

Jute Market Report for February 2025

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3rd March 2025

Bangladesh

Raw Jute: During the month under review, raw jute demand from India as well as from Pakistan and Nepal declined compared to previous months. Pakistan placed orders of about 1.500 mtons of all grades of Long Tossa Jute and Long Meshta fibre, as well as Tossa cuttings BTCA and BTCB and Meshta cuttings OMC. India was in the market for BTR NB KS, BTR NB CS and BTR BS, as well as jute cuttings BTCA and BTCB and placed orders in the range of 2.000 to 2.500 mtons.

International buyers from importing countries such as China, Vietnam, Russia and Nepal were in the market but did not place bigger orders during the month under review.

During the month under review, local jute yarn and twine spinning mills as well as composite jute mills and raw jute processing units were in the market to cover their regular requirements, but due to limited availability, especially of higher grades of raw jute, they were forced to purchase whatever was available, same as in previous months.

Export prices of raw jute remained stable on a relatively high level during the month under review.

Raw jute exports from July to September 2024 amounted to 162.948 bales against 310.318 bales during the same period in 2023.

Weather: During the first half of the month under review, the country experienced persistent low temperatures and foggy weather conditions. These weather conditions caused significant disruptions, including congested highways and blocked terminals. Poor visibility on roads and highways caused delays in transport and logistics, further impacting the movement of jute and related goods between regions. During the second half of February however, the country was favoured with bright sunshine.

Jute Yarn and Twine: Export demand for both high- and low-quality grade jute yarns and twines from regular importing countries like Turkey, Europe and Iran was on a regular level during the month under review. Same applies for buyers from India, China, Indonesia, Thailand, Malaysia, Uzbekistan, Vietnam, African countries, USA as well as countries of the Middle East.

Local demand for both Sacking and Hessian quality jute yarns and twines for packaging purposes continued to remain stable during the month under review.

During the month under review export prices for both high and low quality of jute yarn and twine remained stable.

The situation for local jute yarn and twine spinning mills continues to improve due to sustained demand from both local and international markets. Most of the mills are now able to operate at regular production levels with up to three shifts per day.



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Jute Goods: During the month under review, export demand for Hessians and Sackings from importing countries such as Europe, USA and Australia remained stable. Demand for sacking, particularly from buyers in African countries, Iran, China and Vietnam also remained stable.

India maintained a steady demand for unsewn Binola and BTwill fabrics, contributing to stable market conditions for these products. In addition, demand for Jute CBC (Carpet Backing Cloth) saw a slight increase with regular orders from major importing countries such as Europe, UK, New Zealand and Japan.

Locally, demand for hessians and sackings for packaging purposes also remained at a regular level.

During the month under review, export prices developed as follows:

Hessians:	remained unchanged
Sacking:	remained unchanged
CBC:	remained unchanged

Maritime Transport: The Financial Times reported on February 7th, that Maersk CEO Vincent Clerc, expects no massive impact of US tariffs on trade highlighting that “what really matters is not tariffs but what the purchasing power of consumer looks like”. He furthermore added that “as long as they are not implemented and we cannot assess the impact on customers’ wallets, it’s premature to see it as a major factor. According to Financial Times, the Danish group had expected a difficult 2024 as container shipping groups ordered large number of new vessels. However, it ended up benefitting from soaring freight rates due to attacks by Houthi rebels in the Red Sea. The FT furthermore mentioned that operating profit of Maersk rose two-thirds to USD 6,5bn last year but Maersk forecast a profit in a range of zero to USD 3bn in 2025. Revenues increased 9 per cent to USD 55bn.

Miscellaneous: Govt eases rules for leasing mills to private sector, allowing non-jute industries. Textiles and Jute Adviser Sheikh Bashir Uddin said it is unrealistic to keep so many jute mills running solely dependent on jute, as the country needs 40 lakh tones of jute each year but only produces 12 lakh tones. "The global annual jute production is only 25 lakh tones, so the Bangladesh government is easing rules for leasing jute mills to the private sector and allowing other industries to be established alongside jute-based ones," he said after visiting the privately operated Daulatpur Jute Mill in Khulna. He further stated that last week, a closed government-owned textile mill in Kurigram was leased to the private sector, allowing business investors to invest in the facility.

He expressed hope that the process of leasing three more mills would be completed this week. "The reopening of jute mills under government management has only resulted in billions in losses

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without yielding long-term benefits. Therefore, the government plans to transfer state-owned jute and textile mills to the private sector," he said.

The adviser also noted that the reopening of Daulatpur Jute Mill under private ownership has created employment for around 700 people, with the potential to generate an additional 3,000 jobs. He emphasized that such successful initiatives and investments would open up new employment opportunities. The mill has simultaneously launched the production of both jute products and footwear under private management, ensuring a profitable and sustainable approach. He pointed out that implementing such innovative initiatives under government management has not been as effective.

In response to media queries, the adviser said the existing syndicates involved in manipulating essential commodity prices are not stronger than the government. The government is closely monitoring the stock and supply of various goods and that the temporary crisis in the edible oil market would be resolved within a few days, the jute adviser assured. Khulna Deputy Commissioner Mohammed Saiful Islam and officials of Daulatpur Jute Mill were present during the inspection.

Source: The Business Standard, 16 February 2025

India

Raw Jute: The ruling market prices quoted by the Jute Balers Association (JBA) end of last month were fixed as follows: TD-4 IRs 6.700 and TD-5 IRs 6.200 per 100 kgs, representing a slight increase of raw jute prices. The Indian government has announced a 6% increase in the MSP for jute for the new season well in advance of the sowing season. This shows that Govt. is keen to support and encourage raw jute cultivation, farmers and labourers. Minimum support price for season 2025-26 will accordingly be ruling around IRs 5.650 per 100kg.

Local supplies of raw jute to Indian jute mills were ruling around 489.000 bales during the month of January (against 496.000 bales in December). At the end of January, raw jute stock with jute mills were 943.000 bales.

New Crop deliveries continue to slow down causing an increase of market prices. The area to be brought under cultivation in season 2024/25 is reportedly about 600.000 hectors which is about 15 per cent less than in season 2023/24. The carry forward is currently estimated with 3 to 3,5 Mio bales.

Due to a good number of sacking bag orders, raw jute prices are likely to remain firm. Financially less solvent mills are forced to continue buying raw jute even at rising price levels, in order to meet Governmental order supplies.



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Jute Yarn and Twine: Demand for jute yarns made in India during the month under review continued to remain poor.

Jute Goods: Situation during the month under review presented itself as follows:

Prices for Hessians presented themselves almost unchanged at IRs 132,000 per mton at the time when this report was published. Selective mills are asking for premium of 4 per cent against prices quoted by „standard“ mills.

Price of Sackings is prevailing at IRs 104.000 per mton with selective mills asking for premium of 3,5 per cent for exports against prices quoted by „standard“ mills.

B-Twills: The Indian government ordered around 450,000 bales of B-twill sacks in February, which is significantly more than the expected order quantity of 300.000 bags. Order volume for March is expected to continue to rule around 400,000 bales per month. Indian jute mills are in consequence happy to clear stocks and it is expected that the Indian jute mills will continue to be in a quite comfortable situation in terms of orders and deliveries until April.

Even though the overall demand for Jute Carpet Backing Cloth was very erratic but existent and according to local reports mills are sold out until March. Most of the mills produce carpet backing cloth with tuck-in selvedge these days, real selvedge production seems to phase out.

Miscellaneous: India announced tax breaks for the middle classes and measures meant to improve the ease of doing business, as Narendra Modi's government unveiled its first full-year budget since an economic slowdown that followed his re-election last year.

The sweeteners for middle-income Indians, as well as small and mid-size businesses, came alongside steps aimed at reinvigorating the world's fifth biggest economy and reviving demand among urban consumers, a core political base for Modi's Bharatiya Janata party.

Nirmala Sitharaman, finance minister, on Saturday announced an increase in the personal income tax threshold below which taxpayers owe no tax to Rs1.2mn (\$13,842), up from Rs700,000, as well as an uplift in brackets for the rates levied on taxable income. She said that the government would introduce a new income tax bill next week.

The finance minister added that the new rates would “substantially reduce the taxes of the middle class and leave more money in their hands, boosting household consumption, savings and investment”.

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Among measures meant to make doing business easier, Sitharaman said a high-level committee for regulatory reforms that would review India's rules, certifications, licences and permissions governing business, as well as the creation of an investment friendliness index of states, would be launched this year.

"A light-touch regulatory framework based on principles and trust will unleash productivity and employment," Sitharaman said.

Business groups have long urged India to reduce onerous paperwork and compliance burdens and reform the rules governing labour and land markets to stimulate investment and create jobs.

"The focus of the budget has, basically, come in consumption via taxation cuts to support lower income and middle income segments of society, because that's where the pain point has been very visible," said Madhavi Arora, chief economist at Emkay Global Financial Services in Mumbai.

India has bounced back since the Covid-19 pandemic and remains the world's fastest-growing big economy, but GDP growth in the second fiscal quarter that ended in September was 5.4 per cent, the slowest in nearly two years.

Despite strong infrastructure spending by the state, private investment has been sluggish and job creation weak. Inflation has been trending near the top of the Reserve Bank of India's mandated band of 4-6 per cent, limiting its scope to cut lending rates.

Vijayaraghavan Swaminathan, head of research at Avendus Spark Institutional Equities in Chennai, said the government's intent in announcing the tax cuts was "very clear" and that they would give middle-class households "a breather".

In India's annual Economic Survey, published by the government on Friday, the finance ministry painted a stark picture of the challenges faced by the youth and the economy. These included a reliance on China for supply chains serving critical industries such as solar power, advanced batteries and electric vehicles. The report forecast real GDP growth of 6.4 per cent for the current fiscal year, down from 8.2 per cent in 2023-24.

Source: The Financial Times, 3rd February 2025

Jute goods production of IJMA jute mills and jute mills reporting to IJMA for December 2024 were 88.600 mtons in total of which 3.300 mtons were jute yarns/twines. Figures for January 2025 were 90.000 mtons of production in total of which 3.300 mtons were jute yarns/twines.

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