

AGRICULTURE

Rice exports struggle to hit 8m tonnes

PHUSADEE ARUNMAS

Rice exports may fall below 8 million tonnes for 2019, with this year's prospects still uncertain because of a slew of risk factors such as the continued strong baht, natural disasters and emerging new rice exporters like Myanmar and China.

Charoen Laothamatas, president of the Thai Rice Exporters Association, said shipments definitely will stand below 9 million tonnes, as projected by the association for 2019, but could struggle to hit 8 million tonnes.

In the first 11 months of 2019, Thailand shipped 7.11 million tonnes, a dip of 30.4% from the same period a year earlier, fetching US\$2.90 billion, down 24.3%. The fall was attributed to the strong baht, hurting the country's export competitiveness.

Another factor is the lack of Thai rice variety development over a period of 30 years to cope with changing market demand and consumer behaviour. Thailand has shipped the same rice varieties for 30 years, Mr Charoen said.

"Thai rice quality has dropped because of climate change and global



Officially known as Thai jasmine rice, *hom mali* is a high-quality rice that remains the flagship variety.

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CHAROEN LAOTHAMATAS

President, Thai Rice Exporters Association

warming, as well as changing the plantation method," he said. "Because of the labour shortage, farmers opt to use machinery and chemicals that affect Thai rice's aromatic quality and good taste, while other exporters such as Vietnam have developed their own varieties every year to serve consumer demand. Vietnam now has seven or eight rice types for export to serve global demand."

Mr Charoen said Thai *hom mali* remains the flagship variety, while Thai white rice is no longer in a position to compete with Vietnam, which has successfully developed soft-textured rice that is exported worldwide.

For this year, the association is hesitant to come up with any export projections because of multiple risks.

In 2018, Thai rice shipments totalled 11.2 million tonnes, down 5% from 11.7

million in 2017 but higher than the 9.91 million tonnes in 2016. Normally rice exports average 10 million tonnes a year, with white rice making up half.

According to the Agricultural and Cooperatives Ministry, annual paddy production for both the main and second crops is forecast at 27-28 million tonnes in the 2019-20 season, weighed down by a drop in production for the second crop because of flooding and drought.

Paddy output from the second crop is estimated at just 3.5 million tonnes, down 54% from 7.75 million the previous season, due to drought and inadequate water supply from dams.

Production from the main crop is forecast at 24 million tonnes of paddy, down 4-12.5% from 25-27 million the previous season. In 2018, shipments totalled 11.2 million tonnes, down 5% from 11.7 million in 2017 but higher than the 9.91 million tonnes in 2016.

INVESTMENT

BoI pushes firms to

LAMONPHET APISITNIRAN

The Board of Investment (BoI) is encouraging Thai companies to expand their presence in South Asian markets, as many countries need more foreign direct investment in the renewable energy and construction sectors.

Ratanawimon Nareesukreekhadee, deputy director for Thai overseas investment promotion at the BoI, said Bangladesh, the Maldives, India, Pakistan and Sri Lanka are target countries for BoI to support future investment from Thai companies.

"South Asia has opportunities for economic growth, while many countries are developing infrastructure projects," she said. "The BoI has been approached by governments from the region, and we are working closely to bring Thai companies to visit and invest in those countries."

Ms Ratanawimon said South Asia has developing countries where road buildings and power plants are planned to begin construction.

Moreover, the BoI is committed to encouraging Thai companies to continue their business presence in Cambodia, Laos, Myanmar and Vietnam to capture dynamic GDP growth in neighbouring countries.

"There are many potential sectors in four neighbouring countries such as agriculture, textiles and garments, tourism and services, food and beverage, retail, and packaging, and Thai companies are capable enough to expand their businesses to serve consumers' needs," Ms Ratanawimon said.

This BoI division has had a policy

DEVELOPMENT

Uttama prioritises e-payment growth

WICHIT CHANTANUSORNIRI

Finance Minister Uttama Savanayana is focused on expanding the national

setting up product distribution centres to facilitate logistics convenience for small-business operators, he said.

The Finance Ministry will take

Stock Exchange of Thailand (SET) and the Market for Alternative Investment (MAI), enabling easier access to fund-

organised and run by the SET.

SMEs should be provided end-to-end support, Mr Uttama said, and the