

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:6126

ANSWERED ON:14.05.2012

COTTON EXPORT

Bajwa Shri Partap Singh;Ganpatrao Shri Jadhav Prataprao;Shetkar Shri Suresh Kumar;Singh Shri Bhola;Singh Smt. Meena;Sukur Shri Jadhav Baliram;Vasava Shri Mansukhbhai D.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government had imposed the ban on export of cotton in March and had lifted the same recently;
- (b) if so, the reasons for imposition of ban and reviewing the decision in such short span and beneficiaries thereof;
- (c) whether the change in decision has been done due to protests from various affected sectors;
- (d) if so, the details thereof; and
- (e) the benefit/profits likely to be earned by the exporters/farmers in the country after allowing export of cotton?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a): Yes Madam.

(b): The ban on export of cotton was imposed as cotton exports had already crossed 92 lakh bales, an all time high, with export registrations at 120 lakh bales. There was a possible risk that India may have to import cotton at higher prices.

(c) & (d): Government had received several representations seeking revocation of the cotton export ban. The ban imposed on export of cotton on 05.03.2012 has been revoked through Notification No. 106 (RE-2010)/2009-14 dated 12.03.2012. The ban on export of cotton imposed on 05.03.2012, was reviewed by the Group of Ministers (GoM) on 09.03.2012. Subsequent to the meeting of GoM a decision was taken to remove ban on export of cotton.

(e): Export takes place when international price is higher than domestic price. So export by definition helps exporters and it is expected that the benefit of export is passed on to the manufacturers/producers.