



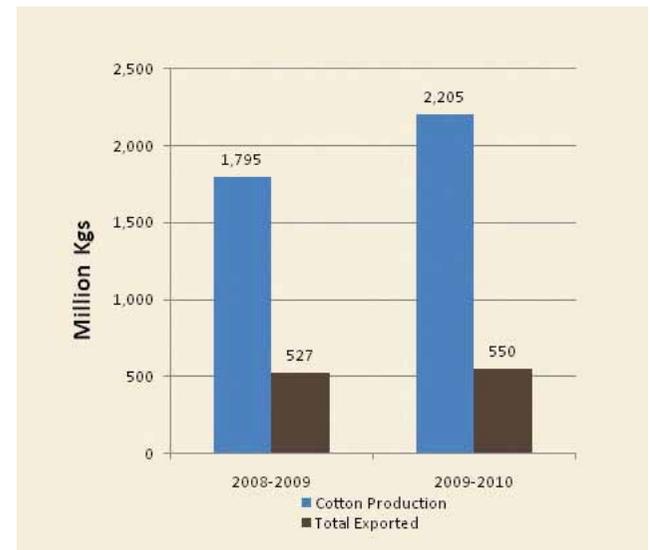
# COTTON

## Overview

Researchers have found out that cotton cultivation was done for the first time in the world at Mehrgarh, a neolithic civilization near Quetta about 9000 years ago. Known by superlative terms like “King cotton” and “white gold”, cotton was the driving force behind the Industrial Revolution and remains humanity’s basic need. It is the biggest source of a natural fiber that is almost completely cellulose in structure. Cotton is basic input for indigenous textile industry of Pakistan and is used for production of cotton lint, yarn, thread, cloth, and garments. Cotton is one of the four major crops of Pakistan and accounts for 8% of the value-added in agriculture and contributes about 2% to national GDP. Cotton is cultivated in Sindh on more than 1 million acres in Naushero Feroz, Benazirabad, Sanghar, Thatta, Badin, Sukkar, Ghotki, Hyderabad, Jamshoro, Mirpur Khas and Sukkur, Umar Kot, and Tharparkar. The two popular varieties of cotton grown in Sindh are NIAB and newly introduced Bt (genetically modified variety). The cotton staple grown in Sindh is of medium length and medium-long although medium staple is more widespread. There are over 350 cotton ginning mills in Sindh mostly in central Sindh but also found in other districts where cotton is grown.

## Market Analysis

Cotton and cotton derivatives constitute about 55% of all national exports annually. However, export of raw cotton is not beneficial in that finished goods can result in 10 times more export earnings. The ginning mills in Sindh produce on average 3 – 4 million bales of raw cotton annually with each bale on average measuring 50" x 20" and weighing 170 kg. Cotton shrub produces two end products: lint and cottonseed, both of which are adequately being utilized in Sindh but linter covering on cottonseeds has not been properly utilized. Despite indigenous cotton cultivation, Pakistan has been a net importer of cotton since the mid-1990s. Usually, American pima cotton and Egyptian cotton is imported along with other lesser varieties of cotton. Cotton sector in Pakistan is completely deregularized in that there are no subsidies in the form of support prices. Spot rates (per maund/40 kg) are determined in the open market (cotton exchanges) on daily basis.





**Cotton Fruit**



**De-Linted Cottonseed**



**Cottonseed with Linter**



**Viscose Fibre**



**Cotton Bales**



**Cotton Yarn**

## Investment Opportunities

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### ■ Seed Production

Investment is the need of the hour for development of better quality and high-yield cotton varieties of long and extra-long staple such as the quality pima cotton of the USA. Buyback agreements can be made in this regard.

### ■ Modernized Ginning Plant

High-tech and high-volume modernized cotton-ginning plants can be established in Sindh for production of clean and contamination-free cotton.

### ■ Delinting Plant

Delinting plants can be established to make use of linter covering on cottonseeds to make better use of linter as well as cottonseeds. Linter thus recovered is used for manufacturing of viscose fibre and other products.

### ■ Textiles

Textile industry of Sindh is highly well-developed and is always a good avenue for investment.



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