



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

No. 156
12 - 25 February 2020

Philippines

The tax collection on rice import drop due to the lower rice import volume.

As of 14 February 2020, the tax collection from rice import under the Rice Tariffication Law (RTL) or Republic Act 11203 (RA11203) decreased to 1.71 billion pesos (33 million USD) as rice import volume was markedly down during the period. From January 2020 to 14 February 2020, the Bureau of Customs (BOC) collected tax at 23.1 percent lower from 2.22 billion pesos (43 million USD) recorded at the same period last year. The volume of rice import during the period reached 209,320 tonnes, which is significantly lower from 759,810 tonnes of the previous year, according to the Department of Finance (DF).

*1 USD = 51.08 pesos

Source: The Manila Times. (2020, Feb 25). *Rice import tax collection dips.*

Thailand

Thailand is aiming to reclaim the World's biggest rice exporter position.

Thailand is seeking measures to regaining the number one global rice exporter position from India after losing its place for three consecutive years. The Ministry of Agriculture and Cooperatives (MOAC) has had a meeting with the Rice Department (RD), the Department of Foreign Trade (DFT), the Thai Rice Exporters Association (TREA), and rice sellers to discuss on this issue. At the meeting, the agencies and the companies have agreed to solve some cumulative issues in rice exports, as Thailand currently does not produce new rice varieties to serve the global market. Meanwhile, the related departments have been assigned to formulate a drought and rice farm-zoning plan, which will be completed in two weeks and expected to be implemented in the next farming season starting in May. Also, the RD has been assigned to speed up the new rice varieties research.

Source: Nation Thailand. (2020, Feb 20). *Vietnam imports may drag down Thai rice to Bt5,000 per tonne.*

Thailand seems to fall to third place of the world's biggest rice exporter.

According to the Thai Rice Exporters Association (TREA), Thailand is at risk of losing its place, as the world's second-biggest rice exporter to the third place in 2020, with Viet Nam might replace Thailand position. The reasons are weak competitiveness and a lack of rice varieties to cater to changing market demand. Also, the production cost is higher than competitors along with the volatile foreign exchange and widespread drought. Apart from this, other risk factors are the EU-Vietnam Free Trade Agreement (EVFTA) and the Comprehensive and Progressive Agreement of Trans-Pacific Partnership (CPTPP), which would let Viet Nam expand export markets to the European Union (EU) and the CPTPP members. Moreover, this year, the TREA has set a rice export target of 7.5 million tonnes, which is the lowest in

seven years since the country exported 6.6 million tonnes of rice in 2013.

Source: Bangkok Post. (2020, Feb 13). *Thailand risks slipping to third place in rice shipments.*

Viet Nam

Vietnamese rice export prices increase because of the uptick in demand.

Viet Nam's rice export prices raised to over one year high this week due to the strong demand from the Philippines and Malaysia. The rate for Viet Nam's benchmark 5 percent broken rice jumped to 380 USD per tonne, the highest since December 2018, from 355-360 USD per tonne last week. The traders received more orders from the Philippines and Malaysia, whereas supplies remain low because the winter-spring harvest has yet peaked.

Source: Reuters. (2020, Feb 20). *Asia Rice-Vietnam rates climb to over 1-year high on strong demand.*

Vietnamese rice exports are expected to reach 6.75 million tonnes in 2020.

According to the Vietnam Food Association (VFA), Viet Nam aims to export 6.75 million tonnes of rice this year, up 6 percent from last year. The demand for Vietnamese rice seems to increase due to competitive prices. The Philippines was currently the largest market for Vietnamese rice. Rice exporters in recent years have sought to expand their market to reduce their reliance from China. Furthermore, in March, a delegation from the Department of Agriculture of the Philippines will visit rice production sites in Viet Nam to work on food safety issues, which could let the country gain more shipments.

Source: Reuters. (2020, Feb 18). *Vietnam rice exports seen up 6% this year to 6.75 million tonnes.*

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