

# ***Jute Market Report for September 2017***

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1<sup>st</sup> October 2017

## **Bangladesh**

**Raw Jute:** Pakistan and India were regularly in the market during the month under review. Pakistan bought about 10,000 mt of long jute, jute cuttings and long meshta for shipment September and October 2017. India bought about 8,000 mt of high quality fibre like BTR KS, BTR NB, BTR HD and jute cuttings BTCA for shipment September and October 2017. Regular demand was also observed from other raw jute importing countries like Nepal, China, Vietnam Russia and Tunisia.

During the month under review there was domestic demand from jute yarn and twine spinning mills as well as from composite jute mills that were regularly in the market for procurement of raw materials. Prices for high and low quality fibre increased by about USD 20,00 per mton during the month under review.

Raw jute exports from July 2017 until September 2017 amounted to 30,622 bales against 34,978 bales during the same period under review 2016.

**New Crop:** Harvesting of Tossa has almost been completed. It is reported that in few areas about 10 % of Tossa crop need still to be harvested. New Crop arrivals increased a bit during the month under review compared to preceding month. From beginning of last month until Mid-September there were light to heavy rainfalls. About 266 mm (10.5 inches) of rainfall were recorded across the whole month of September. Weather was hot and humid.

**General:** Bangladesh Jute Association (BJA) observed already for quite some time that many raw jute exporters are selling their goods as per their desire but do not care about proper quality. There is no monitoring that BJA quality standards are complied with quality and there is no certain parameter for price in the market.

In this situation BJA have convened a meeting of all the raw jute exporters who are BJA members to ensure and establish minimum export prices (MEP) as per raw jute grades for all qualities. This is likely to have impact on the market with prices expected to appreciate during the coming days. However, it remains to be seen whether the impact will be only temporary.

**Jute Yarn/Twine:** Export demand for both high and low quality of jute yarn/twine from regular importing countries, such as India, China, Vietnam, Indonesia, Malaysia, Uzbekistan, Iran, Turkey and other Middle East countries, Europe and USA increased during the month under review. Export prices for both high and low quality of jute yarn/twine increased further by about USD 40,00/USD 50,00 per mton. Demand from local market was sluggish. Due to expected stronger demand from international markets, it seems that prices are likely to rise. Due to rising export demand most of the mills in Bangladesh are busy with their regular production.



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**Jute Goods:** There was regular export demand for Hessians and Sackings from African countries (Binola and B-Twill), Europe, Australia, USA, Iran and other middle east countries, China as well as Vietnam. India was also regularly in the market for importing unstitched cloth. Export demand of Jute CBC from the regular importing countries like Europe, Australia and New Zealand has not much increased during the month under review. Local demand for Hessians and Sackings was poor.

During the month under review export prices have increased as follows:

Hessians	plus 1 % - 2 % approx.
Sackings	plus 2 % - 3 % approx.
CBC:	remained unchanged.

Most of the composite jute mills were more or less busy with fulfilment of existing orders in their books.

BJMC were in the market and procured raw jute to cover existing orders for finished goods. Though BJMC have orders from traditional, regular buyers in their books, India figures very prominently among the foreign buyers, as it is learnt from usually well informed sources.

**Ministry of Textiles and Jute:** The Government of Bangladesh has taken a decision to add cement to the list of products under the mandatory jute packaging rules aimed at increasing the local use of jute bags. The decision was made recently at an advisory committee meeting presided over by the Minister, Ministry of Textiles and Jute (MoTJ).

A total of 17 products are at present on the list of the mandatory jute packing law, which covers paddy, rice, wheat, maize, fertilizer, sugar, spices, turmeric, onion, ginger, garlic, coriander, pulses, potato, flour, crude flour and rice bran.

Other decision adopted in the meeting includes necessary measures to supply jute seeds to the cultivators without cost, providing block account facilities to jute industries and preventing the export of low quality (not duly processed) raw jute helping to increase export earnings and overall development of the sector.

The MoTJ will send letters to the Ministry of Finance and the bank to consult a jute development fund worth USD 1,250,000 with an interest rate of 2.0 per cent.

## **India**

**Raw Jute:** After the floods have receded the overall situation has become normal again. JBA quotations at the end of the month under review were TD-4 IRs 3,985 and TD-5 IRs 3,610 per quintal. Premiums for higher grades further increased though only marginally.

**New Crop:** During the month under review there were scanty rains on and off. There was good sunshine. Situation was almost normal with arrivals picking up and reaching a peak level before Puja festival. What came on the market found immediately takers. There was no selling pressure as Indian jute mills were regular buyers.



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**Jute Goods:** Domestic demand for Hessians was more or less normal but export demand is still sluggish. Selected jute mills continue demanding a premium of 10 % compared with prices demanded by the bulk of other jute mills. Demand for Sackings was good. Market was fully steady and prices marginally increased by about one percent. Selected jute mills were asking premiums of 6 %. Indian Government order for September delivery was 250,000 bales B-Twill bags and it is expected that similar quantity will be ordered for October delivery. There was enough availability of CBC to cater for existing demand, though prices were ruling firm.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA during August 2017 amounted to 100.300 mtons of which 3.400 mtons were jute yarns/twines.

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