

පාර්ලිමේන්තු ප්‍රකාශන මාලා අංක : 35

ආයතනයේ නම : කෘෂිකර්ම, පශු සම්පත්, ඉඩම් හා වාරිමාර්ග අමාත්‍යාංශය

පාර්ලිමේන්තුවේ ක්‍රම සහ විධි පිළිබඳ කාරක සභාව විසින් සභාගත කරන ලද වාර්තාව
සම්බන්ධයෙන් ස්ථාවර නියෝග අංක 124(6) යටතේ ගරු ආයතන භාර අමාත්‍යවරයාගේ
නිරීක්ෂණ හා ගනු ලබන පියවර පාර්ලිමේන්තුව වෙත ඉදිරිපත් කිරීම

පාරාලුමන්තර වෙළුගියිද්දුත් තොදර් ඉලක්කම: 35
නිලුවනත්තින් පෙයර්: කමත්තොමිල්, කාල්නදෙ වළඟ්කල්, කාණි මර්තූම් තීර්ප්පාසන
අමෙමස්ස

පාරාලුමන්තර මුතරෙ මර්තූම් විතිමුතරෙකල් පර්තරිය කුමු ඡුර්තූප්පදුත්තිය අරික්කෙ
තොදර්පාක තිලෙයියිල් කද්දලෙ ඉලක්කම 124(6) ඉන් පිරකාරම් තිලුවනත්තිර්කු
පොතූප්පදෙය කෙළරව අමෙමස්සරින් අවතානිප්පකලෙයූම් මර්තූම් ආදුත්ත
තදවදික්කෙකලෙයූම් පාරාලුමන්තරත්තිර්කු සමර්ප්පිත්තල්

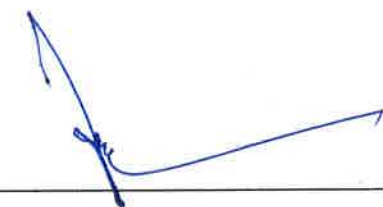
Parliamentary Series No: 35

Name of the institution: Ministry of Agriculture, Livestock, Lands and Irrigation

Submission of observations of Hon. Minister and
Steps taken with regard to the reports tabled by the Committee on Ways and Means
in terms of Standing Order No. 124(6)

Parliamentary Series No. 35

Name of Institution : Ministry of Agriculture and Plantation Industries

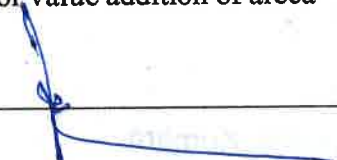
Drawbacks identified by the Committee/ Orders issued by the Committee /	Cause of actions taken to correct drawbacks/ Implement recommendations made by the Committee & current situation
6.2.1. Payment of duties to the Sri Lanka Customs has been defaulted mainly by government institutions. At present Rs.58,6 billion of defaulted payments are in arrears. Please refer Annexure 1 for list of government institutions which defaulted those payments	Although the Ministry of Agriculture is included in the list of government institutions (Annexure 01) which defaulted payments of duties, such institutions operating under the Ministry of Agriculture and the amount payable has not been specified. Accordingly, a clarification has been sought from the Sri Lanka Customs and soon after a reply is received from Sri Lanka customs clarifications will be submitted.
6.2.28. Under India Sri Lanka Free Trade Agreement (ISFTA), Government of India is extending 107% duty free concession to export areca from Sri Lanka. Although exporting of areca has been banned, countries such as Indonesia, Malaysia and Myanmar illegally import areca and re-export to India after certain value addition. 	In terms of the Gazette Extra ordinary issued in terms of Import Export Control Act No. 2189/4 dated 17.08.20, importing of Karunka to Sri Lanka has been suspended. However, the National Plant Quarantine Service issues license to import areca upon Cabinet decisions on various occasions whereas importing of areca has been banned or restricted in terms of Gazette Extra- ordinary of Plant quarantine Regulation No.165/2 dated 2nd November 1981. 

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6.2.29. One hundred containers (1493 Tons) of areca imported to Sri Lanka have been retained by Sri Lanka Customs, part of which has been confiscated and imposed a fine of Rs. 325 million. Importing of areca has been prohibited by the Dept. of Agriculture due to adverse impact on coconut cultivation in consideration of the potential risk it poses on the importation of areca due to breeding various insects and fungus diseases.	In instances where areca is imported to Sri Lanka illegally those stocks are detained by Sri Lanka Customs. If requests are made by Sri Lanka Customs, the Plant Quarantine Service will carry out relevant inspections on the detained stocks. Further No objection letter shall be issued by the Dept. of Export Agriculture to legally import areca to Sri Lanka.
6.3.31. Value addition is performed out by the Board of Investment (BOI) Companies in bonded warehouses certified by Board of Investment, Dept. of Agriculture and the Dept. of Import and Export Control. The Board of Investment of Sri Lanka enjoys exemption in Import Export Tax Laws. However, adherence to Quarantine Plant Protection Regulations is essential.	Approved procedure has been formulated by the Ministry of Investment Promotion for Importing of dried areca nuts for value addition and re-exporting. However, bonded ware-houses have to be approved by the Coconut Research Institution, Dept. of Agriculture, National Plant Quarantine Service and the Dept. of Export Agriculture. If satisfactory recommendations are received, the Board of Investment will approve the warehouse and grant entrepreneurship status. Following the receipt of that approval, a bulk license will be issued by the Import Export Control Department for importing of areca. A bulk license has already been issued to Prime Star Trading Company to import areca. At present officials of the Dept. of Export Agriculture and other relevant Institutions are inspecting eligibility of production ware -houses of other 14 companies for granting approval for value addition of areca


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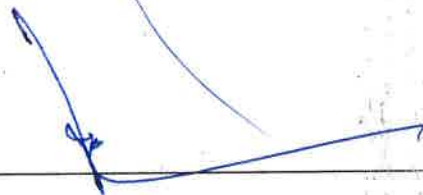
6.2.32. Within 35% value addition, the price of areca remains at USD 1300 per one Metric Ton and that price is considerably less than the local price. This is a matter, to which attention has to be paid in consideration of its impact on areca production in Sri Lanka

Any information on value added areca price has not been officially revealed to outside participants by the Board of Investment.

However, in terms of Cabinet decision No.29/0516/631/008 dated 29.03.2023, regulation of the procedure for exporting of local areca has been given to the Dept. of Export Agriculture. Accordingly, the Dept. of Export Agriculture with the assistance of the Dept. of Commerce has registered all exporters and suppliers in the areca marketing chain and issued quota for exporters in consideration of export performance and capabilities of exporters. If value addition industry is conducted in accordance with the approved procedure of the Ministry of Investment Promotion, no any damage would cause to the local areca industry otherwise there would be adverse impact on local areca industry.



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