

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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POLICY

Voluntary  Public

**Date:** 12/3/2012

**GAIN Report Number:** IN2159

## India

**Post:** New Delhi

### Cotton Export Registration Policy Amended

**Report Categories:**

Cotton and Products

Agriculture in the Economy

Agriculture in the News

Agricultural Situation

Trade Policy Monitoring

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**Report Highlights:**

On November 30, 2012, India's Ministry of Commerce and Industry issued a notification modifying procedures and conditions related to cotton export registration for the 2012/13 marketing year (Oct/Sep). The export policy was amended to allow registration of cotton exports up to a maximum quantity of 30,000 170 kg bales (23,400 480 lb bales or 5,100 metric tons). The new policy relaxes export registration requirements and is expected to facilitate cotton exports.

## **General Information:**

On November 30, 2012, the Directorate of Foreign Trade (DGFT), Ministry of Commerce and Industry issued a notification ([Notification No. 26 \(RE-2012\)/2009-14](#)) modifying procedures related to cotton exports. The amended policy relaxes export requirements by raising the limit that exporters can register at a single time from 10,000 (7,800 480 lb bales/1,700 metric tons) to 30,000 170 kg bales (23,400 480 lb bales/5,100 metric tons). The remaining export procedures are essentially unchanged and exporters must export 50 percent (15,000 170 kg bales/11,700 480 lb bales/2,550 metric tons) of a registration before they can register an additional 30,000 170 kg bales (23,400 480 lb bales/5,100 metric tons). For new cotton exporters, the maximum limit per registration certificate has been increased to 3,000 bales (2,340 480 lb bales/510 metric tons). For additional background on India's cotton export policy see [IN2136](#). Cotton exports continue under open general license without any quantitative limits on exports.

**Comment:** The new policy relaxes export procedures and seems to signal that the Government of India believes that the current supply of cotton can satisfy the often conflicting requirements of exporters and the textile industry. Preliminary estimates indicate that the pace of cotton exports accelerated to 500,000 170 kg bales during November, the highest level since June. FAS Mumbai recently increased its forecast of 2012/13 cotton exports to 5.7 million 170 kg bales (4.5 million 480 lb bales/970,000 metric tons). The Government of India has tried various measures to control the pace of cotton exports over the past three years and banned exports for a brief period during the 2011/12 marketing year. The current system seems to enable officials to closely monitor the pace of exports and better anticipate a surge in export commitments.

**Disclaimer:** This summary is based on a cursory review of the subject announcement and therefore should not be viewed under any circumstance, as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests.

## **Details of Notification:**

- **Type of Regulation:** Notification
- **Public Notice Date:** November 30, 2012
- **Proposed Date of Adoption:** Effective November 30, 2012

**Notification Text as published:** The full text of this notification can be accessed on the Directorate of Foreign Trade, Ministry of Commerce and Industry ([Notification No. 26 \(RE-2012\)/2009-14](#)) website

**Products Affected:** Cotton and cotton based products

**Agency in Charge:** Department of Commerce, Ministry of Commerce & Industry and Ministry of

Textiles, Government of India

**A list of documents related to this latest announcement follows:**

[Notification No. 17 \(RE-2012\)/2009-14](#)

October 1, 2012