

# DGFT's conditional cotton export nod, causing huge loss to growers, traders

■ Staff Reporter

THE fresh notification of Director General of Foreign Trade (DGFT) about lifting cotton export ban has added insult to injury and resulted in fresh withdrawals of new export permissions, claimed Vidarbha Jan Andolan Samiti (VJAS). This has caused huge loss to cotton growers, traders and exporters.

The new DGFT notification dated March 20 has added Scrutiny and revalidation of Registration Certificates (RCs) for export of cotton and has literally stalled cotton export by sea and road both and this has dampened the market sentiments further and resulted price crash in candy for line and for raw cotton, VJAS claimed.

The cotton growers have now asked Group of Ministers which is likely to meet on Friday to

VJAS slams Commerce Ministry for indirectly continuing restriction on cotton export and leaving cotton growers, traders and exporters in lurch

review situation to lift all restrictions on cotton exports and remove the environments of fear where traders and exporters are being scanned as smugglers and are being subjected to unwanted harassment and massive corruption.

"When cotton arrival as per CCI data is only 242 lakhs bales as against 278 lakhs bales of last year and as per lowered estimate 120 lakhs bales arrival is awaited. Hence, such restrictions will put more than 7 million cotton growers, traders and exporters huge economic losses and will damage Indian cotton trade to larger extent and only a handful garments industries will be benefited," Kishor Tiwari of VJAS alleged.

Tiwari urged GoM to review decision making process of DGFT and Commerce Ministry which took such irrational decision in the first place. DGFT's recent Trade Notice says that the government has decided that priority in scrutiny and revalidation should be accorded to the cotton consignments that were handed over to customs till 2400 hours on Sunday, March 4, 2012, when the prohibition had come into force. Greater priority will be accorded to cases pertaining to Land Custom Stations (LCS) on Indo-Pakistan, Indo-



Bangladesh and Indo-Nepal border to ease congestion there but in fact their is no congestion and moreover main issue of clearing and issuing fresh RC to China which contributes more than 70% of total export hence motive behind the recent trade notice is also ill-managed as same trade notice further add that fresh export would be permitted only after revalidation of RCs and

there is package deal for fresh revalidation. Hence, the demand is unconditional export of cotton as per WTO norms and Indian free trade policies, Tiwari added.

If UPA Government has problem with growth of cotton export then the government should buy cotton at international rates through agencies like NAFED and CCI, protecting the innocent dying cotton farmers' who are forced to sale cotton at throwaway price to local dealers who are subjected to market forces and volatile export policies of UPA Government, VJAS demanded.