledged to exclusively use sustainable cotton by 2025 as part of the [Sustainable Cotton Challenge](#). These brands include, among others, Adidas, Asos, Burberry, C&A, Cubus, F&F (Tesco brand), H&M, KappAhl, Kering, Levi's, Lindex, Marks&Spencers, Nike, Next, Otto, Timberland, WE, Woolworths. Their goal is to increase the uptake of organic and preferred cotton, therefore increasing the income of smallholder farms, eliminating highly hazardous pesticides,

eliminating or reducing the amount of pesticides and synthetics fertiliser used, reducing water use and improving water quality and soil health, which includes positive carbon impacts as a result of more sustainable practices.

Currently, the top 15 brands by with the highest better cotton sourcing volumes include H&M, Ikea, Gap, Adidas, Nike, Levi Strauss, C&A, PVH Corp. (Tommy Hilfiger), VF Corporation, Bestseller, Decathlon, Target, Marks&Spencer, Tesco and OVS Spa. Retailers who sourced at least 75% of their cotton as Better Cotton in 2018 include Adidas, Decathlon, Fat Face Ltd., Hema B.V., H&M, Ikea, Stadium AB. The fastest growing users of sustainable cotton include Benetton, Burberry, Fat Face Ltd, GANT, Gap, Hema La Redoute, Marimekko, Nike, Olymp Bezner, Peak Performance, PVH Corp. and Stadium AB.

Figure 2: Brands that have accepted the 2025 Sustainable Cotton Challenge



Source: Textile Exchange

One of the reasons for this growth in sustainable cotton is the growing pressure from the consumers. According to [an IPSOS survey](#), two out of five people in Europe have undertaken some form of sustainable action within the past year and three out of ten have made sustainable purchasing decisions. Polish consumers were the most likely to buy clothes from sustainable materials (27%), followed by Italians (25%) and the Spanish (22%). British customers were the least likely to focus on sustainability while making their apparel purchase decisions (14%).

### 3. Which European countries offer most opportunities for sustainable cotton?

The top cotton import markets in the EU are Italy, Germany, Portugal, Spain, France and Romania. These top six countries together account for 64% of cotton imports in the EU. Austria and Portugal were the only markets with a positive market development in the last five years, all other markets observed a decline. Italy, Germany and Spain are the main importers of cotton from developing countries. Portugal is seeing the fastest growth of imports from developing countries in this product segment and Belgium is the country with the highest share of imports of cotton from developing countries.

Table 3: Top 10 EU importers of cotton, 2018 EUR value; average yearly growth

Country	Value	5-yr growth
Italy	€954 m	↓ 3.6%
Germany	€729 m	↓ 4.0%
Portugal	€571 m	↑ 2.0%
Spain	€395 m	↓ 0.4%
France	€339 m	↓ 2.9%
Romania	€336 m	↓ 3.5%
Poland	€302 m	↓ 3.9%

Austria	€238 m	↑ 3.4%
Belgium	€225 m	↓ 2.4%
United Kingdom	€219 m	↓ 5.7%

Source: Eurostat

Table 4: Top 10 EU importers of cotton from developing countries, 2018 EUR value; average yearly growth

Country	Value of imports from developing countries	5-yr growth	Share of imports from developing countries
Italy	€214 m	↑ 3.0%	22.5%
Germany	€126 m	↑ 0.4%	17.3%
Spain	€112 m	↑ 10.0%	28.4%
Portugal	€92 m	↑ 13.7%	16.1%
Belgium	€91 m	↑ 8.3%	40.5%
Netherlands	€44 m	↑ 7.8%	22.6%
United Kingdom	€42 m	↓ 4.0%	19.3%
Poland	€20 m	↑ 3.5%	6.7%
Czech Republic	€14 m	↑ 5.5%	9.4%
France	€13 m	↓ 2.9%	4.0%

Source: Eurostat

## Italy

Italy is the largest cotton import market in Europe. In 2018, the value of its cotton imports amounted to €954 million (down from €1.1 billion in 2013). In the last five years, the value of Italy's cotton imports has declined at an average rate of 3.6% per year, but its cotton imports from developing countries have grown at 3.0% per year during the same time. Cotton from developing countries constitutes 22.5% of Italy's cotton imports.

Cotton Fabric accounts for 62% Italy's cotton imports value (down from 64% in 2013) and it has been declining at 4.2% per year in the last five years, while the import volume has declined at 2.3% per year. The average unit price of Cotton Fabric imports is at €1.13 which is €0.12 lower than in 2013. The second largest import category is Cotton Yarn with a total value of €295 million and an average annual decline of 2.1% in the last five years. Cotton Yarn accounts for 31% of this market (up from 29% in 2013). It is followed by Raw Cotton with a 7%

share of the market.

Sustainable fashion producers in Italy include: [Eticlo](#), [Par.co Denim](#), [Rifo](#), [Amorilla](#).

Table 5: Italian imports of cotton by subsegment in 2018 EUR Value, 5-year growth, average unit price and 5-year price change

ITALY	2018 Value (€)	5-year growth	Average unit price	5-year price change
Cotton Fabric	€590 m	-4.2%	€1.13	-€0.12
Cotton Yarn	€295 m	-2.1%	n/a	n/a
Raw Cotton	€70 m	-4.9%	n/a	n/a
<b>TOTAL:</b>	<b>€954 m</b>	<b>-3.6%</b>	<b>n/a</b>	<b>n/a</b>

Source: Eurostat

## Germany

Germany is the second largest cotton import market in Europe. In 2018, the value of its cotton imports amounted to €729 million (down from €892 million in 2013). In the last five years, the value of Germany's cotton imports has declined at an average rate of 4% per year, but its imports of cotton from developing countries have grown at 0.4% per year during the same time. Cotton from developing countries constitutes 17.3% of Germany's cotton imports.

Cotton Fabric accounts for 67% Germany's cotton imports value (down from 68% in 2013) and it has been declining at 4.3% per year in the last five years, while the import volume has declined at 4.0% per year. The average unit price of Cotton Fabric imports is at €1.40 which is €0.02 lower than in 2013. The second largest import category is Cotton Yarn with a total value of €194 million and an average annual decline of 1.2% in the last five years. Cotton Yarn accounts for 27% of this market (up from 23% in 2013). It is followed by Raw Cotton with a 7% share of the market.

Sustainable fashion producers in Germany include: [Esthetique](#), [Jan n June](#), [Lanius](#) and [Armed Angels](#).

Table 6: German imports of cotton by subsegment in 2018 EUR Value, 5-year growth, average unit price and 5-year price change

GERMANY	2018 Value (€)	5-year growth	Average unit price	5-year price change
Cotton Fabric	€487 m	-4.3%	€1.40	-€0.02
Cotton Yarn	€194 m	-1.2%	n/a	n/a
Raw Cotton	€48 m	-9.5%	n/a	n/a



TOTAL:	€729 m	-4.0%	n/a	n/a
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Source: Eurostat

## Portugal

Portugal is the third largest cotton import market in Europe. In 2018, the value of its cotton imports amounted to €571 million (up from €517 million in 2013). In the last five years, the value of Portugal's cotton imports has increased at an average rate of 2% per year, making it the only country in the top six markets with a positive import development during that time. The value of its imports of cotton from developing countries has grown at 13.7% per year during the same time, making it the fastest growing importer of cotton from developing countries in the top ten markets. Cotton from developing countries constitutes 16.1% of Portugal's cotton imports.

Cotton Yarn accounts for 57% Portugal's cotton imports value (up from 53% in 2013) and it has been growing at 3.4% per year in the last five years. It is followed by the Cotton Fabric with a 32% segment share. Cotton Fabric import value has been declining by 0.3% per year in the last five years, while the import volume has been growing at 2.3% per year, indicating that Portugal is effectively importing cheaper cotton fabric over time. The average unit price of Cotton Fabric imports is at €1.05 which is €0.14 lower than in 2013. The last import category is Raw Cotton with an 11% share of the market.

Sustainable fashion producers in Portugal include: [Pe de Chumbo](#), [Katty Xiomara](#), [Naz](#).

Table 7: Portuguese imports of cotton by subsegment in 2018 EUR Value, 5-year growth, average unit price and 5-year price change

PORTUGAL	2018 Value (€)	5-year growth		Average unit price	5-year price change
Cotton Fabric	€182 m	-0.3%		€1.05	-€0.14
Cotton Yarn	€326 m	3.4%		n/a	n/a
Raw Cotton	€64 m	2.4%		n/a	n/a
TOTAL:	€571 m	2.0%		n/a	n/a

Source: Eurostat

## Spain

Spain is the fourth largest cotton import market in Europe. In 2018, the value of its cotton imports amounted to €395 million (down from €402 million in 2013). In the last five years, the value of Spain's cotton imports has declined at an average rate of 0.4% per year, but its imports of cotton from developing countries have grown at 10% per year during the same time. Cotton from developing countries constitutes 28.4% of Spain's cotton imports.

Cotton Fabric accounts for 76% Spain's Cotton imports value (up from 72% in 2013) and it has been growing at 0.6% per year in the last five years, while the import volume has been growing at 5.2% per year, indicating that Spain is increasing the volume of Cotton Fabric imports but sourcing it at a lower price. The average unit price

of Cotton Fabric imports is at €1.06 which is €0.27 lower than in 2013. The second largest import category is Cotton Yarn with a total value of €73 million and an average annual decline of 4.6% in the last five years. Cotton Yarn accounts for 18% of this market (down from 23% in 2013). It is followed by Raw Cotton with a 5% share of the market.

Sustainable fashion producers in Spain include: [Diarte](#), [Ecoalf](#) and [Allsisters](#).

Table 8: Spanish imports of cotton by subsegment in 2018 EUR Value, 5-year growth, average unit price and 5-year price change

SPAIN	2018 Value (€)	5-year growth	Average unit price	5-year price change
Cotton Fabric	€301 m	0.6%	€1.06	-€0.27
Cotton Yarn	€73 m	-4.6%	n/a	n/a
Raw Cotton	€22 m	2.7%	n/a	n/a
TOTAL:	€395 m	-0.4%	n/a	n/a

Source: Eurostat

## France

France is the fifth largest cotton import market in Europe. In 2018, the value of its cotton imports amounted to €339 million (down from €393 million in 2013). In the last five years, the value of France's cotton imports has declined at an average rate of 2.9% per year, and its imports of cotton from developing countries have declined at the same rate. Cotton from developing countries constitutes only 4% of France's cotton imports.

Cotton Fabric accounts for 71% France's cotton imports value (unchanged from 2013) and it has been declining at 3.2% per year in the last five years, while the import volume has been declining at 3.8% per year during the same time. The average unit price of Cotton Fabric imports is at €1.36 which is €0.04 higher than in 2013. The second largest import category is Cotton Yarn with a total value of €72 million and an average annual decline of 1.3% in the last five years. Cotton Yarn accounts for 21% of this market (up from 19% in 2013). It is followed by Raw Cotton with an 8% share of the market.

Sustainable fashion producers in France include: [Veja](#), [Baserange](#), [Les Sublimes](#), [Aatise](#) and [Saint James](#).

Table 9: French imports of cotton by subsegment in 2018 EUR Value, 5-year growth, average unit price and 5-year price change

FRANCE	2018 Value (€)	5-year growth	Average unit price	5-year price change
Cotton Fabric	€239 m	-3.2%	€1.36	+€0.04
Cotton Yarn	€72 m	-1.3%	n/a	n/a

Raw Cotton	€28 m	-4.9%	n/a	n/a
TOTAL:	€339 m	-2.9%	n/a	n/a

Source: Eurostat

## Romania

Romania is the sixth largest cotton import market in Europe. In 2018, the value of its cotton imports amounted to €336 million (down from €401 million in 2013). In the last five years, the value of Romania's cotton imports has declined at an average rate of 3.5% per year, but its cotton imports from developing countries have grown at 6.2% per year during the same time. Cotton from developing countries constitutes only 1.8% of Romania's cotton imports.

Cotton Fabric accounts for 91% Romania's Cotton imports value (down from 92% in 2013) and it has been declining at 3.7% per year in the last five years, while the import volume has been declining at 3.9% per year. The average unit price of Cotton Fabric imports is at €2.03 which is €0.02 higher than in 2013. The second largest import category is Cotton Yarn with a total value of €28 million and an average annual decline of 1.2% in the last five years. Cotton Yarn accounts for 8% of this market (unchanged from 2013). Romania imports minimal amounts of Raw Cotton with less than 0.5% share of its cotton imports.

Sustainable fashion producers in Romania include: [Gnana](#) and [PatzaiKin](#).

Table 10: Romanian imports of cotton by subsegment in 2018 EUR Value, 5-year growth, average unit price and 5-year price change

ROMANIA	2018 Value (€)	5-year growth	Average unit price	5-year price change
Cotton Fabric	€306 m	-3.7%	€2.03	+€0.02
Cotton Yarn	€28 m	-1.2%	n/a	n/a
Raw Cotton	€1.3 m	1.6%	n/a	n/a
TOTAL:	€336 m	-3.5%	n/a	n/a

Source: Eurostat

## Tips:

- Focus your export efforts on the top six markets: Italy, Germany, Portugal, Spain, France, and Romania because they are the biggest cotton importers in Europe. Italy, Germany, Spain and Portugal may be particularly interesting due to their high acceptance of cotton from developing countries. France and Romania import very little from developing countries, so these markets would have to be developed.
- Concentrate on Cotton Fabrics, as this is the largest category for most of the countries. In particular, look to provide sustainable cotton because this segment is growing at a much higher rate than conventional cotton. With the sustainability pledges made by major producers, it is expected to grow at very high rates through 2025.
- Visit the websites of the main sustainable brands in each of the countries to understand which materials they

are working with and what sustainability certificates they expect. Read about the [Better Cotton Initiative](#) and consider becoming a member.

## **4. What trends offer opportunities or pose threats for the European Sustainable Cotton market?**

There is an increasing demand for sustainable cotton among European brands –high-volume brands in particular, but smaller independent sustainable brands as well. Suppliers from developing countries can capitalise on this by developing sustainable practices, connecting to buyers and educating them about their sustainability story.

### **Companies are increasingly developing their sustainability strategies**

There is a growing recognition of the enormous social and environmental impact of the global fashion industry and most companies are developing their sustainability strategies aimed at reducing their carbon footprint and the adoption of eco-friendly materials and processes. Sustainable and organic clothing is also on the rise, with brands like Thought, Beaumont Organic, Bibico, Noctu, Kuyichi.

### **The tide is turning on the traditional supply chains**

Greater transparency across the supply chain and stronger, more strategic relationships between supply chain partners will be critical to the much-needed widespread adoption of sustainable farming practices around the world.

### **Emergence of man-made and alternative fibers**

Cotton is under pressure because it requires a lot of arable land and water. Companies are increasingly developing man-made and recycled fibers, as well as plant-based fibers from non-traditional sources, e.g. wood-based cellulosic fibers, banana plant fibers, agricultural waste fibers, etc.

### **Pricing is a major concern**

A major concern for companies that operate with tight profit margins can be an increase in product cost because of the potentially higher cost of sustainable cotton. Cotton pricing is complex – sustainable cotton can in some circumstances cost more due to premiums paid to farmers, traders or others in the value chain, certification processes or documentation such as impact assessment and reporting.

### **Tips:**

- Create a sustainable cotton strategy for the next 6 years. Start developing a supply chain with sustainable cotton suppliers to be able to deliver increasingly large quantity of sustainable cotton and sustainable cotton yarn and fabrics.
- Build brand positioning for environmental and social responsibility. Make it a part of your company and/or brand story and demonstrate the positive impact of your sustainable processes on the environment and on your local society. Make a business case for the buyers to buy your sustainable cotton products.
- Be ready to answer buyer questions such as what sustainable cotton options you already offer, where the sustainable cotton is sourced from, what certificates do you have in place (e.g. OTS, GOTS). Prepare for complete transparency vis-à-vis your buyers.

This study was carried out on behalf of CBI by [M-Brain GmbH](#).

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