

FACTS ABOUT MYANMAR JUTE INDUSTRIES

1. INTRODUCTION

Myanmar Jute Industries (MJII) is a governmental organization solely empowered to trade in jute, kenaf and allied fibre and in value-added products. At present jute and kenaf fibre is used mainly in the production of bags for packaging. In the near future the MJII intends to use the whole jute plant and decorticated kenaf bast fibre as raw material for the production of pulp and paper.

2. BACKGROUND HISTORY

Myanmar is an agrarian country and its economy is largely dependent on agricultural produce such as rice, pulse and beans etc. In order to export them, we need packaging materials such as gunny bags, hessian and twine. In the past these packaging materials were all imported from India and East Pakistan. After making market surveys, it was found that it would be more beneficial to cultivate jute and establish a jute mill in Myanmar.

Hence jute cultivation began in 1953-54, and at the same time Okkyin Jute Mill was established and started operation in 1957. This jute mill was able to produce 24 million gunny bags per year.

Production increased yearly in raw jute. It was no longer necessary to import raw jute but gunny bags were still imported at that time. Therefore another jute mill i.e. Myaung Mya Jute Mill was set up in the Delta area. At the same time the agricultural sector strove to produce more jute.

Myaung Mya Jute Mill was established in 1975 and began operations in 1980. This mill was able to produce 15 million gunny bags, 5 million yards of hessian and 0.5 million pounds of jute twine per year.

From the year 1982 to 1984 Okkyin Jute Mill was renovated to raise its production from 24 million gunny bags to 28 million gunny bags per year.

The production of jute increased from year to year and although high quality jute were exported to other countries, it was more favourable to export finished jute goods such as carpet backing cloth, jute carpets, stuffer yarns etc. Thus the project for establishing Carpet Products Factory at Dawbon, Yangon was planned in 1978 and materialized in 1982. This factory was able to produce 2,027 metric tons of jute carpets and carpet products.

3. CONSTITUTION

Formerly jute cultivation, purchasing, and jute grading and baling factories were all executed by the Agriculture and Rural Development Corporation, which was under the Ministry of Agriculture and Forestry. Jute industry was executed by the Industrial Development Corporation which was at that time under the Ministry of Industry. In 1977 the Jute Division was formed under the Textile Corporation, Ministry of Industry (1). In 1984, Jute Division was separated from the Textile Industry to become a separate entity as Jute Industries Corporation. Starting from 1st April 1989, it was renamed as Myanmar Jute Industries (MJI).

Until the end of fiscal year 1993-1994 jute cultivation was taken care by Myanmar Agriculture Service under the Ministry of Agriculture. Up to that time Myanmar Jute Industries (MJI) was under the Ministry of Industry (1). To alleviate the problem of availability of raw jute on 20th April 1994, MJI was re-constituted as an entity under the umbrella of the Ministry of Agriculture and Irrigation. Since that time MJI has been taken-care of jute cultivation as well as purchasing of raw jute and production of jute goods.

There are altogether six separate jute sowing and purchasing zones under MJI, viz. Ma-U-Bin zone, Myaung Mya zone, Kyone Pyaw zone, Hinthada zone, Tharyarwady zone, and Toungoo zone.

There are altogether thirteen mills and factories under MJI as mentioned below:

- (a) Okkyin Jute Mill
- (b) Myaung Mya Jute Mill
- (c) Dawbon Carpet Products Factory
- (d) Ma-U-Bin Paper Mill
- (e) Wakema Jute Grading and Baling Factory
- (f) Myaung Mya Jute Grading and Baling Factory
- (g) Ma-U-Bin Jute Grading and Baling Factory
- (h) Da-Nu-Byu Jute Grading and Baling Factory
- (i) Kyone Pyaw Jute Grading and Baling Factory
- (j) Tharyarwady Jute Grading and Baling Factory
- (k) Pyay Jute Grading and Baling Factory
- (l) Taungoo Jute Grading and Baling Factory
- (m) Okkyin Jute Grading and Baling Factory

To regulate and supervise the functions of above mentioned mills and factories, MJI's head office is divided into six separate departments viz. jute cultivation and purchasing, planning, production, marketing, finance and administration.

Total sanctioned strength of MJI including head office, mills and factories is 13,601.

4. OBJECTIVES AND FUNCTIONS

The objectives and functions of MJI are as follow:

- (a) To encourage and organize jute farmer in order to intensify jute production in areas with favourable conditions,
- (b) To purchase the jute directly from farmers according to the specified "four" farmers' grades,
- (c) To sort out and grate the purchased raw jute into "nine" specified export grades and make 180 kg bales at the jute grading and baling factories,
- (d) To produce jute goods at two jute mills and carpet factory,
- (e) To export and distribute jute, jute goods and their by-products to local and foreign markets.

5. SOWN ACRES AND RAW JUTE PRODUCTION

The actual sown acres of the fiscal year 2001-2002 and 2002-2003 are as follows:

Table 1 : Sown Areas of Jute (2001-2002)

(acre)

Division / State	Jute	Kenaf	Total
Ayeyawady Division	93,978	768	94,746
Bago Division	25,784	8,211	33,995
Yangon Division	5,017	345	5,362
Sagaing Division	-	432	432
Mandalay Division	35	25	60
S an S a e	80	40	120
Total	124,844	,821	134,715

Source: MJI.

Table 2 : Sown Areas of Jute (2002-2003)

(acre)

Division / State	Jute	Kenaf	Total
Ayeyawady Division	90,873	11,107	101,980
Bago Division	21,358	14,326	35,658
Yangon Division	1,573	539	2,112
Mandalay Division	-	100	100
Sagaing Division	-	290	290
Total	113,805	26,362	140,167

Source: MJI.

The sown acres and raw jute/kenaf production in the last ten fiscal years are mentioned in Table 3.

6. PURCHASING PRICES

The advanced payment and purchasing price for jute /kenaf in the last ten fiscal years are shown in Table 4.

Table 3 : Sown Acres and Raw Jute/Kenaf Production

Year	Sown Acre	Raw Jute / Kenaf Production (MT)
1993-1994	81,842	25,900
1994-1995	97,117	34,600
1995-1996	123,510	43,300
1996-1997	115,629	39,500
1997-1998	93,578	33,100
1998-1999	99,583	33,500
1999-2000	94,562	33,400
2000-2001	111,089	41,900
2001-2002	134,715	50,700
2002-2003	140,167	51,700 (Plan)

Source: MJJ.

Table 4 : Advanced Payment and Purchasing Price

(Kyat/viss)

Year	Advanced Payment Kyats/acre	Special Grade	First Grade	Second Grade	Third Grade
1993-94	500	25	23	20	16
1994-95	2,000	25	23	20	16
1995-96	2,000	32	28	24	20
1996-97	2,000	32	28	24	20
1997-98	2,000	40	35	30	25
1998-99	2,000	45	40	35	30
1999-00	2,000	80	75	70	60
2000-01	5,000	80	75	70	60
2001-02	5,000	80+20*	75+10*	70	60
2002-03	5,000	80+50*	75+25*	70	60

Source: MJJ.

Remark: * means additional cleaning charges.

7. INSTALLED MACHINERY

The installed machineries of the mills and factories under MJI are as follows:

- | | |
|--|--|
| (a) Okkyin Jute Mill | -336 shuttless looms for sacking, 9360 spindles |
| (b) Myaung Mya Jute Mill | -180 shuttless looms for sacking, 56 shuttless looms for hessian, 5248 spindles |
| (c) Dawbon Carpet Products Factory | -22 shuttless looms for carpet backing cloth, 6 looms for carpets, 1784 spindles |
| (d) Ma-U-Bin Paper Mill | -2 Vertical Digester, 1 disc refiner, 1 paper m/c
(3 T day) |
| (e) Wakema Jute Grading & Baling Factory | -1 Cyclone Baling Press
-1 screw type Baling Press |
| (f) Myaung Mya Jute Grading & Baling Factory | - 2 screw type Baling Press |
| (g) Ma-U-Bin Jute Grading & Baling Factory | -1 Cyclone Baling Press
-1 screw type Baling Press |
| (h) Da-Nu-Byu Jute Grading & Baling Factory | -1 screw type Baling Press |
| (i) Kyone Pyaw Jute Grading & Baling Factory | -2 screw type Baling Press |
| (j) Pyay Jute Grading & Baling Factory | -1 screw type Baling Press |
| (k) Tharyarwady Jute Grading&Baling Factory | -1 screw type Baling Press |
| (l) Taungoo Jute Grading&Baling Factory | -2 screw type Baling Press |
| (m)Okkyin Jute Grading&Baling Factory | -1 Cyclone Baling Press
-1 screw type Baling Press |

8. PRODUCTS

The mills and factories under MJI produce the following commodities:

- (a) Jute : (White / Tossa)
 - Long Jute : Grade A,B,C,D,E,E2, Rejection
 - Cutting : Cutting I, Cutting II
- (b) Jute Products
 - Jute Bags, Hessian, Carpet Backing Cloth, Jute Carpets, Cotton Carpets, Polypropylene Carpets, Wool Carpets, Stuffer Yarns, Jute Twines, Jute Yarns, Sacking Cloth, Jute Handicrafts, Various Writing Papers, File Covers, Exercise Books, Tissue Paper.

9. EXPORT

The major items of export from MJI are as follows:

- (a) Raw Jute / Kenaf
- (b) Jute Bags
- (c) Hessian
- (d) Carpet Backing Cloth
- (e) Carpet
- (f) Stuffer Yarns

Raw jute/kenaf purchased and exported by MJI in the last twenty years are mentioned in Table 5.

As stated in Table 5, raw jute/kenaf purchased and graded jute/kenaf exported by MJI in the year 2001-2002 is the highest during the previous twenty years.

10. PRODUCTION OF MILLS & FACTORIES

The actual production of mills and factories under MJI in the previous fiscal year 2001-2002 is mentioned in Table 6 and jute bags production of the last three years are stated in Table 7.

Table 5 : Raw Jute/Kenaf Purchased and Exported

Year	Purchased (MT)	Exported (MT)
1982-1983	22,980	3,035
1983-1984	34,980	-
1984-1985	21,675	1,972
1985-1986	19,502	-
1986-1987	29,383	-
1987-1988	26,898	-
1988-1989	23,734	-
1989-1990	14,912	5,030
1990-1991	12,294	-
1991-1992	15,269	-
1992-1993	25,590	-
1993-1994	22,392	4,972
1994-1995	31,010	-
1995-1996	31,661	4,953
1996-1997	28,461	1,987
1997-1998	25,704	4,890
1998-1999	23,341	-
1999-2000	30,665	4,595
2000-2001	32,898	6,842
2001-2002	39,449	32,045

Source: MJJ.

Table 6 : Actual Production (2001-2002)

(million Kyat)

Sr. No.	Mills & Factories	Production
1	Okkyin Jute Mill	758.942
2	Myaung Mya Jute Mill	591.726
3	Dawbon Carpet Products Factory	208.851
4	Ma-U-Bin Paper Mill	27.161
5	9 Grading & Baling Factories	1,695.100
Total		3,281.780

Source: MJJ.

Table 7 : Jute Bags Production

(million bags)

Sr. No.	Year	Jute bags
1	1999-2000	12.11
2	2000-2001	13.71
3	2001-2002	11.63

Source: MJI.

11. DIVERSIFIED APPLICATION OF JUTE, KENAF AND ALLIED FIBRE

Though polypropylene (PP) bags are not biodegradable and environment-friendly, PP bags production is increasing. Due to competition of PP bags, the market condition of Jute/Kenaf bags is in down trend. Therefore raw Jute/ Kenaf manufacturing countries have to consider the diversified application of jute, kenaf and allied fibre for value-added products.

Many reports have been stated that there has been a breakthrough in producing pulp from jute and kenaf. The increasing demand of pulp and paper, growing consciousness on environmental issues, restriction on deforestation and preservation of forest resources in many developed and developing countries justify the use of non-wood plant fibres for pulp and paper manufacturing. A number of such non-wood raw materials have been evaluated and jute/kenaf has been found technically suitable.

12. THE NEW PROJECTS OF MJI

MJI is trying not only to extend jute growing areas but also areas of kenaf. Kenaf cultivation is recognized as noble job due to the following facts:

- (a) These plant absorb CO₂ two times more than other trees,
- (b) Deforestation problem can be partially solved by using jute/kenaf as raw material instead of bamboo and wood for the production of pulp and paper,

- (c) Due to high content of protein, animal feed can be produced from kenaf plant,
- (d) The natural dyes can be produced from kenaf fruit,
- (e) Edible oil can be extracted from kenaf seeds,
- (f) Boards can be manufactured from jute/kenaf core for the substitution of ply wood,
- (g) Auto parts can be produced from jute/kenaf fibre as composite,
- (h) Clothing can be manufactured from kenaf fibre blending with cotton,
- (i) These plant can help the human beings free from dangerous condition of air and water pollution, ozone layer depletion, global warming and sea level up-rising,

That is why MJI has been trying to extend kenaf cultivation in Mandalay Division, Sagaing Division and Bago Division and planning to set up Kenaf Pulp Mill in Bago Division and to install new machinery in existing Ma-U-Bin Paper Mill to produce paper by using the whole jute plant as raw material.

On 14th August of 2002, Contract between MJI and China Yunan Corporation has been signed for the supply and installation of Ma-U-Bin Paper Mill. By using the whole jute plant as raw material this Paper Mill can produce 5,000 MT of paper annually. This project will be implemented within 18 months computed from the signing date of the contract.

Also another contract titled “The Supply and Installation of Kenaf Pulp Mill Project” between MJI and Sky Moon Singapore Pte. Ltd has been signed on 6th September 2002. This plant is situated in Okktwin Township, Taungoo District. By using the decorticated kenaf bast fibre, this pulp mill can produce 5,000 MT of exportable kenaf pulp annually. This project will be also implemented within 18 months after signing the contract.

13. HUMAN RESOURCE DEVELOPMENT ACTIVITIES

Training, seminars and workshops are the main source of Development of Human Resource. Human Resource Development activities of MJI are as mentioned below:

Table 8 : Training, Seminars and Work Shops (Local)

Sr. No.	Type of Training	Duration		No. of Trainees	Location
		From	To		
1	1 st Grade Accounting Course No.183	24-04-01	28-06-01	3	Office of the Auditor General
2	1 st Grade Accounting Course No.184	16-07-01	20-09-01	3	Office of the Auditor General
3	1 st Grade Accounting Course No.185	08-10-01	28-12-01	3	Office of the Auditor General
4	1 st Grade Accounting Course No.187	29-04-02	04-07-02	3	Office of the Auditor General
5	2 nd Grade Accounting Course No.71	02-07-01	19-10-01	3	Office of the Auditor General
6	2 nd Grade Accounting Course No.72	01-01-01	30-04-02	3	Office of the Auditor General
7	Basic Course for Clerical No.102	12-06-01	14 Wks	2	Central Institute of Civil Service
8	Basic Course for Clerical No.103	04-12-01	14 Wks	1	Central Institute of Civil Service
9	Supervisor Training Course No.4	12-09-01	25-09-01	3	Central Institute of Civil Service
10	Supervisor Training Course No.5	16-10-01	30-10-01	1	Central Institute of Civil Service
11	Pension Course	15-10-01	26-10-01	1	Pension Dept.
12	Training Workshop on Integrated Pest Management Proper Use of Insecticide & Weed Control	02-07-01	20-07-01	4	CARTC
13	Training Workshop on Integrated Pest Management Proper Use of Insecticide & Weed Control	03-09-01	21-09-01	5	CARTC
14	Training Workshop on Soil Management & Disturbance of Crop Production	06-08-01	17-08-01	4	CARTC

(Table 8 Continued)

Sr. No.	Type of Training	Duration		No. of Trainees	Location
		From	To		
15	Seminar on Seed Technology	06-08-01	17-08-01	4	CARTC
16	Advanced Higher Education Administration Development (AHEAD) Training	27-08-01	31-08-02	1	Institute of Agriculture
17	Workshop on Orchid Cultivation	23-07-01	27-07-01	4	CARTC
18	Workshop on Horticultural Crop	23-07-01	27-07-01	4	CARTC
19	Seminar on Chemical Fertilizer, Bio Fertilizers, Green Manure & Effective Micro-organisms	16-07-01	27-07-02	4	CARTC
20*	Jute Cultivation & Purchasing Management Course (Field Staff)	07-01-02	18-01-02	51	CARTC
21*	Jute Cultivation & Purchasing Management Course (Field Staff)	04-02-02	15-02-02	85	CARTC
22*	Advance Maintenance Training Course	11-03-02	05-04-02	23	Myaung Mya Jute Mill
23	Jute Cultivation Training Course	11-03-02	05-04-02	24	Sapayoe Farm
24*	Jute Purchasing and Grading Course for Supervisor (1/2001)	07-05-01	12-05-01	25	Maubin Grading & Baling Factory
25*	Jute Purchasing and Grading Course for Supervisor (2/2001)	14-05-01	19-05-01	25	Maubin Grading & Baling Factory
26*	Jute Purchasing and Grading Course for Supervisor (3/2001)	04-06-01	09-06-01	20	Tharyarwaddy Jute Grading & Baling Factory
27	Jute Purchasing and Grading Course for Supervisor (4/2001)	10-06-01	16-06-01	20	Tharyarwaddy Jute Grading & Baling Factory
28	Management & Accountancy Course for Offices	06-01-03	17-01-03	56	CARTC
29	Jute Cultivation & Purchasing Course (Field Staff)	17-01-03	28-01-03	75	CARTC

Source: MJI.

Remark: * Courses are conducted and organized by MJI in order to upgrade the skills and expertise of personnel of mills, factories, jute zones under MJI.

Table 9 : Training, Seminars and Work Shops (Foreign)

Sr. No.	Type of Training	Duration		No. of Trainees	Location
		From	To		
1	On Job Training (Cultivation) Course	10-09-02	11 Months	4	Isreal
2	Balanced Fertilization Training Course for ASEAN	17-11-02	28-11-02	1	Nanjing, Beijing P.R. China
3	Process Technology Operation and Maintenance Training for Pulp & Paper Marketing Process	March 2003	Aprial 2003	20	Kumming China (CYC)
4†	Kenaf Pulp Processing & Maintenance Training	1 Month	2003	10	CPPRI (Central Pulp & Paper Research Institute) India

Source: MJJ.

Remark: † Commencing Date of Course not yet fixed.

14. CONSTRAINTS

The major constraint is to reduce the production cost of pulp and paper. We have learned that Japanese expert has found that jute/ kenaf pulp can be produced by using cheaper chemicals.

15. CONCLUSION

Therefore we would like to request concerning Japanese organizations to let us have a chance of transfer of pulping technology which will tend to the lowest production cost and the best quality.