

Govt allows fresh cotton exports

Move Comes After Leaders Mount Pressure

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New Delhi: Bowing to pressure from the Congress party and some of its allies, the government on Monday allowed fresh cotton exports and a panel of ministers will meet in three weeks to review the situation again.

The government had been under pressure from the Congress and the Nationalist Congress Party (NCP) to ease the ban on cotton exports. The directorate general of foreign trade (DGFT) had banned exports on March 5, but it was forced to partially permit registered consignments.

The decision to allow fresh cotton exports comes after Congress leaders from Gujarat led by Ahmed Patel, political secretary to party president Sonia Gandhi, and agriculture minister and NCP supremo Sharad Pawar urged the government to rethink the decision to ban exports. In fact, commerce minister Anand Sharma spoke about the role of Patel and other Congress leaders in forcing a re-think.

The informal group of ministers met under the chairmanship of finance minister Pranab Mukherjee on Monday to review the cotton export situation. The panel considered the estimates of the Cotton Advisory Board and the third estimate of the agriculture ministry. "After a comprehensive review, it was decided that suspension of new registrations for cotton exports be revoked and exports be permitted," a

government statement said.

The Cotton Corporation of India has been asked to build a buffer stock of 10 lakh bales to meet any emergency during June, July and August. "It is true that some members of Parliament from Gujarat including Ahmed Patel and Congress leaders from the state including CLP leader Shakti Singh Gohil and PCC chief Arjun Modvadia had given their views that some cotton was still available. So we have lifted the suspension of fresh registrations for exports and accordingly, the DGFT will take the necessary steps," commerce, industry and textiles minister Anand Sharma told reporters.

He said efforts will be made to ensure that domestic industry needs are met. The textile sector directly or indirectly provides employment to 105 million people and the handloom sector also employs a large number of people. "Therefore, a balanced view had to be taken, the GoM will make a fresh assessment in three weeks," Sharma said. The meeting was attended by Pawar, Sharma and chairman of the Prime Minister's Economic Advisory Council C Rangarajan.

Earlier, Pawar had slammed the curb on cotton exports and had shot off a letter to the Prime Minister saying, "Indian cotton farmers should not be asked to bear the burden of subsidizing the textile mills". The Cotton Advisory Board has revised cotton production estimates to 3.47 crore bales from 3.45 crore bales for the current season that ends in September. Domestic consumption has been estimated downwards at 2.5 crore bales from 2.6 crore bales.