**Press Release**

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Attn: News Editor/ Chief Reporter/ Assignment Editor /Business Page-in-Charge:

Value-Added Jute Goods need Policy and Research Support for Domestic Industrial Diversification

Business Initiative Leading Development (BUILD) Chairperson Abul Kasem Khan called on Golam Dastagir Gazi (Birpatik), MP, Hon'ble Minister for Textiles and Jute on February 24, 2021 at his office at the secretariat to discuss better utilization of the potential of jute through industrial diversification.

Textiles and Jute Minister Golam Dastagir Gazi (Birpatik), MP appreciated the proposal put forward by the BUILD Chairperson for producing jute-based pulp from local green jute to promote the jute industry. At the same time, he endorsed the need for further research in this respect.

Following the example of neighboring countries, the Government of Bangladesh will look into framing relevant policies to support the industry but it will need feedback and support from various stakeholders, including jute traders, large farmers and local entrepreneurs and investors, said the Minister. He added that innovative ideas need to receive policy support from the government for bringing in positive and transformative change in the sector.

To encourage the jute sector, we may consider duty exemption for the entrepreneurs who use local pulp in their production. The export development fund (EDF) facility should be made accessible to the country's jute exporters, added the Minister. In regard to jute-based pulp and paper he suggested that a well-designed pilot can be initiated on the basis of an effective proposal.

BUILD Chairperson Abul Kasem Khan suggested to the Minister that production of jute-based pulp from local green jute would not only be an attractive business proposition for the sector, but it would also enable us to make strides towards becoming a green economy and addressing climate change and environmental sustainability. In that respect he recommended for a Jute Pulp & Paper Act similar to the existing Jute Packaging Act which has worked well for popularizing jute-based packaging in the country.

The country produces 47.41% of world production of jute, yet imports 500-600 tonnes of pulp annually worth more than US$600 million. We need to set up mills to produce high quality pulp from local green jute which can help the rural economy and meet its entire demand for export, added BUILD Chair.

He also urged the government to consider policy benefits for the sector by encouraging government purchase of Jute pulp-based paper in addition to other initial policy supports so that local jute-based pulp producers can take off in business growth and eventually contribute for export in the context of burgeoning demand in the world market as wood-based pulp is discouraged.

We need to look at the present contribution of jute sector. Export of jute and jute goods (July- Feb, FY 2020-21) is $765.63 million which is 27.08% higher than the same period of the previous year (USD 602.49 FY20). Around 135 varieties of jute products are being produced in the country whereas diversified jute products are being exported to 118 countries. Bangladesh exports 42% jute products worldwide.

Lokman Hossain Miah, Secretary of Textiles and Jute said that the government appreciates the idea of making jute-based pulp from the local green jute and proper policies will be developed on the basis of research and analysis to make the local pulp cost-competitive. He suggested for a concept note from BUILD which can be delivered in presence of the concerned stakeholders, experts and technical persons so that actual viability of the concept of jute-based pulp production can be taken up at the higher level for final decision.

As 7-20 percent incentives are offered on jute goods export, the government could consider similar benefits for jute-based pulp in future based on evidence on its economic and socio-environmental benefits.

BUILD CEO Ferdaus Ara Begum said that the Hon’ble Prime Minister earlier announced that jute would be treated as an agro product. However, since the recognition has not still been formalized, the sector still doesn’t receive the facilities available for the agro-based sectors. The government could issue a circular in that respect. She informed that BUILD proposed for some policy reforms for jute-based products and proposed for a definition for diversified jute products which received government’s approval. Thanks to these policies, new industries such as espadrille have been established.

Identifying jute as a natural and environment-friendly biodegradable fiber with versatile usage, DCCI Director Md. Rashedul Karim Munna said that the government can set out a Jute Roadmap with an announcement to raise export of jute from the present level of USD one billion to at least USD five billion in the next five years. He referred to the cluster-based concept of Kerala that enables efficient supply chain management at the field level. In order to support home grown industrial diversification and export using domestic value-added resources, he put emphasis on addressing issues and challenges ranging from the field level to the factory level.

Sincerely



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