

Voluntary Report – Voluntary - Public Distribution

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Report Name: Sri Lanka Further Revises Import Levy on Fruits

Country: Sri Lanka

Post: Colombo

Report Category: Agricultural Situation, Fresh Fruit, Agriculture in the News, FAIRS Subject Report

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Report Highlights:

Government of Sri Lanka has notified revision of a Special Commodity Levy (SCL) under 20 Harmonized System (HS) headings; the notification is effective for 6 months, beginning May 22.

General Information:

DISCLAIMER: The information contained in this report on Special Commodity Levy is retrieved from the [Ministry of Finance, Sri Lanka](#) website notification under Special Commodity Levy Act, No. 48 of 2007, Order under Section 2, issued on May 21, 2020. USDA and the U.S. Government make no claim of accuracy or authenticity.

Sri Lanka imposed an island-wide lock down from March 20 to reduce the spread of COVID-19. While the lockdown was gradually relaxed from April 22, the government of Sri Lanka (GOSL) enacted other stringent measures to counter the economic impact of the COVID-19 crisis: on March 19, the [Central Bank of Sri Lanka directed](#) commercial banks to curtail facilitation of financial instruments in the importing of non-essential commodities; on April 16, GOSL announced [temporary suspension of import](#) of commodities under 156 HS headings; and the same notice listed commodities under 111 HS headings for which the terms of payment for any imports would be delayed for three months. At the same time, [Ministry of Finance, Sri Lanka](#) notified an increase of Special Commodity Levy (SCL) on imported fruits for two months under four Harmonized System (HS) headings beginning April 17, 2020.

GOSL [revised the import regulations](#) again on May 22. A new [notification of SCL revision](#) also came into effect on May 22 for commodities under 20 HS headings, of which most are food and agriculture commodities.

Table 1: Commodity categories affected by the new SCL revision

HS Heading	Details
04.03	Yoghurt
07.01	Potatoes, fresh
07.03	Onion, shallots
07.13	Vegetables, dried legume
08.05	Citrus fruit, fresh
08.06	Grapes
08.08	Apples, Pears
08.04	Dates
09.04	Dates
09.09	Seed Spices
10.05	Maize
12.02	Ground nuts
15.07	Soya-bean oil
15.11	Palm oil
15.12	Saf/ Sun slower oil
15.13	Coconut Palm oil
15.17	Margarine
16.04	Fish, prepared
17.01	Solid cane or beet

Note: Notification includes the HS code and revised SCL under each HS

The SCL increase mainly affects U.S fruit exports and some categories under dried and shelled peas, chick peas, yoghurt, and maize.

Table 2: U.S. Exports with significant trade volumes impacted by SCL revision

HS Code	Commodity	US Exports in 2019 (USD)	US Exports 5 yr av. (USD)	New SCL
07131010	Peas dried and shelled	163,000	246,000	Rs. 5/Kg
040310	Yoghurt	107,000	93,000	Rs. 800/Kg
7132010	Chickpea	32,000	913,000	Rs. 5/Kg
7132020	Chickpea	1,085,000	1,354,000	Rs. 10/Kg
100590	Maize (#2 corn & popcorn)	161,000	126,000	Rs. 25/Kg

The total fruit and nuts imports of Sri Lanka from the world were about 0.3 percent of the total imports of Sri Lanka in 2019. Sri Lanka's annual fruit and nuts imports for the past five years have averaged \$71 million, about a quarter of which are imported from China and eight percent from the United States. Apples constitute about 33 percent of all fruits imported, with just under half sourced from China and just under 20 percent from the United States. Of total US fruit shipments to Sri Lanka, about 75 percent are fresh apples, followed by grapes and oranges.

The recent revision is the third increase of SCL on apples within a year, from an initial Rs. 45 per kilogram, to Rs. 60 per kilogram in July 2019, Rs. 90 per kilogram in April 17, and again to Rs. 100 per kilogram with the May 22 change.

Table 3: SCL changes of a few fruit types

H.S. Heading	H.S. Code	Description	Previous SCL	SCL – Apr 17	SCL – May 22
08.05	0805.10.10	Oranges- fresh	Rs. 80 per Kg	Rs. 120 per Kg	Rs. 125 per Kg
08.06	0806.10	Grapes - Fresh	Rs. 130 per Kg	Rs. 165 per Kg	Rs. 200 per Kg
08.08	0808.10	Apples	Rs. 60 per Kg	Rs. 90 per Kg	Rs. 100 per Kg
08.08	0808.30	Pears	Rs. 175 per Kg	Rs. 220 per Kg	No change

Note: Excerpt of GOSL notices – more details are available in the notices

Attachments:

No Attachments.