TAXING MENSTRUAL HYGIENE PRODUCTS IN SRI LANKA: A POLICY ANALYSIS
This paper was compiled by The Advocata Institute, a Public Policy think tank based in Colombo, Sri Lanka with the funding of the Assisting Communities in Creating Environmental and Nutritional Development (ACCEND) Project.

The views shared in this report do not necessarily reflect the official positions of the European Union in Sri Lanka and the Maldives, Oxfam in Sri Lanka or ADRA.

THE ACCEND PROJECT

‘Assisting Communities in Creating Environment and Nutritional Development’ (ACCEND) is a project funded by the European Union (EU) under EU’s grant scheme ‘Support to Integrated Rural Development in the Most Vulnerable Districts of the Central and Uva Provinces of Sri Lanka’ (EuropeAid/152029/DD/ACT/LK). ACCEND is implemented through a consortium which consists of ADRA UK, ADRA Sri Lanka, and Oxfam. The overall objective of the project is: ‘to contribute towards the improvement of health, nutrition, hygiene and sanitation of the rural and estate communities in Uva and Central Provinces’. There are two intermediate outcomes of the project.

1) Vulnerable rural and estate communities with increased access to WASH facilities, improved personal hygiene and sanitation practices, and community driven services managed in collaboration with strengthened public authorities,

2) Improved health & nutritional status of the communities through increased access to proper healthcare knowledge and practices.

Gender and Disaster Risk Mitigation are the cross-cutting themes of the project. Project’s duration is fifty-seven months. The project is implemented in rural and plantation / estate sectors in Matale, Nuwara Eliya and Monaragala districts in Central and Uva provinces. In Matale district, the project works in Wilgamuwa Divisional Secretariat Division (DSD) while in Moneragala district it is the 2 DSDs Buttala and Wellawaya where project is operational. In Nuwara Eliya district, the project activities are implemented in estates (in Ambagamuwa DSD) of three plantation companies namely, Horana, Maskeliya and Bogawanthalawa; supporting over 300,000 individuals.

ACCEND Project is carried out in cooperation with, and the support of, local authorities. The key stakeholders are: Divisional Secretariat, Pradeshiya Saba, Zonal Education at local level and the Medical Officer of Health (MOH) in Maskeliya and other administrative, statutory, and technical support of relevant provincial, district, and divisional authorities. The project carries out activities, which develop and strengthen technical capacity of Community based Organizations (CBO) and relevant government agencies to consolidate or enable the interrelations for improved service delivery mechanisms. The efforts will also assure sustainability of infrastructure and institutional structures develop by the project.

In relation to period poverty the project has implemented varied interventions to reduce period poverty amongst its project locations and communities. These interventions include both software and hardware components such as: construction of sanitary napkin disposal units, constructing Job Site Rest Rooms in Tea Estates, create awareness amongst school students, community, government, and health sector staff in relation of Menstrual hygiene and developing and distributing Information, Education, and Communication IEC material.
SYNOPSIS

POLICY ANALYSIS ON THE 52% MENSTRUAL TAX

WHAT IS PERIOD POVERTY?
Period Poverty’ is a term used when women and girls cannot afford menstrual hygiene products.

HOW DOES A TAX ON MENSTRUAL PRODUCTS CONTRIBUTE TO PERIOD POVERTY?
An exorbitant tax on sanitary napkins and tampons adds to the retail price and therefore one can argue that it consequently becomes a contributory factor to unaffordability.

DOES THIS APPLY TO SRI LANKA?
Yes. Historically, Sri Lanka has taxed sanitary napkins and menstrual hygiene products at a high rate. Most of these taxes are protective taxes imposed at the border. They are known as tariffs. At present, sanitary products are taxed at 52% with 15% Gen Duty, 15% CESS, 10% PAL and 8% VAT.

Sri Lanka has 5.4 million households and 5,355,092 reproductive women and girls between the age groups of 15-49 years.

As per the Advocata Institute’s calculations Sri Lanka’s period poverty rate is at 50%.

Meaning, 50% of households with women of menstruating age do not report spending any amount of money on sanitary napkins.

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2 As stated by UNFPA period poverty also refers to the increased economic vulnerability women and girls face trying to afford not only menstrual pads and tampons but also related pain medication and underwear. As defined by Action Aid it is also the lack of access to safe hygienic spaces to use menstrual products and to manage menstruation. The definition from Oxfam, Canada is adopted in the brief as the focus of the report is on the unaffordability caused by the 52% tax on menstrual products in Sri Lanka.
5 Refer to Annex 03
HOW MANY WOMEN AND GIRLS SUFFER FROM UNAFFORDABILITY OF MENSTRUAL HYGIENE PRODUCTS?

Sri Lanka has 5.4 million\(^6\) households and 5,355,092 reproductive women and girls between the age groups of 15 - 49 years.\(^7\) The age cohort chosen for this study is 15 - 47 years as global literature cites 12 - 13 as the common age of menarche\(^8\) and ages between 42 - 51 with a mean average of 47 as the age of menopause.\(^9\)

In other words, the exorbitant tax on menstrual hygiene products leaves over 5 million menstruating women and girls with little to no access to menstrual products due to unaffordability and deprived of access to products that meet their specific biological and medical needs due to the lack of choice available in the market.

DOES THE GOVERNMENT MAKE A SIGNIFICANT REVENUE BY TAXING MENSTRUATING WOMEN AND GIRLS?

According to Sri Lanka Customs data the tax on sanitary napkins and tampons provided a revenue of approximately 120 million in 2019. This amounted to 0.005% of total tax revenue that year.

CONCLUSION

The Government can do without this discriminatory tax as it is a negligible proportion of the island’s total tax revenue.

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\(^7\) Department of Census and Statistics, Census of Population and Housing, (Sri Lanka, 2012)


\(^9\) ‘Menopause’ is the end of a woman's natural reproductive cycle, or the permanent cessation of menstruation resulting from the loss of ovarian follicular activity.
WHY IS IT IMPORTANT TO REPEAL PROTECTIVE TAXES ON MENSTRUAL HYGIENE PRODUCTS?

It ensures welfare of menstruating women and girls by improving affordability and agency.

HOW?

- Removing tariffs on these products eliminates trade barriers ensuring the free flow of imported products into the local market.
- Removal of protective tariffs will result in reduced retail prices and cheaper products entering the market ensuring affordability.
- A wide range of products will ensure choice for Sri Lankan women and girls, improving agency.
- Imported products will encourage the local producer to stay price competitive and to improve the quality of local menstrual hygiene products benefiting the consumer and consumer welfare at large.
- The flow of a variety of products into the market will open up the possibility of tapping into new markets e.g. - markets that cater to the growing eco-conscious consumer with products such as menstrual cups and sustainable sanitary napkins.
- Improvements in the overall comfort, emotional well-being and school experience of girls.
- Improved comfort and emotional well-being of menstruating women and girls in the workplace.
- Decreased health risks such as vulnerability to cervical cancer and urogenital infections.

WHO BENEFITS FROM THE REMOVAL OF THIS TAX?

Low income earning women and girls.

HOW?

Repealing the menstrual tax removes an unequal tax burden between high income earning women and low income earning women. While high income earning women can afford to pay the inflated retail prices on these products the low income earning women cannot. Removing the tax that contributes to exorbitant prices can make menstrual hygiene products more accessible to low income groups of society.

WHO BENEFITS FROM THE TAX?

Local producers of sanitary napkins are few in number. A single brand of imported sanitary napkins enters the local market due to high taxes at the border. Border taxes make the only imported brand in the market expensive. These protective border taxes also discourage the entry of cheaper products into the market. This gives room for local producers to mark up their prices and to earn profits higher than usual.
Protective border taxes also distort the market by removing competition to the local producers. This eliminates all incentives for local producers to improve the quality of their products and to stay price competitive.

In short, protective border taxes on menstrual hygiene products protect and benefit a smaller segment of society at the expense of the welfare of low income earning menstruating women. In economics this is titled “rent seeking behaviour”.

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**EDUCATION**

There is a paucity of clear evidence on the extent to which education outcomes are impacted solely due to girls’ menstruation. Surveys that focus on this issue are often limited in sample size. These surveys also encounter additional challenges including the difficulty in identifying whether absenteeism is due to social stigma, lack of access to menstrual hygiene products, lack of access to adequate sanitation in school or pain related to menstruation.10

Although it is difficult to quantify the direct impact of a sanitary napkin tax on access to education due to limitations in data, it has been noted that pain, discomfort, and fear of staining a white uniform would negatively affect a girl’s comfort and overall ‘school experience’.11

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**FEMALE LABOUR FORCE PARTICIPATION RATE**

Increasing absenteeism amongst menstruating female labour is a sentiment popularised by activists and the popular media. However, there have been few studies done to establish the link between menstruation, lack of access to menstrual hygiene products and the drop in work attendance during days of menstruation.

However, based on existing surveys it can be argued that the removal of menstrual hygiene product taxes would allow women to work in comfort and potentially increase output, aiding productivity increase in the economy at large.

- For example, a survey conducted in the Netherlands that focused on age dependent productivity loss caused by menstruation related symptoms, on 32,748 women aged between 15-45 years, finds that presenteeism amongst women with menstruation related illness accounts for an average of 8.9 days of productivity loss.  

**IMPACT ON HEALTH**

In terms of health impacts, the literature indicates that the use of alternative menstrual hygiene products such as cloth rags make women vulnerable to diseases such as cervical cancer even though Sri Lanka has a low incidence of cervical cancer. Further, the extensive body of literature exploring the link between poor MHM practices and the development of urogenital infections such as bacterial vaginosis, sets out that minimal or non-usage of menstrual hygiene products make women increasingly vulnerable to urogenital infections.

Menstruation is an involuntary monthly biological process. Therefore, access to sufficient menstrual hygiene products that meet specific biological and medical needs is a basic human necessity. Even though there is very little research on how unmet menstrual hygiene needs may impact the mental health of menstruating women and girls, existing surveys and polls can be largely used as grounds to establish that the lack of access to menstrual hygiene products during menstruation has an adverse impact on the emotional well-being of females.

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12 Presenteeism or working while sick is the act or culture of employees continuing to work as a performative measure, despite having reduced productivity levels or negative consequences.


REFORM RECOMMENDATIONS WE SUGGEST IN ORDER TO SEE THESE POSITIVE OUTCOMES

- The Ministry of Finance should remove General Duty (15%), CESS (15%), PAL (10%) and VAT (8%) components from the current taxation structure pertaining to menstrual hygiene products in Sri Lanka, bringing the total tax levied on these products down to zero.

- Removing tariffs on imported raw material used to produce sanitary napkins and other menstrual hygiene products.

- The Ministry of Finance should declare the reduction in taxes through the means of an Extraordinary Gazette.
REFERENCES:


