



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Cambodia

Tariffs on Cambodian rice exports to the European Union (EU) will return to zero.

The Directorate General for Trade of the European Commission confirmed that the EU's import tariffs on Cambodian and Myanmar long-grain white rice would revert to zero from 18 January 2022. The temporary rice import tariff measure was implemented three years ago to protect the EU's rice farmers from competitively priced long-grain rice. The measure has led to a substantial shift of rice export to Europe, therefore, Cambodian fragrant rice faced much more competition from Thai fragrant rice, while many EU buyers switched the Myanmar's rice variety from long-grain to medium-grain.

Source: Khmer Times. (2022, Jan 12). *Cambodian rice exports to EU set to revert to zero tariff from January 18.*

Thailand

Thai rice prices hit their highest level since mid-July 2021 this week.

Prices of Thai 5 percent broken rice rose to 404-405 USD per tonne, the highest level since mid-July 2021, from 390-402 USD per tonne last week. An uptick in demand among exporters drove rice prices up as they had to fulfil orders made before New Year's holidays, said Bangkok-based traders. According to the Ministry of Commerce, from January to November 2021, Thailand exported 5.39

million tonnes of rice, up 2.6 percent from the same period in 2020.

Source: Reuters. (2022, Jan 13). *ASIA RICE-Strong rupee, tight supplies lift India rates to over 6-month peak.*

Viet Nam

Viet Nam's rice prices slightly increase amid the dwindling sales and low local purchases of traders.

Rates for Vietnamese 5 percent broken rice were quoted at 395-405 USD per tonne from 395-400 USD per tonne last week. Sales are slow and local traders have reduced their rice purchases from farmers, said a trader based in Ho Chi Minh City. Meanwhile, Customs data showed that Viet Nam's rice export in 2021 fell by 0.2 percent to 6.24 million tonnes. In December 2021, the country exported 490,219 tonnes of rice, down 13.4 percent from November.

Source: Reuters. (2022, Jan 13). *ASIA RICE-Strong rupee, tight supplies lift India rates to over 6-month peak.*

The European Union (EU) is a highly potential importer of Vietnamese rice.

According to the Vietnam Investment Review, the EU remains a highly potential market for Viet Nam's rice export as there is stable and high demand for special rice from Asia. In 2021, Viet Nam shipped about 60,000 tonnes of rice to the EU worth 41 million USD, up nearly 1 percent in volume and over 20 percent in value year-on-year. Of which, fragrant rice exports were at 40,000 tonnes with a value of almost 30 million USD, an increase of over 9 percent and nearly 30 percent in volume and value respectively. The positive outcomes are attributed to an advantage of the EU-Vietnam Free Trade Agreement which came into force in August 2020. The Vietnam Food Association predicted that the country's rice export to the EU would continue growing well in 2022, especially the improved quality of fragrant rice.

Source: Vietnam Plus. (2022, Jan 14). *EU remains highly potential importer of Vietnamese rice.*

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