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## The Unintended Consequences of Sri Lanka's Fertilizer Ban

In April 2021, the government of the Asian nation of Sri Lanka suddenly banned the agriculture sector's use of synthetic fertilizers and pesticides. The government said the action was to protect the population's health and environment and make the country's economy more self-sufficient. But this move also had some serious, and potentially unintended, consequences.

### Sri Lanka Background

Sri Lanka is an island nation located just off the southern coast of India, with a population of over 22 million (see **Figure 1**). Formerly known as Ceylon, the country has a rich and complex history, having been colonized by the Portuguese, Dutch, and British over the course of several centuries before gaining independence in 1948.<sup>1</sup>

Economically, in 2022 Sri Lanka could be classified as a middle-income country, with a PPP-adjusted GDP-per-capita of about \$14,000. (For context, Pakistan's figure in 2022 was at about \$6,000, India's was about \$9,000, Indonesia and Vietnam were also at about \$14,000, and Thailand was at about \$23,000.)<sup>2</sup>

From the mid-20th century onward, Sri Lanka experienced relatively steady economic growth, with real GDP expanding between 4% to 6% a year during most years. Sri Lanka has long been dependent on agricultural exports, with cash crops such as tea, rubber, and spices serving as major drivers of the economy. This growth was supported by an economic base more diversified than in many of its South Asian neighbors, with services, industry, and agriculture each contributing significantly to output.<sup>3</sup>

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