

A CRITICAL ANALYSIS OF ENVIRONMENTAL TAXATION FOR SRI LANKA IN A SUSTAINOMIC FRAMEWORK

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DECLARATION

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A Critical Analysis of Environmental Taxation for Sri Lanka in a Sustainomic Framework

Abstract

Sustainomics is to transform ongoing activities and planning of future developments more sustainable; balancing its key elements society, economy and the environment. Sri Lanka introduced environmental taxes by the Environmental Conservation Levy Act No. 26 of 2008 as another strategy to reach the sustainable development. A cess on polythene and plastic raw materials has been imposed previous to the said Act. The present study evaluates the effectiveness of the cess as a lesson for future taxation. When it was assumed that there were no other taxes imposed on importation of polythene and plastic raw materials, there was no a significant direct impact of the cess on the amount of polythene plastic raw materials imported into the country during the period from January 2008 to March 2009. The percentage of polythene and plastic waste amount recycled was 4.27% in 2008 and it was 3.05 % in 2007 compared to the total importation in respective years. The study recommends introducing a tax to be imposed on polythene bags which is a tax to the consumer as it has been successful in some other countries.

Another area studied was on the life cycle of mobile phones within Sri Lanka imported from 2006 to 2010. There is a rapid growth in use of mobile phones in Sri Lanka. The estimated stock of waste mobile phones generated in 2011 is 598 MT. The estimated value of the expected stock of recoverable metals from waste mobile phones in 2011 is Rs. 1094.695 million. Expected Gold stock has the highest value of Rs. 811 million. Calculated amount of waste mobile phones that would be generated in year 2012 is 284 MT and 342 MT in 2013, if the lifespan of a mobile phone is 5 years. Therefore the study recommends carrying out a feasibility study considering environmental, technical, economic as well as social factors to establish a material recovery plant in Sri Lanka.

The study finally proposes two options for disbursement of the fund generated by the taxes imposed under the Environmental Conservation Levy Act. It can be recommended a methodology based on a weighting system according to the importance of each sector that will utilize total amount of revenue for environmental management in the country.

Key words: Environmental taxes, polythene plastic cess, mobile phones, Environmental Conservation Levy Act.

Dedication
To
My Farther

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LIST OF ABBREVIATIONS AND ACRONYMS

Abbreviation/Acronym	Description
BAN	Basel Action Network
PBT	Persistent Bioaccumulative Toxin
BFR	Brominated Flame Retardant
CEA	Central Environmental Authority
COD	Chemical Oxygen Demand
ECC	Environmental Conservation Council
ECL	Environmental Conservation Levy
E waste	Electrical and Electronic Waste
GDP	Gross Domestic Production
ITU	International Telecommunication Union
LCA	Life Cycle Assessment
LCD	Liquid Crystal Display
MBI	Market Based Instruments
MENR	Ministry of Environment & Natural Resources
MT	Metric Tonne
NOK	Norwegian Krone (Norwegian currency)
PCB	Printed Circuit Board
SD	Sustainable Development
TCLP	Toxicity Characteristic Leaching Procedure
TV	Television
UK	United Kingdom
ULSD	Ultra Low Sulphur Diesel
ULSP	Ultra Low Sulphur Petrol
VAT	Value Added Tax
WTP	Willingness to Pay

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