

Anand Sharma defends ban on cotton exports

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VIETNAM: Commerce minister Anand Sharma on Wednesday defended the government's decision to ban cotton exports and said he will personally speak to agriculture minister Sharad Pawar to explain the issue.

Pawar had on Tuesday raised strong objection to cotton export ban and said that he was kept in dark on the issue.

"We could not countenance a situation where the country which is a major cotton producer is forced to import at much higher prices to meet the domestic demand of the industry. That is why, it was a judicious and considered view taken," Sharma, who is in Vietnam for a two-day visit, told reporters.

Sharma, who also has textiles portfolio, said he was not able to contact Pawar, who was traveling abroad, but had directed the textiles and commerce secretaries to brief the agriculture minister about the ban.

"I had left a note on Saturday night for Pawar since I was not successful to speak to him over the phone. We are one government, we all are ministers, in the same government," he said adding that finance minister Pranab Mukherjee, who heads group of ministers, has been fully apprised off.

Sharma said, "The GoM will meet soon upon my return (on March 9). I will be speaking to the agriculture



Fact check

- Pawar had raised objection to cotton export ban and said that he was kept in dark on the issue
- The country has already shipped 10 lakh bales more than the exportable surplus
- Singh directed that the GoM should meet on Friday to review the decision urgently

minister in person...The prime minister has been kept fully informed of all these developments".

Explaining the reasons behind export ban, the minister said that the country has already shipped 10 lakh bales more than the exportable surplus.

"We were informed that there has been cornering of huge quantities (of cotton) by handful of big players who have exported to their own warehouses abroad. It did cause alarm," he said while defending the decision.

"Some of the exporters have cartelised it. Large quantity of surplus has been exported. I have ordered an inquiry about the handful of exporters who exported

large surplus in February. If found true, there will be an action," he said.

Sharma said the decision was taken to ensure that domestic textiles industry does not come under stress, which may lead to job losses.

"The mandatory carry over quantity has already breached and the exportable surplus has been reached. There will be serious questions raised if we import at much higher prices," he added.

Meanwhile, taking note of concerns from various quarters, prime minister Manmohan Singh on Wednesday directed review of the commerce ministry's decision to ban cotton exports on March 9.

Singh directed that the Group of Ministers should meet on Friday to review the decision urgently, a PMO statement said.

The direction came after a delegation of Gujarat Congress led by Mohan Prakash; in-charge of party affairs in the state and Maharashtra met the PM with a demand for immediate removal of ban on export of cotton.

Agriculture Minister Sharad Pawar had taken strong objection to cotton export ban and raised the issue with Singh, who referred the matter to a Group of Ministers for review.

Pawar had said that the commerce and textiles ministries had kept him in the dark and he came to know about the decision only after Directorate General of Foreign Trade issued a notification on Monday.