**Foreign Trade Policy of Sri Lanka**

Following the trade liberalization initiatives introduced as far back as the late 1970s and continued by all successive governments to date, Sri Lanka is currently known to be the most liberalized economy in the entire region of South Asia. Series of unilateral measures implemented over the years have resulted in rationalization and simplification of the country's tariff structure to a large extent.

The foreign trade policy, which continues with the process of further liberalization of the country's current trade regime, aims at integrating Sri Lanka with the global economy within the positive attributes of free-market economy while holding in balance the interests of the domestic industry through specific measures.

Today, tariffs and other border levies act as the key tools for regulating the foreign trade regime of Sri Lanka, while there are hardly any barriers or impediments such as licensing and quotas on either imports or exports. The tariff policy of the government aims at providing a transparent and predictable framework for all stakeholders in the foreign trade sector.

Sri Lanka's present tariff structure range from zero to ​30​% under a three-band tariff structure with rates being 0%, 15%, and ​30​%.

Essential goods & Basic raw materials 0.0% Intermediate products 15.0% Other finished products 30.0%

As a result of the economic difficulties encountered during the ongoing pandemic situation, Sri Lanka has introduced some temporary measures to control imports until the situation becomes to the normal level.

Sri Lanka has granted preferential tariff benefits to a wide range of products imported under the following trade agreements/arrangements.

Indo-Sri Lanka Free Trade Agreement (ISFTA)

Pakistan-Sri Lanka Free Trade Agreement (PSFTA)

South Asian Free Trade Area (SAFTA)

Asia-Pacific Trade Agreement (APTA) - formerly known as Bangkok Agreement

Singapore – Sri Lanka Free Trade Agreement - SLSFTA

Being a pioneer member of the GATT and the WTO, Sri Lanka remains fully committed towards pursuing a rule-based multilateral trading system that will ensure a transparent and predictable trading environment to the international business community.