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**Date:** 4/12/2019  
**GAIN Report Number:** MY9006

## **Malaysia**

### **Cotton and Products Annual**

**2019**

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**Report Highlights:**

Post forecasts consumption of cotton in the Malaysian textile industry at just over 66,000 metric tons (MT) in marketing year (MY) 2019/20, a five percent increase from the previous year. The expected uptick is based on steady economic growth in Malaysia and strong consumer demand for textile products in the United States and the European Union. Imports in MY 2019/20 are forecast at roughly 150,000 MT, slightly higher than the 147,000 MT imported in the previous year.

## Production

Malaysia does not produce any cotton.

## Consumption

Post forecast domestic consumption of cotton in marketing year (MY) 2019/20 at 66,186 metric tons (MT), a roughly five percent increase from the previous year's estimate of 63,138 MT. Growth in domestic consumption is in line with anticipated positive economic growth in Malaysia and strong consumer demand for cotton products in the United States and the European Union, the biggest importers of textiles from Malaysia.

According to industry associations and trade contacts, as of December 2018, there were 970 registered textile factories in Malaysia. Of these, 400 are making ready-to-wear garments and the rest are operating in major sub-sectors including polymerization, spinning, weaving, knitting, wet processing, and textile accessories. The Malaysian Department of Statistics reports that total cotton yarn production from the domestic textile industry reached nearly 49,000 MT in MY 2015/16 and Post expects this number to increase to over 64,000 MT by MY 2019/20.

### Cotton Yarn Production by Marketing Year (August-July)

Year	2015/16	2016/17	2017/18	2018/19*	2019/20*
Tons	48,899	51,344	57,020	61,244	64,200

### Malaysian Cotton Use by Marketing Year (August-July)

Year	2015/16	2016/17	2017/18	2018/19*	2019/20*
Tons	50,412	52,932	58,784	63,138	66,186

Source: Department of Statistics Malaysia

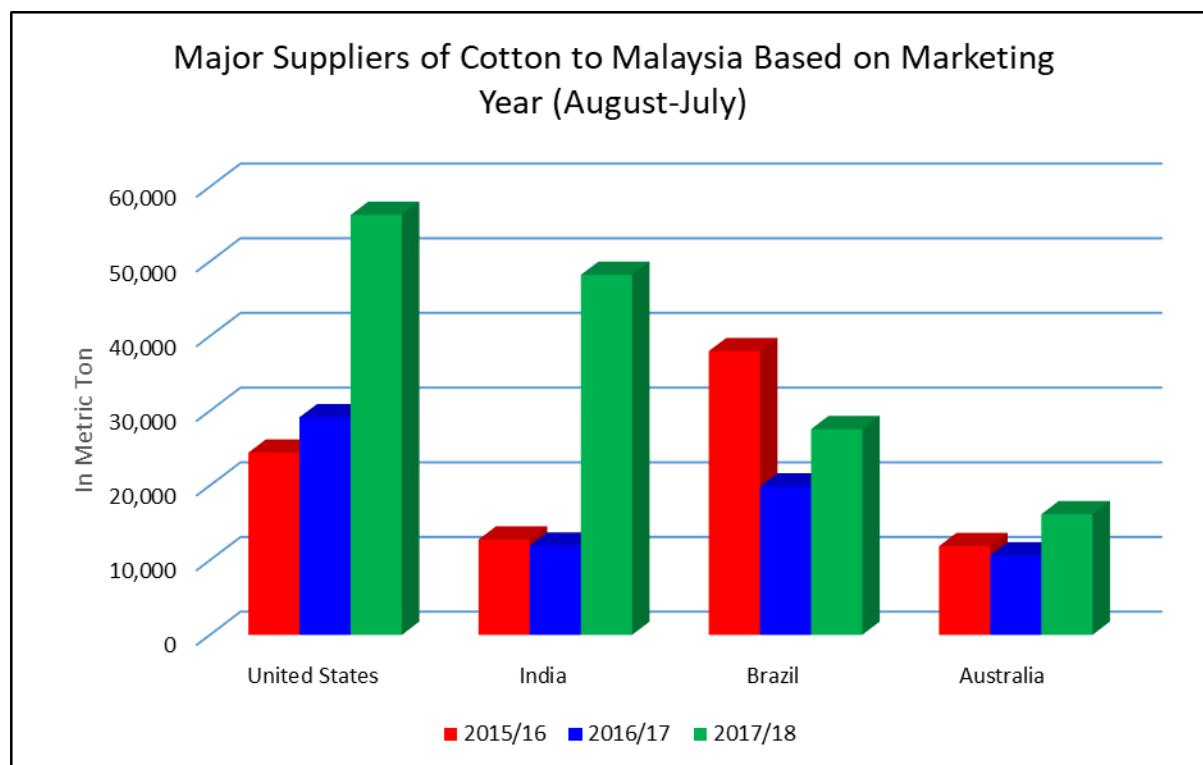
Note: \*estimated figure by FAS Kuala Lumpur

According to the Malaysian Investment Development Authority (MIDA), several international fashion brands are made in Malaysia. Additionally, with roughly 90 percent of production destined for foreign markets, MIDA reports that the Malaysian textile industry is currently the country's 11<sup>th</sup> largest contributor for exports of manufactured goods. Additional details on the Malaysian textile industry can be found at [MIDA Newsletter/Textiles](#).

## Imports

Cotton imports for domestic use are a direct function of demand from textile manufacturers. For MY 2019/20, imports are forecast at 150,225 MT, up roughly two percent from the nearly 147,000 MT imported in 2018/19. The primary suppliers of cotton to the Malaysian market include the United States, India, Brazil, and Australia.

Source:  
Global  
Trade  
Atlas –  
Malaysia  
Import  
Statistics



### Exports/Transshipments

Due to good port infrastructure, free trade zone facilities, tax incentives within ASEAN, and a strategic location within Southeast Asia, Malaysia is a major transshipment hub for multiple commodities. Trade contacts report Malaysia's Port Klang (near Kuala Lumpur) and the Port of Tanjung Pelepas (near Johor in southern Malaysia) are heavily used for the transshipment of cotton.

As trade data for transshipments of cotton from Malaysia show huge variances in volume depending on the reporting country, Post heavily relies upon trade and industry contacts to estimate exports. For MY 2019/20, Post forecasts exports at just over 76,000 MT, an increase of nearly 11,000 MT from the previous year's estimate of 65,315 MT. Contacts report that the uptick in forecasted transshipments is based on growing consumer demand for textiles within ASEAN and other major importing countries.

### Cotton in Bales (HS Code 5201), Production, Supply and Distribution

Cotton	2017/2018	2018/2019	2019/2020
Market Begin Year	Aug 2017	Aug 2018	Aug 2019

<b>Malaysia</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Beginning Stocks	148	148	465	465	0	550
Production	0	0	0	0	0	0
Imports	739	739	675	675	0	690
MY Imports from U.S.	0	258	0	110	0	130
Total Supply	887	887	1140	1140	0	1240
Exports	152	152	300	300	0	350
Use	270	270	290	290	0	304
Loss	0	0	0	0	0	0
Total Dom. Cons.	270	270	290	290	0	304
Ending Stocks	465	465	550	550	0	586
Total Distribution	887	887	1140	1140	0	1240
Stock to Use %	110.19	110.19	93.22	93.22	0	89.6
Yield	0	0	0	0	0	0
(1000 HA) ,1000 480 lb. Bales ,(PERCENT) ,(KG/HA)						

#### **Cotton in Metric Tons, Production, Supply and Distribution**

<b>Cotton</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
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<b>Market Begin Year</b>	<b>Aug 2017</b>		<b>Aug 2018</b>		<b>Aug 2019</b>	
<b>Malaysia</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Beginning Stocks	32,222	32,222	101,238	101,238	0	119,744
Production	0	0	0	0	0	0
Imports	160,893	160,893	146,959	146,959	0	150,225
MY Imports from U.S.	0	56,227	0	23,949	0	28,303
Total Supply	193,115	193,115	248,197	248,197	0	269,969
Exports	33,093	33,093	65,315	65,315	0	76,201
Use	58,784	58,784	63,138	63,138	0	66,186
Loss	0	0	0	0	0	0
Total Dom. Cons.	58,784	58,784	63,138	63,138	0	66,186
Ending Stocks	101,238	101,238	119,744	119,744	0	127,582
Total Distribution	193,115	193,115	248,197	248,197	0	269,969
Stock to Use %	110.19	110.19	93.22	93.22	0	89.6
Yield	0	0	0	0	0	0
(1000 HA) ,metric tons ,(PERCENT) ,(KG/HA)						