



## 2<sup>nd</sup> ASEAN Rice Trade Forum

### Rice Trade and Self-Sufficiency in ASEAN

Convened by the ASEAN Food Security Reserve Board (AFSRB)  
4–5 June 2013 ♦ Yogyakarta, Indonesia



Supported by

Japan  
Fund for  
Poverty  
Reduction



## ASEAN and SAARC Regional Rice Trade: Status and Opportunities for Ensuring Food Security

Pramod K. Joshi and Devesh Roy

### EXECUTIVE SUMMARY

Rice is the most important staple food in Asia. The region produced around 460 million tons in 2011, exporting nearly 24 million tons of rice while importing about 14 million tons. South Asia and Southeast Asia are the core regions for global rice production and trade, accounting for about 60% of total output and almost 93% of total exports. The major rice-exporting countries are India and Pakistan from South Asia, and Thailand, Myanmar, and Vietnam, in that order, from Southeast Asia. On the other hand, the major rice-importing countries are Bangladesh, Nepal, and Sri Lanka from South Asia, and Indonesia, Malaysia, and the Philippines from Southeast Asia. There is little rice trade between South Asian and Southeast Asian countries due to the varying quality of rice and consumer preferences. However, as global food production and markets are more adversely impacted by climate change and price volatility, greater cooperation in rice trade may arise in the near future.

This paper examines the prospects for regional arrangements between the South Asian Association for Regional Cooperation (SAARC) and the Association of Southeast Asian Nations (ASEAN), highlighting the existing cooperation between and within these two regions and identifying potential areas for cooperation to address food security issues.\*

Both regions have existing agreements for promoting trade within their areas, such as the South Asian Free Trade Area (SAFTA) and the ASEAN Free Trade Area (AFTA). Trade flow has notably been very low within the South Asian region compared to the higher level of trade among ASEAN countries.

Unfortunately, there are no regional-level trade agreements at the moment between SAARC and ASEAN. However, some SAARC member countries such as India have bilateral trade agreements with ASEAN, which include the ASEAN–India Free Trade Area (AIFTA). As a result of this agreement, overall trade between India and ASEAN increased from \$30.7 billion in 2006–2007 to \$45.34 billion in 2008–2009, with \$70 billion projected for 2012. Also, there is an India–ASEAN Green Fund to promote the agriculture sector and research and development. There are also opportunities for Bangladesh to actively engage with ASEAN countries in trade.

Rising food prices and uncertainty are adversely affecting most of the poor food-importing countries in South Asia and Southeast Asia. On a country level, lessons may be learned from India, which was able to control the prices of food grains (especially rice and wheat) in 2008 and 2011 through its domestic and trade policies. On a regional level, ASEAN countries can draw lessons from the SAARC Food Bank with respect to meeting food demands under disaster conditions and other climate-driven uncertainties.

---

\* This working paper was prepared for the Second ASEAN Rice Trade Forum on 4–5 June 2013 in Yogyakarta, Indonesia. The lead author is the the director for South Asia of the International Food Policy Research Institute (IFPRI). Technical assistance was provided by the Asian Development Bank (ADB), with financing from the Japan Fund for Poverty Reduction. The views expressed in this paper are those of the authors and do not necessarily reflect the views and policies of ADB or the Board of Governors or the governments that they represent, or of the institutions at which the authors work.