

Voluntary Report – Voluntary - Public Distribution

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Report Name: Sri Lanka Extends Surcharge on Customs Duties for Select Food and Agricultural Products

Country: Sri Lanka

Post: Colombo

Report Category: FAIRS Subject Report

Prepared By: Thilani K. Kankanamge, Agricultural Specialist and Mariano J. Beillard, Senior Regional Agricultural Attaché

Approved By: Mariano Beillard, Senior Regional Agricultural Attaché

Report Highlights:

On November 30, 2022, Sri Lanka's Minister of Finance, Economic Stabilization and National Policies issued a Customs Notification, imposing a levy on 15 food and agricultural products (HS) headings. The Customs Notification was published in the Gazette of the Democratic Socialist Republic of Sri Lanka – Extraordinary (official gazette) No. 2308/16 (November 30, 2022). This trade restrictive ordinance is effective December 1, 2022, for a period of six-months. This new ordinance is an extension of the Customs Notification of May 31, 2022, which expired on November 30, 2022. Food and agricultural products impacted by the measure include sweetened condensed milk, cheese, fresh citrus fruit, chocolate and other food preparations containing cocoa, pasta, cereal products (oats, corn flakes), fruit juices (orange, grapefruits, pineapple, apple, cranberry, grape, passion), non-alcoholic beverages (tea, beverages based on fruit or vegetables, beverages based on milk), beers, wines, and spirits, and tobacco products.

DISCLAIMER: The information contained in this report was retrieved from the Sri Lanka Standards Institution (SLSI) website <http://www.slsi.lk/index.php?lang=en>. The U.S. Embassy in Colombo – Foreign Agricultural Service (FAS) Office of Agricultural Affairs (OAA), USDA and/or the U.S. government make no claim of accuracy or authenticity. The Government of the Democratic Socialist Republic of Sri Lanka India has not officially endorsed this report. Import approval for any product is subject to local rules and regulations as interpreted by Sri Lankan officials at the time of product entry. [Note: Use Google Chrome to access the links that do not open in Microsoft Edge].

GENERAL INFORMATION

The Sri Lankan government is revising its import control regulations in stages since March 19, 2020. These revisions commenced as a means of managing the impact of the COVID-19 pandemic and have subsequently aimed to limit the outflow of foreign exchange reserves. In the process Sri Lanka has been placing quantitative and price restrictions on imports to help discourage the importation of non-essential commodities. On November 30, 2022, Sri Lanka's Minister of Finance, Economic Stabilization and National Policies issued a new Customs Notification, effective December 1, 2022, and valid for a period of six-months, imposing a levy on 15 food and agricultural products harmonized system (HS) headings.

BACKGROUND

On November 30, 2022, Sri Lanka's Minister of Finance, Economic Stabilization and National Policies issued a new [Customs Notification](#), imposing a levy on 15 food and agricultural products HS headings (see, Appendix I). The Customs Notification was published in the Gazette of the Democratic Socialist Republic of Sri Lanka – Extraordinary (official gazette) No. 2308/16 (November 30, 2022). This trade restrictive ordinance is effective December 1, 2022, for a period of six-months. This new ordinance is an extension of the earlier [Customs Notification](#) of May 31, 2022, which expired on November 30, 2022.

As of April 10, 2022, prior to the promulgation of the Customs Notifications of November 30 and May 31, 2022, the import of 369 specific commodities required import control licenses as per the [Imports and Exports \(Control\) Regulations No. 06 of 2022](#). Issuance of [Customs Notification \(May 31, 2022\)](#) subsequently enabled Sri Lankan importers to bring in consignments of specific HS tariff line commodities without the need to obtain a prior Import Control License. However, these specific commodities have been subject to significantly higher import duties and surcharges as of June 1, 2022.

Agricultural Commodities Affected: Food and agricultural products impacted by the measure include sweetened condensed milk, cheese, fresh citrus fruit, chocolate and other food preparations containing cocoa, pasta, cereal products (oats, corn flakes), fruit juices (orange, grapefruits, pineapple, apple, cranberry, grape, passion), non-alcoholic beverages (tea, beverages based on fruit or vegetables, beverages based on milk), beers, wines, and spirits, and tobacco products (see, Appendix II).

Surcharge Impact: The surcharge percentage of customs duties being levied varies from 25% to 100% for food and agricultural products. For example, the surcharge levied on imported cheese is 100%, meaning that the Sri Lankan rupees (LKR) 1,000.00 (~\$2.70) tax on one kilogram of imported cheese has increased to LKR 2,000.00 (~\$5.41). FAS Colombo (Post) has observed that these price import control measures for the impacted HS tariff line commodities are increasing these food and agricultural product prices significantly, lowering consumer demand for them.



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The Gazette of the Democratic Socialist Republic of Sri Lanka
EXTRAORDINARY

අංක 2308/16 - 2022 නොවැම්බර් මස 30 වැනි බදාදා - 2022.11.30
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PART I : SECTION (I) — GENERAL

Government Notifications

CUSTOMS NOTIFICATIONS

THE CUSTOMS ORDINANCE (CHAPTER 235)

Order under Section 10 A

BY virtue of the powers vested in me under Section 10 A of the Customs Ordinance (Chapter 235) as amended by Act, No. 83 of 1988, I, Ranil Wickremesinghe, Minister of Finance, Economic Stabilization and National Policies of the Democratic Socialist Republic of Sri Lanka, do by this order levy on imported goods specified in Column I of the Schedule hereto, a surcharge at the rate specified in the corresponding entry in Column II on Customs Duty, both General and Preferential, from December 01, 2022 for a period of 06 months.

RANIL WICKREMESINGHE,
Minister of Finance, Economic Stabilization
and National Policies.

Ministry of Finance, Economic Stabilization and
National Policies,
Colombo 01.
30th November, 2022.



APPENDIX II - SRI LANKA, SURCHARGE ON CUSTOMS DUTIES FOR FOOD AND AGRICULTURAL PRODUCTS

HS Heading	HS Code	Description	Surcharge on Customs Duty
04.02		Milk and Cream, concentrated or containing added sugar or other sweetening matter	
	0402.99	Other:	
	0402.99.10	Sweetened condensed milk	75%
	0402.99.90	Other	75%
04.06		Cheese and curd	
	0406.10	Fresh (non-ripened or uncured) Cheese, Including whey cheese, and curd	100%
	0406.20	Grated or powdered cheese, of all kinds	100%
	0406.30	Processed cheese, not grated, or powdered	100%
	0406.40	Blue-veined cheese and other cheese containing veins produced by <i>Penicillium roqueforti</i>	100%
	0406.90	Other cheese	100%
08.05		Citrus fruit, fresh or dried	
	0805.21	Mandarins (including tangerines and satsumas):	
	0805.21.10	Fresh	75%
11.04		Cereal grains otherwise worked (for example, hulled, rolled, flaked, pearled, sliced, or kibbled), except rice of heading 10.06; germ of cereals, whole, rolled, flaked, or ground.	
		Rolled or flaked grains	
	1104.12	of oats	75%
	1104.19	of other cereals	75%
		other worked grains (for example, hulled, pearled, sliced, or kibbled)	
	1104.22	of oats	75%
	1104.23	of maize (corn)	75%
	1104.29	of other cereals	75%
	1104.30	Germ of cereals, whole, rolled, flaked, or ground	75%
11.05		Flour, meal, powder, flakes, granules, and pellets of potatoes	
	1105.10	Flour, meal, and powder	75%
	1105.20	Flakes, granules, and pellets	75%

HS Heading	HS Code	Description	Surcharge on Customs Duty
18.06		Chocolate and other food preparations containing cocoa.	
	1806.20	Other preparations in blocks, slabs or bars weighing more than 2 kg or liquid, paste, powder, granular or other bulk form in containers or immediate packings of a content exceeding 2 kg	50%
		Other, in blocks, slabs or bars:	
	1806.31	Filled	200%
	1806.32	Not filled	200%
	1806.90	Other	200%
19.02		Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagna, gnocchi, ravioli, cannelloni; couscous, whether or not prepared.	
		Uncooked pasta, not stuffed or otherwise prepared:	
	1902.11	Containing eggs	25%
	1902.19	Other	25%
	1902.20	Stuffed pasta, whether or not cooked or otherwise prepared	25%
	1902.30	Other pasta	25%
	1902.40	Couscous	25%
19.04		Prepared foods obtained by the swelling or roasting of cereals or cereal products (for example, corn flakes); cereals (other than maize (corn)) in grains form or in the form of flakes or other worked grains (except flour, groats, and meal), pre-cooked, or otherwise prepared, not elsewhere specified or included.	
	1904.10	Prepared foods obtained by the swelling or roasting of cereals or cereal products.	25%
	1904.20	Prepared foods obtained from unroasted cereal flakes or from mixtures of unroasted cereal flakes and roasted cereal flakes or swelled cereals.	25%

HS Heading	HS Code	Description	Surcharge on Customs Duty
20.09		Fruit juices (Including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.	
		Orange juice:	
	2009.11	Frozen:	
	2009.11.10	Of a Brix value of 60 or more, in bulk packaging of 270 kg or more	100%
	2009.11.90	Other	100%
	2009.12	Not frozen, of a Brix value not exceeding 20	100%
	2009.19	Other	100%
		Grapefruit (including pomelo) juice:	
	2009.21	Of a Brix value not exceeding 20	100%
	2009.29	Other	100%
		Juice of any other single citrus fruit:	
	2009.31	of a Brix value not exceeding 20	100%
	2009.39	Other	100%
		Pineapple juice:	
	2009.41	of a Brix value not exceeding 20	100%
	2009.49	Other	100%
	2009.50	Tomato juice	100%
		Grape juice (including grape must):	
	2009.61	of a Brix value not exceeding 30	100%
	2009.69	Other	100%
		Apple juice:	
	2009.71	of a Brix value not exceeding 20	100%
	2009.79	Other	100%
		Juice of any other single fruit or vegetable:	
	2009.81	Cranberry (<i>Vaccinium macrocarpon</i> , <i>Vaccinium oxycoccos</i> , <i>vaccinium vitis-idaea</i>) juice	100%
	2009.89	Other:	
	2009.89.10	Passion	100%
	2009.89.90	Other	100%
	2009.90	Mixtures of juice	100%

HS Heading	HS Code	Description	Surcharge on Customs Duty
22.02		Waters, including mineral water and aerated waters, containing added sugar or other sweetening matter or flavored, and other non - alcoholic beverages, not including fruit or vegetable juices of heading 20.09.	
	2202.10	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	100%
		Other:	
	2202.91	Non-alcoholic beer	100%
	2202.99	Other:	
	2202.99.10	Tea in beverage form	100%
	2202.99.40	Herbs based beverages	100%
		Beverages based on fruit or vegetables juices:	
	2202.99.51	Sugar contents of which is more than 6g per 100 ml	100%
	2202.99.59	Other	100%
		Beverages based on milk:	
	2202.99.61	Sugar contents of which is more than 6 g per 100ml	100%
	2202.99.69	Other	100%
	2202.99.70	Beverages based on cereal, grain, or tree fruits	100%
		Other	100%
	2202.99.91	Sugar contents of which is more than 6 g per 100 ml	100%
	2202.99.99	Other	100%
	2202.99.40	Herbs based beverages	100%
		Beverages based on fruit or vegetables juices:	
	2202.99.51	Sugar contents of which is more than 6g per 100 ml	100%
	2202.99.59	Other	100%
		Beverages based on milk:	
	2202.99.61	Sugar contents of which is more than 6 g per 100ml	100%
	2202.99.69	Other	100%
	2202.99.70	Beverages based on cereal, grain, or tree fruits	100%

HS Heading	HS Code	Description	Surcharge on Customs Duty
		Other	
	2202.99.91	Sugar contents of which is more than 6 g per 100 ml	100%
	2202.99.99	Other	100%
22.03	2203.00	Beer made from malt.	
	2203.00.10	Canned beer less than 350 ml	100%
	2203.00.20	Canned beer 350 ml or more	100%
	2203.00.90	Other	100%
22.04		Wine of fresh grapes, including fortified wines; grape must other than that, of heading 20.09	
	2204.10	Sparkling wine	100%
		Other wine; grape must with fermentation prevented or arrested by the addition of alcohol:	
	2204.21	In containers holding 2l or less	100%
	2204.22	In containers holding more than 2l but not more than 10l	100%
	2204.29	Other	100%
	2204.30	Other, grape must	100%
22.05		Vermouth and other wine of fresh grapes flavored with plants or aromatic substances.	
	2205.10	In containers holding 2l or less	100%
	2205.90	Other	100%
22.08		Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs, and other spirituous beverages.	
	2208.20	Spirits obtained by distilling grape wine or grape marc	100%
	2208.30	Whiskies	100%
	2208.40	Rum and other spirits obtained by distilling fermented sugar-cane products:	
	2208.40.10	Rum	100%
	2208.40.90	Other	100%
	2205.50	Gin and Geneva	100%
	2208.60	Vodka	100%
	2208.70	Liquors and cordials	100%
	2208.90	Other:	
	2208.90.10	Coconut based arrack	100%

HS Heading	HS Code	Description	Surcharge on Customs Duty
	2208.90.20	<i>Palmyrah</i> -based Arrack ¹	100%
	2208.90.90	Other	100%
24.02		Cigars, cheroots, cigarillos, and cigarettes, of tobacco or of tobacco substitutes.	
	2402.10	Cigars, cheroots, and cigarillos, containing tobacco	100%
	2402.20	Cigarettes containing tobacco:	
	2402.20.10	Beedis	100%
	2402.20.20	Cigarettes, each not exceeding 60 mm in length	100%
	2402.20.30	Cigarettes, each exceeding 60 mm but not exceeding 67 mm in length	100%
	2402.20.40	Cigarettes, each exceeding 67 mm but not exceeding 72 mm in length	100%
	2402.20.50	Cigarettes, each exceeding 72 mm but not exceeding 84 mm in length	100%
	2402.20.60	Cigarettes, each exceeding 84 mm in length	100%
	2402.90	Other	
	2402.90.10	Cigarettes containing 100% Sri Lanka (Ceylon) type Cinnamon	100%
	2402.90.90	Other	100%

Source: [Extra Ordinary Gazette Notification, November 30, 2022.](#)

Attachments:

No Attachments.

¹ Sri Lanka distills its own version of Arrack made from the naturally fermented sap of the palm flower. It is colloquially known as “Toddy.” This is a 100 percent pure distilled Arrack.