COUNTERVAILING / FINAL FINDINGS

DGTR recommends countervailing duty on jute products from Bangladesh and Nepal

DGTR recommends a five-year countervailing duty on jute products of 101.54 to 140.04 US$/MT from Bangladesh and 54.77 to 60.54 US$/MT from Nepal.

THE DIRECTORATE GENERAL of Trade Remedies (DGTR) has issued final findings, dated September 28, 2026 (Case No. CVD (OI)-04/2025), in the countervailing duty investigation concerning imports of jute products originating in or exported from Bangladesh and Nepal. The investigation was initiated on September 29, 2025 on an application by the Indian Jute Mills Association (IJMA) and the A.P. Mesta Twine Mills Association (AJMA), with eight Indian jute mills participating as applicant producers. The same goods are already subject to anti-dumping duty under Notification No. 33/2022-Customs (ADD) dated December 30, 2022.

KEY FACTS

MEASURE
Countervailing

STAGE
Final findings

COUNTRIES
Bangladesh, Nepal

DATED
September 28, 2026

REFERENCES

Case No. CVD (OI)-04/2025

No. 6/35/2025-DGTR

CG-DL-E-05102026-276785

HS CODES 4

5307
5310
5607
6305

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Case No. CVD (OI)-04/2025 · Final findings · September 28, 2026

The Directorate General of Trade Remedies (DGTR) has issued final findings, dated September 28, 2026 (Case No. CVD (OI)-04/2025), in the countervailing duty investigation concerning imports of jute products originating in or exported from Bangladesh and Nepal. The investigation was initiated on September 29, 2025 on an application by the Indian Jute Mills Association (IJMA) and the A.P. Mesta Twine Mills Association (AJMA), with eight Indian jute mills participating as applicant producers. The same goods are already subject to anti-dumping duty under Notification No. 33/2022-Customs (ADD) dated December 30, 2022.

The product covers jute yarn and twine, sacking bags and cloth, and hessian bags and fabrics, and excludes items such as floor coverings, shopping bags, handicrafts, carpet backing cloth and geo-textiles. DGTR examined a sample of three producer groups from Bangladesh and two from Nepal for the period April 2024 to March 2025.

DGTR found that Bangladeshi producers benefited from export cash incentives and a reduced income tax rate for the jute industry, and that Nepalese producers benefited from export cash grants and income tax concessions. Subsidy margins range from 10-20% to 15-25% for Bangladesh and 0-10% for Nepal. Imports from the two countries rose to 15% of Indian demand, with price undercutting in the range of 20-40% overall, and the domestic industry's profits and return on capital fell over the injury period.

DGTR recommends a countervailing duty for five years of 101.54 to 140.04 US$/MT on Bangladeshi goods and 54.77 to 60.54 US$/MT on Nepalese goods, depending on the producer. So that the same situation of export subsidization is not compensated twice, the export subsidy part is payable only to the extent it exceeds the anti-dumping duty on the consignment, while the tax concession part is payable in full. The five-year period would run from the date of notification by the Central Government.

Measure	Countervailing
Stage	Final findings
Case number	Case No. CVD (OI)-04/2025
File number	No. 6/35/2025-DGTR
Dated	September 28, 2026
Published in the Gazette	September 28, 2026
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Gazette ID	CG-DL-E-05102026-276785
Product	Jute Products
What it covers	Jute yarn/twine (single, multiple folded or cabled), jute sacking bags and cloth, and jute hessian bags and fabrics, including such goods imported as jute products containing mineral oil or vegetable oil and as diversified jute products. Blanket, decorative fabrics, floor coverings, hand and shopping bags, handicrafts, carpet backing cloth, geo-textiles and other gift novelty items are excluded. The customs classification is indicative only.
Customs codes	5307, 5310, 5607, 6305
Countries	Bangladesh, Nepal
Applicant	M/s Indian Jute Mills Association (IJMA) and M/s A.P. Mesta Twine Mills Association (AJMA)

Period of investigation	April 2024 - March 2025 (12 months)
Injury period	2021-22, 2022-23, 2023-24 and the POI
Findings	• Producers/exporters in Bangladesh received countervailable subsidies under Programme 8 (cash incentive on export of jute goods), a prohibited export subsidy, and Programme 10 (preferential income tax treatment of the jute industry, at 10% against a standard rate of 27.5%); no benefit was established under Programmes 1 to 7, 9, 11 and 12 for the sampled producers/exporters. • Producers/exporters in Nepal received countervailable subsidies under Programme 1 (cash grants on export of jute products, 5% of the export value where value addition is 50% or more), a prohibited export subsidy, and Programme 2 (tax subsidies for jute industries, against a 25% benchmark rate); the Authority found that the repeal of Programme 1 by the Cabinet decision of February 24, 2026 did not extinguish entitlements on exports made in the POI. • The subsidy margins for Bangladesh are 15-25% for the Hasan group, 10-20% for the Janata/Sadat group, 10-20% for the Sagar/Oriental group, 10-20% for non-sampled cooperating producers/exporters and 15-25% for any other producer/exporter; for Nepal all margins are 0-10%. All are above the de minimis level. • Subject imports rose from 1,12,734 MT in 2021-22 to 1,90,272 MT in 2023-24 and were 1,66,416 MT in the POI, 48% above the base year; their share of Indian demand rose from 10% to 15%, and all imports into India came from the subject countries. • The landed price of subject imports declined by 20% over the injury period and remained below the domestic industry's cost of sales and selling price throughout; price undercutting was in the range of 20-40% overall in the POI, and the Authority found price suppression and depression. • The domestic industry's capacity utilization fell to 63% in the POI, and over the injury period its profit per unit declined by 35%, cash profits by 23% and return on capital employed by 46%, with anti-dumping duty in force. • Demand declined by 20% in the POI compared with the preceding year; the Authority found that this explains part of the fall in volumes but not the price undercutting, price suppression and decline in profitability, and concluded that the subsidized imports caused material injury. • The injury margins determined for every producer/exporter category in both countries are higher than the corresponding subsidy margins, so the duty is set at the subsidy margin.
Recommendation	DGTR recommends a definitive countervailing duty for five years, as a fixed amount in US$ per MT for each producer/exporter, from 101.54 to 140.04 US$/MT for Bangladesh and 54.77 to 60.54 US$/MT for Nepal. Because the goods are already subject to anti-dumping duty, the export subsidy component is to be collected only to the extent it exceeds the anti-dumping duty leviable on the same consignment, while the tax concession component is collected in full and the anti-dumping duty continues to be collected in full.
Duty expressed as	US$ per MT (fixed amount), in two components: an export subsidy component and a tax concession component
For how long	Five years from the date of notification by the Central Government
What happens next	The recommended duty would apply for five years from the date of notification by the Central Government. An appeal against the order of the Central Government arising out of these final findings lies before the Customs, Excise and Service Tax Appellate Tribunal.

The duty table

Country	Producer	Duty
Bangladesh	Hasan Jute Mills Limited	132.36 US$/MT total (export subsidy component 92.10 US$/MT; tax concession component 40.26 US$/MT)
Bangladesh	Hasan Jute & Spinning Mills Limited	132.36 US$/MT total (export subsidy component 92.10 US$/MT; tax concession component 40.26 US$/MT)
Bangladesh	Janata Jute Mills Limited	104.20 US$/MT total (export subsidy component 99.78 US$/MT; tax concession component 4.42 US$/MT)
Bangladesh	Sadat Jute Industries Limited	104.20 US$/MT total (export subsidy component 99.78 US$/MT; tax concession component 4.42 US$/MT)
Bangladesh	Sagar Jute Spinning Mills Ltd.	101.54 US$/MT total (export subsidy component 99.51 US$/MT; tax concession component 2.03 US$/MT)
Bangladesh	Oriental Jute Mills Ltd.	101.54 US$/MT total (export subsidy component 99.51 US$/MT; tax concession component 2.03 US$/MT)

Bangladesh	Ahyan Jute Mills Limited; Alijan Jute Mills Limited; Asha Jute Industries Limited; Bogra Jute Mills Limited; Ecotrade International; Golden Jute Industries Limited; Jamuna Jute Industries; Mirza Jute Mills Ltd.; Mouna Jute Mills Ltd.; Natore Jute Mills; Nawhata Jute Mills Ltd.; Rahman Jute Mills Pvt. Ltd.; Rajbari Jute Mills Limited; Ranu Agro Industries Ltd.; Sidlaw Textiles (Bangladesh) Limited; Sonali Aansh Industries Limited; Wahab Jute Mills Ltd.; A. M. Jute Industries Limited	116.48 US$/MT total (export subsidy component 96.23 US$/MT; tax concession component 20.25 US$/MT)
Bangladesh	Any producer other than those at SN 1 to 7	140.04 US$/MT total (export subsidy component 99.78 US$/MT; tax concession component 40.26 US$/MT)
Any country other than Bangladesh and Nepal (country of origin), exported from Bangladesh	Any	140.04 US$/MT total (export subsidy component 99.78 US$/MT; tax concession component 40.26 US$/MT)
Nepal	Arihant Multi-Fibres Ltd.	58.96 US$/MT total (export subsidy component 57.24 US$/MT; tax concession component 1.72 US$/MT)

Nepal	Shree Raghupati Jute Mills Limited	58.96 US$/MT total (export subsidy component 57.24 US$/MT; tax concession component 1.72 US$/MT)
Nepal	Swastik Jute Mills (P) Ltd.	54.77 US$/MT total (export subsidy component 54.55 US$/MT; tax concession component 0.22 US$/MT)
Nepal	Baba Jute Mills Private Limited; Shree Pashupatinath Jute Mills Private Limited	58.50 US$/MT total (export subsidy component 56.91 US$/MT; tax concession component 1.59 US$/MT)
Nepal	Any producer other than those at SN 10 to 13	60.54 US$/MT total (export subsidy component 57.24 US$/MT; tax concession component 3.30 US$/MT)
Any country other than Bangladesh and Nepal (country of origin), exported from Nepal	Any	60.54 US$/MT total (export subsidy component 57.24 US$/MT; tax concession component 3.30 US$/MT)

The notification (PDF, 2.9 MB)

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