Jute Market Report for June 2025

2nd July 2025

Bangladesh

Raw Jute: During the month under review, raw jute demand from India as well as from Pakistan and Nepal declined significantly, mainly due to a strong increase of market prices as well as a limited availability of fibre. Indian buyers were interested in procuring Long Tossa Jute grades such as BTR NB KS, BTR NB CS and BTR NB BS, as well as jute cuttings like BTCA and BTCB. However, the volumes purchased were not really worth to mention.

Pakistan remained pretty much inactive and hardly placed orders, during the month under review.

Other international buyers from importing countries such as Nepal, China, Russia, Korea, Japan and Tunisia were in the market but did only cover short term demand during the month under review in view of the situation described above.

During the month under review, local jute yarn and twine spinning mills as well as composite jute mills and raw jute processing units remained actively in the market to cover their requirements. Most of the financially less solvent mills though continued to face difficulties to cover their raw jute demand due to a combination of high market prices and scarce availability of fibres, which is a result of the smaller crop size of 2024 and the fact that the end of the season is drawing nearer.

Accordingly export prices for raw jute of higher grades increased further by about USD 70,00-80,00 per mton during the month under review.

Local prices for low – and medium grade raw jute had surged by BDT 700 per maund (=37,32 kg) reaching a price level of BDT 4.100 to 4.200 from mid of June onwards. The major reason for the sharp increase is that stockist kept on hoarding fibres and were creating an artificial shortage of same.

Raw jute exports from July 2024 to January 2025 amounted to 466.774 bales against 592.986 bales during the same period in 2023/24.

New Crop: First arrivals of early crop White Jute and Meshta/Kenaf fibre were reported during the month under review. However, as the quantities were relatively small and the market situation overheated, market did not show much interest in placing orders. As usual, it is expected that market participants will start to show interest in procuring new crop fibre once new crop harvest is in full swing, which for White Jute and Meshta/Kenaf fibre is expected to be the case during the second half of July. It is expected that stockists will aggressively enter the market during the first couple of weeks after harvest, which is why prices are expected to rule rather high during this period.

What has been reported about Tossa Jute crop for the upcoming season, makes one hope for a good crop yield for the 2025/26 season, as weather conditions have so far been quite favourable. Be that as it may, we have experienced similar situations before and ended up with a crop situation

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which was not as good as expected due to adverse weather conditions during harvest time, which is why the good news are to be taken with a pinch of salt.

Weather: As mentioned above, the overall weather conditions ruling during the month under review, were quite favourable for crop development. Throughout June, the entire country witnessed a god mix of sunshine and moderate rainfall.

Jute Yarn and Twine: Export demand for jute yarns and twines of both higher and lower grades from regular importing countries like Turkey and Iran was ruling on a stable level, during the month under review. Same applies for demand from India, China, Vietnam, Indonesia, Malaysia, Uzbekistan, countries of the Middle East, African countries, Europe, and the USA.

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

As a result of the continuous rise of raw jute market prices, export prices for both high and low quality of jute yarn and twine increased further by about USD 70,00 to 80,00 per mton, during the month under review.

Following the Eid holidays from June 5th to 13th during which the production sites as well as offices remained closed, several financially weak mills remained closed, due to the significant increase of both raw jute prices and labour costs. A few medium sized mills were also struggling to cope with the given situation and it was only the financially strong ones which were able to continue their production without major issues and at almost full capacity.

Jute Goods: During the second half of the month under review, export demand for both hessians and sackings from buyers in African countries, Europe, Australia and the USA increased compared with previous months. Same actually applied for markets across the Middle East and Asia.

India maintained a steady demand for unstitched Binola and B-Twill fabrics.

Demand for for Jute CBC (Carpet Backing Cloth) from major importing countries such as Europe, UK, New Zealand and Japan increased during the month under review.

Local demand for hessians and sackings for packaging purposes increased as well during the month under review.

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

Hessians:	increased by approx. 10 %
Sacking:	increased by approx. 12 %
CBC:	increased by approx. 10 %

Miscellaneous: ***The Daily Star*** reported about new export restrictions imposed by the Indian Government on June 29th, 2025:

"Bangladesh's exporters fear losses as India barred the import of several products—including some jute items—through land ports, threatening crucial trade flows and millions of dollars in earnings.

Exporters warn that though the products are allowed to enter through Maharashtra's Nhava Sheva Port, costs would rise sharply and undercut Bangladesh's competitiveness not only in the jute sector but across multiple sectors reliant on smooth cross-border trade. Industry insiders say the new restrictions could deepen Bangladesh's export woes at a time when global demand remains fragile and other sectors—from garments to processed foods—also face trade hurdles.

They caution that prolonged barriers risk damaging Bangladesh's overall export performance and jeopardising the country's preferential market access to India, potentially delivering a significant blow to the economy.

On June 27, India imposed a ban on the import of certain jute products and woven fabrics from Bangladesh through land ports. However, according to a notification from India's Directorate General of Foreign Trade, these products will still be permitted for import, but only through the Nhava Sheva Port. On May 17, India banned the import of certain goods from Bangladesh through land ports, including readymade garments, fruits, processed foods, soft drinks, yarn, plastic and PVC products, and wooden furniture. Previously, on April 15, Bangladesh banned the import of cotton, specifically yarn, from India through land ports to protect the domestic textile and spinning industry from what it perceived as unfair competition from cheaper Indian yarn.

Bangladesh exported goods worth $1.7 billion to India in FY 2023-24, according to data from the Export Promotion Bureau (EPB). In the July-May period of the current fiscal year, it totalled $1.6 billion. Bangladesh's export earnings from jute and jute goods fell by 16.16 percent year-on-year to $855.23 million in fiscal year 2023-24, down from $912 million in FY 2022-23. This marks the third consecutive year of decline for the sector, which has been grappling with falling global demand and shifting market dynamics. Between July and May of the current fiscal year, Bangladesh fetched $133 million from the export of raw jute and jute yarn, the EPB figures show. "Bangladeshi exporters will now be unable to export jute and jute products due to a recent notification from India's Directorate General of Foreign Trade," said Mirza Koushik Ahmed, executive director of Reliance Jute Mills Ltd, situated in Keraniganj, Dhaka.

"Our jute exporters have become victims of politics, as bilateral relations between Bangladesh and India are currently strained," he said. Ahmed said the route to the Nhava Sheva Port was not commercially viable for exporting jute products, given the additional logistics costs and transit times involved. He said this restriction would severely impact Bangladesh's jute sector and the export of associated products—around 300 tonnes—to India per month. Farhad Ahmed Akanda, chairman of the Bangladesh Jute Association, said the export restrictions through the land ports between Bangladesh and India would severely impact jute and jute goods exports. "The cost for our buyers will increase because they will have to take delivery from the port. Besides, our cost of shipment through the Chattogram and Mongla ports will rise," he said.

Bangladesh exports around 13 lakh bales of raw jute, and India accounts for most of the shipment. Akanda said most of their buyers were based in Kolkata and it would be convenient for them if India allowed shipments through the Kolkata port. "Our buyers are pursuing the Indian authorities to allow shipments through Kolkata," he said, adding that no buyer has cancelled orders until now. "They are assessing the cost," said Akanda.

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said restrictions on imports through land ports were having a significant economic impact. At the same time, it is not feasible for Indian importers to avail jute and jute products via Mumbai, he said. "Against this backdrop, we need to explore alternative solutions to overcome these challenges and to promote greater use of jute," he said. He further noted that businesses involved in the jute sector were likely to face substantial difficulties.

However, Tahmidul Islam, owner of jute and jute product exporter Baeki Centre, sees India's ban on raw jute exports as a boon for the industry in Bangladesh, easing competition from West Bengal mills and curbing past price spikes. "It's been good for us," he told The Daily Star. He believes local production of yarn and finished goods can boost exports and market growth. Yet he warns of smuggling risks and apprehends that lower raw jute prices might squeeze farmers' profits. "Overall, the situation is favourable," he added.

Bangladesh's exports to India could face setbacks due to new restrictions on several items, warned Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue (CPD). He said jute exports must now take place via Mumbai's Nhava Sheva Port instead of land routes, raising costs and hurting competitiveness in a sector where India is a strong rival. Restrictions on readymade garments and other products will also intensify competition with Indian producers and exporters from countries unaffected by such curbs, he said. Though Bangladesh has imposed similar measures on Indian imports, dialogue is required to ease tensions, Rahman said. He cautioned that persistent barriers could even jeopardise Bangladesh's zero-duty access to India, which would be a major blow for exports."

Shipping: *The Financial Times* reported on July 1st, 2025 about European ports' "overflowing" as trade war and depleted rivers disrupt shipping:

"US President Donald Trump's erratic tariff policies combined with low river levels are causing Europe's worst supply chain congestion since the coronavirus pandemic, shipping and logistics companies warn.

Barges have been left waiting days to pick up goods and container ships have faced long waits, with the problems — worst at the ports of Rotterdam, Antwerp and Hamburg — expected to persist for at least several months. “All the large hubs are overflowing,” said Caesar Luikenaar, managing director of WEC Lines, a Netherlands-based shipping company. A number of important ports across Europe were operating at maximum capacity, Luikenaar said.

Albert van Ommen, chief executive of the Netherlands-based logistics company Euro-Rijn Group, said he thought the congestion was the worst since the pandemic, when cargo flows remained unexpectedly resilient and overwhelmed ports struggled with staffing.The problems are the latest blow to a worldwide logistics system that had until recently allowed many companies to maintain minimal stock inventories, knowing scheduled shipping services would replenish stock regularly.

One German logistics company, Contargo, has warned customers that barges are waiting an average of 66 hours to load containers at Antwerp and 77 hours at Rotterdam. Casper Ellerbaek, a senior executive at Germany’s DHL, said delays had not yet forced customers to halt production because of component shortages but such a “drama” remained a risk.

Logistics companies blamed the crisis on issues including Trump’s tariff policy, which has forced container shipping lines to revamp their networks to accommodate sharply changing worldwide trade flows. Problems are further exacerbated by restrictions on the loading of barges on the river Rhine after a dry spring caused low water levels. Terminals have also seen a substantial realignment of alliances between shipping lines after Switzerland’s Mediterranean Shipping Company and Denmark’s Maersk, the two biggest container lines, ended their previous agreement. Such changes prompt lines to change schedules or switch terminals.

European ports are also coping with increased import volumes from Asia, triggered by high US tariffs. DHL’s Ellerbaek blamed the growth in container volumes from Asia to Europe — which he estimated was running at about 7 per cent year on year — on changes of strategy by Asian exporters. “If you look at the growth levels on the different trades, there is no doubt that we have seen Europe take in a lot of share that historically would have been meant for the US market.” Industry figures said terminal operators were rushing to recruit new staff and buy new equipment. ECT, one of the main terminal operators in Rotterdam, said the facility was “quite busy” but insisted the phenomenon was common across ports in northern Europe. It pointed to the changes in alliances, rising demand and “geopolitical and economic uncertainties” as reasons for the issues. HHLA, the main terminal operator in Hamburg, did not immediately respond to a request for comment.

Mark Rosenberg, chief commercial officer for ports and terminals at Dubai’s DP World, which owns terminals in Antwerp and Rotterdam, said the company’s teams were “working diligently” to manage the flow of cargo and “mitigate disruption wherever possible”.

Some in the industry expressed pessimism that the congestion could be easily resolved. Luikenaar said it would take years for investments in capacity to resolve all of the problems, adding: "This is not something that goes easily away.""

The Daily Star on June 29th furthermore reported about port disruptions in Chattogram due to NBR officials' strikes:

"Operations at Ctg port disrupted as NBR officials' strike continues for second day Export activities at Dhaka airport also disrupted.

The complete shutdown enforced by revenue officials entered its second day today, disrupting activities at the Chittagong port, the country's main trade gateway, the Chattogram Custom House and Dhaka airport. Import and export activities remained suspended as customs and tax officials under the banner of NBR Reform Unity Council continued to abstain from work, halting key procedures such as assessment, examination, and clearance. Export activities at Dhaka airport were disrupted too, said Mohammed Abul Hossain, a fresh vegetables and fruits exporter. Almost 100 tonnes of fresh produce could not be exported today because of work abstention by customs officials, he said.

Transport of import and export laden containers between the port and 19 private inland container depots (ICDs), as well as cargo and container delivery from the port yards, remained suspended due to the failure to get required approvals and clearance from customs officials. Delivery of import goods from the private ICDs also came to a halt. Several vessels postponed scheduled departures from the port after failing to receive export laden containers from the depots. The Singapore-bound vessel Hong Da Xin deferred its scheduled departure this morning as 636 TEUs of export containers could not be sent to the port from different ICDs.

Many incoming vessels are yet to obtain registration numbers from the customs required for container handling. They would not be able to get a berth if the work stoppage by NBR officials continues. This would prolong the waiting time of vessels, port users feared. Bangladesh Inland Container Depots Association (BICDA) Secretary General Md Ruhul Amin Sikder said no import and export laden containers could be transported between the private ICDs and the port since 6 am on Saturday. He said they could transport empty containers between the port and ICDs since no customs approval was required for the operation. Business leaders warned that the prolonged disruption could result in financial losses and tarnish the country's image among foreign buyers. "This shutdown is sending the wrong message to our international clients. They will think Bangladesh is not a stable place to do business," said a garment exporter, who requested anonymity.

Industry insiders said the consequences could be dire if the deadlock drags on. "Foreign buyers operate on strict timelines. Missing shipment deadlines erodes their confidence in Bangladeshi suppliers," said Syed M Tanvir, managing director of Pacific Jeans. "What's worse, exporters may have to bear demurrage charges for delays they didn't cause," he added. Chattogram Port, which handles around 5,000 import and export consignments daily, has seen no such movement since yesterday, choking the flow of goods at the busiest maritime hub in the country. Business leaders expressed frustration over the lack of progress in resolving the dispute and urged the government and customs officials to return to the negotiation table. "The ongoing standoff is not only hurting exporters and importers, but also affecting the broader economy," said a trader."

India

Raw Jute: Market prices quoted by the Jute Balers Association (JBA) end of last month were fixed as follows: TD-4 IRs 8.000 and TD-5 IRs 7.500 per 100 kgs, representing a significant increase of raw jute prices. Stock restrictions by Jute Commissioner, followed by ban on Bangladesh Export to India by Land route and fall in local availability supported the price rise. The minimum support price for season (2025-26) so far remains at about plus 6% to IR 5650/100kg.

Local supplies of raw jute to Indian jute mills were ruling around 521.000 bales during the month of May (against 528.000 bales in April). At the end of May, raw jute stock with jute mills were 871.000 bales.

Crop: Latest information continue to indicate a decline of 30 per cent, but the reliability of that figure is still questionable and more clarity about the overall crop figures will come after a couple of weeks, only. First indications for the area of land being brought under cultivation for next year again likely to be lower by 20% or so.

The carry forward estimates were revised from earlier estimated with 3 to 3,5 Mio bales to 1,6 Mio bales and now to about 1 Mio bales, only. With the end of the season drawing nearer, it is feared that crop production may be short, which impacts the carry forward quantity. Latest information on crop size for 2025/26 are indicating some 5,5 Mio bales in total. Again, this information is to be taken with a pinch of salt, as it is still too early to get in possession of reliable figures about this year's crop yield. The plants sizes are still at infancy except in Assam, where plants length ranges between 3ft to 4ft, already.

Weather: Monsoon, as expected, arrived a week earlier. Early rains are heavy and might do impact negative on crop/growth. The coming two weeks are going to be crucial for proper assessment.

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

Prices for Hessians presented themselves at IRs 138,000 per mton at the time when this report was published. Selective mills are asking for premium of 5 per cent against prices quoted by „standard mills". Price of Sackings is prevailing at IRs 110.000 per mton with selective mills asking for premium of 5 per cent for exports against prices quoted by „standard mills".

On 27 June 2025, the Directorate General of Foreign Trade (DGFT) issued a notification banning the import of jute products from Bangladesh to India via all ports except Nava Sheva. Only a few minor product categories were exempted. Goods subject to these restrictions include jute products, flax tow and waste, jute and other bast fibres, single flax yarn, single jute yarn, multiple folded and woven fabrics, and unbleached woven jute fabrics.

This development is expected to have a significant impact on the jute industry. Though it is yet to be seen what kind of consequences this directorate may have on the jute industry, it is feared by local business people, that the prices of jute goods of all quality grades may rise substantially. It is furthermore assumed, that the ban may result in the closure of several manufacturing units in India and Bangladesh, mainly due to supply chain disruptions and concerns over business viability.

The impact of restriction on Export from Bangladesh by land route will have severe jolt to import of Jute products. One will have to wait and watch the further development of this imposed ban on exports from Bangladesh for a few weeks, until a clearer picture about the effects on the industry can be made.

B-Twills: The Indian government ordered around 400,000 bales of B-twill sacks during the month under review. Order volume for July is expected to be at about 350,000 bales. The reported backlog is almost cleared, now.

Orders for Jute Carpet Backing Cloth were slow and not consistent.

Jute goods production of IJMA jute mills and jute mills reporting to IJMA for May 2025 were 97.100 mtons in total of which 3.000 mtons were jute yarns/twines.

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