

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1959

ANSWERED ON:26.03.2012

EXPORT OF RAW MATERIALS

Antony Shri Anto; Bajwa Shri Partap Singh; Danve Shri Raosaheb Patil; Dastidar Kakli Ghosh; Devi Aswamedh; Dhruvanarayana Shri R.; Kalmadi Shri Suresh; Kumar Shri Kaushalendra; Mahto Shri Baidyanath Prasad; Pakkappa Shri S.; Ramkishun Shri; Roy Shri Arjun; Siddeswara Shri Gowdar Mallikarjunappa; Sugavanam Shri E.G.; Thamaraiselvan Shri R.; Yadav Shri Dinesh Chandra

Will the Minister of TEXTILES be pleased to state:

- (a) the details of estimated/targeted production and export of raw cotton/yarn/garment products during the last two years and the current year, item-wise;
- (b) whether the garment exporter/spinning/powerloom and handloom units are facing hardship due to non-availability of raw cotton/yarn in view of the rising export and fluctuation in prices of cotton/yarn during the last year;
- (c) if so, the details thereof along with the steps taken by the Government to ensure the ample availability of cotton/yarn for the domestic producers/exporter and also to check the prices of cotton in the country;
- (d) whether the Government propose to review the export policy of cotton/yarn and if so, the details thereof;
- (e) the steps taken by the Government to keep an annual reserve/procurement of cotton bales as a buffer stock in order to check easy availability of cotton/yarn; and
- (f) the details and criteria of yarn subsidy being provided to the weavers in the country, State-wise?

Answer

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

(a) to (f): The estimated production and export of cotton/yarn are as follows:-

	Production	Export							
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12			
Cotton (lac bales)	325	339	345	83	78.80	# 95			
Cotton yarn (Million Kgs)	2900	3100	3400	589	720	845			

Source: CAB Estimates
CYAB estimates
#DGFT Data

Garment exports are monitored in value terms and AEPC has reported exports of USD 10.06 bn, 10.62 bn and 7.94 bn in 2009-10, 2010-11 and 2011-12. Production data of garments is not monitored. # (April, 2011 to November, 2011)

Source: Foreign Trade Statistics of India (Principal Commodities & Countries), DGCI&S

There has been a commodity trade boom in cotton exports leaving low closing stocks. To avoid supply side disruptions, Government imposed a ban on cotton exports on March 5, 2012 and revoked it on March 9, 2012 subject to certain conditions. Cotton Yarn exports are on OGL subject to registration by DGFT. Domestic prices of cotton and cotton yarn remain stable.

An informal Group of Ministers under the Chairmanship of Finance Minister comprising of Textiles Minister, Commerce Minister, Agriculture Minister and PM's Economic Advisory Council reviews cotton export/ distribution policy on a periodical basis. The Group of Ministers has laid down that 50 lac bales of closing stocks should be maintained in the country. Under the comprehensive package for handloom sector, 10% subsidy on domestic silk yarn and cotton hank yarn will be provided by Government to ensure supply of subsidized yarn to Handloom sector.