

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1190
ANSWERED ON:01.03.2001
CRISIS IN COTTON TRADE
ASHOK NAMDEORAO MOHOL;RAMSHETH THAKUR

Will the Minister of TEXTILES be pleased to state:

- (a) whether cotton trade is in crisis due to uncertain policy of the Government;
- (b) if so, whether on the one hand import of cotton is wide open, on the other, the export is controlled under quota system;
- (c) if so, the facts in this regard;
- (d) whether the Government are withdrawing subsidies being given to cotton growers and eliminating support prices; and
- (e) if so, the reasons therefor?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAYA KUMAR)

(a) to (c) The cotton export-import policy of the Government aims at providing a reasonable return to the growers for their produce and making available the raw material to the user industry at a competitive prices. To enable the user mills to procure raw material of desired quality parameters at a competitive price Import of cotton is placed under Open General Licence (OGL) since April,1994. From 1999-2000, a duty of 5.5% has been imposed which was duty free earlier. Further, registration of cotton import contracts have been made compulsory to monitor the import. At the beginning of the cotton season, export quota of cotton is released, inter alia, taking into account the domestic availability, domestic / international price trends. However, actual exports depends upon a varieties of factors and in fact export quotas remained unutilized during last three years as shown in the following table:

YEAR QUOTA RELEASED QUANTITY EXPORTED IMPORT IN LAKH

(Oct.-Sept.)	IN LAKH	BALES	IN LAKH	BALES	BALES
1997-98	8.2	3.50			4.13
1998-99	5.0	1.01			7.87
1999-2000	5.0	0.65			22.01
2000-01	9.0	0.08			0.18
(upto 31.1.2000)					

- (d) No, Sir.
- (e) Does not arise.