

Decision on cotton exports likely today as PM convenes meet

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Amid the ongoing controversy over export of cotton, the Prime Minister, Dr Manmohan Singh, has called a meeting on Monday to take a call on the issue.

The Agriculture Minister, Mr Sharad Pawar, and the Gujarat Chief Minister, Mr Narendra Modi, have been pressing for export of the fibre.

Ahead of the meeting with the Prime Minister, the Finance Minister, Mr Pranab Mukherjee, will hold discussions with Mr Pawar and the Commerce and Textiles Minister, Mr Anand Sharma.

There are indications that the government may allow export of additional 20 lakh bales of cotton (one bale is 170 kg) in the current crop season (October-September 2011-12).

Of about 115 lakh bales registered, the country has exported 106 lakh bales of cotton.

In view of the controversy, Mr Sharma met Mr Mukherjee twice in the last two days in this regard.

While the Textiles Ministry has been insisting on adequate availability of cotton, Mr Pawar and Mr Modi want natural fibre shipments un-



Reassuring: The Union Commerce Minister, Mr Anand Sharma, with the Commerce Secretary, Dr Rahul Khullar, at a press meet on cotton issue in the Capital on Sunday. - Ramesh Sharma

der the open general licence (OGL) to ensure adequate prices for growers. The three ministers will meet on Monday and take a final call on this subject. Later in the day, the Prime Minister will chair a meeting on agricultural products, in which the issue of cotton exports would be discussed, Mr Sharma told reporters here today.

Mr Sharma said: "This is just to convey that the government is seriously engaged on this issue, actively monitoring and reassuring that stability in the markets will be maintained, and interest of farmers will be safeguarded."

REVISED ESTIMATES
The Cotton Advisory Board

(CAB), which met on April 18, has revised cotton production estimates upwards to 347 lakh bales from 345 for the current season.

However, it has revised domestic consumption estimates downwards to about 250 lakh bales from 260.

Besides, in the third advance estimates, the Agriculture Ministry too has revised

upwards the cotton output. "Based on the latest assessment of the Agriculture Ministry and the CAB, the government is expected to introduce some relaxation in cotton exports," sources said.

The government had also directed Cotton Corporation of India to buy 2.6 lakh bales of cotton in the season.

While imposing the cotton export ban last month, the government had said there could be shortage of raw material for the domestic industry and apprehended hoarding of the natural fibre in warehouses abroad, particularly in China.

ON CHINA IMPORTS

Asked whether there is any Indian cotton hoarding in China, the Commerce Secretary, Dr Rahul Khullar, said, "That is not true. That is not the issue of concern... China has imported a little more cotton from India (this season) than they normally do."

China imports about 65 lakh bales of cotton in each season and this year, it has imported about 80 lakh bales, he added.

The Chinese economy is mainly dependent on the US for cotton imports and sources less than 10 per cent of its requirement from India.