

Jute Market Report for March 2018

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4th April 2018

Bangladesh

Raw Jute: Raw jute market, both for high and low quality fibres was somewhat less active than in February. There was regular export demand from Pakistan and India, but other raw jute importers like China, Nepal, Vietnam, Russia and Brazil were in the market with smaller quantities than expected. Pakistan was in the market for both high and low quality of long jute and jute cuttings of all grades of Long Meshta, White and Tossa, whereas India was in the market for high quality long jute grades like BTR HD, BTR NB, BTR KS and BTE HD, only.

The domestic demand from local jute yarn and twine spinning mills, composite mills and other raw jute processors was beyond expectations and less than in February. It has been reported, that there was a certain demand for high quality fibres, but the availability of such qualities was not given.

BJMC was present in the market during the month under review, but the required quantity of raw jute was rather small.

Because of the slow demand from the domestic market as well as from international buyers the prices for high and low quality fibre remained stable during the month under review.

Raw jute exports from July 2017 up to December 2017 were 574.432 bales against 553.380 bales during the same period under review in the year 2016.

Because of moderate rainfalls all over Bangladesh since end of the month under review the farmers were able to start sowing of Meshta, White and Tossa Jute by end of March.

Jute Yarn and Twine: The export demand for low and high grade jute yarns and twines was reported as rather slow. This applies for all major importers of jute yarns and twines, such as Turkey, Iran, China, Vietnam, Indonesia, Malaysia, Europe, USA and Middle East. From the domestic market demand for sacking and hessian yarns and twines has been observed. During the month under review export prices for jute yarns and twines remained more or less on the same level as in February. This mainly because of the sluggish export demand for jute yarns and twines.

Jute Goods: During the month under review there was regular demand for Hessians and Sackings from Africa, Europe, Australia, USA, Iran, China and Vietnam. The local demand for Sackings and Hessians increased during the month under review. Accordingly BJMC as well as most of the private composite mills were busy with the execution of their running orders.

The demand for Jute CBC from regular importing countries like Europe, UK and Japan was quite slow during the month under review. Prices for Sackings increased by approx. 2% and for Hessians by about 1-2%, whereas the prices for CBC remained unchanged in comparison with prices ruling during the preceding month.

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The National Jute Day 2018: With the slogan “Golden Fibre, Golden Country, Jute goods of Bangladesh” Bangladesh celebrated the National Jute Day 2018 on March 6th. The government took up elaborate programmes including rallies, road shows, art competitions, poetry festival, seminars and symposiums to celebrate The National Jute Day. Some of these events already started by February 27th marking the National Jute Day on March 6th. For the last couple of years the government of Bangladesh took a lot of various initiatives to regain the past glory of the jute sector. The Mandatory Jute Packaging Act 2010 and the Mandatory Jute Packaging Rule 2013 for example have been implemented to increase the domestic demand of jute. Furthermore the government has pushed the modernisation of the state owned jute mills (BJMC) during the last couple of years.

According to statistics of the Export Promotion Bureau (EPB), the export earnings from jute and jute goods from July up to February of the current fiscal year increased by 14,61 per cent to 741,12 Mio US-\$ compared to 646,62 Mio US-\$ during the same period of the previous fiscal year.

India

Raw Jute: The raw jute prices during the month under review remained on the same level as in February. The JBA quotation at the end of the month under review is: TD-4 IRs 4.325 and TD-5 IRs 3.925, each per 100 kg / quintal. It is reported that the sellers are becoming a bit reserved, but not much activity in the market has been observed. The procurement of JCI continued during the month under review but the quantity has been more or less the same than before.

Jute Goods: Same as in February the Jute CBC market remained dull. As suppliers from Bangladesh are currently offering Hessians at about 10 % lower prices than Indian suppliers, also the domestic and overseas demand for Hessians remained very sluggish. None the less no significant changes in pricing have been reported for the month under review.

The availability for Sackings was scarce to fulfil the governmental order obligations. The market prices for sacking reacted by about 1, 5 percent. So called selected mills demanded a premium of 5 %. Against Government orders for B-Twill bags there were outstanding for March about 100.000 bales. The order quantity for March, is about 300.000 bales. The order for April is still awaited.

Same as in Bangladesh moderate rainfalls by end of the month under review were reported. The sowing for new crop is likely to start by now. In the issue of March 21st of The Telegraph India it is stated, that “The textile ministry has enhanced the supply of better quality jute seeds to farmers amid industry concerns over raw jute quality. Against a supply of 500 tonnes of certified jute seeds under the ICARE programme in 2017, the ministry has fixed a supply target of 900 tonnes this year”.



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Jute goods production of IJMA jute mills and jute mills reporting to IJMA during February 2018 amounted to 89.600 mtons of which 3.100 mtons were jute yarns/twines.

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