



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Cambodia

Rice exports to European Union (EU) of indica rice variety is likely to face the tariff imposition during 2019-2021.

The European Commission (EC) launched a safeguard investigation in March 2018 to see if the volume of imports of semi-milled and milled indica rice from Cambodia, as well as from Myanmar, resulted in serious difficulties to EU producers of similar or competing products. On 5 November 2018, the Directorate-General for Trade of EC confirmed that a significant surge of rice imports from Cambodia and Myanmar caused economic damage to the rice sector in Europe. However, EU has failed to agree unanimously on the imposition of the tariff. As a result, EC has been tasked with making a final decision before 1 January 2019. The tax imposition will be set at 175 Euros (198 USD) per tonne in 2019, 150 Euros (170 USD) in 2020, and 125 Euros (142 USD) in 2021. Due to this uncertainty, Cambodia Rice Federation (CRF) will work with the Ministry of Commerce and other relevant stakeholders to lobby the EU in this proposal, said vice president of CRF.

EU is Cambodia's major rice importers with about 213,000 tonnes, followed by China at 127,000 tonnes, ASEAN member states at 47,000 tonnes, and 48,000 tonnes to other destinations.

* 1 Euro = 1.136 USD

Source: Khmer Times. (2018, Dec 10). *Throwing sand in one's own rice bowl*; Khmer Times. (2018, Dec 6). *Positive sign in EU rice tariff saga*; Khmer Times. (2018, Dec 5). *EU members fail to agree on rice tax, EC to make final call*; and The Phnom Penh Post. (2018, Dec 3). *CRF voices concern over EU rice tax on Cambodia*.

Myanmar

Myanmar earned about 480 million USD from rice and broken rice exports from April to November this year.

According to Myanmar Rice Federation (MRF), from 1 April to 23 November 2018, Myanmar exported 1.4 million tonnes of rice and broken rice worth about 480 million USD. Over 737,148 tonnes of rice and broken rice were exported via border trade with the earning of 260 million USD, while more than 660,646 tonnes were exported via maritime trade and brought the country 220 million USD. Last 2017-2018 fiscal year, Myanmar exported nearly 3.6 million tonnes and earned over 1.1 billion USD due to the market expansion. In 2018-2019 fiscal year, Myanmar rice exports are expected to reach 2 or 3 million tonnes.

Source: Eleven Myanmar. (2018, Dec 6). *Myanmar earns US\$480 mil from rice and broken rice export*; and Eleven Myanmar. (2018, Nov 17). *Myanmar earns US\$440 M from rice export*.

Viet Nam

The Ministry of Industry and Trade (MOIT) led a delegation to seek export markets for Vietnamese rice in South Africa during 10-11 December 2018.

According to Deputy Head of MOIT's Import and Export Department, South Africa is a potential export market for Vietnamese rice as it consumes about 850,000 tonnes of rice a year and the demand for rice is expected to continue to increase. At the working session with the South African Department of Trade and Industry (DTI), Deputy Head of MOIT's Import and Export Department shared information relevant to Viet Nam's tax and customs regulations for rice export and distribution. Also, the MOIT expected South Africa to be a gateway for Vietnamese rice exports to access wider the African market and suggested Vietnamese businesses to expand relations with international partners operating in the country. Meanwhile, South Africa always encourages and stands ready to create the best possible conditions for Vietnamese business to increase rice exports to the country and would help them gain access to other markets in the continent, especially those in the Southern African Development Community, said DTI Director of Asia Bilateral Relations. This occasion is also part of trade promotion activities aiming to realise the target of improving trade between the two countries from present 1 billion USD to 1.5 billion USD in 2020 set by South African President during his visit to Viet Nam in 2016.

Source: Vietnam Plus. (2018, Dec 11). *South Africa – gateway for Vietnamese rice to Africa*; and Viet Nam News. (2018, Dec 11). *South Africa expected to be gateway for VN exports to Africa*.

Gathered by the APTERR Secretariat
Tel: +66 (0) 2579 4816-17 Fax: +66 (0) 2579 4840
Email: voraporn.mue@apterr.org
Website: <http://www.apterr.org/>

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