

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2780

ANSWERED ON:06.08.2015

Decline in Export of Jute

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Will the Minister of TEXTILES be pleased to state:

- (a) whether the jute exports for the period April-January of financial year-2015 have declined sharply to Rs. 1115 crore, down 22 per cent in rupee terms, while imports have shot up by 24 per cent and if so, the details thereof;
- (b) whether a subsidy of 7.5 per cent by Bangladesh for export has further led to the decline;
- (c) if so, the steps being taken to prevent the problem;
- (d) whether the reservation of jute packaging for 90 per cent production of foodgrains and 20 per cent for sugar is likely to be continued in 2015-16; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE)

IN THE MINISTRY OF TEXTILES

(SHRI SANTOSH KUMAR GANGWAR)

(a): As per data maintained by Directorate General of Commercial Intelligence and Statistics (DGCI&S), Department of Commerce, export of jute and jute products for the period April-January of the financial year 2014-15 had decreased by 5.84% in rupee terms as compared to the corresponding period of the previous year. The details are as under:

2013-14(April '13 to Jan '14) 2014-15 (April '14 to Jan '15)

Value (Rs.in Cr.) Value (Rs.in Cr.)

2022.45 1904.31

Decrease in 2014-15 (-) 5.84%

As far as imports are concerned, import of jute and jute products increased by 17.48% during the above period. The details are given below:

2013-14(April '13 to Jan '14) 2014-15 (April '14 to Jan '15)

Value (Rs.in Cr.) Value (Rs.in Cr.)

806.62 947.59

Increase in 2014-15 (+) 17.48

(b) & (c): Bangladesh Government offers a 7.5% cash subsidy on the export of jute bags, which along with cheaper labour, cheap power and low capital cost, renders the Indian jute bags less competitive. In order to address the problem, the following support is provided by the Government to the jute industry:-

(i) Under the JPM Act, 1987, 90% of foodgrains and 20% of sugar have to be mandatorily packed in jute bags;

(ii) The Jute Corporation of India is granted a subsidy of approximately Rs.55 crores per year to maintain its infrastructure to enable Minimum Support Price Operations to support jute farmers.

(iii) The Minimum Support Price of jute for 2015-16 has been fixed at Rs.2700 per quintal for TD-5 grade which is 12.5% higher than the previous year.

(iv) Incentives for technology upgradation, and jute workers' welfare measures are implemented by the National Jute Board (NJB).

(v) National Jute Board has also been taking various measures for promotion of jute products including Jute Diversified Products (JDPs) and is also implementing Export Market Development Assistance (EMDA) Scheme to encourage exporters of jute products in the country.

(d) & (e): Under order dated 23.06.2015, Government has extended the reservation of jute packaging of 90% in case of foodgrains and 20% for sugar, for a further period of three months i.e. upto 30th September, 2015.
