

## **Myanmar ups efforts to stem fall in rice exports**

### **The Myanmar Times**

**Myanmar's rice exports have been falling over the past year, and the government is upping efforts to diversify its markets and reduce costs to better compete with other exporting countries.**

**Myanmar exported 1.7 million tonnes of rice and broken rice worth US\$ 578 million in between April and December last year, according to the Ministry of Commerce (MOC). Around 52 percent was exported via sea, while the remaining was sold at the border to China.**

**At those levels, rice exports have decreased by over a third from 2.5 million tonnes worth US\$780 million compared to the same period last year. Myanmar exports over 80 percent of its rice to China.**

**During the 2017-18 fiscal year, Myanmar exported 3.5 tonnes of rice worth over US\$ 1 billion. It was the highest volume of rice exports in 50 years.**

**The main reason for the recent fall in exports is lower demand from China, said U Nay Lin Zin, joint secretary of the Myanmar Rice Federation.**

Last November, an import ban on Myanmar rice, sugar and maize by China led to a standstill in trade. To avoid paying high import tariffs on those commodities by the Chinese authorities, the number of traders in China resorting to buying from illegal routes has also spiked in recent months, resulting in frequent border checks and arrests, which culminated in the ban.

There is currently no precise policy for border trade between Myanmar and China. “Every country should have a policy to deal with trade disagreements and volatility. Right now, Myanmar is on the losing end with little power to deal with trade issues,” said Dr Maung Maung Lay, vice chair of the Union of Myanmar Federal Chamber of Commerce and Industry, told the Myanmar Times earlier this year.

While Myanmar has yet to take steps to negotiate bilateral trade agreements with its neighbours to avoid volatility in border trade, it has made efforts to increase sea-based exports to other foreign markets, such as the European Union and Africa.

This month though, the EU reinstated tariffs on Myanmar Indica rice imports to protect European farmers and producers, which have seen their market share eroded in recent years.

The European Commission, which oversees trade policy in the EU, undertook an investigation since March 2018, which found that importing price of Indica rice from Myanmar and Cambodia were substantially lower than those produced within the EU.

However, the import duties will be gradually reduced over a period of three years. The rate will be at €175 (around US\$200) per tonne in the first year, which will be lowered to €150 per tonne in the following year, and then to €125 per tonne in the third year.

Meanwhile, the MOC and Myanmar Rice Federation are now working on an action plan increase rice exports. The plan includes production, quality, market information, research and connecting with new markets.

“We are also working on reducing costs to compete better with the other rice-exporting countries,” said U Aung Soe, the director general of the Myanmar Trade Promotion Organisation under the MOC.