



Bangladesh Investment  
Development Authority

BIDA



## Diversified Jute Products



June 2023

# Industrial Outlook

## Key Features



**2nd largest** jute producer; annual production about **9 million** bales of jute, which is about **70%** of global production

Average production of jute goods is **1.6 million MT**; Average internal consumption **1.4 million MT**

**220 private mills** under Bangladesh Jute Spinners Association and Bangladesh Jute Mills Association

**Top exporter** of jute and jute-based products in the world



Bangladesh **exports 42%** jute products worldwide



**700** diversified jute producers produce **282** jute goods designated as "diversified jute products"

Demand for jute bags: **US\$ 8.13 million**  
Demand for other jute-made products: **US\$ 116.27 million**

### MAJOR JUTE ITEMS



Hessian



Jute Basket



Jute Role



Jute Webbing



Jute Matting

### Notable Diversified Jute Products



Home textiles, household furniture/decoration

Jute geo-textile, lifestyle products including fashion accessories and footwear



Office stationery, storage items, paper/package products

Indoor and outdoor gardening materials





# Economic Overview



An average contribution of **3%** in export earnings and **1 %** in GDP



Expected to export jute goods worth **US\$5 billion** within the next five years

Bangladesh holds around **72%** of the global export earning of jute



Average exports around **US\$ 1 billion** per annum



## Export Earning Status of FY 2022-23

Jute and jute made goods export in FY 2022-2023 is **US\$ 912.25 million**

Jute goods export in FY 2022-23 is **US\$ 708.08 million** and raw jute is **US\$ 204.17 million**

Jute yarn & twine remains the dominant export item (**US\$ 497.94 million** in FY 2022-23)

Other jute products rose by almost **8%** to **US\$100.30 million** in FY 2023, compared to the previous year

Jute sacks and bags accounted for **US\$ 109.84 million**

Sacks/ hessian export has been growing at an annual rate of over **15%** since July 2016



## Labor Forces

Over **40 million people** are directly or indirectly involved (cultivation to goods production, sales/ trade )

**100,000 people** are engaged in 700 diversified jute goods production



# Growth Drivers



## Product of the Year

The Hon'ble Prime Minister Sheikh Hasina declared jute goods as the 'Product of the Year' in 2023.



## Export Diversified Industry

National Industrial Policy 2022 recognizes Jute sector as export diversified Industry.



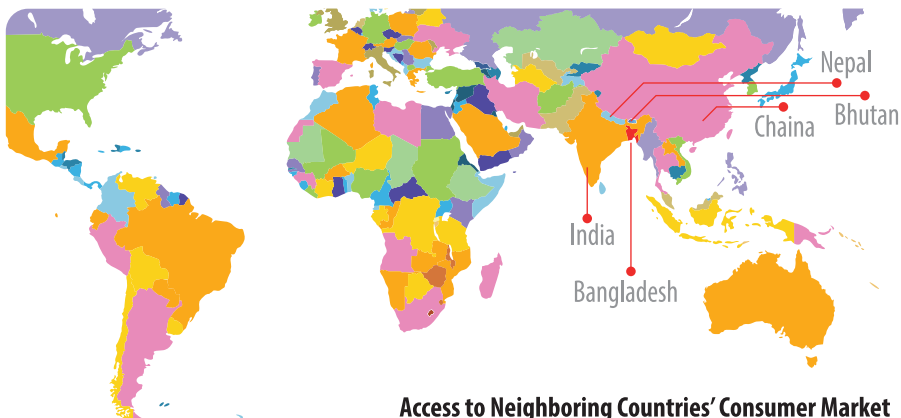
## Jute Bags for Packaging

Bangladesh is facilitating the usage of jute by making it compulsory to use jute bags for packaging of 19 products including food grains in domestic market.



## Favourable Jute Production Environment

Advantageous location with access to abundant water resources for jute processing and inexpensive water/road transport in Bangladesh.



## Access to Neighboring Countries' Consumer Market

Country's strategic geographic location, potential economic corridors, and the Bay of Bengal offers easy trading access to the Asia-Pacific region and Middle Eastern's big consumer markets.

**32 countries** – including members of the European Union – have already banned the use of plastic bags.

Preferential overseas market access to **52 countries**.



## Available of Cheap Raw Materials

Production of **8.27 million** bales in FY 2021-2022.



## Skilled and Competitive Labour Force

The minimum monthly wage is **US\$ 45.32**. Private Jute Industries pay **US\$ 74.76** per month to their workers.



## Worldwide Demand of Jute Bags

The annual demand for jute shopping bags stands at around **500 billion** pieces globally.



## Low Production Costs

Jute goods production cost in Bangladesh is one of the lowest in the world. The current production cost of each 10-gram bag is **US\$ .065**



### Demand for Home Décor

The market for jute-made home décor/ furnishing products has been on the rise worldwide, especially in the EU countries.



Middle and affluent class  
**MAC consumers-34**  
million by 2025.



### Demand for Diversified Products

Global demand for diversified products such as shopping/ sacking bags, geotextile, floor covers to grow rapidly.



### Biodegradable Jute-tin

Jute-tin is a result of R&D by Bangladeshi scientists and is deemed as more durable (withstanding rust and saline) and stronger than metallic-tin.



### Potential Jute Sticks

Demand for high-quality charcoal is huge in China where charcoal is used among many industries. Bangladesh produces around **3 million** jute sticks annually. The country has the potential to export jute stick based charcoal worth **US\$ 3.0 to 3.5 billion**.



### Jute Technical and Geo Textiles

Global demand for technical textile projected to grow at a Compound Annual Growth Rate (CAGR) of **4.5%** between the period 2018 and 2025, and reach **US\$ 335 billion** by 2025.



Global Market Insights expects jute-based geotextile market to grow at a CAGR of **9.5%** and exceed **US\$ 200 million** by 2024.

## Bangladesh Exports Jute Products to 135 Countries



### Major Destinations

Australia, Belgium, Brazil, Canada, China, France, Germany, Hong Kong(PRC), Italy, Japan, Netherlands, Poland, Russia, Singapore, South Korea, Spain, UK and USA

## Hot Spots for Foreign Investment



**Packaging Material-** Jute bags and other forms of packaging as biodegradable materials.



**Home Décor/ Furnishing-** Jute-based home décor/ furnishing goods such as rug, mat, outdoor furniture, sofa cover, cushion, lamp shade.



**Jute Technical (Agrotech, Buildtech, Clothtech) and Geo Textiles-** Canvas cloth and tarpaulins, jute laminates, jute and jute blended fabrics, soil savers.

**Automotive Textiles-** Jute application in automobiles has been expanding. Nearly two thirds of the automobile textiles are for interior trim, i.e., seat cover, carpets and roof and door liners. Global brands such as BMW, Mercedes, Volvo, Audi, Daimler Chrysler and Ford have been using jute-based composites for door panels and dashboards.



**Jute Stick Charcoal Products -** Foreign investors are welcome to invest for commercial production of jute stick charcoal products, such as cosmetics, medicines, battery, photocopier (dried ink), water purification filter, etc.

**Biodegradable Jute-tin** Foreign investors are welcome to invest for commercialization and mechanization of biodegradable jute-tin.



## Enabling Policies and Incentives

### Incentives Related to Diversified Jute Products

Reduced income tax rate of 10 percent for companies engaged in jute production. (SRO-104-AIN/Income Tax/2020)

### Related Policies

Export Policy 2021-24  
Import Policy 2021-24  
National Industrial Policy 2022  
National Jute Policy 2018

### Export Subsidies

50% tax exemption for income derived from export.

No VAT imposition on export goods.

20% cash incentive on export of diversified jute product.

20% cash incentive on export value of jute stick carbon.

12% cash incentive on export of jute made final goods (hessian, jute sack, etc.).

7% cash incentive on exporting jute fibers (yarn and twine).

## Supporting Laws and Regulations

Income Tax Act, 2023  
Guidelines for Foreign Exchange Transactions, 2018 (Vol. 1)  
Jute Act, 2017  
Mandatory Packaging with Jute Bags Act, 2010  
Mandatory Packaging with Jute Bags Rule, 2013  
Bangladesh Labor Act, 2013  
Bangladesh Labor Rule, 2015  
The Foreign Private Investment (Promotion and Protection) Act, 1980  
Foreign Exchange Regulation Act, 1947

## Supporting Ministries/Institutions

Ministry of Textile and Jute  
Ministry of Commerce  
National Board of Revenue  
Bangladesh Bank  
Bangladesh Investment Development Authority  
Bangladesh Economic Zones Authority  
Bangladesh Export Processing Zones Authority  
Bangladesh Jute Mills Corporation  
Jute Diversification Promotion Centre  
Jute Product Business Promotion Council

## Industry Associations

Jute Goods Exporter Association  
Jute Mills Association  
Bangladesh Jute Spinners Association  
Bangladesh Jute Association

## Key R&D Partner

Bangladesh Jute Research Institute

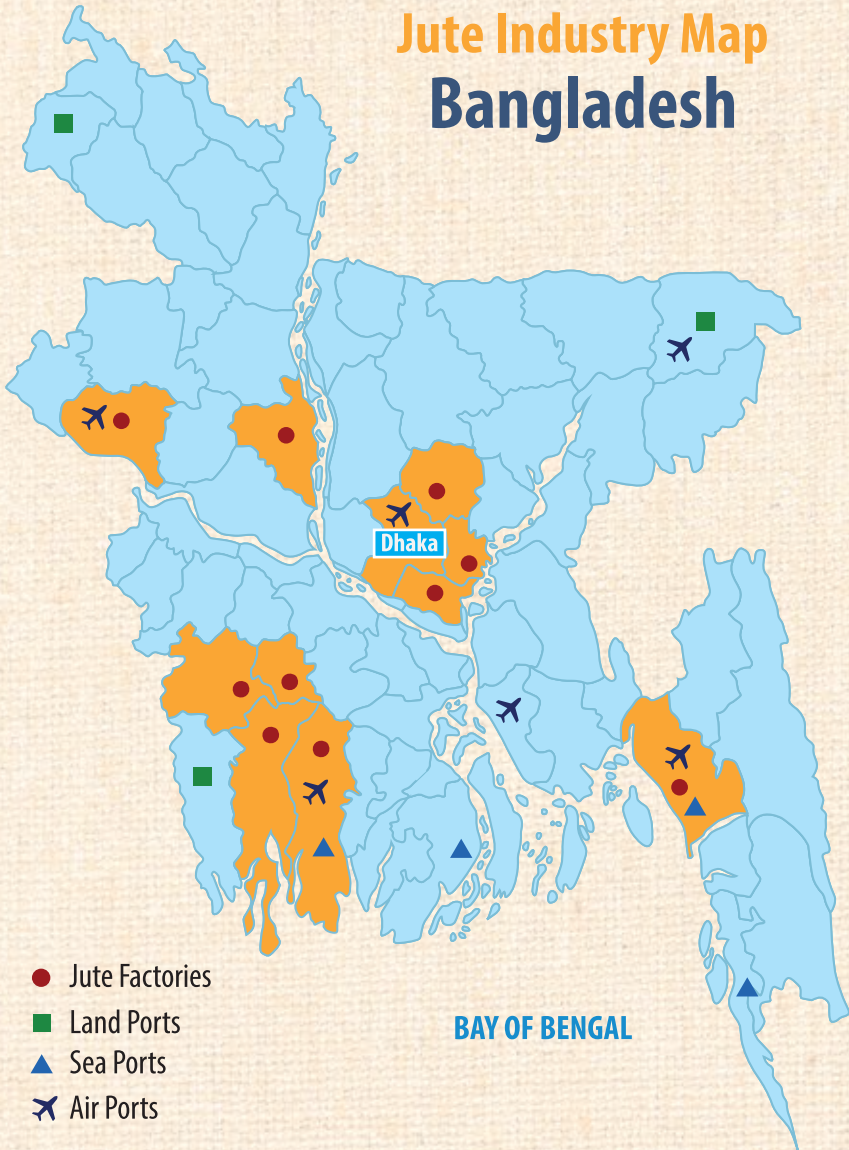
## Notable Players in the Jute Sector

Akij Jute Mills Ltd  
Creation Private Ltd.  
Diamond Jute  
Sonali Aansh  
Anwar Jute Spinning Mills Ltd.  
Ahad Jute Spinners Ltd.  
Alhaj Jute Mills Ltd.  
R. A. Jute Mills Ltd.  
Karim Jute Spinners Ltd.  
Janata Jute Mills Ltd.

H. Jute Mills Ltd.  
Nawab Abdul Malek Jute Mills (BD) Ltd.  
Teamex Jute Mills Ltd.  
Sadat Jute Industries Ltd.  
Altu Khan Jute Mills Ltd.  
Jamuna Jute Industries Ltd.  
Prokitree Bangladesh  
Asia Jute  
Corr-The Jute Works  
Mony Jute



# Jute Industry Map Bangladesh



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