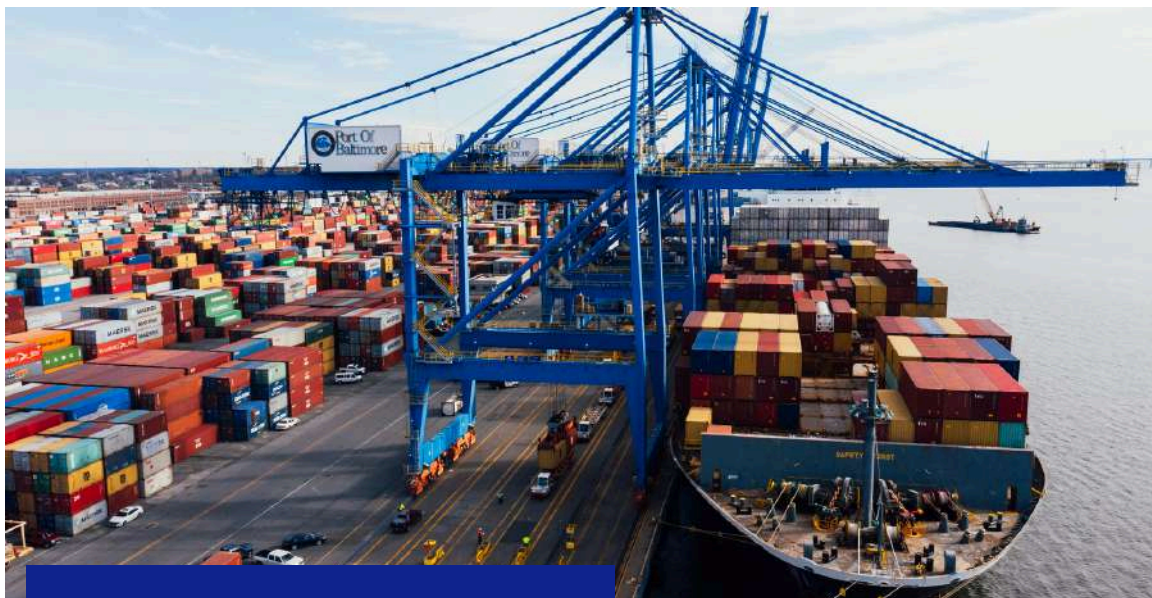


GLOBAL TRADE INSIGHTS



Headlines

Gateway to the Chinese Market
through the China-South Asia Expo
(Kunming Expo)

Page 2-4

Ceylon Tea Meets Belgian
Chocolates

Page 8-9

Implementation of the European
Union Deforestation Regulation
(EUDR): Implications for Sri Lankan
Exporters

Page 13-14

India Revises Tariff Values on Key
Commodities

Page 17-18

>>> READ MORE

Emerging Food and Beverage
Trends in France

Page 5-7

Learning from Thailand: A model for
Sri Lanka's Tourism Growth

Page 10-12

India's Moringa Industry: Key
Insights for Sri Lankan Exporters

Page 15-16

Gateway to the Chinese Market through the China-South Asia Expo (Kunming Expo)

By : Mrs. Nalika Kodikara, Minister (Commercial)

The Embassy of Sri Lanka in Beijing, The People's Republic of China



International trade fairs offer a wide range of direct benefits for both importers and exporters in international trade. Face-to-face interactions with people from all over the world create personal connections which are invaluable to establishing mutual trust between the trading parties. During trade fairs, companies can discuss their products and services in-depth, address client concerns immediately and compellingly present their offers. For many businesses, these interactions lead to forming new partnerships and reinforcing existing ones. This article will present overview of the China- South Asia Expo known as “Kunming Expo” which is held annually in the Yunnan Province of China and its impact for introducing SMEs to the Chinese market.

The China- South Asia Expo is an international expo co- hosted by the People's Government of Yunnan Province and the Ministry of Commerce of the People's Republic of China and jointly organized by the Commercial authorities of South Asian Countries.



Strategic Importance of the Yunnan Province

The Yunnan Province administers 16 municipalities and 129 county-level cities/districts with a population of 47.2 million. It's geographical proximity to Sri Lanka, serves as a gateway to both Southeast and South Asian countries.

Renowned for its rich biodiversity, it is called the Kingdom of Flora & Fauna. Yunnan has a well-developed transport network, including the China-Laos railway and multiple expressways linking Kunming to neighboring regions. With a GDP over US\$422 billion and an average growth rate of 6.4%, the province is pursuing development through resource-based, industrial park, and port economies. Kunming, its capital, plays a key role in connecting major economic corridors such as the Silk Road and the Yangtze River Economic Belt.

Profile of the China- South Asia Expo

The China-South Asia (CSA) Expo is a key annual event hosted by Yunnan Province, aimed at enhancing cooperation between China and South Asian countries across sectors such as trade, education, science & technology, tourism, and culture. Held alongside the China-Kunming Import and Export Fair, the Expo includes forums and parallel events that promote inter-governmental collaboration in areas like digitalization and green development. Concurrently, forums are organized by the respective Provincial Departments of the Yunnan Province under the topics of South Asia Commodity (Tea) Festival, 2024(Kunming) United Nations Green and Low Carbon Product Procurement Exchange Conference, Seminar of Governments, Industries, Universities and Research Institutes between China and South Asian Countries, South Asia Southeast Asia Digital Cooperation Initiative Consultation Conference, Livestreaming Sessions by Diplomats in China.

The CSA Expo introduces 15 Pavilions including Science & Technology, Manufacturing, Green Energy, Domestic Cooperation, Overseas Pavilions, Southeast Asia Pavilions, Ceremonial & Cultural events Pavilions, South Asia (2 Pavilions), Healthcare & Wellness Pavilion, Modern Agriculture & GI Products and Coffee Industry Pavilion. Over 2000 stalls from 82 countries were represented at the 8th CSA Expo and 28th China – Kunming Import and Export Fair which was held from 23rd to 28th July 2024. Over 2500 enterprises from 73 countries were represented at the 9th CSA Expo and 29th China – Kunming Import and Export Fair held from 19th to 24th June 2025.

Importance of the China- South Asia Expo to Sri Lanka

The CSA Expo has significantly enhanced market exposure for over 2,000 Sri Lankan enterprises, particularly SMEs, since its inception. As a B2C platform, it offers direct consumer interaction, valuable for understanding preferences and receiving feedback. There is a high demand for the participation annually, and 106 and 85 Sri Lankan companies represented CSA Expo in 2024 and 2025 respectively.

The Expo has successfully introduced new companies and products to the Chinese market, despite challenges like strict registration requirements for food and agricultural goods. Over 50 new Sri Lankan companies have recently completed these processes. Participation has fostered interest in packaging, labelling, and finding agents, while also exposing companies to e-commerce trends and technology-driven strategies. According to the evaluation, it can be estimated that over RMB 2.0Mn spot sales and orders under negotiations over US\$ 6.0 Mn could be achieved through the participation in 2025. The Expo has generated over RMB 1 million in immediate sales and US\$ 5 million in ongoing negotiations. However, consistent supply volumes remain crucial to fully leverage the Expo's benefits, given China's robust supply chain networks.

Sri Lanka captured high attention being the “Theme Country” for the 9th China - South Asia Expo 2025. The Theme Country Pavilion of Sri Lanka capitalized significant opportunity to promote Sri Lankan uniqueness across various sectors including Sri Lankan diverse products, traditional skills, culture and tourism. Ceylon Tea tasting, traditional skills of wood carving, burn art, Kandyan costumes and a virtual reality tour of Sri Lanka tourism using VR technology were attracted many visitors during the Expo.



Role of the Facilitators:

As a member of the Belt and Road Initiative, Sri Lanka's participation in the CSA Expo supports entrepreneurship, rural empowerment, and increased economic activity. The Expo offers valuable exposure to international business developments, market trends, and e-commerce opportunities. Recognizing the need to develop export-ready companies, the Department of Commerce under the Ministry of Trade, Commerce, Food Security and Cooperative Development and in collaboration with the Sri Lankan Embassy has facilitated the participation of over 20 new SMEs, assisting them with meeting Chinese market registration requirements.

Role of Sri Lankan Exporters and SMEs:

The enthusiasm by the Sri Lankan companies towards the participation at CSA Expo is encouraging. However, to gain maximum benefit of the participation, there are factors to be considered such as export - readiness, registration, packaging, labelling (in Chinese) pre - market study, branding of individual company booths etc. These factors are effective in establishing long-term relations, capacity building and best practices in international trade.

International and Provincial Trade Expos in China

China with over 400 million middle-income consumers, represents an invaluable market for goods and services from around the world. In 2024, China has imported \$2.7 trillion worth of goods, showcasing its role as one of the key importers and a pillar of international trade.

Trade Expos or International Trade Fairs have directly contributed for generating business leads enabling emerging and developing economies to tap into China's market, boosting trade volumes and increasing their global competitiveness. By granting access to its massive consumer base, the Expos have allowed small and medium-sized enterprises from across Asia, Africa, Latin America and Europe to enter the Chinese market.

There are Expos/International Trade Fairs organized in different Provinces highlighting unique advantages. For example, the China (Shanghai) International Import Expo (CIIE) is considered as the import fair for global business to enter the Chinese market. CIIE drives sustainable economic growth through innovation. Aligned with China's 2060 carbon neutrality goals, the expo prioritizes products and technologies that contribute to a greener, low-carbon economy. It provides a platform for international companies to collaborate, share best practices, and scale innovative solutions globally. China (Beijing) Supply Chain Expo aimed at creating an international platform for better communication and closer cooperation on global industrial and supply chains. Western (Chengdu) International Expo, China (Hainan) International Consumer Products Expo, China (Nanning) ASEAN Expo, China (Guangzhou-CISMEF) International Small and Medium Enterprises Fair, China (Kunming) South Asia Expo are among leading provincial Expos that organized with a special focus on creating a platform for provincial companies to deepen trade relations globally.

Sri Lanka participates annually at three trade fairs with organized delegations namely at CIIE (from its inception for last 7 years), CISMEF (for last two years) and the China-South Asia Expo (for 5 years (except COVID period) with special emphasis on expanding exports of food and Agri based products and Gems and jewelry to the Chinese market.



Emerging Food and Beverage Trends in France



By : Mr. Gayan Rajapaksa,
Deputy Director of Commerce, Department of Commerce
Former Counsellor (Commercial), The Embassy of Sri Lanka in France

France's food and beverage (F&B) sector is undergoing a dynamic transformation, driven by consumer demand for healthier, more sustainable, and more ethical consumption. From the popularity of organic and clean label goods to a surge in functional foods and e-commerce-driven sales models, the evolving French market presents valuable opportunities particularly for quality-conscious exporters from Sri Lanka.

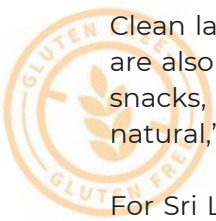
Demand For Organic, Sustainable, and Clean Label Products

The French market is experiencing a notable shift towards organic, sustainable, and clean label products, reflecting a broader global trend. As of 2024, France's organic food sector reached €4 billion in value, growing by 1.1% despite inflationary pressures. Nearly 1 in 2 French consumers actively seek organic certification, associating it with safety, environmental responsibility, and quality. Key product categories include dairy, fresh produce, cereals, snacks, and beverages.

Sustainability and ethical consumerism are equally gaining momentum. Over 60% of French shoppers indicate willingness to switch brands for better environmental and social practices. Sales of fair-trade items like chocolate, bananas, and tea are on the rise, while packaging preferences are shifting towards biodegradable and reusable materials, significantly influencing brand loyalty.

Clean label products, those with simple, natural ingredients and free from artificial additives, are also in high demand. This trend is particularly strong in plant-based alternatives, organic snacks, and natural beverages. Labels such as "sans conservateurs" (no preservatives), "100% natural," and "sans gluten" (gluten-free) are key purchasing drivers.

For Sri Lankan exporters, this evolving market presents valuable opportunities. Products like organic-certified Ceylon cinnamon, coconut derivatives, herbal teas, and healthy snacks align well with these consumer expectations. Moreover, goods with EU-recognized certifications and robust traceability systems are viewed as more credible, enhancing their appeal in the French market.



Popularity for functional food



The popularity of functional foods in France is rising steadily, fuelled by increasing health consciousness, an aging population, and changing dietary preferences. Among the most sought-after categories are superfoods, pre-biotics, and plant-based proteins. Superfoods such as chia seeds, moringa, turmeric, spirulina, and goji berries are gaining traction, especially in powder, capsule, and snack formats, as consumers seek benefits related to immunity, digestion, energy, and anti-aging. Meanwhile, awareness of gut health is pushing demand for pre-biotic products like yogurts, fermented beverages, and fiber-enriched snacks, with labels highlighting natural fermentation and digestive benefits influencing consumer choices. Terms like “fibre prébiotique,” “fermentation naturelle,” and “bon pour la digestion” are influencing buying decisions.

Plant-based proteins also show significant growth, with the French market valued at €648 million in 2023. Lentils, chickpeas, soy, oats, and peas are leading sources, often featured in meat-free meals, protein snacks, and dairy alternatives that emphasize clean labels and organic origins. This growing trend offers an opportunity for Sri Lanka to position itself as a supplier of in-demand ingredients such as moringa, turmeric, cinnamon, ginger, coconut-based products, and protein-rich pulses. Additionally, jackfruit, banana flour, and soluble fibers from coconut can appeal to the pre-biotic segment, particularly when supported by organic certification, sustainable cultivation practices, and transparent sourcing.

Growth of online food shopping and direct to consumer brands

The online food retail landscape in France has witnessed rapid growth, especially in the aftermath of the COVID-19 pandemic, with consumer habits evolving toward digital convenience. By 2023, online grocery sales exceeded €10 billion, signaling a steady upward trend. A significant 71% of French consumers have purchased food online at least once, particularly favoring non-perishables, organic items, and specialty imports. This shift spans both urban and rural areas, driven by a demand for variety, convenience, and sustainability. Major retail platforms such as Carrefour, Auchan, and Monoprix dominate the space, alongside niche players like Greenweez, Kazidomi, and La Fourche. Additionally, food delivery services such as Uber Eats and Deliveroo are expanding their reach into grocery segments.

Parallel to this, France has seen a surge in direct-to-consumer (DTC) food brands, propelled by consumer interest in transparency, ethical sourcing, and storytelling. DTC models allow brands to connect directly with customers via social media, subscriptions, and e-commerce. Notable French DTC brands include Feed. (meal replacements), Pélégourmet (farm-fresh goods), Jow (personalized meal planning), and Omie (clean-label foods). Their success is often anchored in subscription services, niche dietary offerings, influencer marketing, and eco-friendly practices.

For Sri Lankan exporters, this evolving market offers promising pathways. Collaborating with French DTC platforms or launching digital storefronts can help bypass traditional retail constraints. Products with organic credentials, unique flavors, and clear provenance such as Ceylon tea blends, coconut-based snacks, turmeric drinks, and jackfruit meals are well-aligned with current French consumer preferences and could thrive in this dynamic ecosystem.



Focus on eco friendly packaging and sustainable sourcing

France's food and beverage market is undergoing a marked shift toward eco-friendly packaging and sustainable sourcing, shaped by stringent environmental regulations and evolving consumer preferences. Over 70% of French consumers now prioritize products that use minimal, recyclable, or biodegradable packaging, with labels such as "compostable," "recyclable," or "zero plastic" playing a key role in influencing purchase decisions. Preferred materials include FSC-certified paper and cardboard, reusable glass containers, and compostable bio-plastics derived from natural sources like cornstarch or sugarcane. In line with France's Anti-Waste Law (AGEC), the country is working towards making 100% of food packaging recyclable by 2025, alongside the introduction of mandatory eco-labeling and carbon footprint disclosures.

In terms of sourcing, transparency and traceability are no longer optional. Consumers and regulators alike expect brands to disclose product origins and supply chain impacts, often facilitated by blockchain, QR codes, and certification marks like EU Organic, Fair Trade, and PGI. There is growing demand for ethical and environmentally friendly sourcing, including carbon-neutral and regenerative agriculture, agroecological practices, and community-based production that supports smallholder farmers.

For Sri Lankan exporters, this trend presents significant opportunities. Products like tea, spices, coconut-based goods, and superfoods can gain traction in France through eco-conscious packaging such as kraft paper pouches, glass jars, and compostable wraps. Highlighting sustainably grown and ethically sourced ingredients such as Ceylon cinnamon (PGI-certified), coconut oil, jackfruit, moringa, and turmeric can further enhance market appeal. Leveraging internationally recognized certifications and aligning with France's sustainability standards can help Sri Lankan brands access premium retail and e-commerce channels in this growing, green-conscious market.

Sources

- <https://trade.ec.europa.eu/access-to-markets/en/content/welcome-access2markets-market-access-database-users>
- https://agriculture.ec.europa.eu/media/news/eu-agri-food-exports-reach-record-levels-eu2354-billion-2024-2025-04-08_en
- <https://www.bioecoactual.com/en/2025/02/11/organic-market-in-france-whats-next/>
- <https://gfiurope.org/wp-content/uploads/2024/10/EN-France-plant-based-food-retail-market-insights-Oct-2024.pdf#>
- <https://www.fairtrade.net/en/why-fairtrade/how-we-do-it/how-does-the-label-work/how-fairtrade-certification-works.html>
- https://www.ecologie.gouv.fr/sites/default/files/documents/en_SNBC-2_summary.pdf

Ceylon Tea Meets Belgian Chocolates

By Thavishya Mullegamgoda, Minister (Commercial)
Sri Lanka Embassy in Belgium & the Mission to the EU

In a creative fusion of heritage and innovation, the Embassy of Sri Lanka in Brussels hosted a "Ceylon Tea and Belgian Chocolate Pairing Workshop" on 03 June 2025 at the Sri Lanka Residence in Brussels. The event offered an immersive gastronomic experience that showcased the versatility and premium quality of Ceylon tea through a unique pairing with world-renowned Belgian artisanal chocolates. For Sri Lankan exporters, this initiative opens new avenues in one of the Europe's most discerning specialty markets.

Positioning Ceylon Tea Beyond the Cup

The event was co-organized with Mr. Stijn Van Schoonlandt owner of Kruze Tea Belgium and a certified Tea Master, international speaker, the Regional Director for Europe of the International Tea Masters Association and a member of the European Speciality Tea Association, who brings not only local expertise but also strong international credibility. His involvement ensured that the presentation of Ceylon tea reached a highly knowledgeable and influential audience, including tea importers, distributors, tea sommeliers, specialty tea shops, chocolatiers, and connoisseurs from Belgium.



This workshop marked a strategic attempt to reposition Ceylon tea as not just a traditional beverage but a refined and sensory experience. By pairing six distinctive varieties of Ceylon tea including OPI, FBOPF SP, and cinnamon cigar with premium Belgian chocolates such as praline, dark, white, and lime-infused varieties, the event illustrated how tea can elevate and complement gourmet experiences.

Insights and Opportunities for Sri Lankan Exporters

The showcase featured products from Sri Lankan tea exporters Amba Estate, Bogawanthalawa Ceylon Tea (Pvt) Ltd, Kaley Tea Estate, and Rosyth Artisan Teas. Their participation not only ensured a rich variety of tea profiles but also served as a tangible introduction of their brands to a niche yet lucrative market segment. These direct exposures can pave the way for importer-distributor linkages and new boutique retail partnerships in Europe.

Key Insights for Exporters include:

Storytelling Matters: Ceylon tea has a compelling narrative rooted in ethical cultivation, biodiversity, and quality assurance. European consumers, especially in Belgium, are increasingly focused on traceability, artisanal production, and sustainability etc. where Ceylon tea can differentiate itself and can create a strong position in marketing.

Value-Added Pairings Create Market Pull: By engaging with high-end culinary experiences such as chocolate pairings, Ceylon tea can be positioned in the premium segment, encouraging higher price points and brand loyalty.

Tourism and Trade Synergy: Ceylon tea is not just a beverage, it has a story to tell, which encourages the participants to visit Sri Lanka and experience Sri Lanka's scenic tea trails in our highlands. Such integration of product promotion with tourism branding reinforces the emotional connection and lifestyle appeal of Ceylon tea.

Partnership Potential: The involvement of established European entities and influencers like Mr. Schoonlandt underlines the importance of leveraging local expertise to access the right networks. Exporters can benefit by collaborating with specialty tea importers and event curators to create similar experiential promotions.

Looking Ahead

The event presented the exceptional diversity in Ceylon tea from Nuwara Eliya to Ruhuna and key selling propositions for Ceylon tea, including sustainable and ethical cultivation practices, quality assurance, and the competitive edge it holds in the Belgian and European markets. Participants were invited to discover the unique story behind every cup of Ceylon tea from the plantation to the palate.

The enthusiastic reception of the event and the high level of engagement suggest a growing appetite in Belgium for authentic, high-quality tea experiences. For Sri Lankan exporters, this is a timely opportunity to diversify product formats (e.g., specialty blends, gift boxes, cold brews) and storytelling approaches tailored to European audiences.

In conclusion, the "Ceylon Tea and Belgian Chocolate Pairing Workshop" exemplified a smart diplomatic and commercial strategy blending tradition with innovation, and culture with commerce. Sri Lankan tea exporters would do well to build on this momentum, taking bold steps to position Ceylon tea as a premium global brand ready to delight the most refined palates.



Learning from Thailand: A model for Sri Lanka's Tourism Growth

By Ms. Vireshika Bandara,
Deputy Director of Commerce, Department of Commerce
Former Minister Counsellor (Commercial), Sri Lanka Embassy in Thailand

Thailand is admired around the world as a leading tourist destination. Every year, millions of people from every corner of the globe are drawn to its charm, not just because of its stunning natural beauty or rich cultural heritage, but because of the thoughtful planning, investment, and care that goes into every aspect of the tourist experience. In 2024 alone, Thailand welcomed around **35.5 million international tourists**, reflecting a tourism industry that is deeply organized, polished, and people-focused.

Sri Lanka too has beautiful beaches, ancient temples, wildlife, warm people, renowned hospitality and an ideal location in the Indian Ocean. What Sri Lanka sometimes lacks is the system and structure to bring it all together in the way Thailand does. Instead of starting from scratch, Sri Lanka can **observe, adapt and apply Thailand's most effective practices in ways that suit our unique culture and identity.**

In Thailand, whether it's the sun-soaked beaches of Phuket, Krabi or Koh Samui, the ancient ruins of Ayutthaya and Sukhothai, the misty mountains and cooler climate of Chiang Mai and Chiang Rai or the vibrant energy of Bangkok and Pattaya, **there's something for every type of traveller.** The experiences are diverse but well-organized and easy to access, which makes a huge difference. In Sri Lanka, we have similar diversity, from coastal escapes to sacred cities and scenic hill country, but it is vital to connect them more efficiently for tourists.

The politeness, discipline, cleanliness, and overall respect for others and the environment displayed by Thai people contribute significantly to the sense of safety and welcome that tourists experience. This **deeply rooted culture of hospitality** leaves a lasting impression and plays a key role in Thailand's tourism success. Sri Lanka can benefit greatly from nationwide awareness campaigns that encourage environmental responsibility. It is high time Sri Lanka prioritizes the promotion of green tourism as well.

Thailand also shows that **responsible tourism** can go hand in hand with growth. Maya Bay, for example, made world-famous by the movie The Beach, is carefully managed. It is closed for several months each year to allow coral reefs and marine life to regenerate and even when open, swimming is only allowed up to knee depth. In Sri Lanka, where we have delicate ecosystems like coral reefs, national parks and forest reserves, we could follow this model by implementing stricter regulations to ensure long-term sustainability.

From modest guesthouses to top-tier hotels, excellent service is a constant across Thailand. Hotel and tourism staff from front desk workers to drivers and tour guides are generally well-trained, polite and genuinely helpful. Thailand has invested heavily in hospitality education, with government and private institutions offering professional training and hotel associations working closely with the government to **maintain standards and promote sustainability**. In Sri Lanka, we already have natural warmth and hospitality in our culture, but professionalizing it through better training, certification programs and industry partnerships can help elevate the entire experience for visitors.

Thailand's public transport system is efficient, clean, and easy to navigate. The BTS Skytrain and MRT underground train in Bangkok are modern, safe and connected to shopping areas, cultural spots and even airports. Roads are well-maintained and airports are **smooth to navigate**, even during peak seasons.

Another impressive feature is Thailand's well-organized island tours. Everything from the ferry ride and hotel transfers to the return journey is pre-arranged, connected and hassle-free. Sri Lanka can vastly improve its tourism connectivity by modernizing our rail system, digitizing transport information and streamlining connections between airports, attractions, and accommodations.

Tourism in Thailand is not treated as just another economic sector; it is **a national priority**. Agencies like the Tourism Authority of Thailand (TAT) work hand-in-hand with the Ministry of Culture, Ministry of Transport and others to create integrated strategies for promotion, infrastructure, visa facilitation and crisis management. In Sri Lanka, a similar inter-agency task force with real decision-making power could lead to transformative results.

Thailand's culture is showcased in every aspect of daily life, through its food, festivals, textiles, and wellness practices. Thai cuisine is world renowned and many tourists travel there specifically to enjoy authentic dishes or indulge in traditional spa treatments. Experiences like the Chao Phraya River Dinner Cruise beautifully combine culture, cuisine, music, and modern cityscapes, creating truly memorable moments for visitors.

Sri Lanka can develop comparable signature experiences that highlight its own rich heritage such as scenic boat tours on Beira Lake, Kandy Lake or around Galle Fort, enhanced with local music, food and storytelling.

Thailand also knows how to **keep its cities alive** after dark with night markets, street food stalls, cultural shows, jazz bars, river cruises and more. Even in smaller towns, there's usually something to do in the evening. Tourists appreciate the safe and vibrant nightlife, which encourages them to stay longer and spend more. Sri Lanka could add more evening attractions, especially in urban and beach areas, to enhance visitor experiences and support local economies.

Festivals like Songkran (Thai New Year) and the Loi Krathong Lantern Festival are promoted globally and draw huge crowds of international visitors. With better planning, storytelling, and tourism tie-ins, Sri Lanka can also position its cultural festivals such as Vesak, Poson and Esala Perahera as major international attractions.

Thailand is also a global leader in **medical tourism**, offering high quality treatments in clean, modern and foreigner friendly hospitals. The staff are not only qualified but also trained in patient care and cross-cultural communication. Sri Lanka can explore collaborations with Thai medical institutions, while also strengthening Ayurveda based wellness tourism by combining traditional healing with modern hospitality standards. In addition, Sri Lanka should **target markets such as the Middle East and Bangladesh**, where there is a growing trend of seeking medical treatment abroad.

Thailand's tourism success is no accident. It is the result of concrete vision, disciplined execution and a deep respect for guests, nature and culture.

Thailand shows us that tourism is not just about having beautiful places, it's about how you manage them, how you welcome people and how you tell your story to the world. If Sri Lanka can take these lessons to heart, there's every reason to believe that we, too, can stand among the best in the world as a sustainable, high-quality tourist destination.



Implementation of the European Union Deforestation Regulation (EUDR): Implications for Sri Lankan Exporters

By Thavishya Mullegamgoda, Minister (Commercial)
Sri Lanka Embassy in Belgium & the Mission to the EU

The European Union (EU) has introduced the European Union Deforestation Regulation (EUDR), a landmark policy aimed at combating global deforestation and forest degradation. This regulation was adopted in December 2022 and in force since June 2023, which will apply to a wide range of commodities and products, including palm oil, rubber, coffee, cocoa, wood, soya and cattle, along with several derived products such as furniture, chocolates, printed paper, leather etc. The EUDR will be fully enforceable from 30 December 2025 (except for micro and small companies, where the date will be 30 June 2026).

Key Features of the EUDR:

- Operators and traders placing relevant products on the EU market or exporting from it must ensure those goods are deforestation-free, produced in accordance with the laws of the country of origin, and accompanied by precise geolocation data of the land where the commodities were produced. Relevant Commodities and (derived) Products must not originate from lands deforested after 31 December 2020.
- The regulation establishes a due diligence framework, requiring companies to collect detailed information, conduct risk assessments, and implement mitigation measures.
- Micro and small enterprises are subject to a simplified set of obligations, with extended transition periods to ease compliance burdens.



Due Diligence and Risk Classification

On 22nd May 2025, the European Commission adopted the Implementing Act on the country benchmarking system under the EUDR. The Implementing Regulation classifies countries according to their risk of deforestation associated with the production of the seven commodities covered by the EUDR. Accordingly, **Sri Lanka has been categorized as a “Low Risk Country”**.

The EUDR risk classification system, supports Member States Competent Authorities in defining and planning their annual compliance checks:

- 1% of checks for low-risk countries,
- 3% for standard-risk countries,
- 9% for high-risk countries.

This approach aims to give clarity for operators and traders regarding simplified due diligence when sourcing from low-risk countries.

This means that they need to collect information for due diligence purposes, but not assess and mitigate risks. It also serves as an incentive for producers to enhance the sustainability of their agricultural production systems and to minimize their deforestation impact, and enables the European Commission, European Union Member States and other partners to target their support measures.

The country classification list could be found here:

https://green-forum.ec.europa.eu/deforestation-regulation-implementation/eudr-cooperation-and-partnerships/country-classification-list_en

The benchmarking process will be dynamic, with a first review scheduled for 2026.

Despite differences in country risk classification, **all countries must comply** with the regulation's requirements—including geolocation data and adherence to EUDR principles—when placing regulated products on the EU market after **30 December 2025**.

Given Sri Lanka's exports of rubber, cocoa, coffee, and related products, compliance with EUDR is vital to safeguard market access to the EU market and strengthen Sri Lanka's image as a responsible, sustainable trading partner.

Therefore, recommends all private and public sector stakeholders/institutions and private companies in Sri Lanka to continue the work related to the compliance of EUDR requirements.

Also, recommends all stakeholders to refer the DG ENV website allocated for the implementation of EUDR and information on how to comply with EUDR regularly. This website is being continuously updated by the DG ENV:

https://environment.ec.europa.eu/topics/forests/deforestation/regulation-deforestation-free-products_en

Additionally, dates for upcoming virtual training sessions on the EUDR Information System are now available on our webpage: [The Information System of the Deforestation Regulation - European Commission](#):

[Virtual Training for the Information System on 3 July 2025, 14:00 CEST](#)

[Virtual Training for the Information System on 10 July 2025, 14:00 CEST](#)

India's Moringa Industry: Key Insights for Sri Lankan Exporters

By Geshan Dissanayake, Minister Counsellor(Commercial)
High Commission of Sri Lanka in New Delhi, India

India has established itself as a global leader in the moringa industry, a sector that has become central to its agricultural export strategy. Widely referred to as the “Miracle Tree,” moringa (*Moringa oleifera*) is prized for its rich nutritional profile and medicinal properties. India dominates the global market, supplying 70–80% of the world’s moringa-based products, with an estimated annual export value of USD 40–50 million. The country’s focus on organic farming, value addition, and wellness-based branding often rooted in Ayurveda has helped it capture the growing global demand for superfoods.

Moringa cultivation in India spans over 380,000 hectares and yields more than 1.3 million metric tons annually. Tamil Nadu is the leading production hub, contributing nearly 30% of total output. Districts such as Theni, Dindigul, and Tirunelveli have become key cultivation centers thanks to favorable climatic conditions and established infrastructure. Other important moringa-growing states include Karnataka, Andhra Pradesh, Kerala, Odisha, and Maharashtra, where tropical and subtropical conditions support robust growth. Cultivation practices are largely organic, with smallholder farmers and cooperatives playing a central role. Many adopt sustainable methods such as intercropping and efficient irrigation, ensuring both productivity and environmental stewardship.

India’s moringa industry offers a diverse range of products including raw leaves, moringa leaf powder (widely used in health supplements), seed oil (popular in the cosmetic industry), and herbal teas. These products are exported primarily to markets in the USA, Europe, and Asia, where consumer interest in natural, sustainable, and health-enhancing products is steadily increasing. The global moringa products market is projected to grow from USD 8.15 billion in 2023 to USD 14.80 billion by 2028—an expansion in which India is expected to continue playing a pivotal role.



Government and institutional support have played a major part in developing the industry. The Agricultural and Processed Food Products Export Development Authority (APEDA) facilitates trade through participation in global expos such as BioFach and provides technical and infrastructural support to exporters. Initiatives like the Tamil Nadu Organic Farming Mission encourage cluster-based organic farming, while Krishi Vigyan Kendras (KVKs) provide training, research, and certification assistance. State governments and industry associations such as FIEO and Pharmexcil support exporters with procedures, market linkages, and financial incentives. The National Bank for Agriculture and Rural Development (NABARD) further assists with subsidies and credit access for farmers and processing units.

In a bid to improve export readiness and reduce logistical bottlenecks, India is promoting moringa clusters focused on centralized processing, quality control, and certification. These clusters support the formation of farmer cooperatives and producer organizations to enable bulk production and enhance traceability. Such efforts ensure India remains competitive in the organic export space, with recent announcements targeting 50 metric tons of organic moringa powder exports in 2025–26.

Key Takeaway for Sri Lankan Exporters:

India's success in moringa exports is built on a foundation of coordinated policy support, organic certification, strong farmer engagement, value addition, and branding. As Sri Lanka explores ways to strengthen its own moringa and herbal product exports, India offers a valuable model in aligning agriculture with global health trends, leveraging traditional knowledge systems, and developing infrastructure for sustainable and scalable exports.



India Revises Tariff Values on Key Commodities

By Shirani Ariyaratne, Minister (Commercial)
High Commission of Sri Lanka in Mumbai, India

The Government of India, through its Ministry of Finance (Department of Revenue), has issued Notification No. 38/2025-CUSTOMS (N.T.) dated 30th May 2025, revising the tariff values of various commodities under Section 14 of the Customs Act, 1962. The updated values, which come into effect from 31st May 2025, are crucial for exporters and importers involved in trade with India, especially those dealing in palm oil, soyabean oil, brass scrap, precious metals, and areca nuts.

Key Highlights of the Tariff Amendments

1. Vegetable Oils

Revised tariff values for crude and refined palm and palmolein oils—widely traded by Sri Lankan exporters—are as follows (all values in US\$ per metric tonne):

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	965
2	1511 90 10	RBD Palm Oil	1018
3	1511 90 90	Others – Palm Oil	992
4	1511 10 00	Crude Palmolein	1023
5	1511 90 20	RBD Palmolein	1026
6	1511 90 90	Others – Palmolein	1025
7	1507 10 00	Crude Soya bean Oil	1092
8	7404 00 22	Brass Scrap (all grades)	5483

These revisions reflect global market trends and may influence pricing strategies and export decisions for Sri Lankan suppliers of edible oils and related products.

2. Brass Scrap

India has set the tariff value for all grades of brass scrap at US\$ 5483 per metric tonne, presenting an opportunity for exporters dealing in metal scrap.

3. Precious Metals

Sri Lankan exporters dealing in gold and silver should note the following tariff values applicable

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US \$)
(1)	(2)	(3)	(4)
1.	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 356 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	1067 per 10 grams
2.	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 357 of the Notification No. 50/2017-Customs dated 30.06.2017 is availed	1080 per kilogram
3.	71	<p>(i) Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92;</p> <p>(ii) Medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92, other than imports of such goods through post, courier or baggage.</p> <p>Explanation. - For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver.</p>	1080 per kilogram
4.	71	<p>(i) Gold bars, other than tola bars, bearing manufacturer's or refiner's engraved serial number and weight expressed in metric units;</p> <p>(ii) Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage.</p> <p>Explanation. - For the purposes of this entry, "gold findings" means a small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of Jewellery in place.</p>	1067 per 10 grams

4. Areca Nuts

There is no change in the tariff value for Areca Nuts (HS Code 080280), which remains at US\$ 6970 per metric tonne.

Sri Lankan exporters are encouraged to stay updated with such tariff revisions published in the Indian Gazette, which directly affect export margins and market access.



Contact Us

Department of Commerce,
LHP Building, No.492,
Duplication Road(R.A.de Mel Mawatha),
Colombo 03.

fortrade@doc.gov.lk