

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1532
ANSWERED ON:04.03.2011
BAN ON EXPORTS OF COTTON YARN
Tewari Shri Manish

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government has imposed a ban on the export of cotton yarn;
- (b) if so, the reasons therefor;
- (c) the manner in which the ban on export of cotton yarn has impacted the Yarn Manufacturing Industry;
- (d) whether there has been an exponential increase in the price of raw cotton;
- (e) whether the ban on export of cotton yarn has brought a substantive decline in the price of cotton yarn that has benefited the primary consumers of the yarn; and
- (f) the manner in which the Government intends balancing the interests of cotton growers, yarn manufacturers and the domestic consumers of cotton yarn so that a level playing field can be ensured to all the players in the value chain?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SMT. PANABAACA LAKSHMI)

- (a): No Madam. For the Financial Year 2010-11, cotton yarn exports are permitted under licence with quantitative limit of 720 million kgs.
- (b) & (c): Question does not arise in view of (a) above.
- (d): Yes Madam. The prices of raw cotton have increased from Rs. 37,700 per candy in October 2010 to Rs. 60,000 per candy in February, 2011.
- (e): The price of cotton yarn for 40's count stands at Rs. 190/ kgs in 2010-11 as against Rs. 146/ kgs. in 2009-10.
- (f): To address the issues of steep increase in prices of cotton and cotton yarn and to restore domestic supply lines Government has initiated policy measures including capping exportable surplus to 55 lakh bales of raw cotton for the cotton season 2010-11 (October-September); registration of yarn exports by the Textile Commissioner; Test Check of Hank Yarn Obligations; withdrawal of DEPB incentive of 7.67% on cotton yarn exports w.e.f. 21.4.2010; withdrawal of duty drawback on yarn w.e.f. 29.4.2010; Constitution of a Cotton Yarn Advisory Board to monitor domestic and international prices of cotton yarn and permitting export of cotton yarn upto 720 million kgs.