



## WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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### **Cambodia**

***Rice exporters are urged to focus on China and Viet Nam to diversify the export market from the European Union (EU).*** According to Prime Minister Hun Sen, after the EU imposed tariffs on Cambodian rice and initiated the process to temporarily stop Cambodia's preferential trade status, the key to the survival of the rice sector is rice exporters should turn to China and Viet Nam in an effort to diversify the export market away from the EU. Recently, China has agreed to increase its import quota for Cambodian rice from 300,000 tonnes to 400,000 tonnes this year, while Viet Nam also agreed to expand its quota to 300,000 tonnes of rice. Diversifying Cambodia's rice export markets is crucial, as well as the fact that the quotas were expanded is a good sign. However, in order to actually fulfill that quotas, Cambodia has to reduce production costs, which will generate the country to be competitive in that markets, in accordance with vice president of the Cambodia Rice Federation (CRF).

**Source:** Khmer Times. (2019, Mar 4). *Premier urges rice traders to focus on China and Vietnam*; and Khmer Times. (2019, Feb 15). *Cambodia and Vietnam agree to drop import duties*.

### **Myanmar**

***Myanmar seeks higher quota for rice exports to China this year.*** Myanmar currently exports rice to China via border trade, however, the trade is unofficial and Chinese government levies import taxes strictly. China has permitted Myanmar to export 100,000 tonnes of rice to the country legally since 2016. At present, Myanmar rice merchants are now seeking to raise the quota by 300,000 tonnes. During the Second China Myanmar Economic Corridor Forum held in Yunnan province of China, Myanmar and China discussed on increasing the legal quota on rice exports to 400,000 tonnes. As China is a supportive nation of rice exports in the border areas, the country will take action to legalise such border trade, said joint secretary of the Myanmar Rice Federation (MRF). Besides, the MRF and some Chinese companies also discussed barter-trade system for the rice from Myanmar and commodities from China.

**Source:** The Myanmar Times. (2019, Feb 27). *Myanmar seeks higher export quotas to China for rice this year*.

### **Philippines**

***The Department of Agriculture (DA) has completed the Implementing Rules and Regulations (IRR) for the new Rice Tariffication Act (RA 11203).*** The DA has also submitted the finished IRR to the National Economic and Development Authority (NEDA) for approval, which would signal the official rollout of the law. As announced, the RA 11203 takes effect on 5 March 2019. It allows unlimited rice importation as long as traders secure a phytosanitary permit from the Bureau of Plant Industry (BPI). The following tariff rates will apply under the law; 35 percent if rice was imported from the ASEAN, 40 percent for in-quota or within minimum access volume (MAV) from non-ASEAN, and 180 percent for out-quota and from non-ASEAN. The new law also calls for the

establishment of the Rice Competitiveness Enhancement Fund (RCEF), which will be endowed 10 billion pesos (193 million USD) a year for six years to improve mechanisation and financing in the industry in order to ensure that all duties collected from imported rice will benefit local farmers.

\*1 USD = 51.761 pesos

**Source:** The Manila Times. (2019, Mar 5). *Rice tariffication law's IRR done, sent to NEDA.*

## **Viet Nam**

### ***Banks promise to offer low-interest loans to struggling rice exporters for the winter-spring crop in 2019.***

The State Bank of Viet Nam (SBV) has urged credit institutions to ensure adequate funds to meet the capital demands of rice exporters for the winter-spring crop this year. Regarding this, commercial banks committed to provide loans worth trillion of Vietnamese dong (VND) with an interest rate of 6 percent per year to rice enterprises. Besides, the banks will work closely with enterprises to resolve their capital problems and offer solutions, which include increasing the loan limit and speeding up disbursement for enterprises so they can quickly purchase paddy. Last year, total outstanding loans of the rice industry reached 99 trillion VND (4.31 billion USD), an increase of 29.8 trillion VND (1.29 billion USD) compared to the end of 2017.

\*1 USD = 22,930 VND

**Source:** Vietnam News. (2019, Mar 4). *Banks promise loans to struggling rice exporters.*

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