



WEEKLY UPDATE ON ASEAN PLUS THREE RICE SITUATIONS

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Myanmar

A Memorandum of Understanding (MoU) on legal rice exports to China with higher quota has been recently signed.

On 21 April 2019, the Ministry of Commerce (MOC) and the government of Yunnan Province of China signed the MoU on the exports of Myanmar rice and other crops to China. China currently imports commodities based on a quota system, while over 50 percent of Myanmar rice is sold to the country through border trade. Since 2016, Myanmar had been permitted to legally export 100,000 tonnes of rice to China via the border. However, lately, Myanmar rice merchants were lobbying for China to raise the official import quota by 300,000 tonnes. As a result, under the signed agreement, Myanmar will be able to legally export rice, with higher quota, at the total 400,000 tonnes to China via the Muse border trade gate.

Source: The Myanmar Times. (2019, Apr 23). *MoU on rice exports signed with Yunnan Province government.*

The 18,000-tonne rice from Myanmar was destroyed in Ivory Coast.

Last September, three Myanmar rice firms had sold over 20,000 tonnes of rice to Olam International, the Singapore-headquartered commodities supply chain company. The cargo was shipped by Olam to Guinea, West Africa, where the rice was then redistributed by the company to markets across Africa. However, on 17 April 2019, Africa's Ivory Coast had destroyed 18,000 tonnes of rice from Myanmar after health officials declared that the rice unfit for human consumption. According to permanent secretary from the Ministry of Commerce (MOC), Myanmar rice shipment was damaged by rain due to poor shipping conditions. The MOC is concerned with the occurred damage could affect the country's reputation, resulting in negative impact for future rice exports. Therefore, to prevent such a circumstance, the MOC will form a group and meet with the related officials from Olam to solve the situation, as well as review its rice export policies and procedures.

Source: The Myanmar Times. (2019, Apr 23). *Myanmar blames Singapore company for damage to rice business.*

Viet Nam

The Saigon Thuong Tin Commercial Join Stock Bank (Sacombank) assists Viet Nam's rice sector with loans.

Recently, the State Bank of Viet Nam (SBV) directed credit institutions to continue providing adequate credit to rice producers and traders on reasonable terms and interest rates for the winter-spring crop this year. Following the SBV's direction and to assist businesses and farmers, Sacombank plans to ensure adequate funds for the production, purchase, processing, and consumption of rice at appropriate interest rates and terms, with a focus on the Mekong Delta region. Sacombank also proactively approached businesses to offer loans and speed up disbursement to companies that purchased, temporarily stockpiled, processed, and

exported rice from the winter-spring crop. By offering loan packages, Sacombank continues with its commitment to help businesses and farmers promote agricultural development in general, while in particular for rice production and processing. At the end of 2018, Sacombank's total outstanding loans topped over 647 million USD.

Source: Viet Nam News. (2019, Apr 19). *Sacombank assists rice production, trading with loans.*

China

A total of 200,000 tonnes rice from Pakistan will arrive China by June 2019.

As the Chinese government offered Pakistan the market access for three commodities, including rice, sugar, and yarn, under the duty free incentive package of 1 billion USD, exporters have been allowed to export 200,000 tonnes of rice, 300,000 tonnes of sugar, and 350,000 tonnes of yarn to China. Rice shipments to China have already begun as part of the deal, which was agreed during the four-day visit of Pakistan's Prime Minister to China in November 2018. So far, Pakistan has shipped 150,000 tonnes of sugar to China, while the export of 200,000 tonnes of rice would be completed by June this year, according to advisor to Prime Minister on Commerce, Textile, Industry and Production and Investment, Commerce Ministry of Pakistan. However, yarn exports to China are unlikely to reach the said amount as total cotton production is expected to decline in the ongoing season, due to the decrease in cultivation area, use of poor quality seed, and pesticides.

Source: Associated Press of Pakistan. (2019, Apr 23). *Pakistan to export 200,000 tons rice to China by June: Dawood*; and DAWN. (2019, Mar 22). *Pakistan gets \$1bn Chinese market access for rice, sugar, yarn.*

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