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Problem of Jute Industry in India

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Abstract: ***India is the second largest exporter of jute goods in the world...Due to high competition, with Bangladesh, India's share in the world export has declined about 80 percent in 1960-61 to about 65 percent. The main buyers of about 60 Km from Kolkata. There is a narrow belt of jute mills along Indian jute goods are USA, Russia, Germany, UK, Australia, Singapore etc. West Bengal has the largest concentration of jute mills in India i.e. 56 jute mills and 80% of jute goods in India comes from this state. Most of the mills are located within a distance the banks of Hooghly river where main centres in this belt are Rishra, Titlagarh, Birlapur, Agarpara, Shyamnagar, Hawra Naihati etc.Due to participation in 1947,the most of good jute producing areas went to the East Pakistan which received 82% of the good equality jute. The result is acute shortage of raw jute forced some of the mills to closed down, some tried to import jute from high growing countries. The jute industry in India is facing many problems and most of the jute mills hardly operate of their to their full capacity. Some of the problems are high cost of production, storage of raw jute & power supply, loss of foreign market, emergence of substitute goods against gunny bags and loss of demand for jute goods both at home and abroad, lack of modernization etc. To protect these jute mills Indian government has been taken many measures and various schemes has been introduced to bring up structural changes in jute production such as given priority on jute handlooms, handicrafts etc., passing law for compulsory use in packing commodities, launching jute modernization fund scheme, setting up national centre for jute diversification ,launching a set programme to monitor jute production & export promotion. Despite all these measures completely fully success is not achieved. For this more initiative measures are necessary.***

Keywords: jute, industry, machinery, Mesta, substitute, producer, exporter, competition, map, demand, Problems, technology, participation etc.

I. INTRODUCTION

The Jute industry is one of the oldest industries in the country. The first power-driven jute mill was established in the country at Rishra near Kolkata in 1859 and since then has made rapid progress. Development of most of the Jute industry has taken place in West Bengal.

Due to partition of the country a major part Jute growing areas went over to Bangladesh .So only 25% of jute growing areas were left within the country after this the government made concerted efforts to increase the production of raw jute within the country. Production of Mesta was also encouraged in mixture with jute.

The total area under jute and Mesta stood at 0.8 million hectares in 2015-16 and their production stood at 10.5 million bales. The total production of jute goods was 1.58 million tons in 2012-13 and this fell to 1.52 million tons in 2013-14 and further to just 1.26 million tons in 2014-15.Globally, India is the largest producer and second largest exporter of jute goods and this sector provides employment to 40 lakh farm families, as well as indirect employment to 4 lakh workers. Now there are 64 jute mills among 89 jute mills in West Bengal. Jute industry depends on production of raw jute whose jute stick, leave and fibre all are necessary. Within the Jute industry, various type jute goods are produced from raw jute. Different type of carrying bags, cloths, home decorated things, gunny bags are made from jute fiber and jute sticks are also used for making fire, cooking in rural areas & other purposes. But now-a-days jute industry is facing various problems. This research paper tries to pinpoint the defects exits in the jute industry and to find out the ways of solving the problem.

A. Objectives of the study

The objectives of the study are .

1) To know about the history of the Jute industry & development.
2) To study about the Jute Industry problem
3) To put forward recommendations for developing the jute industry
4) To analyze the nature of the problems and to give a picture of the total process of jute industry.
5) To put forward an ideal model for jute industry and compare it with the total industrial process of the country.
6) To suggest the measures for solving the problem.

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B. Methodology Of The Study

he data will be collected from primary and secondary source in India. The primary data will be collected with the help of interview and survey method. The primary data will be collected from a sample survey among the various jute industry, the producer & industry owner, labour, market retailer, whole seller and buyer also. The information has been collected by observation and taking interview with jute produce farmers in different villages. The conclusion has been made on the basis of this information. For evaluating the objectives of the study the secondary data will be collected from various sources such as books, journals, reports, websites, university libraries, planning commission, govt. publication(central and state),state and district wise statistical office, jute produce market committees etc.

C. Statement Of The Problem

Production of jute textiles was stagnant for many years despite all types of measures and incentives given by the government. The jute industry is now modernizing its post-spinning equipment by new high speed machines and the installation of broadlooms for the manufacture of carpet backing. The entire production is exported and the principal export market is situated in United States. Thus, the discovery of new uses and new products should be the strategy of development in the jute industry. Some of the other specialties which are manufactured now are cotton bagging, jute tarpaulins, paper lined hessian, jute carpets and jute webbing. In the last two decades there has been gradual improvement in production of jute textiles for better utilization of capacity and improved power supply position. Over the years the volume of jute exports has regularly declined between1950-52 to 2013-14.This is because domestic consumption has been continuously rising since 1951.In order to boost exports of jute textiles, the government removed all the export duties on the three main varieties of jute textiles viz., hessian, sacking and carpet backing in 1976. For promoting export of jute goods, the government took some short term measures such as continuation of Cash Compensatory Support(CCS) scheme and permission to Jute Corporation of India to import raw jute to tide over scarcities. These efforts of the government have resulted in boosting jute exports to Soviet Union, Japan and the USA to some extent.

D. Problems of the Jute Industry

Though an important export industry ,jute industry are facing recently with many problems. The problems are as follows.

1) *The Problems Of Raw Materials:* The problem of raw materials for the jute industry is as old as the partition of the country in1947.In spite of drive to increase domestic production of raw jute, the supply have been often inadequate and irregular and partly depended on imports. The domestic production of raw jute has been fluctuating considerably from year to year. The same is the case with the average yield per hectare. This has necessitated imports to supplement domestic production of raw jute.
2) *Competition from Substitutes:* Before and after independence, India enjoyed the nature of monopoly power in production of raw jute and manufactures. But now the most important problem plaguing the jute industry is the demand recession emanating mainly from the emergence of substitutes. Jute bags have been rapidly losing their place for synthetic bags both at home and aboard. At home the packing of food grains, fertilizers, cement and sugar is increasingly being done in synthetic bags in place of jute bags. In the international market also adoption of new techniques of transportation and discovery of synthetic substitutes has reduced the demand for jute goods. 3)Irregular power supply: There has been severe power crises in West Bengal in a number of years resulting power cuts problem on jute industry. Naturally, the production of jute manufactures suffered seriously in these years.
3) *Use Of Out Moded Plant And Equipment:* Many jute mills in India are very old and carry out production with obsolete machinery. Such production is uneconomic since costs of production are very high. Naturally, these mills require replacement of machinery and modernization. This is all the more necessary because India's main competitors in international market, Bangladesh and China have new mills processing modern machinery and are accordingly posing a serious threat to India's jute exports. So India have to replace the 100 year old looms.
4) *Surge In Price Of Raw Jute:* There was a steep rise in raw jute prices in 2015.The raw jute price rose to Rs 53,000 per ton in late 2015 which was double than the price of Rs 26000 per ton in 2014 because of suspected price manipulation by some mill owners and traders which forced a closure of around 14-15 mills.
5) *High Prices:* The Indian jute industry is being competed out of international markets because of high prices. The high prices of jute goods are explained by the use of obsolete machinery, the existence of inefficient and uneconomic units, high price of raw jute and highly unreliable supply position with regard to raw jute. Moreover there was also stiff competition from synthetic bags. So the government does not burden the industry through the imposition of heavy export duties.

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a) In the last few years, jute industry has not fared well. The output of jute textiles had declined or remained stagnant and exports had been declining since 1980-81. This fall in exports was owing to recession in the developed countries, competition from synthetic substitutes and other major jute goods producing countries particularly Bangladesh which was offering lower prices in global market.

b) There is major decline in consumption in carpet backing and sacking. The decline in consumption of jute textiles has to be viewed against the background of competition from synthetic packaging material. Demand for jute goods is sustained mainly through the jute packing order i.e. for mandatory packing of food grains, sugar, cement and fertilizers. The heavy loss in exports as a result of collapsed of Rupee trade also added to the slump in demand.

c) The jute industry is plagued by many other problems also like historically high man-machine ratio, burgaining wage and input costs and a mismatch between the installed capacity and actual production.

6) *Recommendations And The Government Undertaken Measures For Solving Jute Industry Problem*: Besides these problems, a number in the jute industry have turned sick and many are being run under arrangements reached with the approval of the BIFR(Board for Industrial and Financial Reconstruction) . Faced with this situation, the jute industry is carrying a large surplus labour force of which a substantial number has already reached the retirement age but the industry is finding itself unable to retire them due to paucity of funds.2) The jute barons were more interested in their profits and did not bother to accumulate internal resources for modernization. The government of India set up the National Industrial Development Corporation (NIDC) to assist the jute industry in its efforts at modernization. The government has announced a package of assistance of Rs 150 cores under the Jute Modernization Fund Scheme. This assistance is available for healthy as well as sick units. 3) There is ample scope for diversification and production of value added products. A large area for non-traditional jute items, jute decorative and other jute specialties (like tea bags, jute reinforced plastic, geo-textiles, decorative including furnishing, soft luggage, shopping bags, carpets and matting, apparels, blankets and non-woven) remains to be exported. This can open up many possibilities for expansion of demand for jute goods in future. The advantages of the new and value added products have generated considerable interest in the commercial use of jute on a large scale. In recent time, the textile manufacturers particularly in the south, are directing their attention towards cotton-jute blended yarn due to high cost of cotton yarn for some uses and might emerge as the largest manufacturing base for value added jute products in future.4) The development of the market for new value-added jute products is an excellent opportunity for the industry to direct its attention, penetrate and create new export markets with brand name “Indian Jute”. To increase the share of diversified products in total jute exports has increased considerably over the years. Jute fiber is fire retardant and biodegradable with capacity to promote safety standards, some top car manufacturers in Germany have plans to use it. Jute is also being used increasingly as a soil saver. This can help jute in recapturing the export markets. So the government set up the National Centre for Jute Diversification (NCJD)in 1995 as a body under the Ministry of Textiles. NCJD is playing an important role in the commercialization of technologies for the manufacture of jute diversified products and creating awareness about the uses of this natural fiber in non-conventional applications. The government formulated the first National Jute Policy 2005 with an objective of increasing production , improving quality ensuring remunerative prices to the Jute farmers and enhancing per hector yield. On June 2006, the government approved the implementation of the Jute Technology Mission (JTM) at an estimated cost Rs 3555.55 corer. It has four mini-missions :i)Strengthening of Research and Development. Ii) Transfer of technology iii) Development of marketing infrastructure iv) Modernization and up-gradation of technology of jute sector, and initiation of activities for promotion of jute-diversified products.5) To increase the domestic demand the government announced in 2002, that using Jute gunny bags is necessary for carrying, packeting and packing all type of food grains, fruits& agricultural products for transporting in lorries and other vehicles to long distances.Recently the uses of various types of alternatives goods and products are made from jute fiber are increasing in day by day. Such products includes sit cover of vehicle running of railway line, door panel, bags, furniture, cloths etc. Moreover presently chemical things mixture with jute ,various type of plywood like new products are manufactured from jute which are used for making chair ,table & other furniture for reducing making cost.7) The government has established Jute Advisory Board, Jute corporation of India. To increase international demand for jute, International Jute Study Group was established in global standard, by taking 27 countries for giving suggestions for development of jute industry. The government of India is implementing a package of revitalization programmed with help of UNDP to cater to the needs of the jute sector from production to export stage. Major thrust of the programme is on diversification of product range and involvement of entrepreneurs. Besides the government has introduced Jute packing materials compulsory act, 1997 to protect the interest of the jute sector and broaden the sector of jute usages. The government has also allowed ‘nil’ rate of excise duty on all jute products ,in 1997-98 and has also provided assistance under the External Market Assistance Scheme. As a result exports of jute manufactures increased.

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II. CONCLUSION

For using alternative goods, the demand for jute had been reduced after 1970. But alternative goods like nylon, polythin etc increase environmental pollution. But jute products are environment friendly and do not hamper the environment. So it is helpful for society. To save environment and to prevent pollution, the demand of jute producing goods will be increased in future again. If the people are concerned and award about the usefulness of jute products and uses of harmful alternative goods, then the future of jute industry will be surely glorious and it will be developed and progressed once again.

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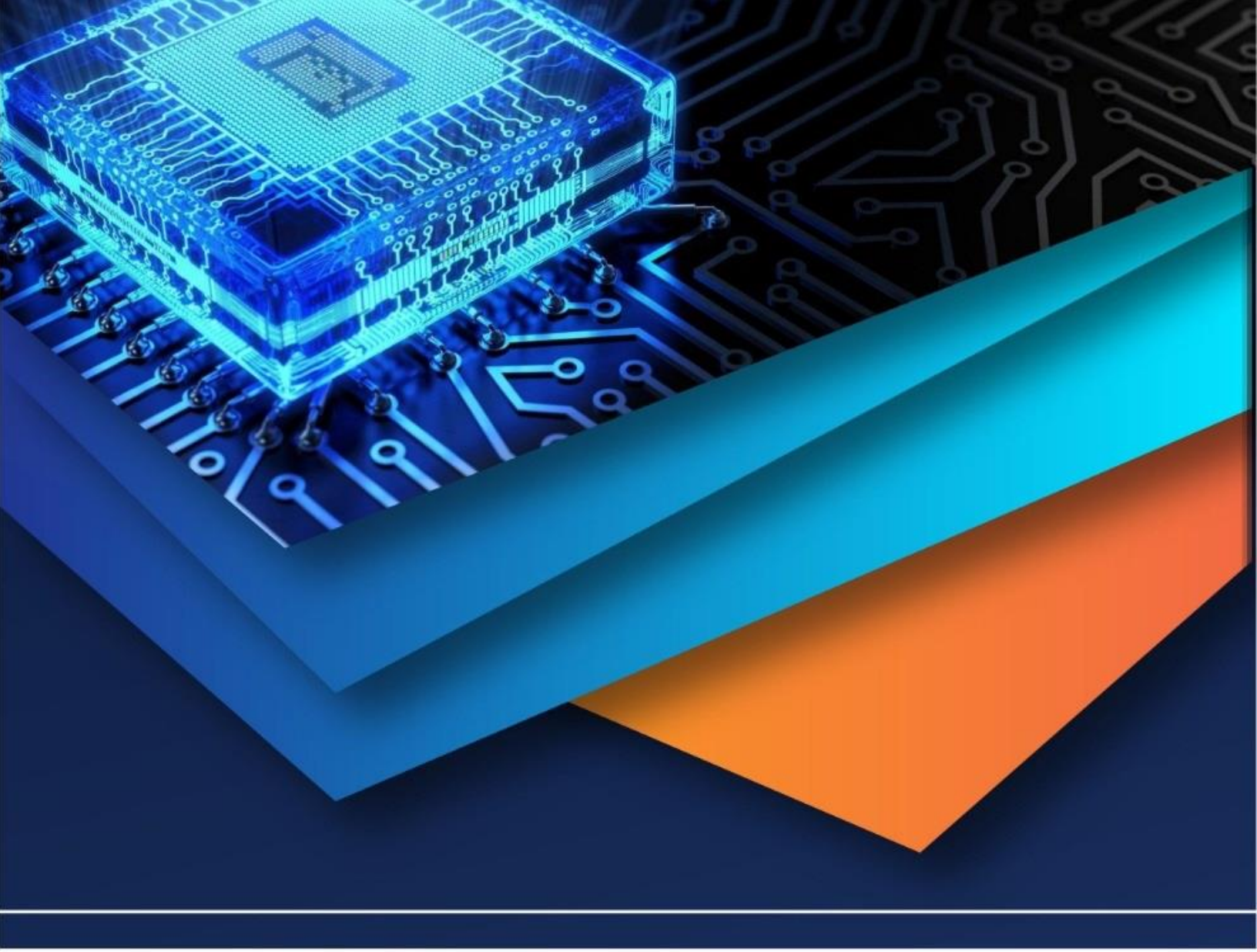

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