

FLASH Note

Impact of U.S. Tariffs on Listed Companies in CSE

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SECURITIES

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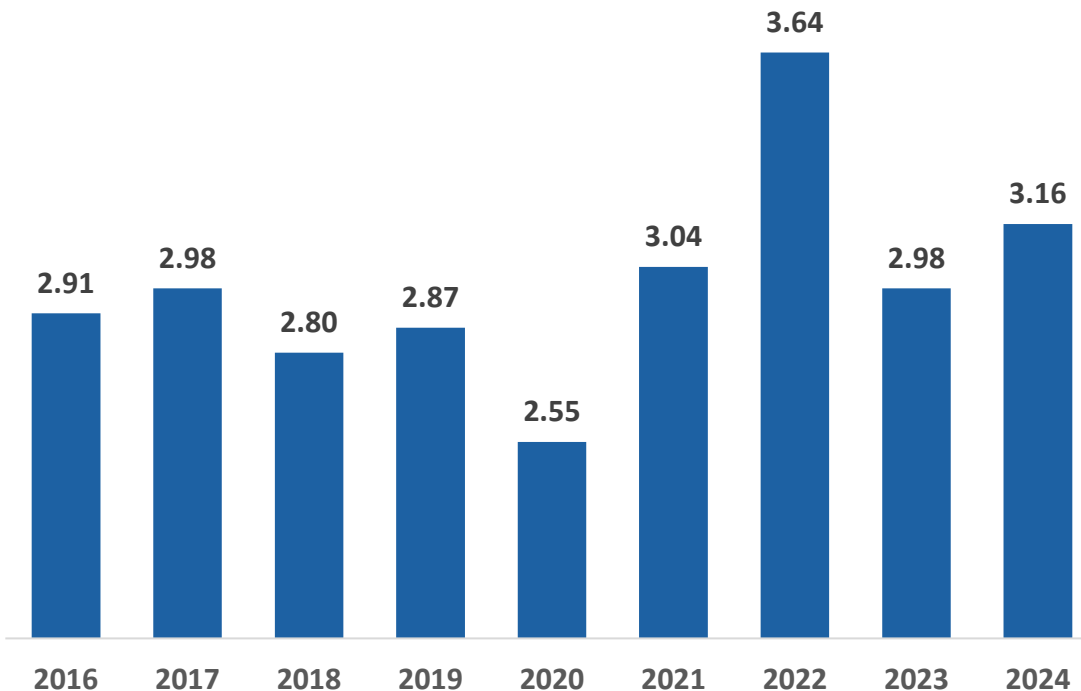
Trump has introduced a new tariff policy affecting more than 180 countries

- Donald Trump unveiled a broad set of reciprocal tariffs, asserting that they would enable the United States to thrive.
- The White House published a list of more than 180 countries along with the corresponding tariff rates that the U.S. would apply reciprocally.
- The U.S. president plans to enforce "**baseline tariffs**" on all countries, setting the rate at **10%**, with implementation scheduled for April 5.
- White House officials announced that specific reciprocal tariffs would be imposed on approximately 60 of the "worst offenders," taking effect on April 9.
- Canada and Mexico were not included in the latest tariff announcements. Previously, tariffs on these countries were set at 25%, with some exemptions and delays later introduced.
- Additionally, the president declared that the U.S. would impose a **25% tariff on all foreign-made automobiles**, set to take effect immediately at midnight on April 3.
- The U.S. President has imposed a **44% tariff on Sri Lanka**, based on a "reciprocal discounted tax" that is half of an assumed 88% tax levied on U.S. products by Sri Lanka.

Country	New tariff
Cambodia	49%
Laos	48%
Vietnam	46%
Myanmar	45%
Sri Lanka	44%
Thailand	37%
Bangladesh	37%
China	34%
Taiwan	32%
Indonesia	32%
Pakistan	30%
India	27%
Japan	24%
Malaysia	24%
South Korea	26%

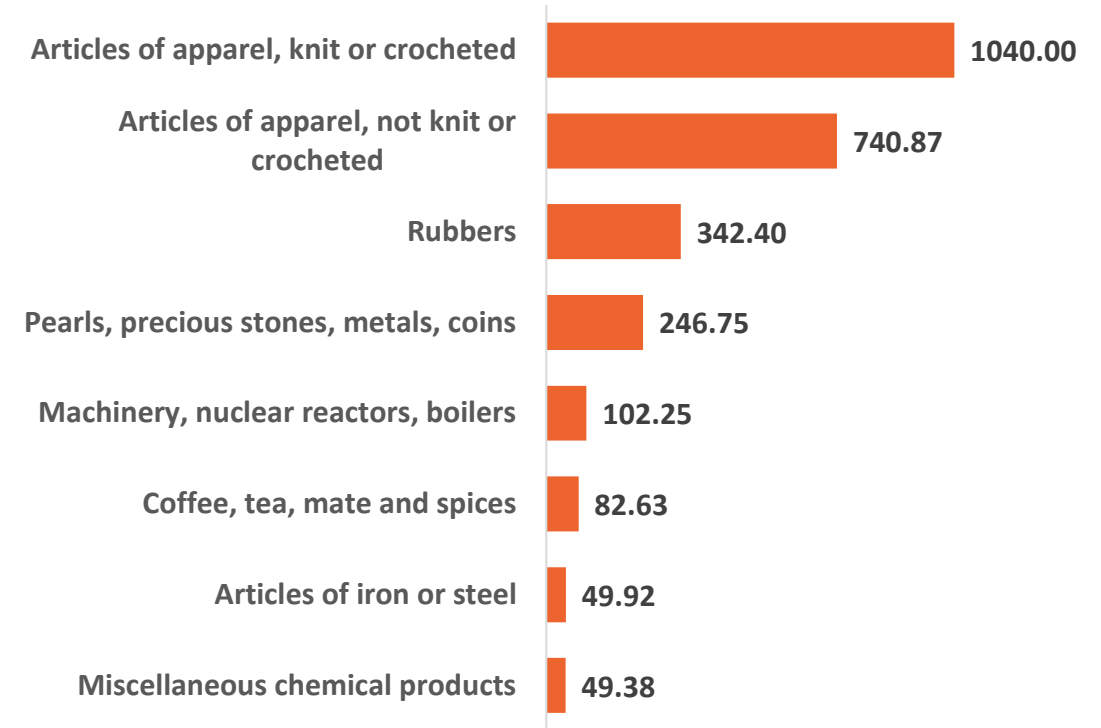
The United States is the top destination for Sri Lanka's exports

Historical US imports from Sri Lanka by value (USD Mn)



- The United States is Sri Lanka's largest export market, accounting for roughly 23% of the country's total exports.
- In 2024, U.S. imports from Sri Lanka totaled USD 3.16 billion, reflecting a 6.0% increase compared to 2023.

US imports by product from Sri Lanka (USD Mn)



- Sri Lanka's primary export to the United States is apparel, with rubber and precious stones following closely behind.
- In 2024, Sri Lanka exported over USD 1.7 billion worth of apparel to the United States.

Sri Lanka is one of the countries subjected to the highest Trump tariffs

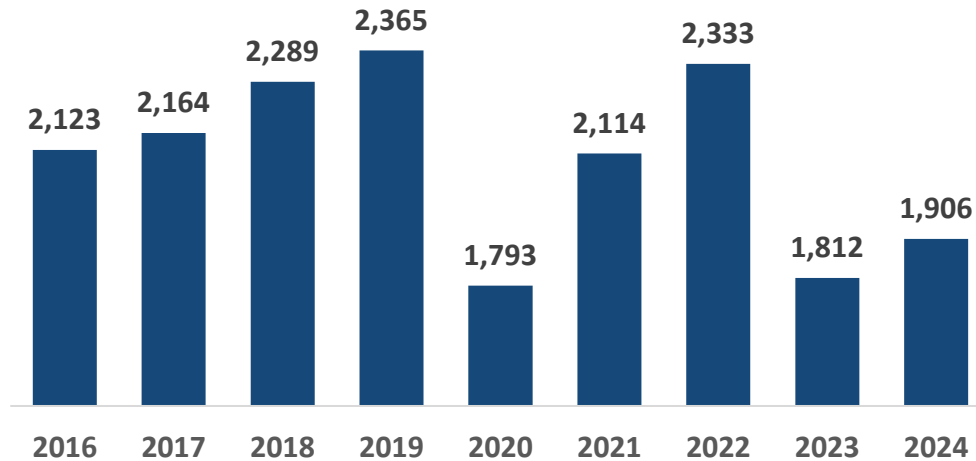
- The United States has imposed a 44% tariff on Sri Lanka, placing it among the countries facing the highest Trump tariffs.
- Meanwhile, the U.S. has assessed that Sri Lanka imposes a total tax of 88% on American goods.
- However, if more than 20% of a product consists of U.S.-sourced materials, only the remaining portion is subject to taxation.

Impact on Sri Lankan industries and listed counters in CSE

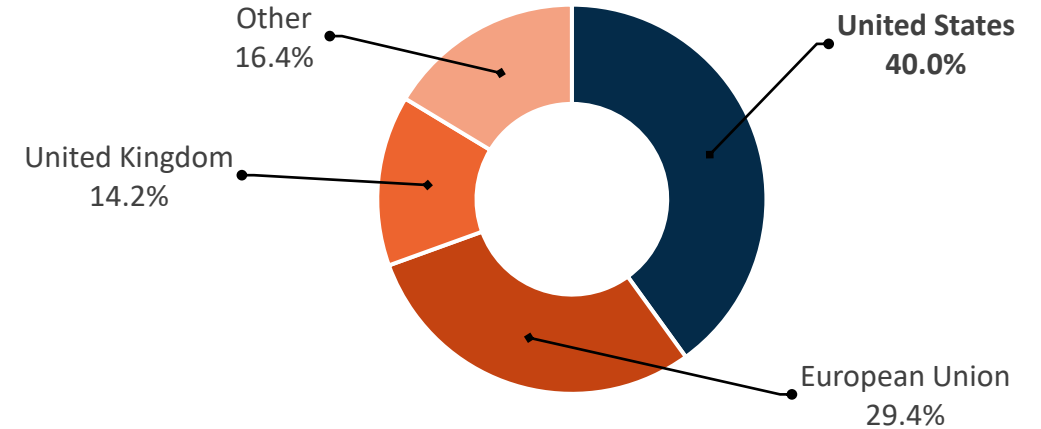
Industry/Sector	Listed Counters
Apparel	TJL.N, MGT.N, HELA.N
Manufacturing products and exports	HAYL.N, DPL.N, REXP.N, DIPD.N, BPPL.N, ACL.N, CSLK.N
Food & beverages related exports	CTEA.N, RAL.N, COCO.N

Apparel exports are the most affected by U.S. tariffs on Sri Lanka

According to JAAF, Sri Lanka's apparel exports reached USD 1,906 million in 2024



In 2024, the United States was the largest market for Sri Lanka's apparel exports.



Company	Impact of tariffs on the counter	Price reaction to tariff announcement		PE
		Closing price	Gain/(loss)	
TJL.N	TJL.N reported a total revenue of LKR 60.73 billion in FY2024, with its global value chain comprising 50% from the USA , 42% from the EU, 4% from Bangladesh, and 4% from Japan.	46.40	-8.66%	13.75
MGT.N	In FY2024, MGT.N recorded export earnings of USD 154.26 million, accounting for 99% of its total revenue of USD 155.33 million. The US represents 65% of the company's total export markets.	41.00	-14.58%	9.23
HELA.N	HELA.N reported export revenue of LKR 67.7 billion, making up 96% of its total revenue of LKR 70.29 billion in FY2024. 51% its export revenue was generated from the U.S. market.	3.60	-2.70%	NM

Manufacturing companies heavily reliant on exports face a significant impact

Company	Impact of tariffs on the counter	Price reaction to tariff announcement		PE
		Closing price	Gain/(loss)	
HAYL.N	In FY2024, HAYL.N reported export revenue of LKR 234.07 billion, accounting for 54% of its total revenue. Exports to the U.S. amounted to LKR 25.71 billion, representing 6% of the company's total revenue for the year.	140.00	-5.25%	8.55
DPL.N	In FY2024, DPL.N recorded export revenue of LKR 3.6 billion, making up 57% of its total revenue. The U.S. accounted for 20% of its international sales.	23.50	-	NM
REXP.N	In FY2024, REXP.N recorded export revenue of LKR 2.35 billion to various countries, including the U.S., making up 97% of its total revenue.	371.75	-2.75%	1,303.84
DIPD.N	DIPD generates 99% of its total revenue from exports. Its Hand Protection sector derives 30% of its revenue from North and South America, while the Plantation sector earns 4% from North America.	53.00	-7.18%	6.46
BPPL.N	In FY2024, BPPL generated 84% of its total revenue from export sales, amounting to LKR 4.5 billion. The U.S. and Canada together accounted for 56% of revenue by region.	18.10	-4.74%	67.55
ACL.N	In FY2024, ACL.N exported LKR 7.12 billion to various countries, including the U.S., accounting for 24% of its total revenue.	124.25	-1.19%	7.41
CSLK	CSLK exports high-quality cables to numerous countries, including the U.S., with approximately 94% of its total revenue coming from exports.	10.70	-4.46%	13.35
JAT.N	JAT's export revenue makes up 35% of its total revenue, with Sri Lanka and Bangladesh contributing 65% and 32%, respectively. Therefore, JAT is unlikely to face a direct impact from US tariff policy changes as they visibly don't have US exports.	27.10	-3.21%	9.57

Companies with food and beverage-related exports are impacted by tariffs

Company	Impact of tariffs on the counter	Price reaction to tariff announcement		PE
		Closing price	Gain/(loss)	
CTEA.N	CTEA.N, a tea manufacturer, has substantial exposure to foreign markets including North America. In FY2024, the company generated LKR 18.48 billion in export revenue including north America, which accounted for more than 99% of its total revenue.	1,098.50	-1.04%	99.37
RAL.N	RAL.N serves clients across 61 countries globally, including the United States. In FY2024, RAL.N reported export revenue of LKR 4.62 billion, making up 84% of its total revenue for the year.	3.50	-5.41%	NM
COCO.N	COCO.N has a global clientele across 61 countries, including the United States. In FY2024, COCO.N generated export revenue of LKR 4.94 billion, accounting for 35% of its total revenue for the year.	11.50	0.88%	NM
COCO.X		10.70	-	NM

AMBEON SECURITIES (PVT) LIMITED

No: 10, 2nd Floor
Gothami Road,
Colombo 08,
Sri Lanka.

T : +94 11 532 8 100

F : +94 11 532 8 177

E: research@ambeonsecurities.lk

W: www.ambeonsecurities.lk



Sales Team

Charith Kamaladasa

Niranjana Niles

Chinthaka Weeraratna

Pasindu Yatawara

Thushan Perera

Director/CEO

Executive Director

Senior Investment Advisor

Senior Investment Advisor

Senior Investment Advisor

charithk@ambeonsecurities.lk

niles@ambeonsecurities.lk

chinthaka@ambeonsecurities.lk

pasindu@ambeonsecurities.lk

thushan@ambeonsecurities.lk

Research Team

Hansinee Beddage

Shashikala Hanshani

Amoda Prasansana

Hiruni Samarasekera

Manager Investment Research

Investment Research Analyst

Trainee Investment Research Analyst

Trainee Investment Research Analyst

hansinee@ambeonsecurities.lk

shashikala@ambeonsecurities.lk

amoda@ambeonsecurities.lk

hiruni@ambeonsecurities.lk

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