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Alimentación y la Agricultura

منظمة  
الغذية والزراعة  
للأمم المتحدة

# COMMITTEE ON COMMODITY PROBLEMS

## JOINT MEETING OF THE FORTIETH SESSION OF THE INTERGOVERNMENTAL GROUP ON HARD FIBRES; THE FORTY-SECOND SESSION OF THE INTERGOVERNMENTAL GROUP ON JUTE, KENAF AND ALLIED FIBRES; AND THE TWENTY-FIRST SESSION OF THE SUB-GROUP OF SISAL AND HENEQUEN PRODUCING COUNTRIES

Beijing, the People's Republic of China, 22–24 October 2019

### CURRENT MARKET SITUATION AND MEDIUM TERM OUTLOOK FOR JUTE AND KENAF; SISAL AND HENEQUEN; ABACA AND COIR

#### Executive Summary

This document provides an overall review of recent developments in the JACKS market since the last Session of the Joint Meeting in 2017 and examines the prospects for the medium term.

Over the period, JACKS international prices remained mostly steady or firm, sustained by robust world demand and tight supply conditions in major producing countries. Global production of fibres fell in 2017/18, with respect to 2016/17, on the back of adverse weather conditions. Lower output levels were recorded for all JACKS fibres, with jute and kenaf registering the largest decrease. Jute and kenaf accounted for the biggest share of production (75 percent), followed by coir, sisal and similar fibres such as fique and henequen, and abaca. Trade for jute, abaca and coir expanded over the past two years, driven by strong demand by the manufacturing sector. On the other hand, sisal trade fell owing to lower output in Brazil, the world's largest producer. Looking forward, medium term projections suggest that global production and trade of JACKS fibres will recover and increase slightly over the next decade.

#### Suggested action by the Joint Meeting

The JM is invited to review the market situation and outlook for JACKS and to discuss their implications for the current and coming seasons. The JM may also wish to:



- Express its appreciation regarding the importance of FAO’s market monitoring, assessment and outlook for JACKS and support to Members in this regard in order to contribute to achieving the Sustainable Development Goals, namely SDG 1 and SDG 2;
- Urge governments and other stakeholders to keep enhancing the monitoring of supply, demand, trade and prices of JACKS and to make the data and information available in a timely manner to the Secretariat, to improve the availability of information and enhance market transparency.

## I. INTRODUCTION

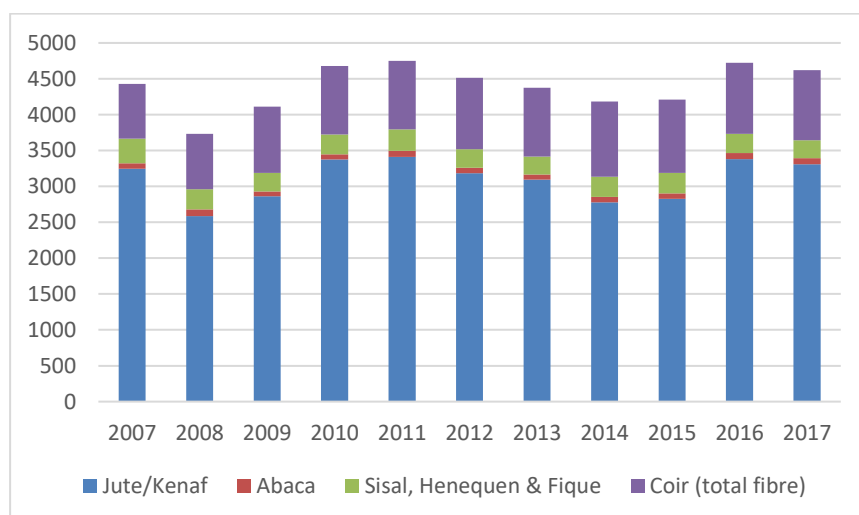
1. This document provides an analysis of recent developments in the JACKS<sup>1</sup> market and examines prospects for the medium term. Data used in the assessment of the current market situation and for generating projections to 2027 were compiled from the response to the annual JACKS questionnaires. The tables used in the Secretariat’s analysis are presented in document CCP:HFJU 19/CRS 2, for perusal and possible correction by the delegates.

2. Delegates may wish to note that, in order to provide a comprehensive review of the market, it is important that Members collaborate by sending to the Secretariat timely and comprehensive market and policy information.

## II. WORLD PRODUCTION AND PRICES

3. Global production of JACKS fibres reached 4.62 million tonnes in 2017/18, representing a 2.1 percent decline from 2016/17, mostly because of adverse weather conditions (Figure 1). Jute and kenaf accounted for the largest share of production (75 percent), followed by coir, sisal and similar fibres, such as fique and henequen, and abaca. Lower output levels were recorded for all JACKS fibres, with jute and kenaf registering the largest decrease.

Figure 1 - World JACKS Production (thousand tonnes)



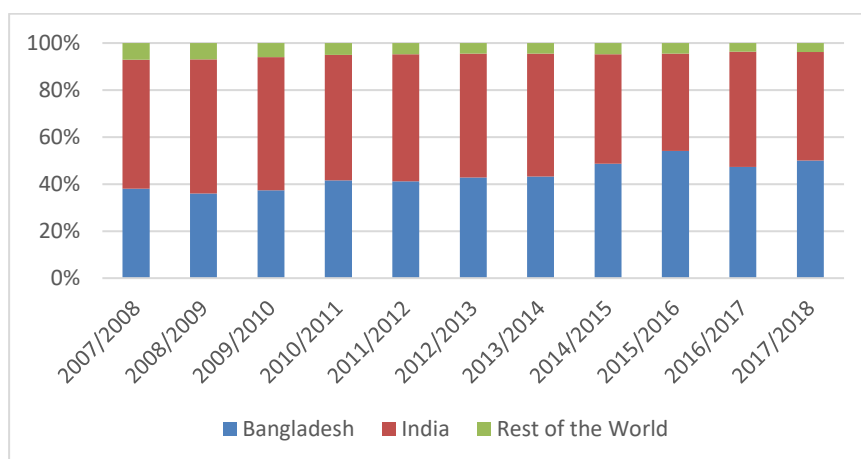
Source: FAO IGG/HFJU Secretariat

<sup>1</sup> Jute, abaca, coir, kenaf and sisal.

## A. JUTE AND KENAF PRODUCTION

4. In the 2017/2018 season, jute and kenaf production fell by 2.1 percent, reaching 3.31 million tonnes, compared to 3.38 million tonnes in the previous season. India and Bangladesh play an important role in the jute and kenaf market, accounting together for more than 95 percent of the global output (Figure 2). Bangladesh's jute production in 2017/2018 reached a record high of 1.66 million tonnes, up 3.5 percent compared to the previous season. Production had already risen by more than 13 percent in 2015/2016, boosted by the implementation of the Mandatory Jute Packaging Act 2010 in November 2015. The Act was implemented with the objective of stimulating local consumption of jute and the production of jute goods. In India, by contrast, output declined by 7.6 percent in 2017/2018, down to 1.53 million tonnes, due to lower productivity and reduced planted area.

Figure 2 – Share of World Production of Jute and Kenaf (percentage)

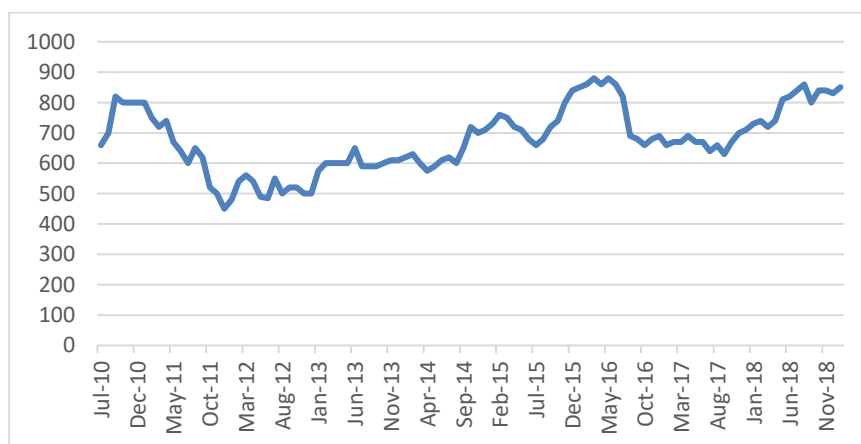


Source: FAO IGG/HFJU Secretariat

## B. JUTE PRICES

5. The prices of jute declined in the 2016/17 season to an average of USD 687.5 per tonne, after reaching a record high of USD 802.5 per tonne in the 2015/16 season. They rose steadily in 2018 and 2019, attaining a new record high of USD 870 per tonne in March and April 2019. A ban imposed by Bangladesh on exports of low-quality raw jute (un-cut Bangla Tossa Rejection (BTR) and Bangla White Rejection (BWR)) to India in January 2018, contributed to the rise in prices (Figure 3).

Figure 3 – Jute Export Prices (BTD f.o.b. Bangladesh Port) – USD/tonne



Source: FAO IGG/HFJU Secretariat

### C. MARKET POSITION OF COMPETING SYNTHETICS

6. The prices of polypropylene (the main synthetic petroleum-based fibre competing with natural fibres in various applications) generally follow crude oil prices, though the extent of upward or downward swings depends on competitive conditions in individual markets. For example, in markets where PP fabrics are in close competition with jute fabrics, upward movements in crude oil prices tend to be absorbed with very little impact on the price of PP fibre applications.

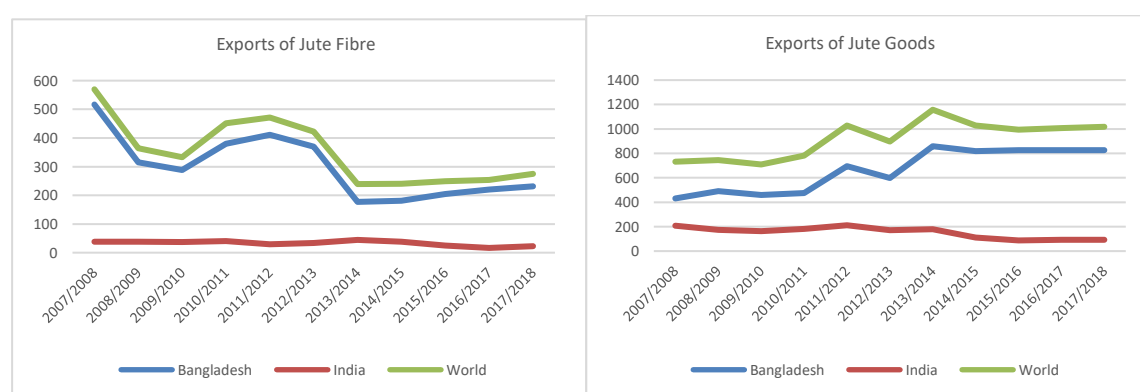
7. Crude oil prices dropped drastically in 2015 to USD 52.43 per barrel, less than half the levels reached in 2011 (USD 111.62 per barrel) and declined further in 2016 to USD 43.55 per barrel. Since 2017, prices have recovered slightly and increased steadily, reaching USD 54.32 per barrel and USD 70.93 per barrel, respectively, in 2017 and 2018. Under these circumstances, it would appear that the underlying trends in competition between natural and synthetic fibres have resumed in favour of the latter. The price levels at which competition takes place more intensely – the first stage of processing, reflect the true economic costs of crude oil-based products.

### D. JUTE TRADE

8. Global exports of jute increased by 8.1 percent to 274.67 thousand tonnes in 2017/18, compared to the levels attained in 2016/17, albeit remaining well below the 569.8 thousand tonnes reached in 2007/08. Bangladesh and India are the major exporters of jute fibre and goods, accounting for nearly 93 percent of the global jute fibre shipments and 90 percent of the jute goods shipments. Bangladesh is by far the largest exporter, accounting alone for more than 80 percent of the world's jute fibre and goods exports (Figure 4). While an exporter, to meet its domestic demand, India also imports jute goods from Bangladesh.

9. Bangladesh has been remodelling its trading strategy, increasing exports of manufactured products relative to raw fibres, with the objective of raising revenues. A cash incentive policy was installed by the Government to strengthen the competitiveness of exporters in the international market. Following the implementation in 2015 of the Mandatory Jute Packaging Act 2010<sup>2</sup>, domestic demand for raw jute increased, with the Government of Bangladesh initially banning the export of raw jute in November of the same year to secure supplies internally. The ban was eventually lifted in April 2016.

Figure 4 – Exports of Jute Goods and Fibre (thousand tonnes)



Source: FAO IGG/HFJU Secretariat

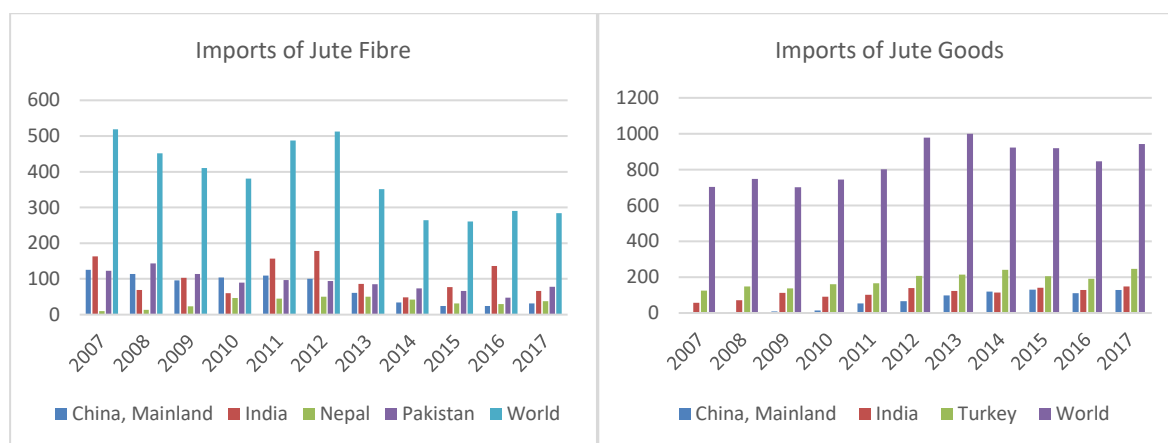
<sup>2</sup> The Jute Mandatory Act 2010, enacted in 2014, required six commodities (paddy, rice, wheat, maize, sugar and fertilizer) to be packaged using jute bags. It was extended to 11 commodities in 2017 and to an additional two in 2018, for a total of 19 commodities.

10. While exports of jute are highly concentrated in one single country, imports are widely distributed. China, India, Nepal and Pakistan account for three quarters of the global imports of jute fibre. Following a sharp decline of 30 percent between 2012 and 2013, from 512.5 thousand tonnes in 2012 to 350.9 thousand tonnes in 2013, imports of jute fibre declined by a further 24.7 percent in 2014, to 264.2 thousand tonnes, and have been stable over the following years, reaching 284.1 thousand tonnes in 2017. The drop in jute fibre exports is mainly attributed to Bangladesh's policy to encourage the local production of jute goods.

11. World imports of jute goods in 2017 totalled 941.7 thousand tonnes, representing an increase of 11.4 percent in comparison to 2016 (Figure 5). Asia remained the largest importing region, with a share of over 75 percent of the world's imports of jute goods. Turkey is by far the largest importer, followed by India and China. Other smaller markets for jute goods include the European Union (EU), Africa and North America.

12. Although China's imports of jute fibre declined drastically over the last decade, from 114.2 thousand tonnes in 2008 to 31.1 thousand tonnes in 2017, imports of jute goods have more than doubled over the last years, up from 54.3 thousand tonnes in 2011 to 128.7 thousand tonnes in 2017. The reason behind this increase is that in China, it is much cheaper to import goods than to manufacture them from imported raw fibre, as production costs have been rapidly increasing, sustained by rising labour costs (Figure 5).

Figure 5 – Imports of Jute Goods and Fibre (thousand tonnes)



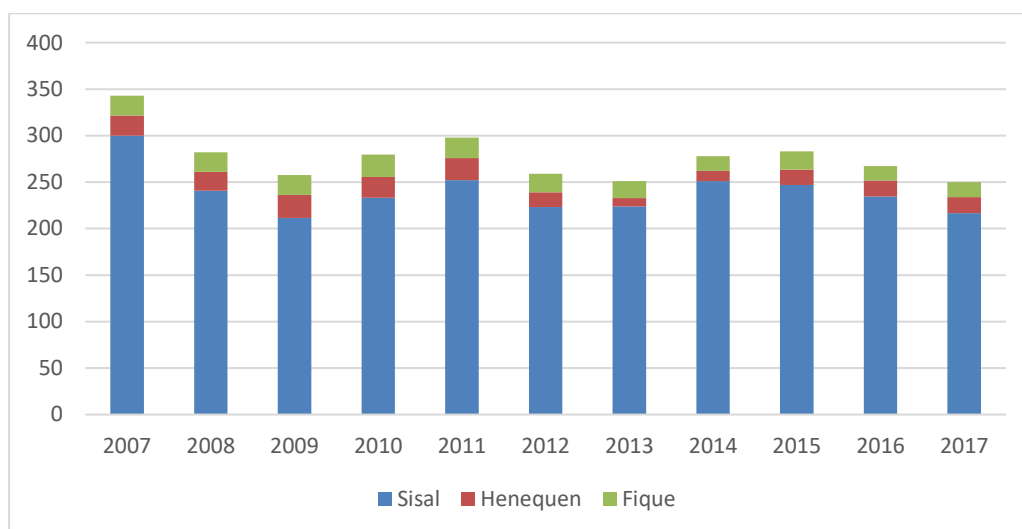
Source: FAO IGG/HFJU Secretariat

13. India remained the largest importer of jute goods in 2017, despite an anti-dumping duty imposed in January 2017 on certain jute products from Bangladesh and Nepal. Few months later, the anti-dumping duty was lifted for products from Nepal, but it remained in place for Bangladesh. Despite the imposed duty, imports of goods into India were not affected because Bangladesh exported jute-sacking cloth instead, an item not covered by the anti-dumping measure. Jute-sacking cloth was then processed further into jute-sacking bags in India. A commissioned report released by the Ministry of Commerce and Industry of India in March 2019 recommended the extension of the anti-dumping duty to jute-sacking cloth as well.

## E. SISAL, HENEQUEN AND FIQUE PRODUCTION

14. World production of sisal, henequen and fique declined in 2017 to 250.03 thousand tonnes, down 6.4 percent from 2016. The supply shortfalls in recent years have been mainly caused by lower output in Brazil, following severe drought conditions (Figure 6).

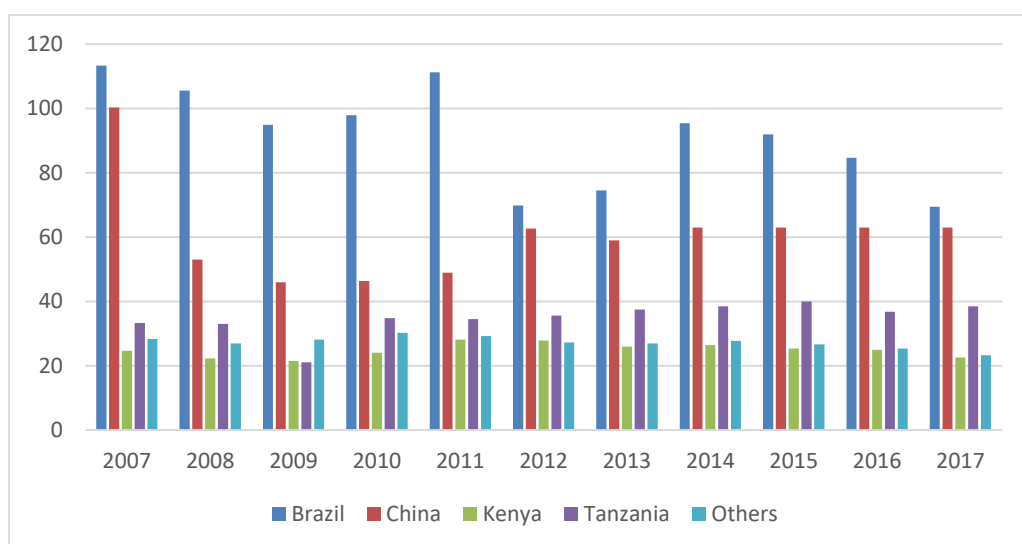
Figure 6 – World Sisal, Henequen and Fique Production (thousand tonnes)



Source: FAO IGG/HFJU Secretariat

15. Sisal production is led by Brazil, accounting for 32.0 percent of total sisal production, followed by China (29.1 percent), Tanzania (17.8 percent), Kenya (10.4 percent) and Madagascar (2.9 percent). Sisal production in 2017 remained stable in China, the second largest producer in the world, while it declined in Kenya and Madagascar. Tanzania is the only country that registered an increase in 2017, to 38.51 thousand tonnes, up 4.8 percent from 2016. Global henequen and fique production remained stable in 2017 at around 17.3 thousand tonnes and 16.0 thousand tonnes, respectively (Figure 7).

Figure 7 – Production of Sisal Fibre (thousand tonnes)



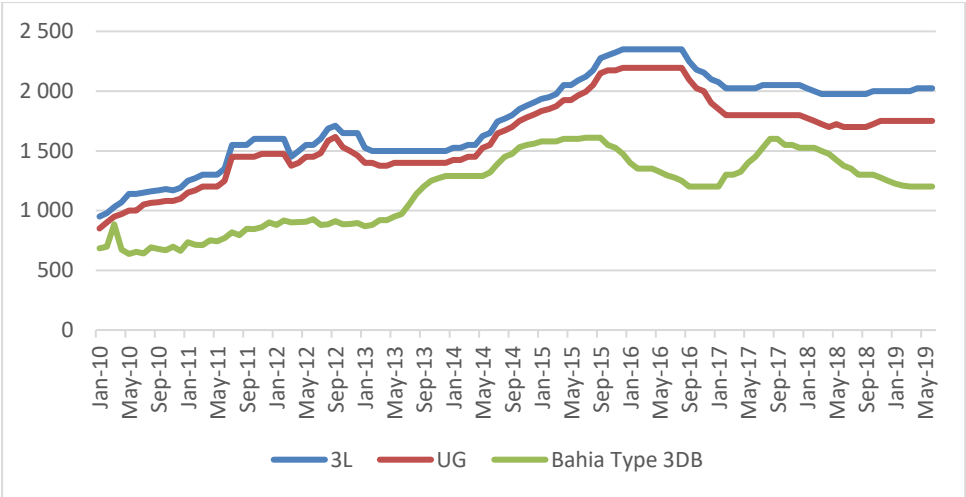
Source: FAO IGG/HFJU Secretariat

**F. SISAL PRICES**

16. Price levels for the three main grades of sisal<sup>3</sup> produced in East Africa and Brazil have risen considerably since 2010. The prolonged drought conditions in Brazil, coupled with the depreciation of the Real, have affected sisal prices. When expressed in US dollars, the increase in Brazilian sisal prices is moderated by the weaker Real. In January 2016, East Africa prices reached a record high of USD 2350 per tonne for 3L and USD 2195 per tonne for UG sisal. Brazilian sisal quality also improved significantly, resulting in a dynamic price competition among Brazilian exporters, reducing price levels and increasing the price differentials between Bahia Type 3 DB and East Africa 3L and UG sisal. This influenced negatively sisal from Africa, where, during the second half of 2016, prices declined by about 11 and 13 percent for 3L and UG sisal, respectively, in comparison to the first semester of 2016.

17. Prices of Bahia Type 3 DB increased by 13 percent in 2017, reaching an average of USD 1444 per tonne, compared to USD 1283 per tonne in 2016, following adverse weather conditions, which prevailed throughout 2017. However, Brazilian sisal prices declined slightly in 2018 (USD 1383 per tonne) and in the first half of 2019 (USD 1206 per tonne) due to greater availability (Figure 8).

Figure 8 – Sisal Price: East Africa (3L and UG) and Brazil (Bahia Type 3DB) – USD/tonne



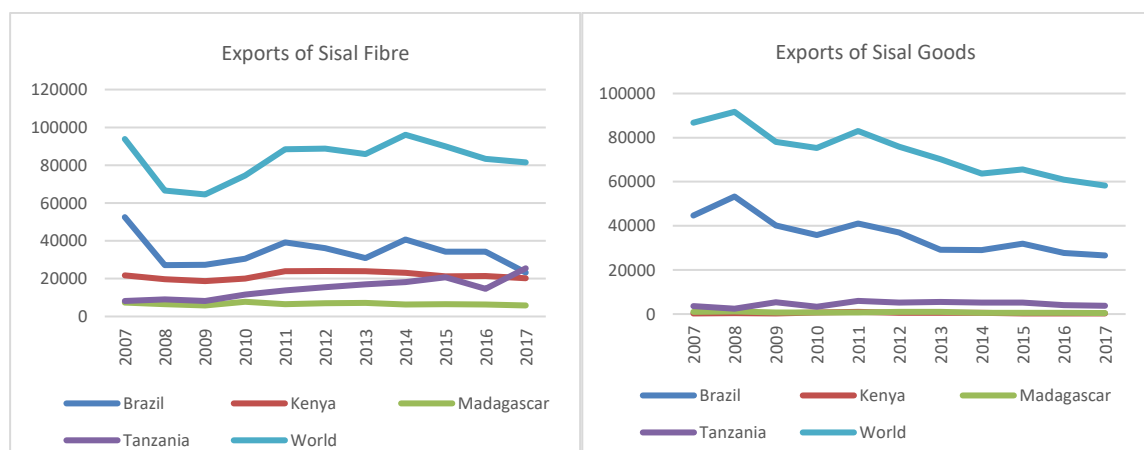
Source: FAO IGG/HFJU Secretariat

**G. SISAL TRADE**

18. Global exports of raw sisal and manufactures have been on a downward trend since 2016, due to supply shortfalls. In 2017, world exports of sisal fibre and products dropped by 2.3 percent and 4.3 percent, respectively, compared to 2016. Brazil, the largest producer, is also the main exporter of both sisal fibres and goods, accounting for nearly 30 percent of the global exports of sisal fibre and nearly 50 percent of the global exports of sisal manufactures. Brazil’s exports of raw sisal fell by 32.3 percent in 2017, compared to 2016, because of decreased production in recent years. Kenya’s exports also decreased by 5.4 percent, reaching 20.3 thousand tonnes caused by lower production and tight competition from Tanzania. The majority of sisal exported from Kenya and Tanzania is used in the construction industry, and the main destinations include Saudi Arabia, Nigeria, Morocco, Spain and Egypt (Figure 9).

<sup>3</sup> The three main grades of sisal are 3L and UG in East Africa and Bahia type 3 DB in Brazil.

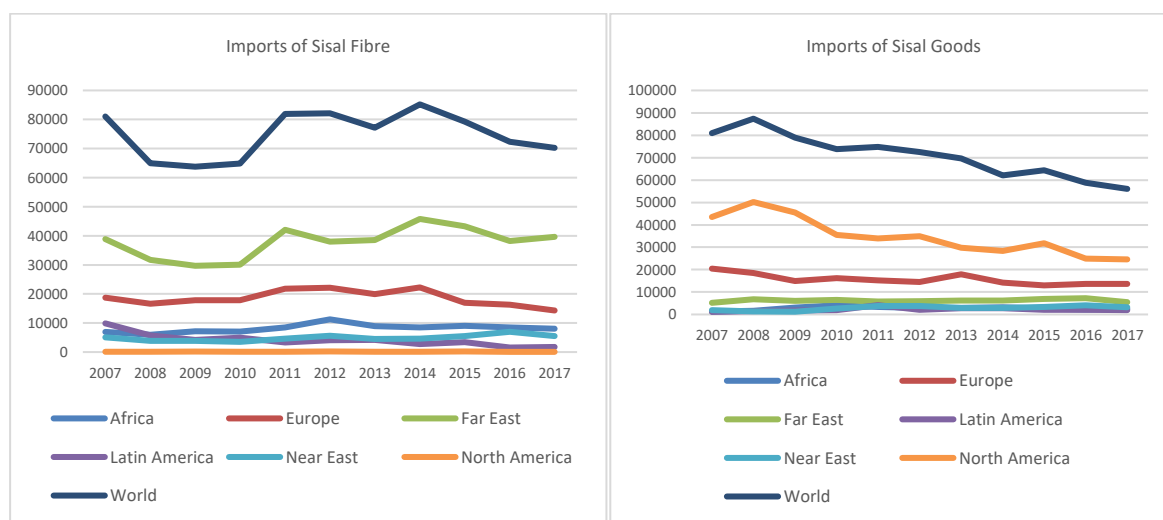
Figure 9 – Exports of Sisal Goods and Fibre (tonnes)



Source: FAO IGG/HFJU Secretariat

19. On the import side, both world sisal fibre and goods declined in 2017. Imports of sisal fibre totalled 70.26 thousand tonnes (a decline of 2.9 percent from 2016), while imports of sisal manufactures amounted to 56.05 thousand tonnes (a decline of 4.6 percent). China remains, by far, the largest import market of sisal fibre, accounting for 48.2 percent of global imports (Figure 10). The United States of America remains the main import market of sisal manufactures, with a share of 38.9 percent, followed by the European Union (24.1 percent) and Asia (15.7 percent).

Figure 10 – Imports of Sisal Goods and Sisal Fibre (tonnes)



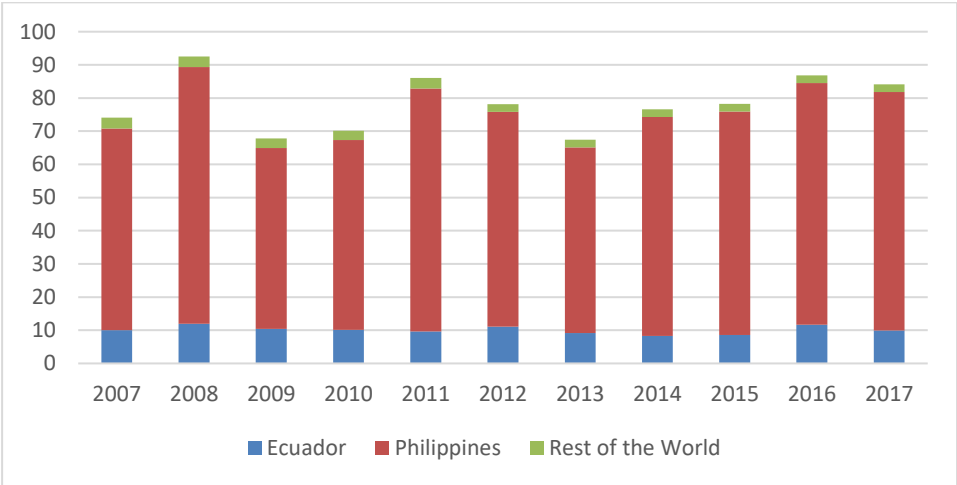
Source: FAO IGG/HFJU Secretariat

## H. ABACA PRODUCTION

20. World production of abaca fibre declined slightly in 2017 to 84.16 thousand tonnes, after reaching 86.86 thousand tonnes in 2016. Abaca production is mostly concentrated in the Philippines and Ecuador. The Philippines accounts for the lion share, with 85 percent of the global total, while Ecuador accounts for around 12 percent. Despite a marginal decline in 2017, output has recovered after reaching an all-time-low of 67.45 thousand tonnes in 2013 (Figure 11).



Figure 11 – World Production of Abaca Fibre (thousand tonnes)

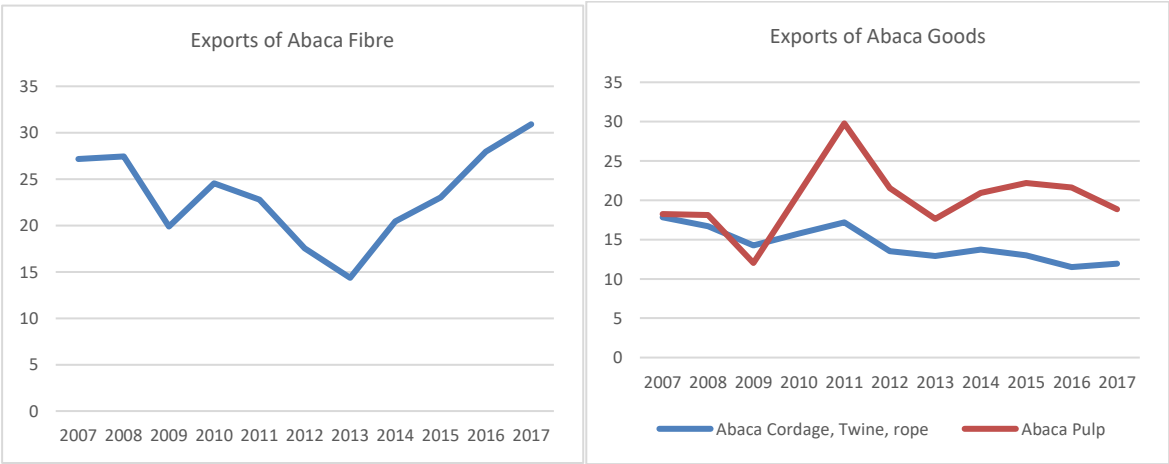


Source: FAO IGG/HFJU Secretariat

I. ABACA TRADE

21. World abaca exports in 2017 increased by 10.6 percent to 30.9 thousand tonnes, up from 27.9 thousand tonnes in 2016. While Ecuador exports its production, in the Philippines 75 percent of abaca fibre is consumed domestically. In 2017, shipments from the Philippines grew by 33 percent compared to the previous year, owing to a strong demand from the international market. By contrast, exports of abaca manufactures declined by 8.5 percent, as the sales of abaca pulp dropped by 12.8 percent and the slight increase in exports of abaca cordage, twine and rope was not enough to offset the decline in the exports of abaca goods (Figure 12).

Figure 12 – World Exports of Abaca Fibre and Manufactures (thousand tonnes)

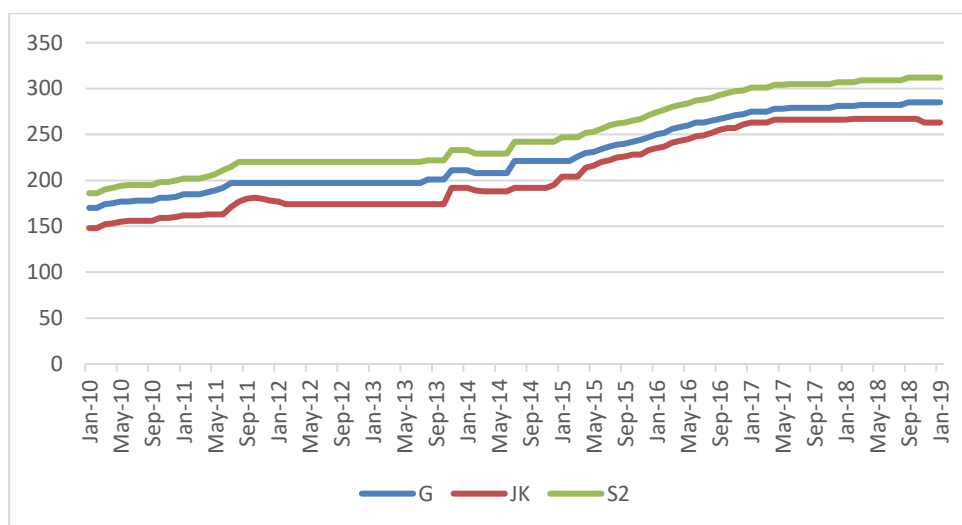


Source: FAO IGG/HFJU Secretariat

J. ABACA PRICES

22. Abaca prices for all grades (S2, G and JK) increased sharply over the last decade due to increasing demand for abaca fibre in the international market. However, prices have been relatively stable between 2017 and 2019, registering a slight increase over the period (Figure 13).

Figure 13 – Abaca Prices – Philippines (USD/bale)

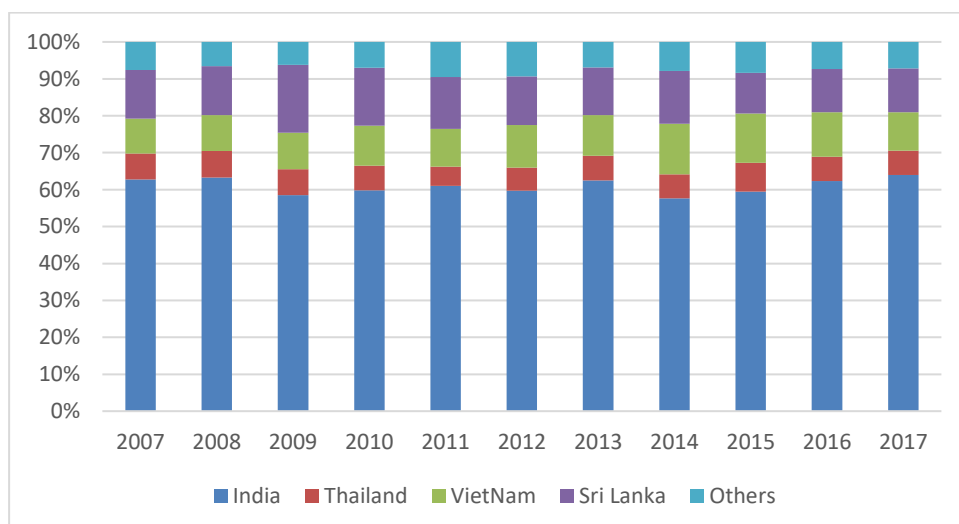


Source: FAO IGG/HFJU Secretariat

## K. COIR PRODUCTION

23. Global production of coir fibre, a traditional labour-intensive fibre, reached 975.4 thousand tonnes in 2017, a slight decline of 1.2 percent in comparison to 2016. India is by far the largest producer of coir fibre in the world, accounting for 64 percent of the total output in 2017, followed by Sri Lanka, Vietnam and Indonesia. While India's coir fibre production has increased steadily over the last decade, output levels in Sri Lanka, after increasing sharply between 2009 and 2010, have been on a downward trend with the exception of 2014, when output recovered to the levels of 150 thousand tonnes attained in 2010 (Figure 14).

Figure 14 – Share of World Production of Coir (percentage)

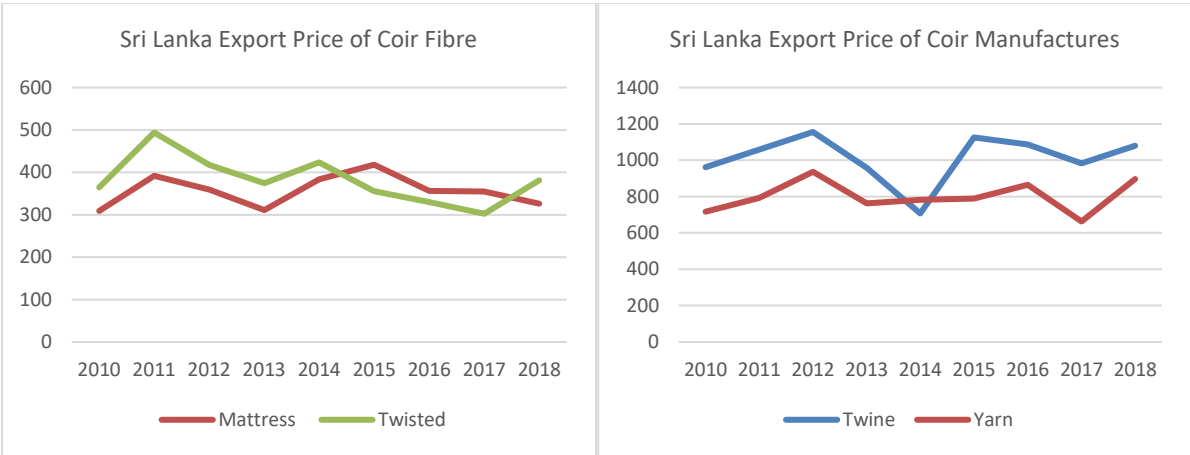


Source: FAO IGG/HFJU Secretariat

**L. COIR PRICES**

24. Coir prices<sup>4</sup> for fibre and products have increased in 2018, in comparison to the previous season. Prices of fibres (mattress, bristle and twisted) in 2017 declined by 5.6 percent to an average of USD 333 per tonne, while prices of yarn and twine, declined, respectively, by 23.3 percent (to USD 663 per tonne) and 9.6 percent (to USD 983 per tonne), compared to 2016. Prices of coir fibre and products recovered in 2018. In particular, the prices of bristle and twisted fibre increased due to tighter supplies from Sri Lanka, while the prices of yarn and twine, reached, respectively, USD 867 per tonne and USD 1088 per tonne, as global demand for coir products has remained strong (Figure 15).

Figure 15 – Sri Lanka Exports Prices of Coir Fibre and Manufactures (USD/tonne)



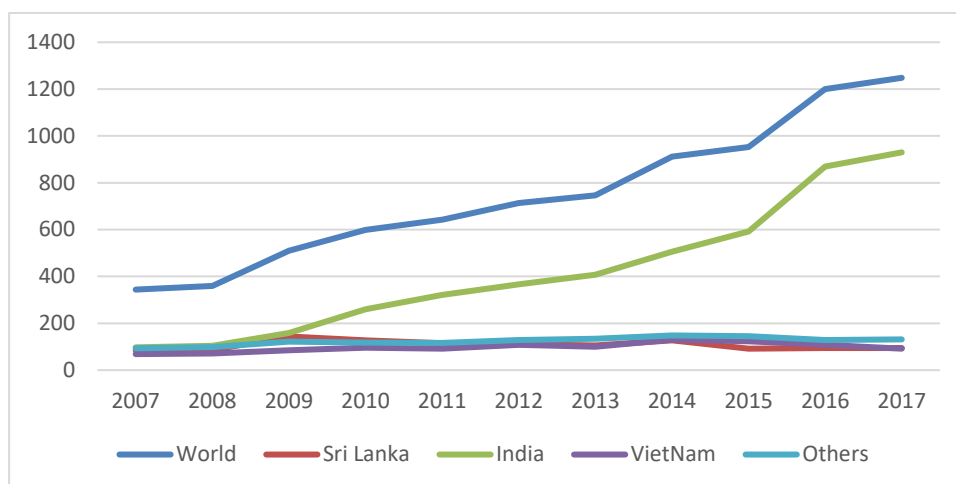
Source: FAO IGG/HFJU Secretariat

**M. COIR TRADE**

25. World exports of coir fibre, including coir pith from India, increased by 4 percent in 2017, reaching 1.25 million tonnes. Coir pith is used in modern hydroponics and as a soil amendment, given its high water retention capacity and its ability to store plant nutrients. India is by far the largest exporter of coir fibre and products, accounting for a share of 74.2 percent of global exports, followed by Sri Lanka, Vietnam and Indonesia (Figure 16). Shipments from India are dominated by coir fibre and coir pith. Major importing markets include the European Union, the United States of America and the Republic of Korea.

<sup>4</sup> The 2018 Coir Price data is up to August.

Figure 16 – Exports of Coir Fibre (thousand tonnes)



Source: FAO IGG/HFJU Secretariat

### III. MEDIUM TERM OUTLOOK TO 2027

#### A. METHODOLOGY

26. A multi-country partial equilibrium model of raw and fibre goods markets has been constructed and used as the basis for the projections presented in this document. The model captures all the important economic fundamentals, whereby supply is projected based on area and yield for each crop, driven by prices, costs and technology/management. An exception is coir, which is modelled as a by-product of coconut production. The fibre equivalent demand for various fibre goods is driven by income, population, price of the fibre and prices of competing fibres, in particular cotton and other synthetic fibres. Trade in both raw and fibre goods is driven by a number of factors, including the country's domestic prices and import tariffs. While the model captures all the main economic drivers, it can accommodate expert assessment and judgement to reflect other factors that affect the sector. The expertise of FAO experts has been used to make such adjustments and, where available, the knowledge of industry and government experts has been taken into consideration. The economic and technological environment underlying the preparation of this outlook follows closely that described in the OECD-FAO Agricultural Outlook 2018-27, as well as common methodologies and assumptions used in the projection process.

#### B. BACKGROUND

27. The medium-term outlook for JACKS is driven by key factors underlying the forces of supply and demand. On the supply side, per hectare returns of most competitive crops have fallen significantly in recent years. Costs of inputs, such as fertilizer and transportation, have also fallen, underpinned by downward movements in crude oil prices. On balance, these support the resurgence of the supply of JACKS fibres. However, on the demand side, lower crude oil prices have also caused the prices of non-natural or synthetic fibres to fall. Potentially, these forces could lead to higher demand for fibres, but at lower prices.

28. JACKS fibres provide a source of income to many smallholder farmers, especially in India, Bangladesh, Sri Lanka, China, Brazil, Tanzania and Kenya. Value-added products derived from these raw fibres also provide an important source of income and employment, and revenues from exports contribute favourably to the balance of payments of these countries.

29. In the decade prior to the reference period (2015-17), global raw fibre production fared better than projected. Reasons include stronger economic growth in supplying countries, better price

competitiveness relative to synthetic fibres and a higher demand in niche markets for JACKS fibres. Projections for the 2018-27 period are also affected by a considerable variability due to changes in the markets, reflecting variations of demand and supply conditions. Obviously, the outlook also exhibits less variability in terms of exogenous factors such as weather conditions, which are assumed to remain normal over the projection period.

**C. JUTE OUTLOOK**

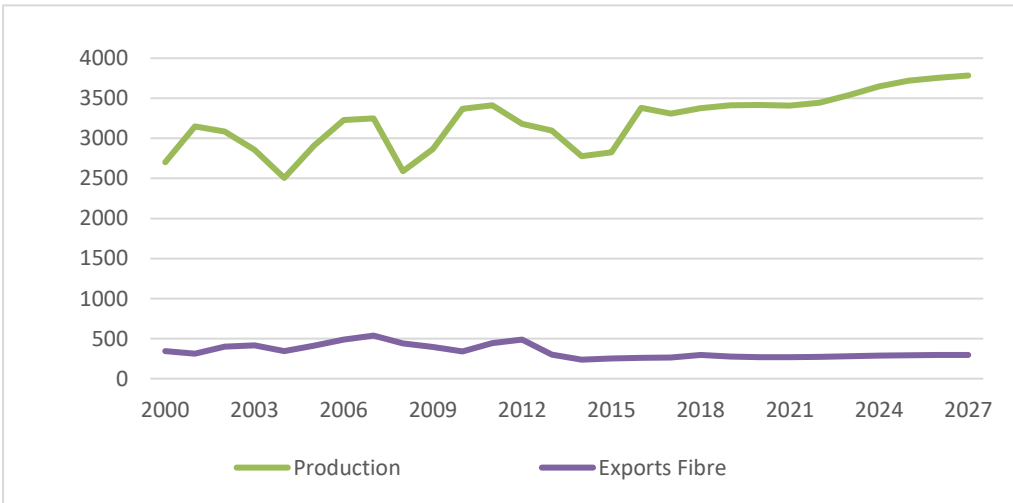
*Jute Production*

30. After growing at an annual compound rate of 0.1 percent over the last decade, global jute production is expected to expand by a further 1.8 percent per year in the medium term, to reach 3 784 thousand tonnes in 2027 (Figure 17). Bangladesh surpassed India as the top global producer over the reference period (2015-17), growing at a rate of 3.0 percent annually, compared to the 1.6 percent decline registered in India. Bangladesh is projected to retain its position as the top producer over the next decade, while recovery is expected in India. Outside of Asia, jute production in the medium term is expected to increase in Africa, following the trend of the previous decade, and to recover slightly in Latin America and the Caribbean.

*Jute Trade*

31. Jute exports declined significantly over the last decade, from 480 thousand tonnes in 2005-07 to 259 thousand tonnes in 2015-17, largely reflecting declining exports from Bangladesh, which is by far the world’s top exporter of raw jute fibre, with a 94 percent share. The decline in raw jute exports from Bangladesh is due to a rapidly increasing domestic processing sector. Global trade in jute fibre is projected to rebound over the next decade, but not to attain historical levels (Figure 17). Global exports are expected to reach 296 thousand tonnes by 2027, around 7.8 percent of global production, which is down considerably compared to 10 years ago. On the import side, the decline of jute fibre trade was largely accounted for by Pakistan and China, whose imports fell by more than half during the decade. Over the next decade, China’s imports of raw jute are expected to contract due to increasing labour costs, while imports of goods, after increasing by an annual compound rate of 40 percent over the last decade, are expected to follow the trend of the previous decade, although the pace of the increase is expected to decline in the medium term.

Figure 17 – Jute Production and Trade to 2027 (thousand tonnes)



Source: FAO IGG/HFJU Secretariat

## D. SISAL OUTLOOK

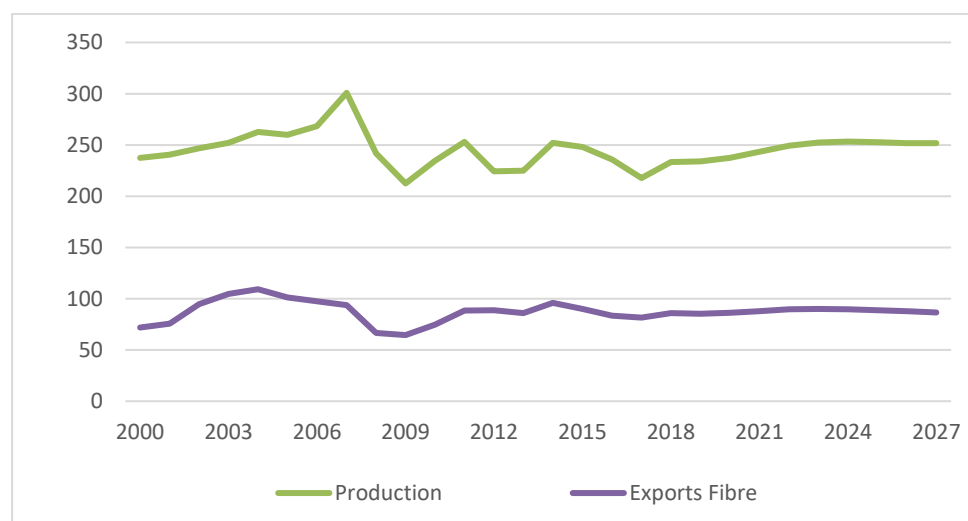
### *Sisal Production*

32. World sisal production is projected to grow annually by 0.8 percent to 255 thousand tonnes by 2027, after declining by 1.7 percent annually during the previous decade, primarily due to a significant fall in production in Brazil (Figure 18). Output growth is anticipated in key producing countries of Africa, namely Tanzania, Kenya and Madagascar, which could exhibit annual growth rates of 2.5 percent, 1.7 percent and 1.0 percent, respectively. Growth is also expected in China, the world's second largest sisal producer, but at a slower pace compared to Africa. A key uncertainty is related to the prospects for Brazil, and while it is expected to maintain its dominance as the largest producer, its market share in total production may fall to levels as low as 32 percent, down from 44 percent in 2010.

### *Sisal Trade*

33. Global trade in sisal is anticipated to remain stagnant over the medium term, with exports projected to reach about 90 thousand tonnes in 2027. The share of exports by African countries is foreseen to rise considerably to 63 percent by 2027, while that of Brazil is expected to continue to decline to around 30 percent. The share of sisal imports by both China and the EU could decline slightly, as projected rising import demand in countries such as Morocco, Saudi Arabia and Algeria would take a higher share of trade.

Figure 18 – Sisal Production and Trade to 2027 (thousand tonnes)



Source: FAO IGG/HFJU Secretariat.

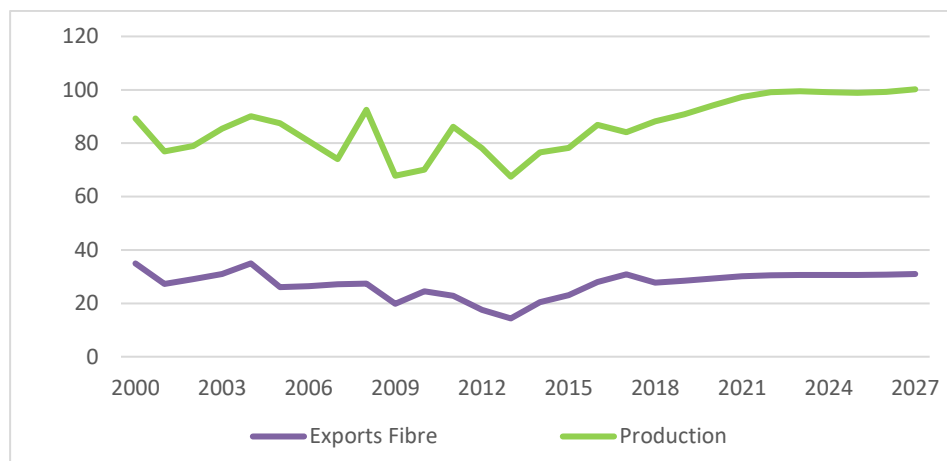
## E. ABACA OUTLOOK

### *Abaca production and trade*

34. The abaca market accounts for the smallest share of the JACKS fibres' total market, and is concentrated in two countries, the Philippines and Ecuador. Global production of abaca has recovered between 2015 and 2017, following a sharp decline in 2009 due to the world economic recession. The weakening demand for raw abaca and products resulted in reduced shipments of both, abaca fibre and manufactures.

35. Global production is projected to grow to 95 thousand tonnes in 2027, up from the 83 thousand tonnes reached in the reference period (Figure 19). With rising production, abaca trade of fibre and products should rebound slightly from the low average recorded in recent years, increasing, respectively, by 1.1 percent and 0.8 percent annually over the medium term.

Figure 19 – Abaca Production and Trade to 2027 (thousand tonnes)



Source: FAO IGG/HFJU Secretariat.

## F. COIR OUTLOOK

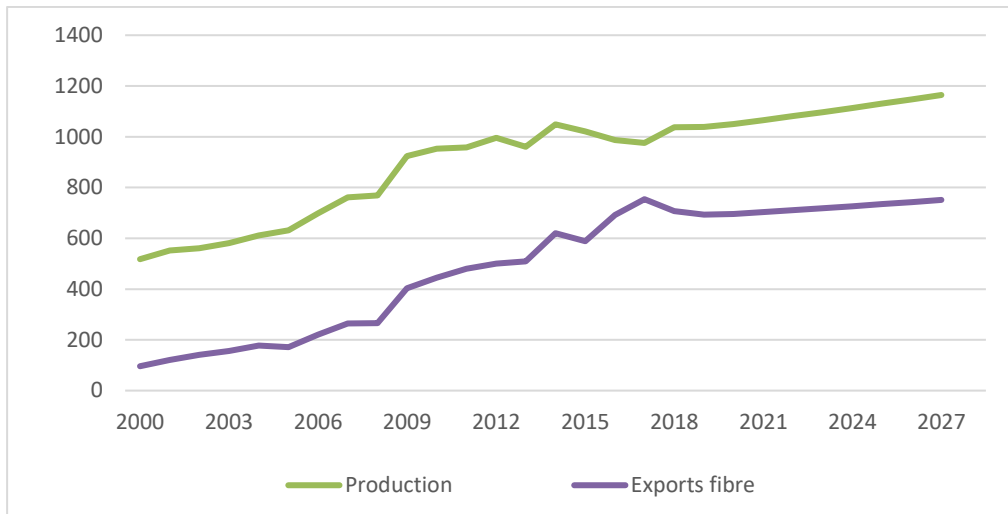
### *Coir Production*

36. Coir remains the fastest growing market of the JACKS fibres. World production has increased over the last decade at an annual compound rate of 3.6 percent, reaching 995 thousand tonnes in the reference period (2015-17). Production is projected to grow by 1.6 percent per year over the next decade, reaching 1 170 thousand tonnes in 2027 (Figure 20). The increase would be driven by India, which is by far the largest producer and exporter in the world, although strong growth is expected in virtually all Asian producing countries. The expectations of slower future growth reflect the considerably high base volume that the industry has attained in major markets, declining market prices (under higher supplies) and the slow-to-declining growth of the coconut sector, which provides fibre feedstock. However, considerable supply capacity still exists, and growth could be higher than projected.

### *Coir Trade*

37. World trade in coir fibre grew rapidly in the last decade, at a compound annual rate of 12 percent, reflecting the growth in all the major supplying markets in Asia and particularly India, the major exporter, accounting for over 50 percent of global shipments. World exports are projected to slow down considerably in the medium term, in line with weaker growth in production, reaching 755 thousand tonnes in 2027, that is an increase of 1.1 percent per year. China, the largest importing market of coir fibre, which accounts for about 70 percent of global imports, is expected to maintain its share in the medium term, followed by the EU and the United States of America, which account, respectively, for 16.0 percent and 9.5 percent of total imports of coir fibre.

Figure 20 – Coir Production and Trade to 2027 (thousand tonnes)



Source: FAO IGG/HFJU Secretariat.