

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:973
ANSWERED ON:30.07.2010
COTTON EXPORT
Naik Dr. Sanjeev Ganesh;Sule Supriya

Will the Minister of FINANCE be pleased to state:

- (a) whether any duty is levied on the export of raw cotton from the country;
- (b) if so, the details thereof alongwith the reasons therefor;
- (c) whether such levy has helped to arrest rise in the price of the commodity prevailing in the local markets;
- (d) if so, the details thereof; and
- (e) the further steps taken or proposed to be taken in this direction?

Answer

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

- (a)&(b) Yes, Sir. Export of raw cotton attracts export duty at the rate of Rs. 2500 per tonne. The said export duty was imposed w.e.f. 9th April, 2010 so as to augment domestic supply and moderate the domestic price of raw cotton.
- (c)&(d) Yes Sir. The imposition of export duty on raw cotton alongwith other measures has stabilized the market prices of raw cotton. The average domestic price of the raw cotton has reduced from 80.51 US cents per Pound during the month of April, 2010, to 79.88 US cents per pound in the month of June, 2010 whereas the international average price for the same period has gone up from 88.07 to 90.05 US cents per Pound.
- (e) No further price stabilization steps are envisaged for cotton season 2009-10 at this stage.