

## Raw cotton edges out iron ore in export mix to China

Our Bureau



Wilting cotton

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The ban on iron ore export, coupled with the slump in infrastructure development in China, has pushed raw cotton as the major export commodity from India to the Dragon.

“India is supporting immensely the development of the garments industry in China,” said Amitendu Palit, Head (Partnership and Programme) and Visiting Senior Research Fellow at the Institute of South Asian Studies, Singapore.

In 2005-06, out of the total exports from India to China, 51.65 per cent was ore and its concentrates. This share dropped by half to 25.5 per cent in 2011-12.

On the other hand, the share of raw cotton exports to China during the same period increased three-fold to nearly 26 per cent. In the last five years, raw cotton has gradually replaced ore and its constituents as the largest export commodity to China.

There has been a subtle, but notable shift in the export of various commodities to China, he said in a talk on India-China trade relationship, organised by the Madras Chamber of Commerce and Industry.

In 2004-05, India was importing a huge quantity of readymade garments from China. However, India started exporting a huge volume of raw cotton to China, which in turn manufactures readymade garments for exports.

Due to the enormous demand for raw cotton, the price of the commodity too has increased significantly. This forced buyers to look at India as a major source for raw cotton, said Palit, whose current research focuses on comparative aspects of federalism in China and India.

[raja.simhan@thehindu.co.in](mailto:raja.simhan@thehindu.co.in)

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