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Brazil

Cotton and Products

Annual

2001

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Report Highlights: MY 2000/01 Brazilian cotton estimate is 862,000 mt, lint cotton, up from previous estimate. MY 2001/02 cotton crop forecast stable at 860,000 mt. Cotton consumption for MY 2000/01 and 2001/02, stable, at 950,000 mt, lint cotton. Macroeconomic problems in Brazil and international markets could negatively affect future consumption of cotton fiber. MY 2001/02 exports forecast at 140,000 mt, up from current season, due to higher availability and stable consumption. Imports of cotton fiber for MY 2001/02 projected at 130,000 mt, down from MY 2000/01 estimate.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

The MY 2000/01 Brazilian cotton estimate is placed at 862,000 mt, lint cotton, up 17,000 mt from the previous estimate. For MY 2001/02, cotton production is forecast stable at 860,000 mt. Cotton consumption for MY 2000/01 is projected at 950,000 mt, lint cotton, with little change presently anticipated for 2001/02. Macroeconomic problems in Brazil and international markets factors could hold down future cotton fiber consumption in Brazil. Cotton exports for MY 2001/02 are forecast at 140,000 mt, up 60,000 mt from the current season, due to higher availability of the product and steady consumption. Imports of cotton fiber for MY 2001/02 are projected at 130,000 mt, down 20,000 from the MY 2000/01 estimate.

Statistical Tables

PSD Table						
Country	Brazil					
Commodity	Cotton				(HECTARES)(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		08/1999		08/2000		08/2001
Area Planted	0	752000	0	890000	0	890000
Area Harvested	752000	752000	925000	890000	0	890000
Beginning Stocks	222734	249026	339871	360926	339871	342926
Production	674952	675000	849134	862000	0	860000
Imports	337476	339500	195954	150000	0	130000
TOTAL SUPPLY	1235162	1263526	1384959	1372926	339871	1332926
Exports	2613	2600	97977	80000	0	140000
USE Dom. Consumption	892679	900000	947111	950000	0	950000
Loss Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	892679	900000	947111	950000	0	950000
Ending Stocks	339871	360926	339871	342926	0	242926
TOTAL DISTRIBUTION	1235163	1263526	1384959	1372926	0	1332926

Export Trade Matrix			
Commodity	Cotton		
Time period	Aug-Mar	Units:	Metric Tons
Exports for:	1999		2000
U.S.		U.S.	
Others		Others	
Turkey	0	Turkey	11,354
Bolivia	0	Bolivia	4,050
Colombia	0	Colombia	4,092
Germany	0	Germany	4,297
Indonesia	0	Indonesia	2,372
Italy	0	Italy	2,303
Argentina	1,961	Argentina	2,256
Portugal	0	Portugal	3,858
Total for Others	1,961		34,582
Others not Listed	483		11,167
Grand Total	2,444		45,750

Import Trade Matrix			
Commodity	Cotton		
Time period	Aug-mar	Units:	Metric Tons
Imports for:	1999		2000
U.S.	17,434	U.S.	3,636
Others		Others	
Argentina	49,629	Argentina	17,020
Uzbekistan	11,313	Uzbekistan	5,818
Paraguay	38,738	Paraguay	31,224
Benin	22,448	Benin	8,939
Togo	10,485	Togo	4,177
Mali	13,350	Mali	11,663
Burkina Faso	100	Burkina Faso	1,500
Ivory Coast	16,717	Ivory Coast	2,878
Spain	0	Spain	2,057
Mexico	218	Mexico	2,000
Total for Others	162,998		87,276
Others not Listed	18,519		8,579
Grand Total	198,951		99,492

Prices Table			
Commodity	Cotton		
Prices in	R$ cents	per uom	pound
Year	1999	2000	% Change
Jan	100.09	99.20	-0.89%
Feb	112.25	99.36	-11.48%
Mar	94.56	99.16	4.86%
Apr	86.59	92.85	7.23%
May	89.88	88.53	-1.50%
Jun	88.21	87.44	-0.87%
Jul	91.23	90.17	-1.16%
Aug	92.87	87.46	-5.83%
Sep	91.43	86.11	-5.82%
Oct	91.26	88.23	-3.31%
Nov	98.64	94.79	-3.90%
Dec	100.38	99.27	-1.10%
Exchange Rate	2.304	Local currency/US $	

Cotton Fiber

Production

The Agricultural Trade office (ATO)/São Paulo estimate for marketing year (MY) 2000/01 (Aug.-Jul.) Brazilian cotton production has been adjusted to 862,000 metric tons (mt), lint cotton, up 17,000 mt from the previous projection. In spite of the lower than previously estimated area planted to cotton (see Crop Area), cotton yields are expected to increase for all center-west states (Mato Grosso, Mato Grosso do Sul and Goiás) and the state of Bahia, thus increasing the production projection. The table below shows estimated planted area, production and yields by state and region for MY 1999/2000 and 2000/01

Cotton Area, Production and Yield by State/Region (1,000 ha., 1,000 mt lint cotton, kg/ha)						
	MY 1999/2000			MY 2000/01		
	Area	Production	Yield	Area	Production	Yield
Paraná	53,500	43,300	809	65,000	52,000	800
São Paulo	65,500	52,400	800	65,000	53,500	823
Minas Gerais	50,000	39,000	780	45,000	34,000	756
Mato Grosso Sul	48,000	45,600	950	50,000	52,500	1,050
Mato Grosso	265,000	331,200	1,250	370,000	477,000	1,289
Goiás	85,000	85,000	1,000	100,000	100,500	1,005
Bahia	60,000	45,000	750	55,000	53,500	973
Others - N/NE	125,000	33,500	268	140,000	39,000	279
Total	752,000	675,000	898	890,000	862,000	969
Source: ATO/São Paulo						

According to information provided by post contacts, the 2000/01 harvest season in the state of Paraná is virtually over, and part of the product shows quality problems related to rainfall during harvest. Approximately 60 percent of the harvest has been concluded for the state of São Paulo, whereas a third of the cotton area has been harvested in the states of Goiás and Minas Gerais. The cotton harvest for the states of Mato Grosso, Mato Grosso do Sul and Bahia should start in June.

According to the official April 2001 Ministry of Agriculture, National Supply Company (CONAB) crop estimate, total 2000/01 Brazilian cotton production is 858,200 mt, lint cotton, from an area planted of 858,300 hectares (ha.). These figures represent a 4 percent increase in cotton area and a 23 percent increase in production compared to the CONAB 1999/2000 crop estimate.

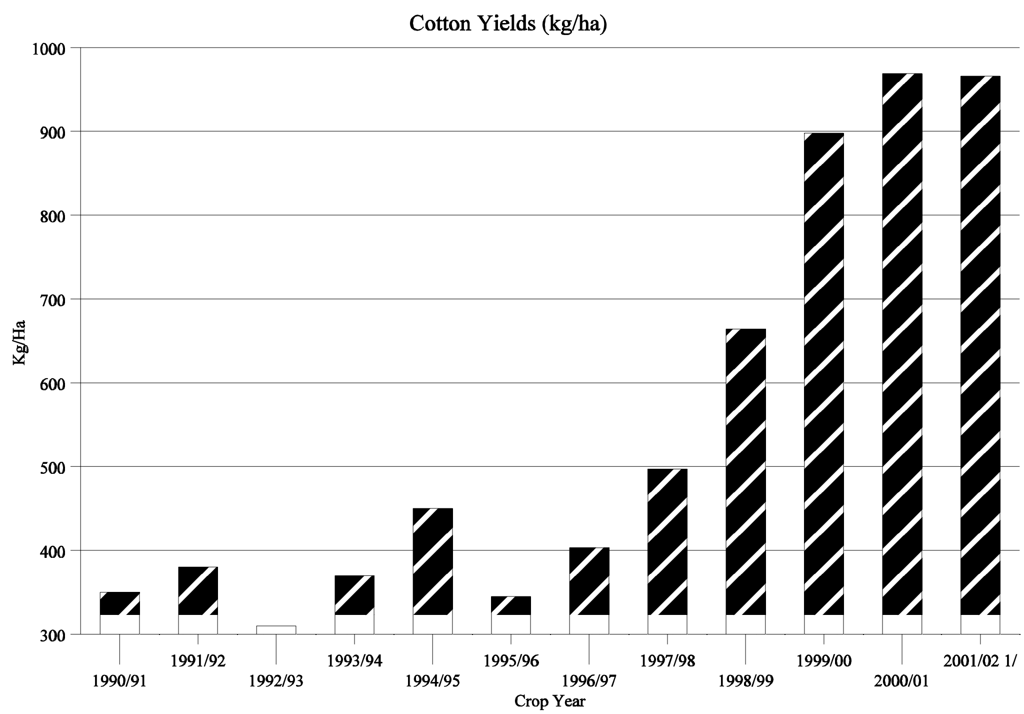
Brazilian cotton production for MY 2001/02 is forecast, at this as yet early date, to remain stable at 860,000 mt, lint cotton, assuming good weather conditions during the season. Current cotton prices, both domestically and internationally, are not relatively attractive, with little expectation for improvement in the near-term due to prospects for the large domestic harvest. If these prices persist, producers will not be encouraged to increase cotton area for the out year. In addition, the uncertainties with regard to the Brazilian macroeconomic situation, the economic problems in Argentina, and the current domestic electric energy crisis may dampen any potential increase in domestic cotton consumption.

Crop Area

Area planted to cotton for MY 2000/01 is estimated at 890,000 ha., down 25,000 ha. from the previous projection, but up 18 percent from last crop. The north-northeastern states should account for about 140,000 ha.., down 50,000 ha. from the previous projection. Much of the adjustment is due to a major revision for the state of Ceará. Cotton area for MY 2001/02 is currently forecast to remain stable at 890,000 ha. Depressed cotton prices, the anticipated large Brazilian new crop cotton harvest and macroeconomic difficulties in Brazil and Argentina may prevent producers from expanding area for the next crop. At the same time, however, many producers, mainly in the center-west region and in the state of Bahia, have investments in machines and gins that should stem any notable reduction in cotton area for the out year.

Yields

Cotton yields for MY 2000/01 should reach 969 kilograms (kg) per ha., lint cotton, up 8 percent from last crop, as a consequence of good weather conditions, the use of mechanization and prime cotton varieties. All center-west states and the state of Bahia should realize better yields compared to 1999/2000, if favorable weather conditions prevail during harvest. The MY 2001/02 cotton yields are forecast at 966 kg. per ha.. The graph below shows the increase in Brazilian cotton yields during the last decade. Note that the exponential increase in yields occurred during the late nineties, a period when cotton production migrated to new areas in the center-west region and in the state of Bahia.



1/ Forecast

Cost of Production

Production costs, in U.S. dollar (US$) terms, for MY 2000/01 (March 2001) have decreased 12 percent compared to the 1999/2000 crop, due to the steady and gradual devaluation of the local currency, the Real. The table below shows cotton production costs for the state of Paraná, according to data provided by the Paraná State Department of Agriculture (SEAB/DERAL). Note that seed prices for the 2000/01 crop increased 30 percent, in US$ terms, as opposed to all other items which show reduced prices compared to last crop. In Real (R$) terms, total production costs increased approximately 4 percent from April 2000 to March 2001.

Estimated Production Costs (Paraná State, US$/ha, US$/mt).				
Item	1998	1999	2000	2001
Implement Costs	108.42	81.88	92.38	87.85
Labor (Temp)	288.46	199.98	218.76	170.27
Seed	23.60	20.06	25.86	33.51
Fertilizer	59.38	58.65	54.58	50.96
Agro-Chemicals	81.51	86.64	83.43	70.00
General Costs	11.85	9.38	9.97	8.65
Transport (off-farm)	14.97	10.13	11.02	9.68
Receiving, bagging, cleaning	--	--	--	--
Technical Assistance	12.10	9.57	10.17	8.83
PROAGRO (crop insurance)	23.03	18.21	19.38	16.81
Financing Cost	26.05	19.71	20.77	18.68
TOTAL VARIABLE COST	649.37	514.21	546.32	475.24
Depreciation and Land Improvement	96.41	71.15	72.89	66.00
Capital repayment	60.60	44.40	45.5	40.21
Insurance, duties & taxes	8.30	6.02	6.22	5.47
Labor (fixed)	70.37	52.77	56.46	48.59
Land repayment	36.17	24.01	25.14	22.75
TOTAL FIXED COST	271.85	198.35	206.21	183.03
TOTAL COST	921.22	712.56	752.53	658.26
Yield (mt/ha)	1.84	1.84	1.84	1.84
Ave. Variable Cost	351.96	278.70	296.11	257.58
Ave. Total Cost	499.31	386.21	407.88	356.78
Source: Paraná State Dept. of Agriculture (SEAB/DERAL) Note: Prices refer to May 1998, April 1999, April 2000 and March 2001.				

Policy

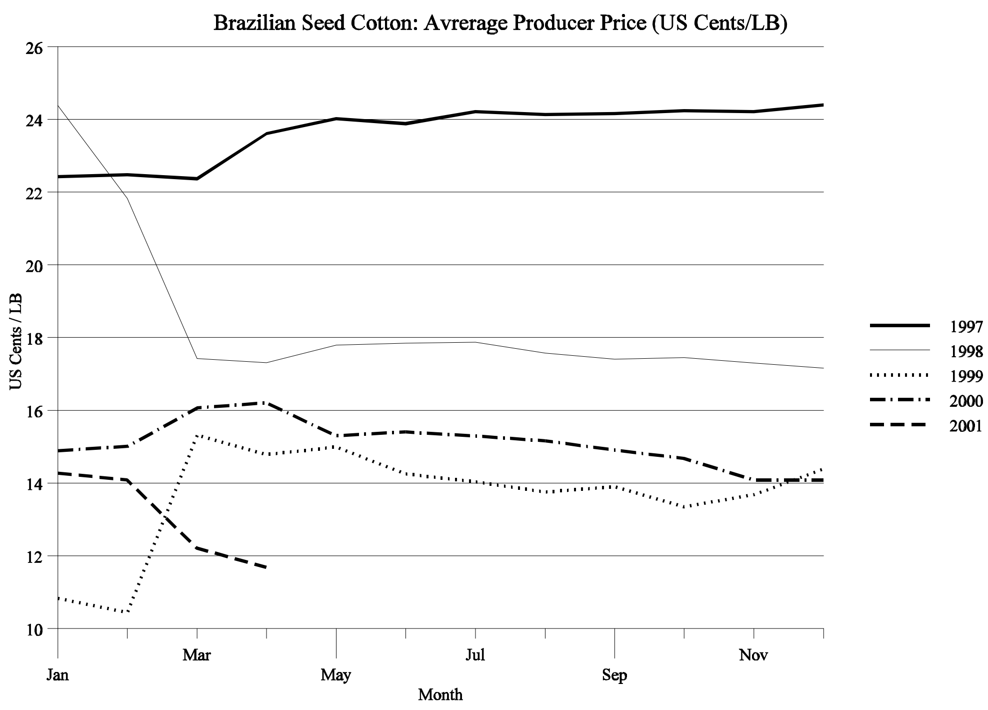
The Brazilian Government has established a support program for some basic crops, such as cotton, soybeans, rice, beans and corn, by establishing production credit limits at low interest rates, and setting official minimum support prices for each crop. According to the 2000/01 Summer Crop Plan, cotton growers will be eligible for a lending limit of R$300,000 (approximately US$130,500, May 2001 basis), similar to what they were eligible for last crop year. Interest rates are 8.75 percent per year.

The minimum support price for the 2000/01 cotton crop is set at R$8.00/15 kg. of seed cotton and R$28.60 per 15 kg. of lint cotton as of February 2001 for the center-south states and southern Bahia. These figures are the same as those announced for the 1999/2000 crop. For the north-northeast, the minimum support price for the 2000 cotton crop is set at R$8.00/15 kg. of seed cotton and R$28.86 per 15 kg. of lint cotton as of July 2000.

On May 18, CONAB announced that R$100 million (approximately US$43.5 million, May 2001 basis) will be available to fund the Government Acquisition Program ("Aquisição do Governo Federal" - AGF) for up to 50,000 mt of lint cotton. This measure is an attempt to force cotton prices up since current domestic prices are below the minimum price paid by the government (see Producer Price). No other measure related to the marketing of the 2000/01 crop, such the production distribution program ("Programa de Escoamento da Produção" - PEP) and the option contract program, has been announced by CONAB.

Producer Price

Average seed cotton prices for Paraná, provided by the State Department of Agriculture, are indicated in the following graph. Note the sharp and steady decline in prices through April 2001. Domestic cotton prices are influenced by the expected record crop in Brazil as well as by the depressed price in the international market. Current market prices are below the minimum price set by the Brazilian Government.



Source: Parana State Dept. of Agriculture (SEAB/DERAL)

Consumption

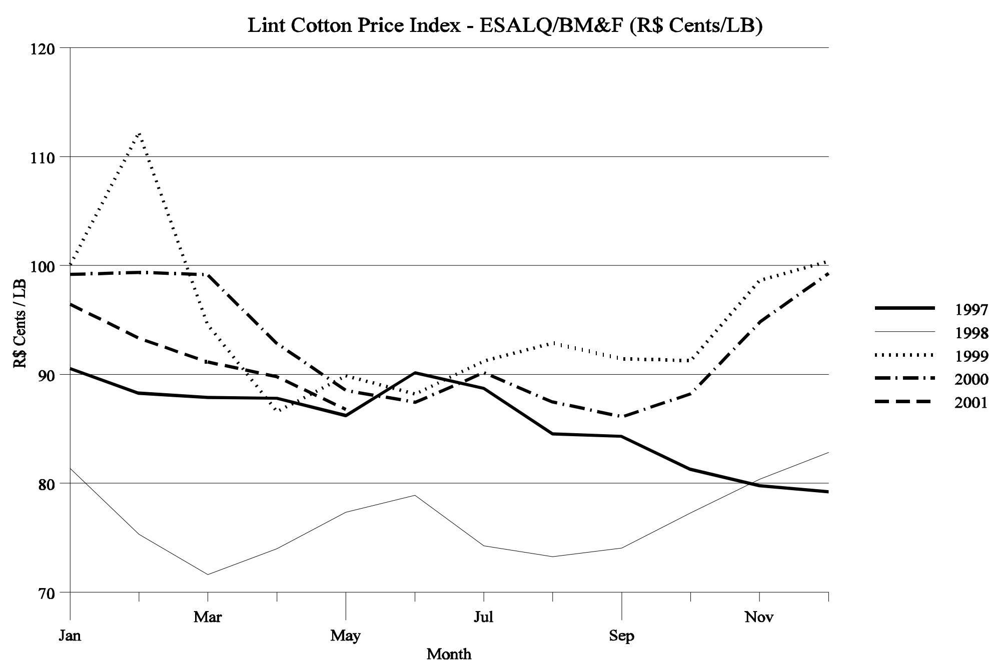
The ATO/São Paulo estimate for domestic cotton consumption for MY 2000/01 (Aug-Jul) remains unchanged at 950,000 mt, lint cotton. Domestic consumption for MY 2001/02 is forecast stable at the same volume of MY 2000/01, although the uncertainties with regard to Brazilian macroeconomic conditions, the economic problems in Argentina, the Brazilian electric energy shortage may affect future consumption of cotton.

Brazil is presently in the midst of a critical electrical energy shortage. Several years of low rainfall is hampering the local hydro-electric system, which supplies the bulk of the country's electricity. The only near-term solution is conservation. The GOB has called for a 20 percent reduction in use through the remainder of the winter dry season and has threatened significant surcharges and service cuts to enforce the needed cuts. It is hoped that the rainy season, which normally begins in November over much of Brazil, will bring relief. Longer-term solutions, such as investment in alternative generation options, are under review.

The Brazilian Textile Industry Association (ABIT) has not yet released its estimate for domestic consumption of cotton fiber for Calendar Year (CY) 2000. Unofficial estimates place cotton domestic consumption for CY 2000 varying between 900,000 and 950,000 mt, lint cotton.

Prices

The graph below shows monthly Lint cotton Price Index released by the College of Agriculture "Luiz de Queiroz" (ESALQ) to set prices for cotton contracts at the Commodity Exchange (BM&F). The index is based on aggregate prices from almost all Brazilian producing and consuming regions from cotton producers, ginners, brokers and textile companies.



Source: ESALQ/CEPEA
Prices refer to last weekday of the month. May 2001 price refers to May 15.

Trade

Exports

Cotton exports for MY 2000/01 remain unchanged at 80,000 mt, lint cotton. ATO/São Paulo forecasts MY 2001/02 cotton exports at 140,000 mt, lint cotton, due to higher availability of product in the domestic market. This is further supported by the volume of export contracts set during the last couple of months of 2000 when international prices were good (approximately 140,000 mt). This volume will be exported during June to October 2001. The tables below show cotton exports by country of destination for MY 1999/2000 and MY 2000/01 (Aug.-Mar.)

Brazilian Cotton Exports: NCM 5201.00.10 (mt, US$ 1,000 FOB)				
	MY 1999/2000 1/		MY 2000/01 1/	
Destination	Quantity	Value	Quantity	Value
Turkey	0	0	100	108
Total	0	0	100	108
Source: Brazilian Secretariat of Foreign Trade (SECEX) 1/ August to March.				

Brazilian Cotton Exports: NCM 5201.00.20 (mt, US$ 1,000 FOB)				
	MY 1999/2000 1/		MY 2000/01 1/	
Destination	Quantity	Value	Quantity	Value
Argentina	1,961	2,340	1,998	2,256
Turkey	0	0	1,347	1,470
Germany	0	0	1,932	2,138
Indonesia	0	0	1,302	1,392
Colombia	0	0	970	1,021
Portugal	0	0	1,103	1,274
Belgium	0	0	746	844
Others	483	223	2,735	3,079
Total	2,444	2,563	12,134	13,474
Source: Brazilian Secretariat of Foreign Trade (SECEX) 1/ August to March.				

Brazilian Cotton Exports: NCM 5201.00.90 (mt, US$ 1,000 FOB)				
	MY 1999/2000 1/		MY 2000/01 1/	
Destination	Quantity	Value	Quantity	Value
Turkey	0	0	8,833	9,775
Bolivia	0	0	3,554	3,683
Colombia	0	0	2,568	3,070
Germany	0	0	1,368	2,159
India	0	0	1,769	1,922
Italy	0	0	1,698	1,896
Paraguay	0	0	1,204	1,458
Portugal	0	0	2,270	2,584
Others	0	0	5,060	5,619
Total	0	0	28,323	32,167
Source: Brazilian Secretariat of Foreign Trade (SECEX) 1/ August to March.				

Imports

Brazilian cotton imports are estimated for MY 2000/01 at 150,000 mt, lint cotton, unchanged from the previous estimate. The higher availability of domestic cotton as well as the devaluation of the local currency, the Real, led to lower imported volumes. Cotton imports for MY 2001/02 are forecast down 20,000 mt, lint cotton, from the current season due to adequate availability of domestic product and steady consumption.

According to SECEX, Brazilian cotton imports for MY 2000/01 (Aug-Mar) are estimated at 99,492 mt, lint cotton, a 50 percent decrease compared to the same period for the previous season. The tables below show imports by country of origin for MY 1999/2000 and 2000/01 (Aug-Mar)

Brazilian Cotton Imports: NCM 5201.00.10 (mt & US$ 1,000 FOB)				
	MY 1999/2000 1/		MY 2000/01 1/	
Destination	Quantity	Value	Quantity	Value
Argentina	100	167	0	0
Total	100	167	0	0
Source: Brazilian Department of Foreign Trade (SECEX). 1/ August to March				

Brazilian Cotton Imports: NCM 5201.00.20 (mt & US$ 1,000 FOB)				
	MY 1999/2000 1/		MY 2000/01 1/	
Destination	Quantity	Value	Quantity	Value
Paraguay	15,048	18,333	11,167	13,741
Mali	5,000	5,969	6,684	7,020
Argentina	33,745	34,794	3,574	3,570
Benin	6,146	7,427	3,128	3,526
Togo	4,035	5,575	2,497	2,893
Uzbekistan	1,000	1,426	2,021	1,982
United States	4,764	4,160	1,791	1,591
Burkina Faso	100	130	1,500	1,971
Turkmenistan	0	0	1,250	1,539
Senegal	0	0	1,000	1,128
Zimbabwe	0	0	999	1,203
Others	5,149	6,125	1,449	1,900
Total	74,988	83,940	37,061	42,062
Source: Brazilian Department of Foreign Trade (SECEX). 1/ August to march.				

Brazilian Cotton Imports: NCM 5201.00.90 (mt & US$ 1,000 FOB)				
	MY 1999/2000 1/		MY 2000/01 1/	
Destination	Quantity	Value	Quantity	Value
Paraguay	23,690	29,475	20,057	23,706
Argentina	15,784	16,636	13,446	14,588
Benin	16,301	21,620	5,810	7,095
Mali	8,350	8,801	4,979	4,798
Uzbekistan	10,314	12,276	3,797	4,018
Ivory Coast	13,169	15,399	2,179	2,673
Spain	0	0	2,057	2,202
Mexico	218	211	2,000	1,817
United States	12,670	11,640	1,845	2,792
Togo	6,450	8,489	1,680	2,076
Egypt	1,686	3,719	1,204	2,783
Others	15,231	17,369	3,377	4,292
Total	123,863	145,634	62,431	72,841
Source: Brazilian Department of Foreign Trade (SECEX). 1/ August to March.				

Stocks

Carry-over stocks for MY 2001/02 are projected at 242,926 mt, lint cotton, down 30 percent from ending stocks for MY 2000/01. Stable production associated with expected lower imports and larger exports should result in a stock reduction.

According to CONAB, official lint cotton stock sales for 2000 were 76,895 mt at an average price of R$1.87 per kilogram. Sales of CONAB official stocks for January to mid-May 2001 are 5,664 mt, lint cotton at an average price of R$2.06 per kilogram. Current CONAB stocks are reported at 38,340 mt.

Policy

According to the Government of Brazil (GOB) decree announced on December 27, 2000, the Common External Tariff (TEC) applied to imported cotton (NCM 5201.00.10 to 5201.00.90) for 2001 is 8.5 percent.

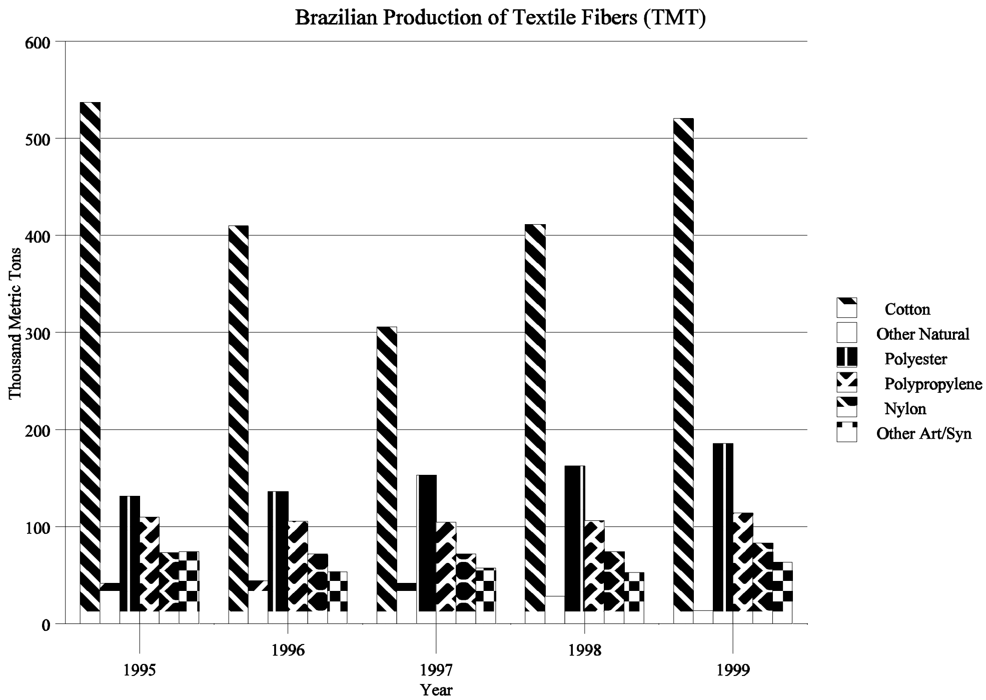
Bio-Technology

While the public discussion on the use of agricultural bio-technology in Brazil has focused on Roundup Ready Soybeans, cotton seed is also being evaluated. GOB information indicates that of the 926 bio-tech seed experiments approved by the CTNBio (National Technical Commission for Bio Security), 34 are for cotton seed. Of the remainder, 815 are corn, 54 are soybeans, 14 are sugar cane, 2 are rice and 7 are "others" (potato, eucalyptus, tobacco and papaya). No bio-tech seeds have been approved for commercial use. The status of bio-tech seed research in Brazil took another turn on April 27 when a Federal Judge ruled that bio-tech seeds displaying agro-toxic characteristics must be evaluated under the same rules as agricultural chemicals. This essentially suspended all previous CTNBio experiment approvals. The entities involved are reviewing the ruling and implications.

Value Added Cotton

Production

The Brazilian Textile Industry Association (ABIT) has not yet released the estimate for domestic production of all textile fibers for calendar year (CY) 2000. The graph below indicates production data for CY 1995 to 1999.



Source: Brailian Textile Industry Assn (ABIT)

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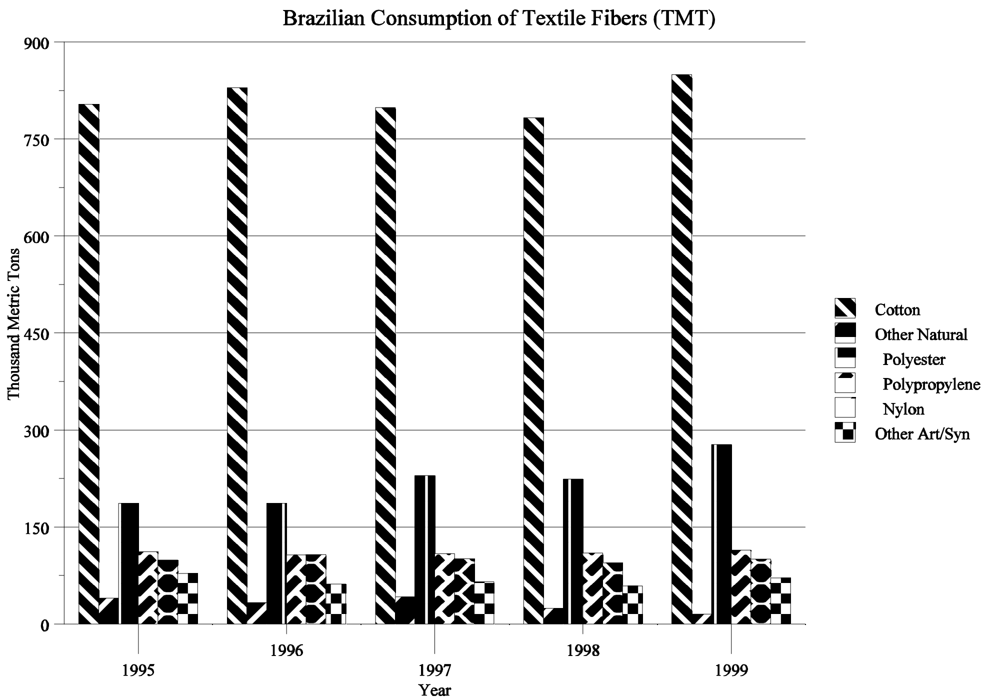

Source: Brailian Textile Industry Assn (ABIT)

Trade

Exports

Brazilian exports of textile products, as reported by ABIT follow.

Brazilian Export of Textile Products (metric tons, US$1,000 FOB).				
Product	1999		2000	
	Quantity	Value	Quantity	Value
Textile Fibers	55,852	59,837	84,889	88,642
Nylon	113	303	129	318
Polyester	4,014	3,772	4,652	5,021
Acrylic	203	185	361	406
Viscose	3,560	4,342	6,013	7,827
Acetate	4,399	16,863	3,705	13,546
Wool/hair/tops	7,330	14,703	7,046	16,164

Linen	90	112	78	60
Cotton	4,674	5,318	29,408	32,522
Sisal	28,174	9,573	29,832	8,468
Other	3,296	4,666	3,663	4,311
Yarns	27,467	123,745	33,402	131,671
Silk	1,792	50,098	1,570	49,305
Wool/hair	56	509	28	235
Cotton	15,892	44,980	17,699	49,601
Linen	144	1,670	132	1,892
Ramie	2,198	2,146	7,166	5,819
Artif/Synthetic	7,378	24,329	6,808	24,818
Other	8	13	0	0
Artif/Synt. Fibers	10,047	40,474	12,813	45,086
Nylon	6,301	18,771	7,117	22,590
Polyester	963	3,289	2,966	7,128
Viscose	1,445	6,251	1,345	5,300
Acetate	81	416	0	0
Polyurethane	190	3,177	61	1,014
Other	1,067	8,570	1,324	9,054
Fabrics	43,700	201,759	55,498	245,256
Silk	2	108	0	27
Wool/hair	237	7,048	211	5,808
Cotton	37,768	150,806	46,658	179,177
Linen	261	5,030	448	6,008
Ramie	6	48	2	20
Jute	0	1	0	1
Artif/Synthetic	3,303	16,866	4,949	23,936
Knitting	2,121	21,852	3,230	30,278
Threads	423	4,425	629	6,170
Cotton	116	1,402	131	1,586
Artif/Synthetic	307	3,022	497	4,583
Garments	41,318	398,152	57,513	533,880
Other	90,128	181,441	94,014	171,365
Grand Total	268,935	1,009,833	338,758	1,222,071
Source: ABIT.				

Imports

Brazilian imports of textile products, as reported by ABIT, follow.

Brazilian Imports of Textile Products (metric tons, U$1,000 FOB).				
Product	1999		2000	
	Quantity	Value	Quantity	Value
Textile Fibers	343,848	450,554	380,532	438,867
Nylon	671	3,544	904	4,002
Polyester	27,612	30,379	29,124	33,846
Acrylic	10,092	11,547	17,628	26,217
Viscose	1,034	2,066	949	1,670
Acetate	1,712	6,253	1,494	5,336
Wool/hair/tops	1,464	5,145	1,320	4,429
Linen	4,425	8,966	1,351	2,824
Ramie	216	823	91	359
Cotton	281,882	359,699	303,579	325,197
Jute	5,601	1,773	12,120	4,533
Sisal	3	9	7	21
Other	9,134	20,350	11,965	30,435
Yarns	28,828	68,842	30,755	76,048
Silk	1	32	31	707
Wool/hair	366	4,378	502	5,416
Cotton	6,852	24,253	8,161	25,264
Linen	84	866	8	185
Ramie	42	152	0	0
Artif/Synthetic	18,772	37,252	18,987	42,512
Jute	2,704	1,903	3,006	1,924
Other	7	7	60	40
Artif/Synt. Fibers	114,291	289,035	170,616	392,298
Nylon	23,162	88,429	27,369	100,382
Polyester	68,577	111,856	130,344	198,277
Viscose	120	655	188	896
Acetate	1,931	7,993	1,475	5,562
Polyurethane	3,114	53,890	4,893	69,492
Other	17,388	26,212	6,346	17,688
Fabrics	44,656	206,716	77,974	284,976
Silk	48	2,023	55	2,539
Wool/hair	526	10,404	517	11,578
Cotton	3,226	17,506	3,034	15,161

Linen	94	530	30	341
Ramie	223	1,250	105	527
Jute	216	175	117	93
Artif/Synthetic	28,009	129,928	51,843	191,869
Knitting	12,314	44,899	22,274	62,868
Threads	1,101	3,458	863	3,011
Cotton	86	1,062	140	869
Artif/Synthetic	1,014	2,396	723	2,142
Garments	25,821	188,677	28,619	169,340
Other	54,628	235,726	50,549	241,570
Grand Total	613,172	1,443,006	739,908	1,606,110
Source: ABIT.				

Policy

The common external tariffs (TEC) for value-added cotton, follow.

Common External Tariffs (Value Added Cotton).	
Description	%
Cotton, Carded or Combed	10.5
Threads, Yarns	16.5
Yarns for retail sale	18.5
Fabrics	20.5
Apparel	22.5

Marketing

ABIT has promoted Brazilian textile products, companies and professionals abroad through sponsorship and participation in trade shows and business rounds. The goal is to improve the concept of quality for products "Made in Brazil", thus enabling expanded value-added exports. ABIT expects to increase textile exports to US$4.3 billions by 2005, reaching 1 percent of the world textile trade.

The partnership developed between ABIT and the GOB Agency for Exports Promotion (APEX) also envisions the increase in exports of value-added textile products. The major joint strategies are: (1) support current export companies improving their performances; (2) enable and stimulate new companies to approach the international market; and, (3) support Brazilian designers abroad to facilitate the entry of new Brazilian brands in the international market.

Exchange Rate

Exchange Rate (R$/US$1.00 - official rate, last day of period)					
Month	1997	1998	1999	2000	2001
January	1.05	1.12	1.92	1.80	1.97
February	1.05	1.13	2.03	1.77	2.04
March	1.06	1.14	1.77	1.75	2.16
April	1.06	1.14	1.66	1.81	2.22
May	1.07	1.15	1.72	1.82	--
June	1.08	1.16	1.77	1.80	--
July	1.08	1.16	1.79	1.78	--
August	1.09	1.18	1.81	1.82	--
September	1.10	1.19	1.92	1.84	--
October	1.10	1.19	1.95	1.91	--
November	1.11	1.20	1.92	1.98	--
December	1.12	1.21	1.79	1.96	--

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