

CCI AND COTTON INCORPORATED'S EFS® CONFERENCE IN SINGAPORE INCREASES SALES OF U.S. COTTON



Following CCI and Cotton Incorporated's EFS® conference in Singapore, PT Apac Into Corpora increased its annual U.S. cotton purchases by an estimated 48,000 bales valued at \$12.1 million.

PT Apac, Indonesia's largest denim manufacturer and second-largest cotton consumer, signed a Cotton Incorporated Engineered Fiber Selection (EFS®) license, locking the company into a minimum of 35 percent U.S. cotton annually (up from 25 percent prior to licensing). The integrated yarn and fabric manufacturer consumes over 480,000 bales of cotton per year and annually produces 80 million meters of greige fabric and 60 million meters of denim fabric.

As a leader in the Indonesian textile industry, PT Apac, by virtue of its EFS® license, is expected to lend support to overall demand for U.S. cotton in the country.

The achievement directly results from CCI and Cotton Incorporated's new Emerging Markets Program (EMP) project, launched with a two-day conference in Singapore in April 2004. Fifty representatives from 24 leading Indonesian manufacturers attended the conference, which examined: U.S. cotton classing and grading; usage of HVI data; the EFS® cotton fiber management system; trends in U.S. cotton deliveries; technical updates on yarn and fabric processing; and an overview of the GSM-102 Export Credit Guarantee Program.



Post-conference evaluations show that half of the respondents said they plan to register as an EFS® licensee this year. Other key findings include:

- 82 percent said that information learned during the conference would make them more likely to purchase U.S. cotton this year.
- 91 percent said their preference for U.S. cotton increased as a direct result of the conference.
- 91 percent rated their understanding of U.S. cotton as "high," a 73 percent increase from before the conference.
- 89 percent said their knowledge of U.S. cotton increased as a direct result of the conference.

Since the early 1990s, Indonesia has ranked among the top four cotton fiber importers, regularly buying over 2 million bales per year. Indonesia relies on imports for 95 percent of its cotton fiber supply, and the U.S. market share varies between 25 percent and 40 percent of total imports. The U.S. industry views the market as one with significant growth potential, and CCI and Cotton Incorporated's two-year EMP project aims to increase U.S. cotton's share in it.

