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**Textile industry
seeks cotton
export hold-up**

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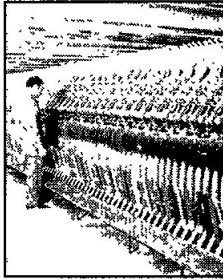
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THE textile industry is disappointed over the steep hike in cotton prices in the country.

The textile industry is on the verge of a recovery, since the economies in the western countries have started showing some positive trends and demand for textile products have started improving. However, at the current cotton prices, the textile products are not competitive in the global markets.

In spite of a significant increase in arrival of cotton in the market during the last couple of weeks, cotton prices for standard varieties like Shankar 6 have crossed Rs 25000 a candy on spot basis and the trend of price increase still continues, said Shishir Jaipuria, Chairman, Confederation of Indian Textile Industry (CITI).

Jaipuria pointed out that two segments of our economy that depend substantially on cotton are the farmers and the textile industry. The interests of cotton farmers have been protected by the government by increasing the Minimum Support Prices of cotton. The interests of the textile industry also need to be protected to ensure that the demand for our cotton is sustained on a long term basis.



The real driver for the price escalation is speculation by cotton traders who operate in the market, on the strength of highly competitive capital available to them from global sources. According to market information, more than 15 lakh bales of the new crop has already been bought by these large traders for export and this has pushed up domestic prices.

Jaipuria also feels that, in the long term interest of the country's cotton economy as a whole, it has to be ensured that our cotton is available to our industry at competitive prices. Cotton production in the country is expected to be substantially lower than 305 lakh bales, because of the havoc created by rains subsequently.

If large exports take place at this stage, the best of our cotton will go to our competing countries and the domestic industry will suffer both in terms of quantity and quality of cotton during the rest of the year.