

# Jute Market Report for November 2021

-1/4- 2<sup>nd</sup> December 2021

## Bangladesh

**Raw Jute:** During the month under review, raw jute demand from Pakistan, India and Nepal altogether was at a regular level, but due to scarce availability of fibre, the parties were unable to cover their entire demand. Pakistan was in the market for long Jute Tossa and long Meshta as well as Tossa cuttings, such as BTCA and BTCB. In total, Pakistan placed orders for about 3.000 mtons. Indian buyers were in the market for long jute Tossa varieties such as BTR NB KS, BTR NB CS and BTR BS as well as jute cuttings for BTCA and BTCB and placed orders for about 5.000 mtons.

Other foreign buyers from countries like China, Vietnam, Russia and Tunisia were in the market as well, but since the upward market price as well as high ocean freight rate trends continued they have decided to cover their short-term demand, only.

Same as in previous months, the local jute yarn and twine spinning mills as well as composite jute mills, continued to procure as much fibre as possible, being well aware about the raw jute / meshta market situation.

Raw jute and meshta prices increased further by about US\$ 10,00 per mton during the month under review. As already stated in our previous market report it seems as if the upward price tendency is likely to continue until end of the season.

Raw jute exports during the period of July 2021 amounted to 28.211 bales against 28.645 bales during the same period in 2020.

**Weather conditions:** During the month under review the entire country witnessed good sunshine. From mid of the month under review North Bengal had to deal with low temperature, though.

**Jute Yarn and Twine:** Export demand for both high and low quality of Jute yarn and twine from regular importing countries like Turkey and Iran increased again during the month under review. Same applies for demand from other international markets such as India, China, Vietnam, Indonesia, Malaysia, Uzbekistan, the Middle East, Europe and USA.

A huge difference in prices was observed between financially strong and small and medium size mills, which are not so well off financially. Small and medium size mills tend to sell their goods at much lower prices than the well-established market dominating mills. Local demand for both Sacking and Hessian quality jute yarns and twines for packaging purposes was on a regular level during the month under review.

**Export price:** Export prices for light and heavy count of jute yarns and twines increased further by around US\$ 30,00 to US\$ 50,00 per mton during the month under review.

# Jute Market Report for November 2021

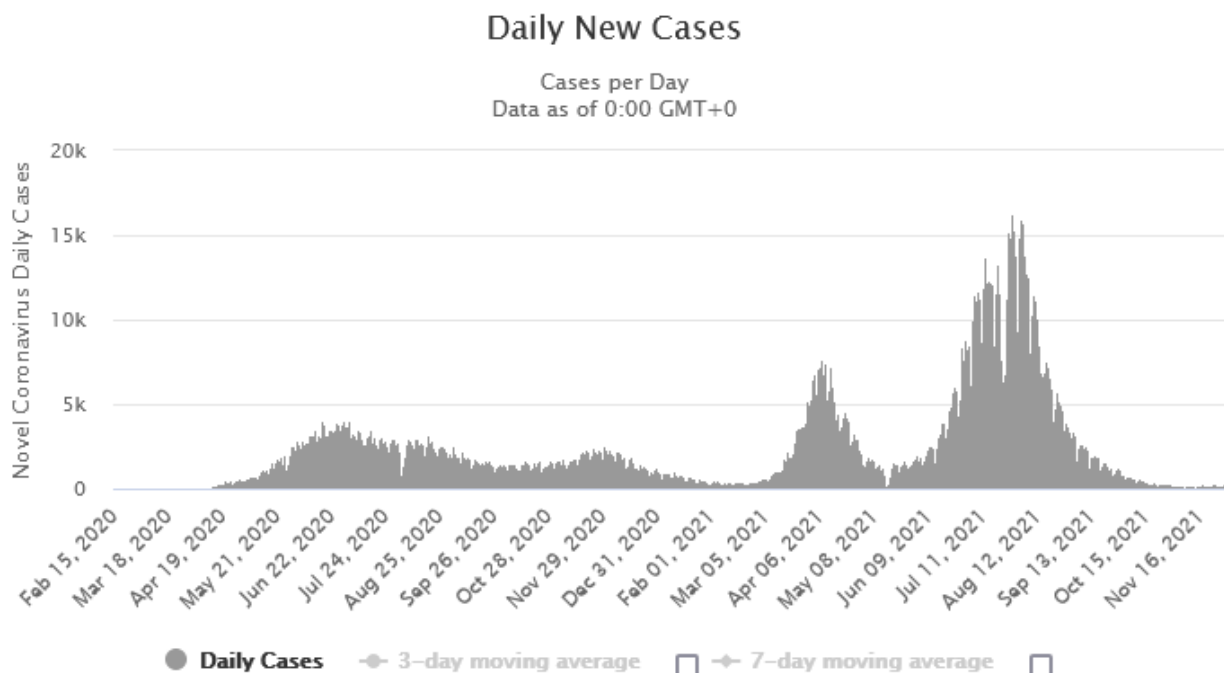
-2/4- 2<sup>nd</sup> December 2021

**Jute Goods:** Export demand for Hessians and Sackings from Africa, Europe, Australia and USA were on an average level during the month under review. Same applies for exports of unstitched Binola and B-Twill fabrics to Indian buyers. Jute CBC demand from the regular importing countries like Europe, UK and Japan was on a regular level during the month under review, too. An increased demand for Sacking and Hessian Jute Bags was observed from the local market.

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

Hessians: approx. 3 to 4 %  
 Sacking: approx. 3 %  
 CBC: approx. 3 %

**COVID-19 update:** The overall situation seems to improve further as the number of new daily cases continues to decrease.



Source: [www.worldometers.info](http://www.worldometers.info)

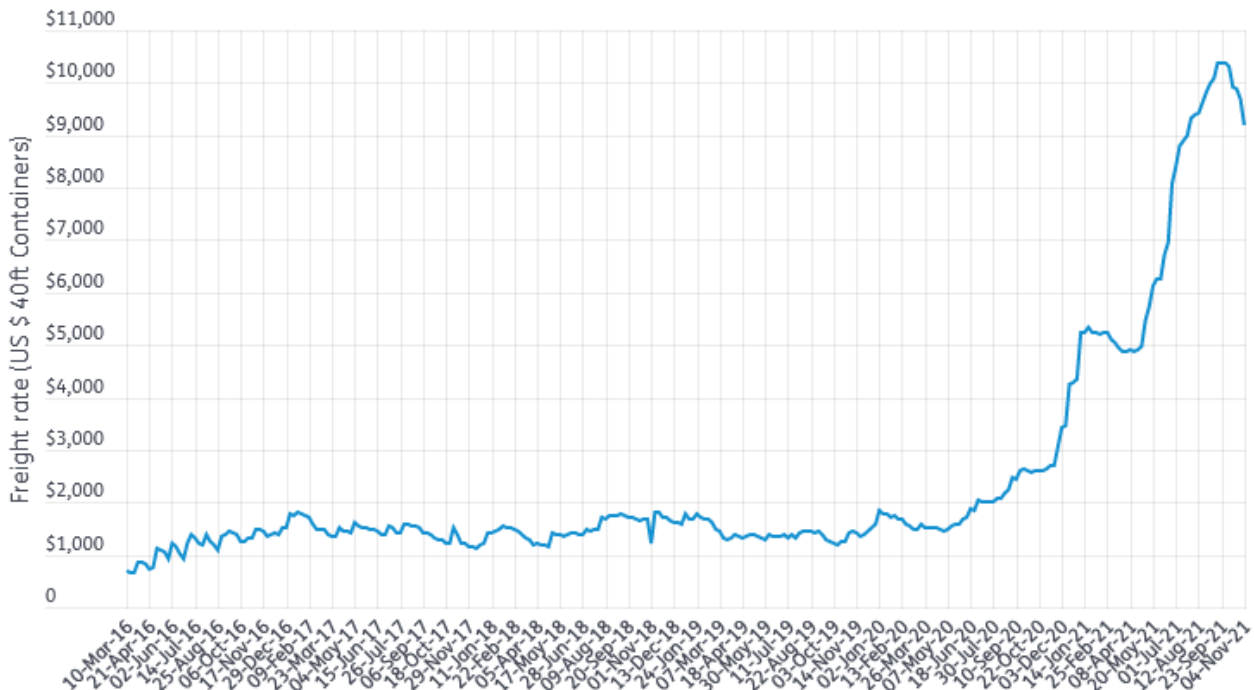
# Jute Market Report for November 2021

-3/4- 2<sup>nd</sup> December 2021

**Miscellaneous:** Local private container depots have raised five types of operational charges, amounting to BDT 145 crore (around 16,5 Mio US-\$) in additional costs, if last fiscal year's trade volumes are taken into account. The change in handling costs of import and export containers comes hot on the heels of a 23 per cent increase of the price of diesel. The change will not affect import and export containers passing directly through Chattogram port. However almost 90 per cent of exports are currently loaded into containers at the 19 private container depots.

Power and gas are likely to become pricier next after diesel, kerosene and liquified petroleum gas as the Bangladesh Government looks to calibrate the prices in the local market following a global price spiral since July.

**Ocean Freight Rates:** The global container shortage, port congestions and the continuously rising sea freight rates, especially for shipments from Asia, continue to be a problem when it comes to shipments from Bangladesh. Anyhow, it seems as if the ocean freight rates likely to settle down at a high level for the time being.



\*assessed by Drewry

# Jute Market Report for November 2021

-4/4- 2<sup>nd</sup> December 2021

## India

**Raw Jute:** The ruling market prices quoted by the Jute Balers Association (JBA) end of last month were fixed by the Indian Jute Commissioner as follows: TD-4 IRs 6.800 and TD-5 IRs 6.500 per 100 kgs. These fixed rates however do not reflect market realities with prices fluctuating between IRs 7.000 and 7.400 for TD-4. final crop estimate stands now at 5.5 mio. bales for the crop year 2020-21.

Raw jute supply seems to gradually increase, but official figures in this regard were not available when this report was published. The reason for the gradual increase of arrivals might be regulatory steps by the Indian Jute Commissioner as well as the reduced production of the mills.

**Jute Yarn and Twine:** Demand for Indian Jute Yarns and Twines is regressive and accordingly prices are dropping as well. Demand is mainly coming from local mills consumption and for sewing of jute bags.

**Jute Goods:** Situation during the month under review presents itself as follows: Prices for Hessians eased. Selective mills asking for premium of 6 % against prices quoted by „standard“ mills. Export demand was quite slow during the month under review, same applies for local demand. Prices for sackings also dropped: Now IRs 105.000 to 110.000 per mton, with selective mills asking for premium of 4 % against prices quoted by „standard“ mills.

**B-Twills:** The Indian Government reduced their orders to approx. 200.000 bales of B-Twill bags during the month under review, as mills are unable to supply full requirements. The current backlog increased and is around 100.000 bales, now.

Availability of Jute Carpet Backing Cloth is reported from February delivery, prices remained more or less on the same level as previous month.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA in October 2021 amounted to 57.000 mtons of which 800 mtons were jute yarns/twines.

**Covid-19 update:** The pandemic situation in India continues to be under control. The number of new daily infections has meantime dropped to <11.000 cases per day. However the new variant of the virus Omicron is causing concern in India.

**Ocean Freight Rates:** Same as Bangladesh ocean freight rates ex India rates likely to settle down at a high level.

**China:** Jute and Kenaf plantation in China already at a very low level continues to decline which became more than evident at the time of harvesting during the month of October. There is no more any exportable surplus.

--0000OO0000--