

# Jute and Jute Products of Bangladesh: Contributions and Challenges

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## ABSTRACT

Jute is one of Bangladesh's main cash crops. The contribution of the jute sector to the economy of Bangladesh is enormous. In Bangladesh, Jute is a vital sector from economical, agricultural, industrial, and commercial perspectives. Different kinds of jute products are made in Bangladesh and the products are environmentally friendly as well. Every year Bangladesh earns an amount of foreign currency by exporting jute and jute products in different countries all over the world. That contributes to the national income of Bangladesh. Jute was once called Bangladesh's 'Golden Fibre'. But this industry's present and future prosperity and growth are vulnerable. There exist many problems in the jute industry of Bangladesh, such as; lack of scientific knowledge and modern tools, market tools, unavailability of quality seeds, low productivity, inappropriate market forecasting, land fragmentation, natural calamities, conflicts and economic crisis in the world market, etc. Based on the existing problems, we will try to give some policies that may help to eradicate the problems and improve the present conditions of the jute industry in Bangladesh.

**Key words:** Cash Crop, Jute, Jute products, Jute Industry, Golden Fibre

## INTRODUCTION

Jute is one of Bangladesh's most important cash crops. The contribution of the jute sector to the economy of Bangladesh is enormous. Jute is regarded as an economically, industrial, and commercially vital sector in Bangladesh. Once upon a time, jute was called the 'Golden Fibre' of Bangladesh. But the present and future prosperity and growth of this industry are in a vulnerable condition. There are many reasons for this situation. This sector has good potential to earn a lot of foreign currencies for Bangladesh (Aktar et al., 2014; Sadekin et al., 2015). Since people are currently very cautious about the environment, and as jute is an environmentally friendly product, a good number of researches need to be conducted in this area. The policymaker will obtain some ideas from this research about how to develop this field.

Bangladesh is one of the prominent manufacturers and exporters of jute and jute diversified products. The export market is becoming increasingly attractive gradually as people around the world are more getting environmentally conscious. They are therefore rejecting

plastics, polypropylene, and other synthetic materials, with more emphasis on environmentally friendly materials such as jute (Rifath, 2018).

The prosperity and growth of the jute industry in current and future days are vulnerable. Jute industries are affected by several issues, and some of these are the lack of quality seeds, an insufficient supply of fertilizers, land fragmentation, high labor costs, water supply, storage facilities, etc. As the jute industry in Bangladesh is an economically and commercially significant industry, every problem faced by this sector should be studied carefully and removed entirely and swiftly within the possible shortest time.

Cultivation and marketing of jute, as well as the manufacturing of jute goods, provide employment opportunities for lakhs of people. But if we notice, we can identify that after closing a certain number of jute factories, many people have become unemployed, and that has adverse effects on the economy of Bangladesh.

Proper market information helps to determine the optimal quantity and the actual selling price of the products by



jute producers. But in Bangladesh, jute producers have low access to the markets. Farmers still use traditional knowledge and tools for producing jute. As a result, productivity is lesser than those who use advanced technologies for the production of jute.

Jute is largely cultivated in the rural areas of Bangladesh, and the roads and transportation facilities of the rural areas are not so upright. As a result, traders have to pay high transportation costs to move the raw from farmers to other intermediaries or customers. The global demand for jute is decreasing day by day, and China, turkey, and different European countries, etc. had good markets for it. But nowadays the labor cost of processing raw jute has increased, and that is why those countries have decreased the quantity of importing it. Now they directly take yarn or fabric from Bangladesh and prepare various diversified goods.

This paper aims to highlight the present scenario of the jute industry in Bangladesh, including its contribution and challenges, and give some recommendations to improve this sector. However, the precise research objectives of this study are as follows:

- a. To identify the present scenario of the jute industry in Bangladesh.
- b. To investigate the contributions of the jute industry to the economy of Bangladesh.
- c. To identify the problems of the jute industry in Bangladesh.

## LITERATURE REVIEW

This study tries to identify the contribution and challenges of jute and jute products in Bangladesh. There exist many scholarly articles regarding jute production, jute contribution, and jute marketing, especially in Bangladesh. Some recent literature on this topic is deliberated below.

Uddin et al. (2014) studies the present condition of the jute sector in Bangladesh. They reveal that jute is a vital sector from economic, agricultural, industrial, and commercial viewpoint in Bangladesh. However, due to continuous loss every year, the present and future prosperity and growth of this industry are in a vulnerable condition. This paper also highlights the present scenario of the jute industry in Bangladesh and gives some recommendations to improve this sector.

Chowdhury and Rashed (2015) have conducted a study on market access to Bangladesh's jute in the global market, focusing on the present status and prospects of it. They provide the information that among the export items of Bangladesh, before the advent of garments, jute occupied the third important place after fish, shrimp, and prawn. The awareness and demand for jute products are increasing in both the international and domestic markets that again creates an opportunity for the jute in

Bangladesh. The contribution of this study is to examine the relative growth and advancement of Bangladesh's jute production and that of other significant jute producing countries to take advantage of the rising jute demand in the global market.

Ali et al. (2015) provide the status information of the current process of jute retting along with the pros and cons of jute retting. In this study, they also found that the farmers are involved in jute cultivation, where most of them use the conventional way and time-taking retting process in ponds / canals. The approach adversely affects the quality of jute fiber, fish farming, and contaminates the surroundings, as bio-mass is decomposed by it. To mitigate the difficulties of the jute retting method, the farmers are now more interested in the ribbon retting process. Therefore, forgetting quality jute fiber, a low-cost ribbon retting technique is essential, and farmers could be able to produce high-quality jute fiber.

Tareq et al. (2015) study the effects of storage environment on jute seed qualities in Bangladesh. In this study, they find that jute seed loses viability in storage, which causes a shortage in supply of quality seed against its requirement for sowing, which hinders the expansion of jute cultivation in Bangladesh. Moreover, this study also revealed that increasing the storage period is the cause of decreasing seed quality.

A study on the marketing of raw jute in Bangladesh was carried out by Islam (2017, 2019a). Numerous people are involved in jute marketing, and the current marketing framework cannot be said to be inefficient. The study reveals that proper and adequate steps to develop this sector are essential for making the business more profitable to the entrepreneurs. There is a possibility of expanding jute marketing all over the country. Irregular marketing practices should be observed, and improved marketing facilities should be provided for having better performance in the jute market.

Islam and Ali (2017) performed a study on the economic importance of jute in Bangladesh in terms of production, research achievements, and diversification. They found that jute was grown in Bangladesh almost solely as a rained crop with no irrigation or draining arrangements. Bangladesh's position for jute as a cash crop was by no means satisfactory. A large number of folks in Bangladesh is dependent on all jute related affairs. The problems faced with jute fiber development in Bangladesh were found to be a lack of due governmental policy on jute, lack of production of jute, random shutdowns of jute-factories, failure to keep the cultivation system and production plants modernized, lack of management and presence of malpractice, falling demand for jute in the global market, using the alternative jute sources, etc.

Rahman et al. (2017) assesses the future potential of the jute sector in Bangladesh by examining its growth performance, international competitiveness,

profitability, and production efficiency taking the time series data at the national level from 1973 to 2013, and data on farm survey for 289 farmers from Bangladesh's two major jute growing areas. The study reveals that the jute sector has experienced substantial growth in the area, production, productivity, prices, and exports. Only traditional jute production is globally competitive. Marginal farmers are relatively inefficient. Policy recommendations encompass research and development investments, irrigation system and tenurial restructuring, and white jute export preservation to revitalize the sector and maximize export earnings. In a study from Akter (2015) studied the market potentials for Bangladeshi jute products. The production of diversified jute goods in Bangladesh has gained momentum because of environmental awareness and the rise of green business among consumers worldwide. Bangladesh's traditional jute goods production shifted to more value-added products. But the country has failed to diversify its market base compared to the increasing demand worldwide. This research aimed to explore a new market for jute items in Bangladesh. The Australian market is researched and examined in this regard. The competitive issues in the market of Australia, along with analysis at industry level, were studied to get a full understanding of the market. The research also suggests some policy recommendations for the exporters.

Islam (2019b) investigates the development and structure of the jute sector before and after the independence of Bangladesh. The paper also examines the overall situation, notable changes, policies of jute history, and exploration of its potentiality. The research conducted a content analysis of historical information, a few key informant's interviews as well as evaluation of scholar's opinions. Besides these, a wide array of sources was also reviewed, such as government performance reports, documents, records, books, and articles the government has released, reports of donor agencies, and international organizations like International Jute Study Group, World Bank, and research findings of individual researchers. Because Jute has pro-environmental, reusable, and biodegradable commodity type characteristics, its demand is rising and becoming popular with users, policy options makers, research scholars, and eco-entrepreneurs every day in the world. The research study deduces that wide-ranging diversified jute products and jute-based SMEs could serve as a way of reviving Bangladesh's golden fiber industry.

Peu (2019) conducts a study about the market prospect or export potential of diversified jute products in Bangladesh. In this study, he tried to portray the overall scenario of the Jute Diversified Product (JDP) market prospect with a prior discussion about the previous history and market situation of the JDP industry. He found that about 5% of total foreign exchange earnings and 4% of the country's GDP earned from this sector.

The results of the research paper showed that the JDP industries' prospect is showing a gradual but significant advancement. The fact is that mass people are now taking a step forward in favor of using eco-friendly products as there is a major concern about the environment on the rise. According to the study, consumption, as well as the popularity of JDPs, showed an upward trend and their possibilities for business are ever-increasing.

Khan (2019), provided information about the jute export management system. Most of the jute export companies still work manually, from preparing documents to updating different files, paperwork from before and after shipment, etc. which takes up a lot of time as well as there remains the possibility of possible errors; errors that could result in disastrous result. To overcome the existing problem, he proposed a system with the help of new technology. That system focuses on overcoming the manual maintenance of the business and ensuring a systematic overflow. This system enabled the work more efficiently, utilizing more time to focus on the business.

Biswas et al. (2019) have conducted a study about a sustainable and integrated plant for jute fiber extraction in an eco-friendly manner. They expressed that the modern manufacturing industry is facing a great number of challenges to establish green sustainability. Jute is one of the best fibers that is widely accepted and marketed as an eco-friendly raw material for finished goods production, especially textiles. As jute made products are getting popular internationally, steps are to be taken to comply with the demand of customers and conservationists.

## METHODOLOGY OF THE STUDY

This research is descriptive and based on secondary information to the jute sector of Bangladesh, which are available at the national and international levels. Moreover, to be more specific, data have been collected based on production, employment, raw jute consumption, export earnings, local sales of jute goods from annual reports of BJMC and BJMA, statistical yearbook, the study on jute and cotton textile prepared by the ministry of the planning commission, various books, and journals, etc.

After having the data, these have been checked and verified to make sure that the answer to each objective of the study is found satisfactorily. After that, data have been tabulated and analyzed using descriptive statistics. Different tables have been used to represent the findings of the study. The data sources have been reported in each table, and other descriptive statistics have also been mentioned in this study.

## JUTE, JUTE PRODUCTS AND JUTE INDUSTRY

Jute is considered as a long, supple, glossy fibre, which can be split into rough, strong threads. Though more than 40 species of jute are generally available, only two types, namely *Corchorus capsularis* L. and *C. olitorius* L. are produced for commercial purposes. These two types of species are usually called as white jute and Tossa or conventional jute. The time of sowing varies by a little time interval between these two jute species. Traditional jute, or Tossa, is planted in the lowlands in March and April, and the white jute is sown slightly later by April and May in Bangladesh. One of the features of Jute is that it is not associated with health risks and environmental damage. Jute is a multifaceted, flexible, long-lasting, reusable, low cost, and considered superior to artificial synthetic fibers. Other significant facilities of Jute are that it is agro-based, produced yearly, inexhaustible, as well as biodegradable or environmentally-safe. Jute is considered to be the best natural replacement for nylon and polypropylene (Ferdous *et al.*, 2019; Rahman *et al.*, 2017).

Jute, due to its versatility and flexibility, is regarded as the second important veggie fiber after cotton. Day by day, the demand for jute goods is rapidly increasing. As jute goods are used to work, these are utilized for arts and crafts, quilting, or design purposes. Jute items have no possible substitution options if the world is to be kept clean and healthy.

### Products of jute

**Jute based items for decorating wall:** Jute goods are widely and commonly used for designing and aesthetic purposes. Especially for wall decoration, different items of jute are using. Like as; embroidered paintings, framed products, framed photographs, tapestries, framed mirrors, wall decals, wall hangings, hacking pockets storage, key holders, etc.

**Jute bags:** Jute handbags, jute shopping bags, jute beach bags, jute Christmas bags, jute sling bags, jute promotional bags, jute sacking bags, jute bottle bags, jute hessian cloth bags, jute hydrocarbon free bags, jute food grade bags, etc.

**Jute for craftworks:** Sketchbook, pen keeper, cards of salutation, frame for a picture, a folder for containing document, gift container, tissue box, jute wall hangings, slip pad holder, jute coasters, jute table mats, jute hammocks, jute lampshades, jute stationery.

**Jute textile:** Jute hessian cloth or burlap, jute geotextiles, jute yarn, jute carpet cloth (CBC), jute hydrocarbon free cloth, jute canvas.

**Jute apparel:** Jute jacket, jute footwear, jute fashion accessories.

**Jute furnishings:** Jute mats and durries, jute cushion covers, jute fabrics, jute blinds, jute rugs, jute carpets.

## A Brief History of the Jute Industry in Bangladesh

The jute manufacturing sector is one of the oldest manufacturing fields in Bangladesh. Jute does indeed have a proud past and a chance for a prosperous future. In the periods of 1960s and 1970s, this sector contributed a major share of the manufacturing sector in national economic earnings and also shared a larger portion in manufacturing employment. Jute and jute products exports were the two significant sources of the then Pakistani foreign currencies during the 1960s. In 1971, after the war of independence, West Pakistan originated as Bangladesh. The West Pakistanis who had jute factories in the then East Pakistan left Bangladesh along with their jute mills. In 1972, the government of Bangladesh nationalized all industries, including jute mills. The nationalized jute mills were located under the Bangladesh Jute Mills Corporation. Bangladesh Jute Mills Corporation was assigned with tasks like regulation of price, buying, and selling of jute in Bangladesh. During the 1970s, issues like rising costs, the devaluation of Bangladesh currency, and corrupt practices contributed to economic losses incurred by Bangladesh Jute Mills Corporation. In 1973, the Bangladesh Government set up the jute division and held it within the Finance Ministry, and the jute division became the jute ministry later in 1976. An experienced and skilled panel formed by the government suggested the privatization of the jute factories by the government in 1979. During the 1980s, the government-funded subsidiaries and export incentives to facilitate the sector for coming out from bad performances. In 1982, the government sector worked a sum of 72 jute mills, shortly before the denationalization initiative by the government. From 1882 to 1983, the government began denationalizing the jute mills held under the public sector- the government privatized 34 jute mills from the 72 government sector jute mills from 1982 to 1985.

In July 2007, the Government of Bangladesh took several decisions as regards public sector jute mills and their poor performance. By the time of 2009, the industry contributes more than 3.9 percent of Bangladesh's total exports, which is exceedingly lower in contrast to its share in the overall export, which was detected in the 1970s. (89.9 percent in 1973) (Miah *et al.*, 2020; Moazzem *et al.*, 2009).

### Geographical location of the jute industry

Bangladesh is located in South Asia surrounded by three sides with India, south-eastern part by Myanmar and in the southern part by the Bay of Bengal. The major jute industry area is in the southern part of the country. By the figure-1, we see the jute industry areas belonging to different districts in Bangladesh. And by the figure-2, we can see the area wise production of jute. The jute output is not the same across the country.

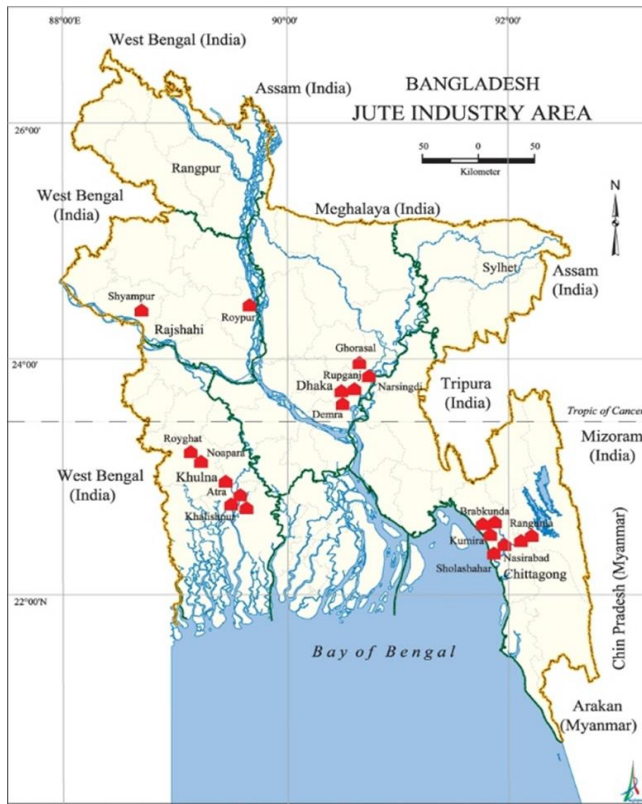


Figure 1: Location of jute industry in Bangladesh

### Structure of the Jute Industry in Bangladesh

There are two different kinds of jute factories in Bangladesh; amongst which 19 traditional factories are operated under Bangladesh Jute Mills Corporation (BJMC) manufacturing burlap, CBC, sack. And another 42 traditional jute factories are privately managed running under Bangladesh Jute Mills Association (BJMA). Just seven to ten of these mills are running effectively, five to seven are running with difficulties, and the rest are shut down. Because the original organizations are heavily burdened with bad loans, and the banks cannot fund them in line with the inflated debt situation. The government gave some better quality machinery to mills belonging to Bangladesh Jute Mills Corporation (BJMC) after the biggest jute mill in Asia, Adamjee Jute Mills in Narayanganj being closed down, and sold the remaining almost abandoned machinery to private entities with a capacity of having 20 to 50 looms. There are now 30 mills that produce conventional jute products, and these are also under the supervision of the Bangladesh Jute Mill Association (BJMA). There are fifty privately owned jute spinning mills under the Bangladesh Jute Spinners Association (BJSAs) that manufacture jute yarn or twine. The mills under jute spinning sector manufacture 0.29 million (2.90 lakhs) tons of jute yarn or twine and export in abroad equaling 0.261 million (2.61 lakhs) tons of high-grade yarn or twine using up 1.9 million (19 lakhs) bales of better quality raw jute and earn foreign currency valued Taka 12 million (1200 crore) per year.

Bangladesh had six jute yarn factories before it became independent. But, this industry had expanded in the 1980s, and around the same time, the sector suffered a downturn in the developed countries. These previously owned jute mills were purchased by the entrepreneurial folks of the country with very little funding, and the construction of these jute spinning mills began to set up. There are two basic kinds of views in Bangladesh regarding the operation of currently existing mills under (Bangladesh Jute Mills Corporation) BJMC. One party is in support of privatizing the existing publicly owned jute mills, where another party is in favor of reforming and redeveloping BJMC factories. Almost 0.128 million (1.28 lakh) tons of jute, i.e., Hessian, Sacking, and CBC, are being exported by the mills existing within Bangladesh Jute Mills Corporation (Uddin et al., 2014).

From table 1, we see the year-wise number of jute mills in Bangladesh. It is clear from the table that initially, the number of jute mills fluctuates, which indicates that some of the jute mills were closed and further the number of jute mills got increasing. In 2006-07 the number of jute mills was 19, and during 2008-09 it decreased to only 16. Finally, in the fiscal year of 2017-2018, there were 22 jute mills.

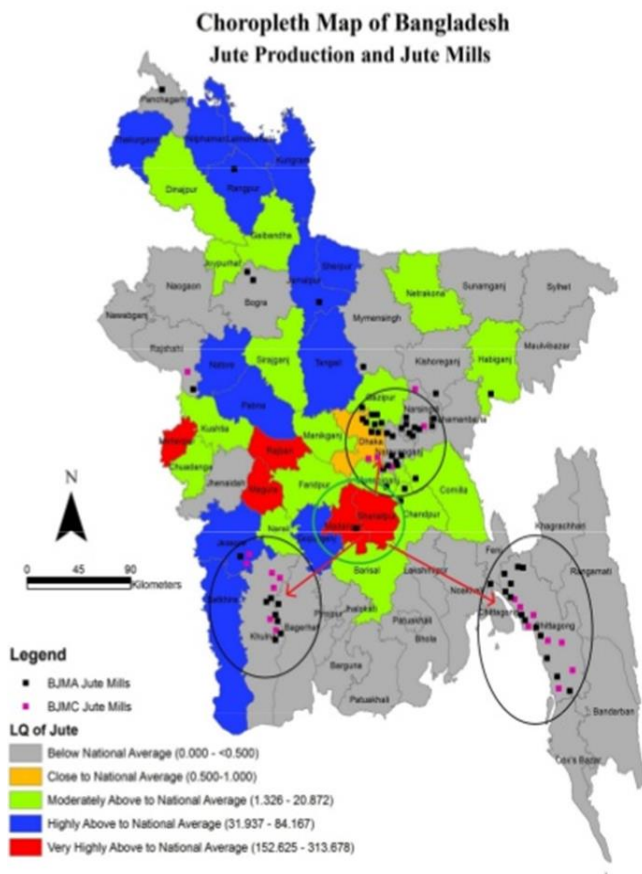


Figure 2: Area wise production of jute

Table 1: Year-wise number of jute mills in Bangladesh

Year	No. of jute mills running
2017-18	22
2016-17	22
2015-16	22
2014-15	22
2013-14	22
2012-13	22
2011-12	18
2010-11	18
2009-10	16
2008-09	16
2007-08	18
2006-07	19

Source: Bangladesh Jute Mills Corporation

### Production of jute in major jute producing countries including Bangladesh

From table 2, we can see the production of jute in major jute producing countries, namely; Bangladesh, China, India, Myanmar, Nepal, and Thailand. From the information, it is clear that the jute production area of Bangladesh is fluctuating since 2000-01. Not only in Bangladesh but also in the remaining countries, there is variation in the number of regions of jute production. Comparing with the major jute producing countries (China, India, Myanmar, Nepal, Thailand), only India is ahead of using a higher amount of land in producing jute. Though it is fluctuating from 2008-09, it is observed that both India and Bangladesh have an increasing trend in their jute producing land area. On the other hand, China, Myanmar, and Nepal have drastically decreased it.

Table 2: Jute production area of major jute producing countries area (in thousand hectares)

Year	Bangladesh	China	India	Myanmar	Nepal	Thailand
2017-18	715.33	11.50	746.68	1.26	8.01	0.57
2016-17	696.05	12.22	754	1.28	8.01	0.5
2015-16	664.89	13.44	742	1.29	8.64	0.6
2014-15	656.80	14.42	818	1.67	11.35	0.74
2013-14	665.74	17.10	837	1.02	11.30	1.0
2012-13	680	19.3	901	3.5	10.6	1.3
2011-12	620.2	19.3	905	8.2	10.6	1.4
2010-11	587	18.8	900	12.6	13.1	1.4
2009-10	485.8	24	773.7	9.6	11.7	1.3
2008-09	408.1	26.2	785.6	14.3	11.6	1.4
2007-08	500	33	952	20.4	11.7	1.2
2006-07	533.4	31	931	46.5	12	2.3
2005-06	466	31.1	931	41	12.2	3.1
2004-05	418	32	916	35.4	11.8	16.6
2003-04	499.8	41	1000	44.1	11.9	20.4
2002-03	436.2	56	1025	58.7	11.7	27.2
2001-02	519.6	52	986	53.5	11.3	19.2
2000-01	448	50	873	31	14.5	19.2

Source: Food and Agriculture Organization

### Raw jute production in Bangladesh

In table 3, the amount of raw jute production in Bangladesh has been shown. If we notice, we can see that the output of

jute fibre is not the same all over the period. There is a fluctuation in the production of raw jute from FY 2005-06 to 2018-19. The jute production has an increasing rate from FY 2005-06, then it is decreasing after FY 2007-08. After that, it is again increasing. Here, a fluctuation in the production of raw jute has been noticed in Bangladesh. In FY 2005-06, the amount of jute production is 50.00 lakh bale, and then it is increasing up to 68.71 in FY 2007-08. After that, it has decreased, and finally, it again has increased in FY 2010-11, and the amount is 78.02 lakh bale, whereas, in FY 2014-15, it was 75.01 lakh bale. In FY 2018-19, the amount was 73.15 lakh bale.

Table 3: Raw jute production in Bangladesh

FY	Production (in lakh bales)
2018-19	73.15
2017-18	93.10
2016-17	88.99
2015-16	87.64
2014-15	75.01
2013-14	67.85
2012-13	75.72
2011-12	78.05
2010-11	78.02
2009-10	59.45
2008-09	51.72
2007-08	68.71
2006-07	65.91
2005-06	50.00

Source: Department of jute, Bangladesh

### Export of Raw Jute by Bangladesh

In Table 4, the export of raw jute by Bangladesh is shown, including its export amount in lakh bales and export value in a million Bangladeshi Taka. The amount of export by Bangladesh is not the same all over the period. In the fiscal year 2005-06, there is 24.47 lakh bales amounting to 9772.70 million Taka.

Table 4: Export of Raw Jute by Bangladesh

Year	Export (in lakh bales)	Export value (in million tk)
2005-06	24.47	9772.70
2006-07	24.43	10162.00
2007-08	28.71	10334.00
2008-09	17.50	9210.00
2009-10	15.99	11308.40
2010-11	21.12	19067.60
2011-12	22.85	15406.60
2012-13	20.55	14364.60
2013-14	9.84	7060.40
2014-15	10.01	8167.40
2015-16	11.37	11748.50
2016-17	12.18	11875.30
2017-18	12.97	12255.50
2018-19	8.25	8590.50

Source: Department of jute, Bangladesh

The amount of raw jute export increased to 28.71 lakh bales in the financial year 2007-08. After that, in the economic year 2009-10, it is drastically reduced to the amount of 15.99 lakh bales. Last year the amount of export was 8.25 lakh bales amounting to 8590.50 million Taka. There was a noticeable fluctuation in the export of raw jute by Bangladesh.

#### Year-wise production of jute goods in Bangladesh

In table 5, the production of jute goods in Bangladesh from 2005-06 to 2018-19 is shown. The highest production of jute goods is noticed in the fiscal year 2017-18, amounting to 10.29 lakh MT. The lowest amount of manufacture of jute products was in the financial year 2008-09, amounting to only 5.89 lakh MT.

Table 5: Production of jute goods in Bangladesh from 2005-06 to 2018-19

FY	Production (in lakh MT)
2005-06	6.75
2006-07	5.84
2007-08	6.51
2008-09	5.89
2009-10	6.95
2010-11	6.88
2011-12	7.14
2012-13	9.77
2013-14	9.83
2014-15	8.65
2015-16	9.63
2016-17	9.83
2017-18	10.29
2018-19	9.38

Source: Department of Jute, Bangladesh

#### Category wise production of jute goods in Bangladesh

In Bangladesh, various types of jute products are produced, such as Hessian, Sacking, Carpet backing, etc. And the amount of production is not remaining the same all over the period.

Table 6: Production of jute goods in Bangladesh by category (in thousand MT)

Year	Hessian	Sacking	Carpet backing	Others	Total
2007-08	24.60	82.48	9.70	5.76	122.54
2008-09	19.78	80.60	5.90	1.61	107.89
2009-10	25.30	101.73	9.87	6.73	143.63
2010-11	32.24	111.47	11.97	10.59	166.27
2011-12	35.01	119.92	10.36	11.11	176.40
2012-13	34.67	133.69	6.96	16.08	191.40
2013-14	27.78	118.70	6.64	14.06	167.18
2014-15	23.59	52.05	8.18	12.07	95.89
2015-16	25.88	62.91	10.61	11.11	110.51
2016-17	26.38	93.32	10.78	10.25	140.73
2017-18	24.30	91.63	8.25	7.90	132.08

Source: Statistical Pocket Book Bangladesh, 2018-BBS

It is clear from Table 6 that the amount of Sacking is the highest. In the year 2007-08, the amount of Hessian is 24.60 thousand MT whereas the Sacking is 82.48, and the Carpet backing is 9.70 thousand MT. From the year 2007-08 to 2017-18, the highest produced product is sacking. But within all the categories, there exists a fluctuation in the amount of production.

#### Export of jute goods by Bangladesh

Every year, Bangladesh export jute goods in various countries and earn an amount that contributes to GDP significantly. In Table 7, the amount of export in lakh MT, and export value in crore Tk. are shown. The export amount is an increasing trend from 2005-06, and sometimes it fluctuates. In the fiscal year 2005-06, the export amount is 4.95 lakh MT which had a value equal to 2024.10 crores Taka. In the year 2012-13, it had increased to the amount 8.68 lakh MT having of the value of 6162.62 crores Taka. After that, in the year 2013-14, it had slightly decreased to 8.08 lakh MT which had a value amounting 5224.21 crores Taka. In the fiscal year of 2018-19, the amount of export of jute goods was 7.30, and the value of the jute products exported was 5220.85 crore Taka.

Table 7: Export of jute goods by Bangladesh

Year	Export (in lakh MT)	Export value (in crore tk)
2005-06	4.95	2024.10
2006-07	4.71	2215.30
2007-08	5.34	2526.70
2008-09	4.82	2050.00
2009-10	5.77	3963.54
2010-11	4.79	4569.42
2011-12	6.69	5174.00
2012-13	8.68	6162.62
2013-14	8.08	5224.21
2014-15	8.18	5602.16
2015-16	8.25	6240.00
2016-17	8.04	6430.60
2017-18	8.27	6801.57
2018-19	7.30	5220.85

Source: Department of Jute, Bangladesh

#### Problems in the jute industry in Bangladesh

There are several problems in the jute industry in Bangladesh. Some of these are discussed below:

**Lack of scientific knowledge and modern tools:** Farmers still use traditional knowledge and tools for producing jute. Even in some areas, they are not aware of the new technologies and methods like hybrid seeds, new retting processes in less water, etc. As a result, the productivity is very low.

**Insufficient storage facilities:** Insufficient storage facilities is another major problem for intermediaries in the jute sector. As a result, big baparis (Businessmen) and balers generally store the jute in a rented warehouse, which eventually increases the cost. Furthermore, Farias

and farmers keep the raw jute in their dwellings without any protections, which hampers the quality of fibres.

**Market fluctuations:** Price and demand are always fluctuating in the jute industry. As a result, traders remain uncertain all the time about the profit. Due to movements in the market conditions, the jute cultivators cannot take decisions properly and incur losses.

**High transportation cost:** Jute mainly cultivated in the rural areas of Bangladesh, and the roads and transportation facilities of the rural area are not so good. As a result, traders have to pay high transportation costs to move the raw from farmers to other intermediaries or customers.

**Unavailability of quality seeds:** The seeds that the farmers use are generally collected from the local markets, some of these are self-seeded, and only a few farmers use the seeds that are supplied by the government. Among them, the seeds, provided by the government, have better quality than the self-grown seeds and local markets' seeds. But the supplies of government seeds are insufficient in amount. So finding no other options, farmers have to buy seeds from the local market or use self-grown seeds.

**Low productivity:** For producing diversified goods, mills have to go through a lot of processes. Productivity is a weighty concern here because workers are neither skilled nor trained up. Furthermore, the mills do not use modern technologies or machinery, which are also responsible for lower productivity.

**Inappropriate market forecasting:** Composite mills do not have proper skills in forecasting the market demand, especially the publicly-owned mills. They buy a quantity of raw jute and produce a vast amount of diversified goods without an appropriate estimation of market demand. As a result, a large amount of various products remains unsold.

**Land fragmentation:** Land fragmentation is a common problem in Bangladesh. The common reason behind this is inheritance rules. As a result, lands divided into small pieces, and when the farmers produce jute on these small-scale lands, economies of scale cannot be gained. And this is discouraging the farmers towards jute productions.

**Pest attacks:** Pest attacks on jute plants are one of the major problems in Bangladesh. Besides, the prices of necessary pesticides are also very high. As a result, farmers cannot buy pesticides, which eventually leads to lower quality fibres.

**Insufficiency of retting water:** Another problem in the jute sector of Bangladesh is that farmers do not get enough water or watery place for retting the jute plants because rivers, canals, and bills are drying day by day. Jute plants need a certain depth of water to ret, and without that production of good quality, fibre is not possible.

**Natural calamities:** Natural calamities are another problem for jute farming, and hail is one of the calamities that cause great loss. Hail damages the fibre, leaves, and seeds of the jute plants. Besides, less rain, drought, flood after sowing seeds, etc. also hamper the jute productions.

**Shrinking global demand:** The global demand for raw jute is decreasing day by day. China, turkey, and different European countries, etc. had good markets for jute. But nowadays, the labor cost of processing jute has increased. That's why those countries have decreased the quantity of importing of jute fibre. Now, those importing countries directly take yarn or fabric from Bangladesh and prepare various diversified goods.

**Closing jute factory:** Closing of jute factory is another problem in the jute industry of Bangladesh. For the shutdown of some factories, the contribution of the jute industry is gradually decreasing, and the labor from jute industries switched their jobs to other informal sectors (Sadekin et al., 2014).

## POLICY RECOMMENDATIONS

Based on the existing problems in the jute industry in Bangladesh, some policy options are recommended.

### Price determining policy

The forceful marketing and price strategies should be taken by Bangladesh Jute Mills Corporation (BJMC) and Bangladesh Jute Mills Association (BJMA) with lowering the production costs of jute goods, guaranteeing a higher quality of jute products for purchasers by applying rigidly enforced quality control steps, and by handling human resources, machinery, materials especially raw jute, and funds effectively and efficiently with a purpose of controlling cost to the maximum extent possible.

### Training Initiatives

BJMC may play a significant role in sharing technological information in the sectors manufacturing supplementary parts and machinery. A proper plan of action for training initiatives should be taken by the government for potential existing entrepreneurs so that technical expertise can be attained in the production of machinery for jute mills and other related additional or alternative replacement parts.

### Extensive Research for Development

Proper actions and steps should be taken in the regard of necessary programs such as product research, design, and development to broaden product range in the field of new products, like from jute to paper pumping, making of the hull for vessels or boats and so on with improving the quality of jute goods, as well as attracting consumers to safety about the use of raw jute, non-artificial goods, as compared to the danger of the overuse of non-natural fabrics.



### Improve transportations

Improved transportation facilities are not only necessary for the jute industry but also for the general economic development of the country. Transportation modes and roads should be developed, and that will play a role in reducing the overall production costs and also help the farmers to get a higher price of jute.

### Increase the number of government purchase centres

The government should increase the number of government raw jute purchase centres so that farmers can get access to them and sell their jute at a fair price. Such kind of initiatives will reduce the sufferings of the jute cultivators making, ensured them of no losses to some extent.

### Co-operative farming

Farmers should form cooperative associations both in producing and selling the jute. The collaborative farming system will eliminate all the barriers of land fragmentations, as well as it will increase the market access of the farmers. Farmers association can sell directly to the government purchasing centres or the businessmen (baparis) at a fair price, and then the transportation cost would not be an issue.

### Effectual production Strategies

The choices of purchasers, needs, and proper marketing tactics, for the efficient production strategy formulation of the demand line for jute goods, should be set up from period to period for diversifying jute products, as well as for different regional marketplaces.

### Strategies against the closures of jute mills

There is no cause for closure of any jute mill because the jute sector in Bangladesh had no prospects and potentials. However, world demand is not increasing rapidly. A moderate, balanced, stable, and directed apparatus for growth is required to be developed, where a medium-term and a strong plan is needed.

### Establishment of new jute mills

There is a chance of setting up new jute factories. But in such kinds of circumstances, unemployed machines in non-private and non-public sectors can be placed into the production process of jute goods. New mills and factories can be established with the least repair, replacement as well as servicing expenses for unused and underused equipment and machines. Entrepreneurs should be motivated and instructed to establish factories of products that have growth possibility in the future.

### Initiatives for farm mechanization

The government also should take adequate and essential initiatives for farm mechanization instated of traditional inefficient agricultural tools before and after the process of jute cultivation. It will help in decreasing the lengthy processes and making the work easy for farmers. Besides,

the government should monitor all imported inputs such as seeds, machines, fertilizers, etc. strictly along with ensuring that the farmers will get a global price of their products without the interference of intermediaries.

### CONCLUSION

This study tries to identify the contribution of jute and jute products in Bangladesh covering its present situation and some crucial problems related to this sector. For doing this, the study used secondary data from different local and international sources. After that, this study analysed the data through descriptive analysis. The paper provides necessary insights into the structure of Bangladesh's jute industry. The production of jute is not fixed all over the period. There exists a fluctuation in the production of jute. Every year Bangladesh earns revenue from exporting raw jute and jute products. However, the jute industry is troubled with some problems that hinder the development path of the jute industry. As Bangladesh is a populous country, it requires a more local resource-based industry for sustainable economic solutions. So, proper initiatives have to be taken for the sustainable development of the jute industry along with the progress of the country. In this research, some policy suggestions have been given to resolve the existing problems within the jute industry. The findings of the research are expected to be useful to jute farmers, jute industrialists, strategy planners, and researchers to address the problems of jute and jute products industry and overcome these difficulties effectively.

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