

A Review of Tobacco Taxation and Packaging Laws in Sri Lanka: Suggestions for Development

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Tobacco products are consumed in a large scale in Sri Lanka. Cigarettes and Beedis are the most consumed tobacco products by the Sri Lankans. Over 80 percent smokers use cigarettes and 10 percent use beedis in Sri Lanka. The Sri Lankan Government has imposed laws to govern the tobacco industry. Act No. 27 of 2006 on National Authority on Tobacco and Alcohol is the first legislation which regulates the industry and tobacco consumption. 80 percent of pictorial health warnings have been introduced under this Act. Tobacco Tax Act was imposed in 1999 and the tobacco tax was extended to include manufactured tobacco such as cigarettes, cigars, beedis and piped tobacco. Sri Lanka also imposed over 60 percent taxes on cigarettes. The Government earned Rs.32 billion as tax income from the tobacco industry in 2020. As a consequence, cigarette prices increased substantially too. High prices can benefit smokers who desire to quit, reduce the overall consumption of tobacco, and put smoking cessation on their radar for those who continue to smoke. Increased taxes also have a positive impact on non-smokers as it reduces the possibility of their being passive smokers, by reducing their exposure to second-hand smoke. High prices of cigarettes might influence the smokers to find some alternatives. The data on the increase of beedi consumption and illicit cigarette manufacturing provide sufficient evidence to support that assumption. Now it is time for the Government to identify lacunas in laws and develop Sri Lankan laws related to tobacco control.

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