



## WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

**No. 104**  
**23 - 29 January 2019**

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### **Cambodia**

***China has agreed to increase rice import quota for Cambodian rice.*** After the European Union (EU) imposed tariffs on rice imported from Cambodia, China has agreed on 21 January 2019 to increase its import quota for Cambodian rice to 400,000 tonnes this year from the previous 300,000 tonnes. This is a part of the plan to increase bilateral trade between the two countries to 10 billion USD by 2023. However, detail in terms and conditions did not reveal. The offering quota is benefit and unlocks opportunities for Cambodia. Nevertheless, Cambodia still needs to solve its offer price as what the country is now facing is price competition, according to Cambodia Rice Federation (CRF) vice president. China is the largest market for Cambodian rice in terms of individual countries, and it is the second buyer after the EU in terms of the total amount of imports. Last year, China bought 170,154 tonnes of rice from Cambodia, equivalent to 56 percent of the latest quota.

**Source:** The Phnom Penh Post. (2019, Jan 23). *China increases rice import quota.*

### **Malaysia**

***Malaysia is planned to increase the local rice production to 75 percent.*** The Ministry of Agriculture and Agro-based Industries (MOA) has set a target to increase the production of local rice by 5 percent from the current 70 percent to 75 percent within the next three or four years as Malaysia look to reduce dependency on rice imports. To increase rice production, the ministry will look into the usage of modern technology, such as soil profiling, and using better rice variety and good fertilisers, adding that the state governments also have a duty to ensure that enough agricultural lands are officially announced to achieve the set target. In 2018, Malaysia imported 740,000 tonnes of rice which cost about 1.18 billion MYR (285 million USD), according to the Minister of MOA.

1 USD = 4.133 MYR

**Source:** The Star Online. (2019, Jan 23). *Malaysia in bid to increase rice production by 5%.*

### **Viet Nam**

***Vietnamese rice exports will be soared in the first quarter of 2019, due to orders from the Philippines.*** After the Philippines lifted its quantitative import restriction policy, more than 166 private companies have made plans to import over 1 million tonnes of rice, which many have been ordered from Viet Nam. Regarding this positive sign, rice exports are predicted to flourish during the first quarter of 2019. Under the new rules set by the Philippines, rice imported from ASEAN countries will be imposed the tariff at 35 percent, while the rate of rice shipments from non-ASEAN countries is 50 percent. However, despite gaining easier access to the Philippines' market, Vietnamese rice will face fierce competition from regional rivals, including Thailand, Myanmar, and Cambodia.

**Source:** The Voice of Vietnam. (2019, Jan 23). *Rice exports set to pick up in Q1 2019.*

## **Republic of Korea**

### ***Rice consumption per capita dropped to a record low in 2018.***

According to a data from Statistics Korea, the average annual rice consumption per person hit a record low in 2018 when it dropped 1.3 percent to 61 kilograms, down from 61.8 kilograms in 2017. Rice is a key staple food for the Republic of Korea (ROK), however, its consumption has continued to fall since 1970, when it reached 136.4 kilograms. The decrease in rice consumption was offset by demand for rice-used products. Amid the rising number of one-person households, more people consume ready-to-eat meals, which are eaten with rice, such as soups and stews. Resulting the rice used by manufacturers kept rising for the five consecutive years. In 2018, about 755,664 tonnes of rice were used by manufacturers as an ingredient for food products, up 6.8 percent from a year earlier.

**Source:** The Korea Herald. (2019, Jan 28). *Korean rice consumption falls to all-time low in 2018*; and Xinhua. (2019, Jan 28). *S. Korea's rice consumption keeps falling in 2018*.

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