

Role of Private Jute Mills in Reawakening of Golden Fiber in Bangladesh: A Study on Bangladesh Jute Mills Association

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Abstract

Jute is called the golden fiber of Bangladesh which has important contribution to the country's economy. The worldwide awareness on the environment is the reason for the maximum use of Jute. It has environment-friendly characteristics. Jute is considered to be a vital sector from economical, agricultural and commercial point of view in Bangladesh. But the Jute Mills Corporation incurred loss to the tune of Tk. about 3 crore during 1975-76 to 2011. According to the Export Promotion Bureau (EPB), Bangladesh export earnings from jute and jute goods in the fiscal year 2012-2013 showed an increase of 6.54 percent over the previous year and earnings from the jute sector were US\$ 1.01 billion, the export of jute bags and sacks increased by 28.16 percent year-on-year to fetch US\$ 237.42 million in foreign exchange for Bangladesh. It is also seen that the exports of jute yarn and twine showed an increase of 8.24 percent and earnings were at US\$ 506.74 million. The research aim is to show the role of the 111 running jute mills which are under private sector controlled by BJMA for making new upwards growth of jute and jute goods of Bangladesh.

Introduction

Jute, a natural fiber used universally, is the bark of a slender shrub of tropical and subtropical origin. It belongs to the family of Tiliaceae. Fibers of two species of this family viz *Corchorus Capsularies* and *Cochorus Olitorius* are used to produce jute goods. Bangladesh is unique in providing for centuries all the physico-climatical elements for rich and luxuriant growth and high yield of jute crop because of its geographical location as an alluvial plate crisscrossed by innumerable rivers and tributaries sandwiched between the Himalayas in the North and East and the Bay of Bengal in the South. Blessed with this specialized habitat and climatic condition, every year about half a million hectares of land is cultivated

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to yield about 1.0 million tons of jute fibers of different grades to meet the local industrial and domestic needs as well as for export to other countries for their consumption as industrial raw materials. Jute is Bangladesh's most ancient industry. Jute industry of this region dates back to the Fourteenth Century when jute cloths were used in matrimonial ceremonies, Pujas, voluntary religious ceremonies and in other occasions in addition to regular use. The total acreage under jute in undivided Bengal in 1936-37 was 21,992,500 acres, and nearly one-fourth of this area was in one greater district of present day Bangladesh – Mymensingh (Haque, M. A., 1980). In 1936-37 the Bangladesh part of the then Bengal produced, if we take 90% of the total production, about 94 lac bales (400 lbs., i.e., 181.44 kg each) of jute. The production of jute was the virtual monopoly of this province. In 1947 In the pre-partition period the Railways and Steamer Companies, other transport agencies, insurance concerns, brokers, balers, exporters, middlemen, and dealers, in fact everyone in the chain used to get a good return in the shape of profit or income from the distribution, manufacture and export of jute fibers and jute fabrics. The industry itself and every section of the trade were highly organized, resourceful and well-informed and used to get their quota of gain in the shape of wages, dividends, income and profits from export of the fabric and manufactured goods, even though the industry was not a monopoly of the province, i.e., pre-1947 Bengal. Jute production varied from 1,222,000 tons in 1947-1948 to 1,244,000 tons in 1961-1962 in Pakistan, i.e., East Pakistan, which is now Bangladesh (Akhtar, S. M., 1963). West Pakistan produced no jute. According to another estimate jute production in the second-half of 1960 in the then East Pakistan was 60 lac bales (400 lbs i.e. 181.44 kg each) which might vary from say 60 to 68 lac bales corresponding to an area of 20 to 23 lac acres (Rahman, S. H., 1977). Pakistan made its debut in modern Jute Industry with the establishment of Adamjee Jute Mill No 1, in Narayanganj, which went into production in December 21, 1951. Thus from nothing up to December 1951, within 19 years from 1952 to 1970, the world's second largest jute manufacturing industry came to be established in erstwhile East Pakistan, i.e., Bangladesh, providing employment to 760,000 people and making an overwhelming contribution to the nation's foreign exchange earnings. In 1959/60 (July-June) total foreign exchange (estimated) earnings from raw jute (Rs. 760.40 million) and jute goods (Rs. 223.30 million) were Rs. 983.70 million, which is 91.12% of the total foreign exchange earnings from all commodities amounting to Rs. 1079.58 million. In 1969/70 (July-June) total foreign exchange (estimated) earnings from raw jute (Rs. 765.80 million) and jute goods (Rs. 778.40 million) were Rs. 1544.20 million, which is 94.16% of the total foreign exchange earnings from all commodities amounting to Rs.1640.00 million. The average earning of foreign exchange from raw jute and jute goods over the said period was 93.83% of the total earnings from all commodities and in no year over the said period it was less than 91% and in some

years it was as high as 98%. Thus it is evident that the prosperity and adversity of the country was heavily linked with the prosperity or otherwise of the jute economy of the country. Prior to 1969/70, earnings from raw jute exceeded that of jute goods and only at that year earnings from jute goods exceeded earnings from raw jute by an amount of about Rs. 4.6 million. According to the Planning Commission the installed capacity of the jute industry in 1972/73 was 792,000 tons, against which only 446,308 tons were actually produced in that year. This represented 56.35% capacity utilization as against 74.18% in 1969/70. This slow recovery had been due to several causes emanating from war dislocation, post-war pilferage and abrupt changes in industrial and commercial policies, besides organizational and management gaps of that period (Ahmed, R., 1974). These falling trends in jute industry could not be recovered in the successive decades to reach or exceed the pre-liberation war trends in jute production; rather the trend ran from bad to worse, which means the erosion in the jute economy in particular and the Bangladesh economy in general, started with the very birth of the liberated Bangladesh. "Even though we brand our economy as war devastated, the fact is, all our factories were intact up to 16 December (1971). The materials that have disappeared from the factories are an incident of post 16 December (1971). Though all the equipments were intact, production could not continue because of the lack of skilled managerial hands and the absence of the facilities to import raw materials even if the new destructive mentality of the workers is ignored. Our leaders during the Pakistan period repeatedly said "The only cause of your misery is exploitation". Today, that is a boomerang on them (Huq, M., 1974)." Soon after the assumption of power in 1982 the then government announced The New Industrial Policy in June 1982, whereby it committed itself to a programme of large-scale disinvestment of public sector manufacturing industries (Sobhan, R., & Mahmood, S. A., 1991). "Following the denationalizations of 1982/83, production fell by some 3.5% in 1983/84, in the private sector mills. In the same year, production fell by around 5.5% in the 33 retained mills, thus indicating that while production, in general, maintained its secular decline after 1982/83, the newly denationalized mills performed slightly better than their public sector counterparts in having somewhat lower rate of decline in production (Sobhan, R., & Mahmood, S. A., 1991)." "...the change in ownership has failed to bring about any improvement in performance; if anything, performance has been relatively poorer in the private sector mills" (Sobhan, R., & Mahmood, S. A., 1991). As regards financial positions, in 1984/85 all mills in both sectors suffered huge losses, the losses in the private sector being a bit lesser. Such losses in subsequent years culminated in the eventual shutting down of Adamjee Jute Mill, the nation's and the world's biggest one, along with some others. As jute industry is the mother industry of our country. In recent times, it again becomes the most important industry of Bangladesh in terms of production, export and employment. It plays a dominant role in the

economy of Bangladesh. About 50 million people of this land are directly or indirectly involved in various activities related to jute and jute manufacturing. About 35 million farmers are engaged in cultivation of jute, 0.3 million skilled workers are directly associated in manufacturing process, about 0.2 million people are directly engaged in trading of jute, jute goods, transportation and other related business and contribution of jute sector in the GDP is about 5%. Contribution of Jute and Jute manufacturing in the national employment is about 10% to 15%. Such contribution is managed by the help of three jute related organizations such as Bangladesh Jute Mills Corporation (BJMC), Bangladesh Jute Mills Association (BJMA) and Bangladesh Jute Spinners Association (BJSA). In 1982-83 the Government disinvested about 35 jute mills and placed under the ownership and management of private sector and closely managed jute mills under the supervision of Bangladesh Jute Mills Association (BJMA) for decreasing and removing the year after year loss by BJMC. Though this organization started with 35 mills but since November 2014 the numbers of mills become about 146 from them 38 are denationalized. About 108 mills produce traditional and nonconventional jute goods where 4 is carpet mills, 2 is twin and yarn mills, and new established is 102 mills. And since November 2014 the number of mills running is 111 out of 146. BJMA produces mainly Hessian cloth, different types of Hessian bags, sacking cloth, different types of Sacking bags, Yarn, Geo-jute, Blanket, Jute canvas and Carpet Backing Cloth (CBC) etc from jute, the longest natural fiber in the world. Thus, it contributes considerably to the national economy for earning foreign exchange of Bangladesh and also satisfying the local demands of the country.

Literature Review

An attempt has been made to review recent literatures related to role of private owned jute industries in Bangladesh. It is thought that a critical review of various empirical studies on jute industry would provide a background for explanation and understanding the role of private owned jute mills of Bangladesh. It is important to note that during the past decade numerous research works have been completed on various aspects of jute mills by the renowned researchers, but comprehensive literature on the present study is too limited to make a rich review. To the best of my knowledge no research was conducted on the role of private owned jute mills in Bangladesh. The researchers therefore, have an attempt to review the recent available literature related to present study in both private and public jute industry in Bangladesh.

Khan M. M., (2008) have studied on the titled "Overall Performance of Private Sector Jute Mills in Bangladesh" and identified that the overall performance of private sector jute mills to be better than the public sector because of higher labor and other factors' productivity, lower wastage, better utilization of raw materials,

lower cost of production hence lower operating loss, which they achieved with smaller manpower, higher per employee sales income and comparatively smaller stock of unsold jute goods to carry, and due to economical and effective use of men, machine, material and money. Un-utilization of capacity, ever-increasing cost of production of jute goods, very low labor and machine productiveness and trend towards production of lighter fabrics, high internal debt servicing cost and interest expenses on working capital finances, and above all very unfavorable international prices of jute goods comparing synthetics, all these contributed significantly towards making the jute textile sector depend on spoon feeding by the Government.

Moazzem and Rahman (2009) have studied on the titled “Jute Manufacturing Sector of Bangladesh: Challenges, Opportunities and Policy Options”. The study has conducted as part of CPD’s Independent Review Bangladesh’s Development (IRBD) programme. The major objective of the study is to access the viability of jute and jute sector of Bangladesh, and to come up with a long term strategy for development of this sector. The focus of the present paper is on economic, technological and worker related issues of jute mills, opportunities and challenges faced by the jute manufacturing industry, and possible policy options with a view to develop a viable and an efficient jute manufacturing sector in the country.

Karmakar, S., S. (2009) has opined in his paper “efficiency of the Jute Industry in Bangladesh,” holds the idea that the development of jute industry largely depends on the improvement of management system. He highlighted that until now, there has not been any integrated system of managerial control over the operations. The management information system is yet to develop in this sector so as to assess the real achievement and failures in this industry. Managerial effectiveness of the industry can better be judged by computing a series of indicators reflecting productivity aspects than by comparing either financial result or production in physical units.

However, in terms of figures, **Iqbal, T., (2013)** mentioned in his study titled “prospects of Jute and Jute Products in Bangladesh” that jute manufacturing sector has emerged in East Pakistan (current Bangladesh) in the year 1950s, In 1960s and 1970s, major share of national income and manufacturing employment was largely contributed by jute sector. Export of jute and jute products was the most important sources of foreign exchange of Pakistan during the 1950s. However, both share and importance of jute and jute goods in manufacturing, export and overall foreign exchange earnings, and the Gross Domestic Product (GDP) have gradually declined over time. In the year, this sector accounted for a more 3.9 per cent of the country’s total, which is of extremely low compared to its contribution in the overall export observed during the 1970s (89.9 per cent in 1973).

The above reviewed literature mostly indicates that jute and jute industries of Bangladesh is a fallen sector and bringing loss for the country. But the fact remains that jute will continue as Bangladesh's major industry, major foreign exchange earner and major industrial employer for some time to come. We cannot think of economic progress without jute as it is the life blood of our economy at the moment and is expected to continue to be so far an unforeseeable future period of time. Therefore every effort must be made to undertake measures that will improve the efficiency and hopefully, the profitability of the country's most private jute mills under the supervision and operations by BJMA. Based on this, the researchers feel that there is necessity to illustrate and analyze the present upwards growth of jute and jute goods of Bangladesh by using data and information of privately owned mills under BJMA.

Objective of the Study

Based on the notions mentioned in the literature review, the main objective is of the present study is to analyze the resuscitation golden fiber of Bangladesh that is considered to be the back bone of growth of jute and jute goods by private mills under BJMA. To accomplish this main objective, the following specific objectives are given below:

- i. To conduct the comparative analysis of production, export, export earnings and raw jute consumption of jute and jute goods over year to year;
- ii. To find out and illustrate the prospects of jute industries in Bangladesh; and
- iii. To provide the recommendations to overcome the existing barriers and development of jute industries of Bangladesh.

Research Methodology

This present study is analytical one. The secondary data are used to conduct the study. Secondary data were collected from Bangladesh Jute Mills Corporation (BJMC), Bangladesh Jute Mills Association (BJMA), Bangladesh Bureau of Statistics, Export Promotion Bureau, Bangladesh Economic Review, Books, Journal, Newspaper and Website. Data has been taken of production, export, export earnings, local delivery quantity and value and yield of jute and jute goods in recent years. The study has used MS-Office and simple statistical techniques like table, graphs, percentage and growth for analysis of collected data and drawing inferences.

Analysis and Results

It is apparent from table 1 that the production of jute goods of BJMA members mills from the year 1982-83 to 2012-13. The following table is showing the information regarding the production of jute goods of BJMA members' mills.

Table-1 Production of Jute Goods of BJMA Members Mills

Period	Quantity (Metric Ton'000)					Total
	Hessian	Sacking	CBC	Yarn/Twin	Other	
1982-83	61.843	83.567	24.914	0.114	-	170.438
1983-84	79.516	90.723	28.360	7.706	-	206.305
1984-85	69.765	92.274	24.698	8.092	-	194.829
1985-86	59.639	94.364	20.951	8.635	-	183.589
1986-87	64.493	106.012	26.435	13.707	-	210.647
1987-88	67.343	98.326	25.108	6.867	-	197.644
1988-89	63.028	91.418	23.588	7.749	-	185.783
1989-90	69.143	100.807	25.697	11.186	-	206.833
1990-91	67.217	73.213	22.000	11.008	-	173.438
1991-92	59.803	73.646	20.360	18.471	-	172.280
1992-93	37.623	84.142	18.256	22.844	-	162.865
1993-94	29.747	78.006	16.745	24.109	2.050	150.657
1994-95	28.344	69.921	15.035	34.351	2.050	149.656
1995-96	20.058	57.530	13.562	36.997	2.114	130.261
1996-97	19.518	66.690	12.132	38.731	2.147	139.218
1997-98	18.229	82.088	9.995	41.625	1.657	153.594
1998-99	15.715	71.215	9.720	34.428	0.984	132.062
1999-00	18.782	53.599	8.881	21.965	0.973	104.200
2000-01	17.041	40.658	7.837	15.448	0.834	81.818
2001-02	16.221	35.585	5.955	13.310	0.623	71.692
2002-03	16.859	47.925	5.710	13.494	0.894	84.882
2003-04	16.336	62.482	6.044	12.741	2.943	100.546
2004-05	17.210	57.126	3.986	22.426	2.439	100.843
2005-06	20.936	69.715	8.828	21.558	1.324	121.058
2006-07	22.139	73.100	8.227	42.041	2.400	145.513
2007-08	23.892	90.733	9.057	42.579	2.244	166.265
2008-09	20.713	99.974	5.149	42.996	2.325	168.832
2009-10	17.029	87.240	4.561	47.714	-	156.544
2010-11	17.125	80.484	4.021	35.742	-	137.766
2011-12	18.564	107.222	5.403	45.851	8.565	177.040
2012-13	16.703	125.100	4.500	87.900	3.030	234.203

Source: Bangladesh Jute Mills Association Report

The quantity of production of hessian, sacking, CBC and yarn/twin are 61843, 83567, 24914 and 114 metric tons jute goods respectively and the total quantity of production 170438 metric tons. The production has been increased in the very next year but it falls in the 1984-85 to 1985-86 consecutively. Although from the very next year the production became increased but it cannot be kept. From the year of 1990-91 the production was decreasing year to year although a new production line was added. Till 2001-02 the production of jute goods the production is seen very lowest that is the total production became 71692 due to the fall of the use and export of the jute goods that is the golden fiber is in the darkest zone. But BJMA has played a vital role to getting back of the golden fiber which is about 3 times of the year 2001-02 that is the total production of jute goods is 2,34,203 metric tons. We know demand helps to increase supply.

Table-2 Year-wise Export of Jute Goods of BJMA Members Mills

Period	Quantity (in Metric Ton '000)						Export Value (in Lac Taka)					
	Hes	Sac	CBC	Yarn Twin	Car	Total	Hes	Sac	CBC	Yarn Twin	Car	Total
1982-83	62.6	62.8	19.5	-	-	144.9	9087	6785	3935	-	-	19807
1983-84	71.9	82.8	30.3	1.1	-	186.3	12527	10344	5447	213	-	28531
1984-85	58.8	76.3	23.8	1.7	-	160.8	14472	12940	6013	482	-	33907
1985-86	60.4	101.5	23.2	2.7	-	188.1	13896	17521	4792	652	-	36861
1986-87	62.7	87.4	23.0	6.3	-	179.6	11532	11902	5322	1455	-	30111
1987-88	56.1	87.5	24.2	6.3	-	174.2	11506	11189	5698	1400	-	29793
1988-89	44.6	82.1	22.4	7.5	-	156.8	10207	10898	5416	1872	-	28393
1989-90	63.9	67.6	23.6	10.3	-	165.5	15230	9292	5542	2689	-	32753
1990-91	60.3	55.4	22.3	8.6	-	146.7	15920	8087	5307	2500	-	31814
1991-92	48.8	46.5	18.6	15.0	-	129.1	12627	6949	4823	5180	-	29579
1992-93	35.0	45.7	16.5	18.4	-	115.8	7738	7117	4325	5449	-	24629
1993-94	30.9	48.4	17.4	20.4	.930	118.2	7055	7520	4340	5558	822	26259
1994-95	26.7	36.5	14.3	26.7	-	104.4	7262	5819	4110	8128	-	25319
1995-96	16.3	20.3	12.1	27.9	.978	77.8	6032	4433	4157	8657	1026	24305
1996-97	14.6	32.2	11.2	31.8	1.10	91.0	5730	8057	3834	10258	1199	29078
1997-98	12.0	25.8	8.4	29.3	.513	76.2	4141	6020	2880	8443	606	22090
1998-99	12.4	30.9	8.1	27.0	.410	78.9	4115	6049	2657	6801	492	20114
1999-00	15.2	24.5	8.3	1.1	.181	67.5	5823	5030	2758	5026	121	18758
2000-01	13.6	14.9	6.5	7.4	.140	42.7	5477	3232	2387	2172	174	13442
2001-02	14.0	11.3	5.4	9.0	.064	39.9	6168	2782	2047	2545	83	13625
2002-03	13.7	13.7	5.3	6.9	.028	39.7	6449	3676	1988	1989	35	14137
2003-04	14.6	18.9	5.6	12.8	.024	52.1	6552	4939	2030	4365	32	17918
2004-05	15.0	14.3	3.4	12.5	.001	45.3	8019	3940	1539	5724	2	19224
2005-06	29.3	33.6	7.9	14.1	.008	85.0	18384	11615	4489	5563	80	40131
2006-07	14.6	40.7	8.0	27.9	5	91.3	9939	17015	4471	13363	8	44796
2007-08	19.0	50.0	7.4	33.0	-	109.5	13949	20191	4889	15210	-	54239
2008-09	12.6	50.5	4.1	20.2	-	87.6	9681	23999	2686	10156	-	46522
2009-10	13.8	55.2	4.4	40.0	-	113.6	12471	33358	3462	25323	-	74614
2010-11	14.4	45.0	3.6	18.0	-	82.1	17306	34047	3247	13552	-	68152
2011-12	16.1	61.3	4.4	32.1	-	113.9	20720	44164	5117	21975	-	91976
2012-13	15.5	72.5	3.2	57.1	-	148.4	19707	51810	3099	36815	-	111431

Note: He-Hessian, Sa-Sacking

Source: Report of Bangladesh Jute Mills Association

If the table 2 will be analyzed, it can be seen that the export quantity of jute goods of BJMA member mills 1, 48,427 metric tons which is higher from the recession times of few years ago as well the export value is the highest earnings compare with any year that is 1,11,431 Lac taka.

Table-3 Comparative Recent Years Production, Export, Export Earnings & Raw Jute Consumption between BJMC and BJMA

Period	Bangladesh Jute Mills Corporation				Bangladesh Jute Mills Association			
	Pr.	Ex.	Ex. E.	RJC in Lac	Pr.	Ex.	Ex. E.	RJC in Lac
2008-09	110045	89392	433.18	6.16	168832	87642	465.18	9.45
2009-10	145919	106237	654.69	8.17	156544	113604	746.14	8.77
2010-11	152138	117855	938.53	8.52	137766	82178	681.52	7.71
2011-12	179828	128082	1069.04	10.07	177040	113983	919.76	9.91
2012-13	192405	177703	1365.35	10.77	234203	148427	1114.31	13.11
2013-14	167101	85133	628.78	9.36	207183	145265	959.25	11.60
2014-15 (July to Dec.)	46122	43655	307.82	2.58	87281	51925	344.53	4.89

Note: Pr-Production, Ex-Export, ExE-Export Earning, RJC- Raw Jute Consumption,
Source: Report of Bangladesh Jute Mills Association

The table 3 shows the comparative production, export, export earnings and raw jute consumptions of BJMC and BJMA in very recent years. And this table is showing the picture of the role of BJMA for reawakening of the golden fiber of our Bangladesh. In every year the data is showing higher quantity and higher value of export and export earnings of BJMA mills than those of BJMC. The picture of production is also same. The production, export, export earnings and raw jute consumptions in 2008-09 are 1,68,832 metric tons, 87,642 metric tons, 465.22 crore taka and 9.45 Lac B/S and increased in 2013-14 about 2,07,183 metric tons, 1,45,265 metric tons, 959.25 crore taka and 11.60 Lac B/S respectively which are always higher than those of BJMC. The local sale of jute goods of BJMA is also higher than the BJMC.

Table-4 Bangladeshi Export to Top-Five Countries

Sl.	Country	Value in M. US\$				
		2006-07	2007-08	2008-09	2009-10	2010-11
1	USA	3,441.02	3,590.65	4,050.78	3,950.47	4,838.03
2	Germany	1,955.38	2,174.81	2,271.74	2,187.35	3,438.70
3	UK	1,173.95	1,374.03	1,502.80	1,508.54	2,065.38
4	France	731.76	953.13	1,032.04	1,025.88	1,537.98
5	Netherlands	459.01	653.87	974.51	1,016.89	1,107.13
Sub-Total		7,761.12	8,746.49	9,831.87	9,689.13	12,987.22
Year-end Total		12,177.86	14,110.80	15,565.19	16,204.65	22,924.38

Source: Export Promotion Bureau

Finally Table 4 is showing of export value to top five countries of the jute and jute goods from Bangladesh, where USA is in the top most. And year after year the export value increasing which one is the symbol of coming back of golden fiber empire.

From the above tables and above picture it is clear that Bangladesh market and international market as well has seen some downwards trends in the past but lately market for jute and jute goods is experiencing an upwards trend by the help of BJMA. This trend is utilized properly will provide Bangladesh with better opportunity in coming years. Some of the factors contributing to the prospects of jute and jute products of Bangladesh are:

People all around the world are looking for environmental friendly ways of doing business rather than profit making and industrialization only because it creates both health and environmental hazard such as deadly diseases, global warming, climate change and many frequently occurring natural disasters. For this now the whole world is looking into natural fibers for everyday use. The United Nations declared 2009 as the 'Year of Natural fiber' in order to popularize the use of natural fibers in manufacturing goods. Consumers are now more interested to go for eco-friendly natural goods rather than synthetic materials which is now creating a positive trend for jute and jute products.

The government in June, 2014 framed new rules to enforce the compulsory use of jute sacks to pack food grains and other items, although the law was passed in October 2010 which will create increased internal demand for jute products.

Moreover, no rice miller and trader can use plastic bags to pack grains from January 2014, according to a notification from the jute and textiles ministry that has mandated the use of jute sacks instead. The gazette says all private rice millers and traders will have to use up their stock of plastic bags by December 31. The decision is expected to boost the use of the eco-friendly product locally and provide the jute industry a cushion against fluctuations in global demand. The government, in the gazette, has also made the use of jute sacks compulsory for packaging fertilizer, 50 percent of the fertilizers available in the market, both locally-produced and imported, will have to come in jute bags.

Due to environmental concerns, renewed interest is been shown by European Union and South and North American countries on jute and jute products. There is a very good possibility for European Union and South and North American States to ban plastic bags and accept jute as a substitute for polythene in essential packaging and shopping bags. This will boost the current demand for jute and jute products and Bangladesh can be a beneficiary of this positive trend. According to International Jute Study Group (IJS) the future demand of jute bags is likely to be 32 million bags a year, while the present supply is only 12 million bags.

The global market for jute has moved beyond simple packaging materials. The range of

diverse products includes shopping bags, rugs, wall coverings, apparels etc. A number of industries ranging from fashion to automobile have started to see new possibilities in jute. Moreover, Indian fashion designers have led the way in experiencing with a wide variety of clothing ranging from sharees to suits made of jute. The blending of jute with cotton produces a material called Juco can be used to make clothing. Another major application for jute is geo-textiles (Iqbal, T., 2013). Our existing jute mills under BJMA discovering other diverse usages such as shoes, ribbon, braid, ladies bags, felt, mat, tape, tarpaulin etc. which are another important wing for jute's prospect in future.

Apart from growing demand in western countries, the demand for jute is consistently increasing in many Asian countries like Japan, Thailand, and Vietnam. These are the emergence of new markets of our jute and jute goods.

Recently new genome sequence of jute was discovered by Bangladesh. This will hopefully play role in producing bulk amount of quality jute in lower cost.

Conclusion and Recommendation

Earlier, the jute industry was considered to be the backbone of our economy for several decades and continues to be one of the mainstays of our rural economy even today. The livelihood of about 25 million people (almost one - fifth of the total population) is dependent on jute - related activities in agriculture, domestic marketing, manufacturing and trade. Jute, as a renewable natural fiber, is also bio- degradable and environmentally friendly, it is one of the few crops, which can be grown in the monsoon season, and can be rotated with rice to restore the soil fertility and structure. The state-run and privately owned jute mills made a net profit after 29 years from 2010-11. Due to environmental concerns by United Nations, European Union and South and North American countries will boost the current demand for jute and jute products and Bangladesh. For meeting the divergence domestic demand the mills under BJMA is producing shoes, ribbon, braid, ladies bags, felt, mat, tape, tarpaulin etc other than shopping bags, rugs, wall coverings, apparels, sharee, suits, automobile's apparels, cotton cloths etc. The above study is showed that the government's new jute policy is expected to focus on enhancement of the country's production capacity, diversification of the product base and growth of export earnings. It is true that jute industry is beset with certain very serious problems such as tariff barriers, non-tariff barriers, substitute of jute products, lack of proper attention by the government, lack of proper support from the countrymen, lack of proper knowledge, lack of financial resources, lack of automatic and efficient machineries etc but there is growing feeling in the mind of the people that this industry which fed with locally produced indigenous raw materials should be able to stand on its own legs by effective and efficient husbanding of human and material resources. Some measures could be taken to overcome the current barriers faced by the industries and resuscitation golden fiber empire of Bangladesh. The researchers mentioned some of the possible measures as their recommendation; such as

The government must take necessary actions for implementing the Jute Packaging Act immediately to create and face internal and international demand for jute and jute products.

Bangladesh Jute Mills Association (BJMA) urged the government to reduce tax at source and increase cash incentive for the jute sector as jute price fell on global market.

The association proposed cutting tax at source from 0.80% to 0.25% and rising cash incentive to 15% from 10% this will boost the jute industries.

Both tariff and non-tariff barriers hamper export for the sector. These barriers should be removed through negotiation and policy formation. Attempts should be taken to resolve dispute with the trading countries (Iqbal, T., 2013).

Both long-term and short-term strategies should be formulated by government and private sector as a team to capture and sustain in domestic and international market.

It is essential to focus on research and development in technology and plantation, marketing etc to survive in dynamic market. For this it is required to introduce new technologies for meeting new demand of jute and jute goods.

Bangladesh should focus on innovating variety of jute products because the international market demand has become more dynamic. Demand of diversified and innovative products like paper from jute or soil erosion control product made out of jute etc are increasing.

Small and medium enterprise in this industry is suffering from lack of capital, financing, automation, proper market information which is affecting the whole industry. These SMEs need proper attention and help from government to recover from current situation.

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