Market evolution: Raw cotton (CN 52) — 2015–2025

Introduction

Between 2015 and 2025 the European Union's external trade in cotton (Customs code 52) underwent a marked contraction in both value and volume, yet the trade deficit shrank considerably. A combination of declining raw-cotton imports, resilient raw-cotton exports, and a sharp fall in domestic production reshaped the EU's position in the global cotton market. This report examines the main dynamics, focusing on the overall trade performance, the evolution of partner composition and concentration, and the structural shift across the cotton value chain.

1. A Shrinking Trade Footprint with a Rapidly Narrowing Deficit

The headline totals show a clear downward trend in the EU's external cotton trade, accompanied by a dramatic improvement in the trade balance.

The total value of both exports and imports fell, but imports contracted much faster

Over the 11-year period, EU cotton exports to non-EU countries decreased from €2 276 M to €2 056 M (−9.7 %), while imports dropped from €3 110 M to €2 309 M (−25.7 %) (General Overview – Trade). In volume terms, exports fell from 405 098 tonnes to 348 457 tonnes (−14.0 %) and imports from 822 891 tonnes to 574 420 tonnes (−30.2 %).

Indicator	2015	2025	Change (%)
Export value (€)	2 275 943 498	2 055 613 531	−9.7
Import value (€)	3 110 279 395	2 309 432 930	−25.7
Export quantity (tonnes)	405 098	348 457	−14.0
Import quantity (tonnes)	822 891	574 420	−30.2
Trade balance (€)	−834 335 898	−253 819 399	+69.6

The trade deficit narrowed by more than two-thirds, moving the EU close to balance

The much deeper contraction of imports slashed the trade deficit from € 834 M in 2015 to € 254 M in 2025, a 69.6 % improvement. Consequently, the net-import reliance indicator swung from a slight net-exporter position (−2.1 % in the early 2000s, 0.8 % in 2015) to a modest net-importer position of 1.6 % in 2024 (Net-Import Reliance). At the same time, unit prices for both exports and imports increased moderately (export price +5.0 %, import price +6.4 %), partially cushioning the value drop.

2. Shifting Partner Geography and Rising Import Concentration

The composition of the EU's cotton trade partners evolved in distinct ways: import sources became more concentrated, while export destinations diversified.

Traditional Asian suppliers lost ground, while Uzbekistan and Brazil gained share in imports

The EU's top import origins underwent a gradual reshuffle. Imports from Turkey, the largest supplier, were relatively resilient (−6.8 %, from € 820 M to € 764 M), whereas flows from Pakistan (−15.9 %), India (−17.1 %) and China (−23.4 %) contracted significantly (Top Partner – Imports). Egypt saw an even steeper drop (−31.6 %). By contrast, imports from Uzbekistan increased by 46.8 % (€ 36 M to € 53 M) and from Brazil by 16.9 % (€ 17 M to € 20 M).

Import partner	2015 (€ M)	2025 (€ M)	Change (%)
Turkey	819.99	764.28	−6.8
Pakistan	552.30	464.46	−15.9
India	413.09	342.63	−17.1
China	426.58	326.61	−23.4
Uzbekistan	36.10	53.00	+46.8
Egypt	151.50	103.69	−31.6
Brazil	16.79	19.63	+16.9

Export routes diversified away from Turkey towards Egypt, Bangladesh and Pakistan

On the export side, shipments to Turkey – historically the largest destination – tumbled by 28.9 %, from € 303 M to € 216 M. Meanwhile, exports to Egypt almost doubled (+98.4 %), to Bangladesh grew by 56.2 %, and to Pakistan skyrocketed by 231.4 %. Morocco and Tunisia remained stable markets, with Morocco inching up 6.7 % and Tunisia slipping 7.2 %. These shifts reflect a reorientation of EU cotton flows towards fast-growing textile-producing economies in North Africa and South Asia.

Export partner	2015 (€ M)	2025 (€ M)	Change (%)
Turkey	303.27	215.58	−28.9
Egypt	63.94	126.87	+98.4
Bangladesh	18.23	28.47	+56.2
Morocco	230.69	246.15	+6.7
Tunisia	230.18	213.58	−7.2
Pakistan	9.53	31.60	+231.4

Import concentration rose markedly, while export concentration remained low and stable

The shift in import sourcing translated into a pronounced increase in concentration. The Herfindahl-Hirschman Index (HHI) for imports climbed from 1 459 in 2015 to 1 957 in 2025 (+34.1 %); the volume-based HHI jumped even more (+47.1 %) (Concentration HHI). Conversely, the export HHI barely moved (572 → 581, +1.5 %), indicating a persistently well-diversified customer base. The EU therefore became more dependent on a handful of suppliers, while its own export portfolio remained widely spread.

3. From Raw-Cotton Exporter to Fabric Importer: The Persistent Value-Chain Puzzle

The product-level data reveals a striking dichotomy: the EU remains a strong net exporter of raw cotton while importing increasingly expensive yarns and fabrics, even as domestic production collapses.

Domestic cotton production halved over the last decade

EU cotton production shrank from an estimated 1 835 000 tonnes in 2003 (earliest available) to 1 137 000 tonnes in 2024 (−38.0 %), with the value falling even more precipitously, from € 7 844 M to € 2 774 M (−64.6 %) (Production Volumes). Despite this steep decline, exports of raw cotton (CN 5201) remained remarkably stable: 248 110 tonnes in 2015 → 241 869 tonnes in 2025 (−2.5 %), while imports of raw cotton plunged from 148 451 tonnes to 67 389 tonnes (−54.6 %) (Product Segment Breakdown). As a result, the EU's net-export position in raw cotton strengthened considerably (from −99 659 tonnes to −174 480 tonnes).

Raw cotton (5201)	2015 (tonnes)	2025 (tonnes)	Change (%)
Exports	248 110	241 869	−2.5
Imports	148 451	67 389	−54.6
Net exports	−99 659	−174 480	—

Imports of yarn and fabrics contracted but their unit values surged

The EU's imports of higher-value cotton products – cotton yarn (5205) and woven fabrics (5208, 5209) – fell significantly in volume: yarn imports dropped from 274 655 tonnes to 203 142 tonnes (−26.0 %), and lightweight woven fabrics (5208) from 137 047 tonnes to 97 926 tonnes (−28.5 %). However, unit prices for these imports increased sharply, especially in 2022, when multiple price-shock events were detected for major suppliers such as Turkey (+43 %), Pakistan (+47 %) and India (+56 %) (Price Shocks). On the export side, the EU simultaneously sold relatively low-value raw cotton (export price € 1 384/tonne in 2015 → € 1 476/tonne in 2025) and high-value woven fabrics (e.g., lightweight fabrics 5208 at € 24 795/tonne → € 30 703/tonne), underscoring a value-chain profile where a significant portion of raw material is exported, while more processed goods are imported.

The EU's cotton sector has become more trade-intensive but without boosting export propensity

Trade intensity (the sum of exports and imports relative to production) grew from 9.0 % in 2003 to 12.3 % in 2024, largely due to the import component. Export propensity (exports/production) barely changed, edging from 5.7 % to 5.8 % (Trade Intensity). This indicates that, while the EU economy increasingly relies on international trade for its cotton supply, the domestic sector has not shifted significantly towards exporting a higher share of its own output.

Conclusion

Between 2015 and 2025, EU external cotton trade contracted sharply, but the trade balance improved by more than two-thirds as imports fell at a much faster pace than exports. The structure of trade evolved in two important ways. First, supplier concentration increased notably, with Turkey solidifying its role while some traditional Asian origins lost market share; exports, however, spread more evenly across emerging destinations. Second, the product mix highlighted a persistent paradox: the EU is a net exporter of raw cotton, even as domestic production has halved, and at the same time a net importer of more expensive yarns and fabrics. The 2022 price spikes, shocks detected across nearly all major partners, amplified the value of trade and exposed the sensitivity of the cotton value chain to global disruptions. These dynamics suggest a sector that is progressively reducing its import dependence in volume terms, but remains vulnerable to price volatility and a deepening mismatch between the raw materials it exports and the processed goods it consumes.

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