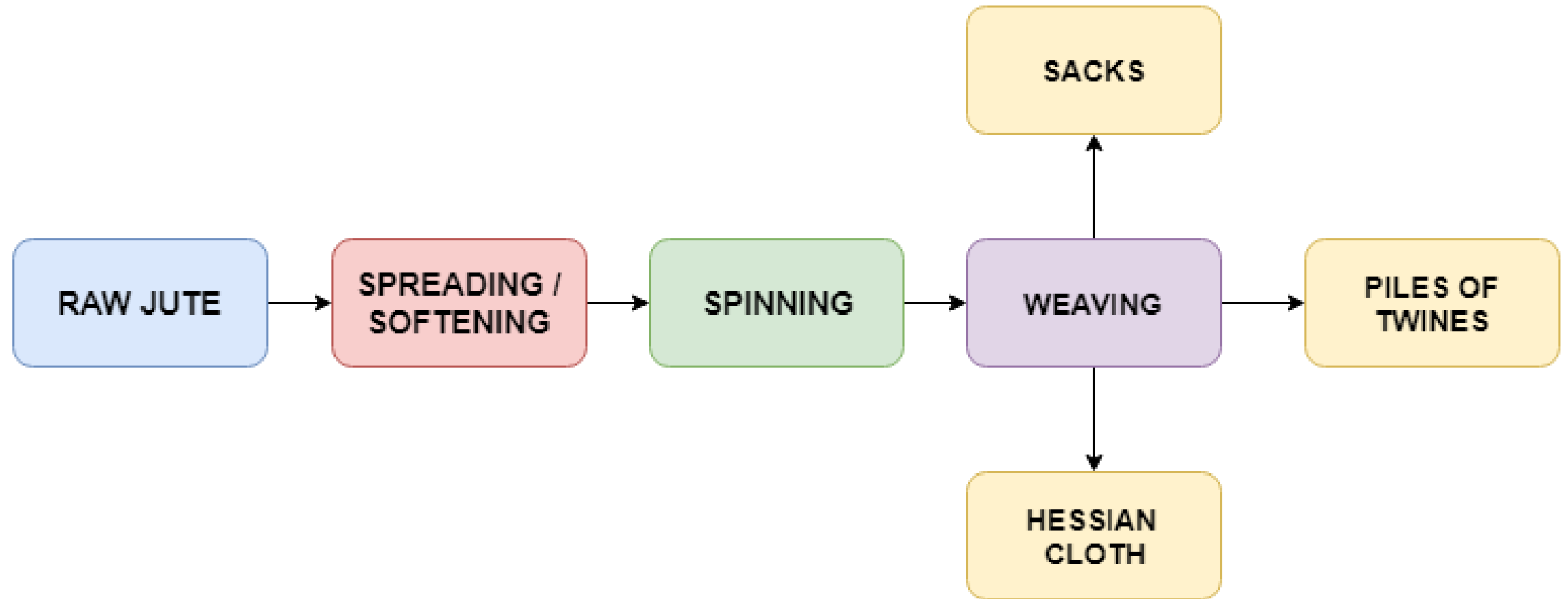


JUTE SECTOR - OVERVIEW

- Value Chain
- Products
- World Production
- Local Players
- Key Challenges



Jute | Value Chain



Cotton Dynamics | World Production

Jute Production						
Area Harvested (Ha)						
Country	2011	2012	2013	2014	2015	2016
India	800,000	800,000	800,000	741,000	773,000	765,105
Bangladesh	708,723	760,427	681,000	665,699	677,575	677,678
China	13,510	12,290	11,970	10,036	10,603	12,002
Nepal	10,559	10,540	11,300	11,350	8,641	8,011
Zimbabwe	4,117	4,200	4,200	4,125	4,144	4,107
Others	11,183	8,745	5,056	4,916	3,692	2,525
Total	1,548,092	1,596,202	1,513,526	1,437,126	1,477,655	1,469,428

Jute Production						
Production (Tonnes)						
Country	2011	2012	2013	2014	2015	2016
India	1,960,380	1,912,000	1,944,000	1,968,000	1,789,200	1,900,433
Bangladesh	1,523,315	1,452,044	1,391,000	1,349,000	1,399,000	1,344,000
China	43,500	39,400	35,500	31,102	33,986	39,703
Nepal	14,418	14,424	15,500	14,890	12,547	11,633
Uzbekistan	15,407	20,000	21,000	20,000	10,028	3,709
Others	22,243	15,710	11,329	11,787	11,282	10,596
Total	3,579,263	3,453,578	3,418,329	3,394,779	3,256,043	3,310,074



Jute | Key Products

Yarn: Raw Jute is spun into Yarn and used for further processing and for sale. Jute Yarn is used in different industries but mainly in carpet industry.

Twines : Jute yarns are plied together to make twines as per requirement and use. Twines are used for making ropes etc.

Hessian Cloth : Jute yarn is woven into cloth named Hessian Cloth

Sacks : Jute Yarn is weaved differently and then stitched to make sacks. Sacks are used for storing Cotton, Potatoes, Fertilizer and other Agriculture related products.

Value Added products : Bags, Rugs, Carpets etc.





Jute | Imports By Pakistan

Pakistan relies on imported jute for its requirements

Imports are made from Bangladesh

Import price largely fluctuates on the basis of Jute crop in Bangladesh

Jute Sector			
Pakistan's Imports since 2011			
Year	Qty Imported	Total Value (RS)	Avg Price
FY	MT	Thousands	PKR
FY18	88,024	5,600,000	63.6
FY17	66,886	4,745,000	70.9
FY16	46,399	3,320,000	71.6
FY15	74,019	4,275,000	57.8
FY14	78,829	4,247,000	53.9
FY13	89,190	4,445,000	49.8
FY12	81,050	4,622,000	57.0
FY11	91,645	6,111,000	66.7





Jute | Local Players

Pakistan Jute Association has 12 members.

Out of 12 only 5 Jute Mills are operational.

Thal Limited and Sargodha Jute are Market Leaders.

On the basis of actual capacity utilization Sargodha Jute is the largest player.

Local Players mostly cater local needs

Major Jute Mills In Pakistan	
Name	Capacity
Thal Limited	33,000
Sargodha Jute Mills	28,000
Indus Jute Mills	20,000
White Pearl Jute Mills	15,000
Madina Jute Mills	15,000

Jute Industry | Regulatory Structure

- **Jute Industry** enjoys same regulatory structure as Textile industry as it has high correlation with textile
- **Import duty** of 2% has been imposed on raw Jute
- **Import Duty** of 20% has been imposed by the Government on used Jute bags.
- **Government's Export Package** boded well with the margins of the industry



Jute Industry | Key Challenges

- **Polypropylene bags** being less costly are replacing Jute Bags constantly.
- **Exchange Rate** hike had lead to increase in importing cost of Jute which is major cost of Jute Industry
- **Higher Dependency** on a single import market i.e. Bangladesh. Any deterioration in crop in Bangladesh significantly impacts Jute Price
- **Lower Yield** in Pakistan of Jute Crop and lower rains make Pakistan unviable for Jute cultivation
- **Gas Availability** at uniform prices remain key challenge for Jute industry



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