

Cotton Outlook

Switzerland 2012



ICAC | 71st Plenary Meeting | Interlaken | Switzerland

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Why is Switzerland Hosting the 71st ICAC Conference in Interlaken?

By Marie-Gabrielle Ineichen-Fleisch, State Secretary,
State Secretariat for Economic Affairs, SECO



It is a fact that, without cotton, Switzerland's industrial development history might easily have taken another turn. Cotton was woven in Basel as early as 1380. In the 18th century, cottage-based textile manufacturing was taken to industrial levels, thanks to Switzerland's ample supply of hydropower. This industrialisation then gave rise to other branches of industry, such as machinery and machine tools, chemicals and paper. During its golden age at the end of the 18th century, the Swiss textile industry directly or indirectly employed a quarter of the population. Even today, most people in the cotton sector recognise Switzerland as a reliable supplier of modern, high quality spinning, knitting and weaving technology, as well as precise textile testing instruments. Another aspect of this historical development is Switzerland's tradition in the area of commodity trading in general, and in the cotton trade in particular.

However, the historic tradition of cotton is not the only reason that is driving the interest of Switzerland to host the 71st Plenary Meeting of the International Cotton Advisory Committee (ICAC) from 7 up to 12 October 2012 in Interlaken. It is also

the conviction that sustainability issues in the cotton value chain can provide business opportunities. The best example is the fact that sustainable textile products have conquered ordinary retail shops in Switzerland. What started as real experimental pioneer work has become a matter of course – for enterprises as well as consumers. In order to advance this case and to share experiences, we wish to follow up during the ICAC conference in Interlaken on previous discussions on sustainability that have taken place over the past years.

The potential for sustainability in the cotton value chain is also the reason why Switzerland addresses the issue as an element of the work of the Economic Cooperation and Development Division of the Swiss State Secretariat for Economic Affairs, SECO. The aim of these cotton-related activities is to improve livelihoods and thus contribute to poverty alleviation in developing countries and countries in transition, through trade promotion. One approach towards reaching the goal is to set and improve framework conditions. Against this background, SECO is





cotton value chain. The objective of BCI is to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future. During the 2011/2012 season, BCI and its partners worked with 125,000 cotton farmers in Brazil, India, Pakistan and West Africa. Pilot activities are ongoing in China, and many other countries expressed interest to grow Better Cotton.

engaged through its partner IDEAS to support the Cotton 4 (Benin, Burkina Faso, Chad and Mali), in order to strengthen their negotiation capacity and hence to better defend their interests in the Doha Round, since only the informed and effective influence on cotton subsidy programs may add to reach acceptable cotton price levels.

Another approach is to strengthen competitiveness of cotton market participants through differentiation of products, because this supports better integration into the world market. Against this background, SECO is working along the cotton supply chain to implement private, voluntary sustainability systems. In fact, SECO has been a front runner in supporting Fair Trade and Organic and thus helped to introduce

sustainable consumption and production patterns. Examples are projects in Kyrgyzstan (pictured) and West Africa, where SECO in cooperation with Helvetas Swiss Intercooperation helps to develop such cotton value chains. So far, around 10,000 cotton farmers in the three partner countries have benefited through the program from higher income, healthier working conditions and a better social infrastructure in their villages. In addition to niche market sustainability systems, SECO has been an early supporter of the establishment of broader, multi-stakeholder sustainability initiatives and roundtables for agricultural commodities. One of the examples of SECO's engagement is the contribution to the Better Cotton Initiative (BCI), which aims to mainstream sustainability in the

From the above, it may be not surprising that, during the 71st ICAC Plenary Meeting, Switzerland proposed to look at sustainability in the cotton value chain from different perspectives and that therefore the conference was given the title "Shaping sustainability in the cotton value chain". Switzerland is well positioned to host this discussion. It was already mentioned above that pioneer work of Swiss companies to make their cotton supply chain sustainable proved to be profitable business opportunities. In addition, with its history of direct democracy, Switzerland has a wealth of experience of multi-stakeholder dialogues, transparency and intensive discussions that allow different opinions to be included and creative solutions to emerge. As a host, we believe that Interlaken will be the perfect place to discuss and try out new forms of dialogue: small and scenic, situated between mountains and lakes, this venue will help us to focus and have a frank exchange of views. We also hope that new stakeholders will take the opportunity to join in and enrich our discussions. We are convinced that visiting Interlaken will be enjoyable, a rewarding experience and one giving new ideas that will ensure the sustainable growth of the cotton industry.

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