

# Jute Market Report for December 2018

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3<sup>rd</sup> January 2019

## Bangladesh

**Raw Jute:** During the month under review, regular demand was observed both from foreign and domestic buyers both for high as well as low quality fibres. The leading jute yarn and twine spinning mills, BJMC as well as private composite jute mills were in the market. Demand continued from Pakistan and India. But then against existing demand, local supply of fibres was inadequate especially in the case of high quality jute. India was in the market as usual for high quality long jute like BTR KS, BTR NB, BTR HD and jute cuttings BTCA. Pakistan was in the market for both high and low quality long Meshta and long jute Tossa variety as well as jute cuttings.

There were some enquires from other raw jute importing countries like Nepal, China, Vietnam, Russia, and Tunisia. However, actual purchases remained at low level.

Due to increase in demand for high and low quality jute for export and local consumption, prices appreciated by USD 10,00 to 15,00 per mton.

From mid of December 2018 most of the country was facing low temperature and low visibility due to fog and haze. Highways, terminals were congested and blocked by transports because of low visibility on the roads and highways. The Daulatdia-Paturia ferry terminal was overwhelmed with lined up trucks and other transports. Since this period the authority had to stop ferries to transport vehicles at night which added burden to this ongoing situation.

Raw jute exports from July 2018 up to November 2018 were 224,312 bales against 194,295 bales during the same period under review in the year 2017.

**Jute Yarn and Twine:** Export demand of Jute Yarn and Twine improved for both high and low quality during the month under review. Demand was principally coming from major importing countries like Turkey, Iran, India, China, Vietnam, Indonesia, Malaysia and Middle East countries. Regular enquiries were also observed from Europe, USA and from African countries.

During the month under review, upward trend continued and export prices increased by about USD 20,00 per mton both for high and low quality jute yarn and twine. Due to increase of demand from international markets, most of the mills were kept fully busy with execution of export orders during the month under review.

**Jute Goods:** There was regular export demand for finished good both Sackings and Hessians. Demand improved especially from African countries. Besides African countries, there was demand for Hessians and Sackings from Europe, Australia, USA, Iran, China and Vietnam. India was as usual regularly in the market for unstitched cloth of Binola and B-Twills. Demand for Jute CBC from the regularly importing countries in Europe, Australia, New Zealand, UK and Japan was at low level during the month under review.

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During the month under review, export prices showed the following trend:

Hessians: Price increased approx. 2-3 %  
Sackings: Price remained unchanged  
CBC: Price remained unchanged.

BJMA, the country's private composite jute mills association, has urged the government of Bangladesh to impose duty on export of raw jute to help curb the export of raw jute and survive local jute goods producers. According to BJMA, the local jute goods producers were facing difficulty in procuring the basic raw materials for their mills due to their having to compete with foreign raw jute buyers. BJMA additionally let it be known that some 1.3 to 1.4 million bales of raw have already been exported during the last six months. Presently there is no export duty on raw jute.

BJMA requested the government to procure raw jute from the farmers to ensure fair prices both for the farmers and private jute composite jute mills. Bangladesh Jute Mills Association (BJMA) puts forward the recommendations at its 35th annual general meeting which was held on 31st December 2018. The APEX body of private composite jute mills also said they repeatedly urged the government to consider jute goods as processed agro-products and provide incentives. However they are yet to get this benefit. BJMA said the price competitiveness of Bangladesh jute goods would increase in the international market if local consumption was increased, this with regard to BJMA demand of full implementation of the mandatory jute packaging act 2010 to increase the local use of eco-friendly products in the country. The private jute mills were passing through a critical time due to serious financial crisis following the drastic fall in export of jute products, it is learnt. The government has formed a jute sector development fund of BDT 100 billion, BJMA sought distribution of that fund immediately.

### **India**

**Raw Jute:** The tendency of the market during the month under review was very firm with local prices rising. JBA quotations at the end of the month under review: TD-4 IRs 4.950 and TD-5 IRs 4.600,00 per 100 kg. Arrivals during the month under review were very poor. It is expected that the slow but steady rise in prices will continue. Import of selected grades of raw jute from Bangladesh continues. The Jute Commissioner has asked all the Indian jute mills to declare their raw jute stocks held at mill premises and also at upcountry. Such report is also sought from suppliers. The exercise is meant to regulate stocks and control holdings by jute mills / raw jute sellers and this following complaints from jute mills that they are unable to operate for want of availability of raw jute. The exercise is meant to check speedy rise of raw jute prices. It should be recalled on this occasion that the price rise of grade TD-5 during November and December 2018 was around 13 %.

**Jute Yarn and Twine:** Market was absolutely dull during the month under review. Jute yarn imports from Bangladesh continue.



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**Jute Goods:** Hessians: There was seasonal domestic demand and also piecemeal overseas orders. Prices have risen during the month under review by about 2 %. Selective mills are sellers at prices which are 7 % higher than those of “ordinary” jute mills. Sackings: During the month under review the market ruled firm with additional support by seasonal local demand. Prices have risen by 4 % during the month under review and the firm trend persists. The Government placed fresh order for January delivery, so far around 100.000 bales of B-Twill bags. Orders for further 200.000 bales are expected. Backlog continues. Export orders continue, but small in quantity and inflow of orders is slow. Sacking cloth cut to size and hemmed for sewing (both sides) bags continue. There are reports of check/investigation on manipulation in imports from Bangladesh.

Imports from Bangladesh are likely to increase.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA during October 2018 amounted to 89.700 mtons of which 4.100 mtons were jute yarns/twines.

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