

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2653  
ANSWERED ON:09.12.2005  
IMPORT DUTY ON COTTON  
Ahir Shri Hansraj Gangaram

**Will the Minister of FINANCE be pleased to state:**

- (a) whether farmer`s unions in the country have demanded an increase in import duty on cotton;
- (b) the reasons for not increasing the import duty on cotton despite demand for the same;
- (c) the steps being taken by the government to give protection to the Indian farmers against import prices of cotton; and
- (d) the year-wise quantum of cotton imported during the last three years?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

(a) this Ministry is not aware of whether farmer`s unions have sought increase in import duty. However, the Ministry of Agriculture had recommended for increase in customs duty on cotton.

(b)&(c) While fixing the import duty rate on cotton, Government takes into account factors such as the need to protect the domestic producers and also the need to make available raw materials to user industry at reasonable prices. For the present, an import duty of 10% is considered adequate for this purpose.

(d) The year-wise quantum of cotton imported in last three years is as follows:

Cotton year	Quantity (in lakh bales)
2001-02	25.26
2002-03	17.67
2003-04	7.21
2004-05 (Oct-June) (p)	10.94

#Cotton Year: October - September

Source: Ministry of Textiles