



## **News Release**

### **National Accounts Estimates of Sri Lanka; 1<sup>st</sup> Quarter – 2021**

#### **Economy of Sri Lanka grew by 4.3 percent in the 1<sup>st</sup> quarter of 2021**

##### **Department of Census and Statistics**

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The Department of Census and Statistics (DCS) Sri Lanka, has released the estimated Gross Domestic Product (GDP) at current price and at constant (2010) price in Production approach and the other macroeconomic indicators for the first quarter (January 1<sup>st</sup> to March 31<sup>st</sup>) of year 2021.

The performance of the economy even in the first quarter of 2021 was affected to some extent due to the spread of the second wave of the pandemic which started in October last year. Though, amidst the second wave, the economy continued to carry out most of the business activities, even under the Covid – 19 imposed restrictions, except very few; such as tourism and entertainment related activities. Further, throughout the first quarter of this year, we observed a new normalization of life styles of people amidst the pandemic, and has been supporting economic activities to carry out their businesses at a satisfactory level.

The GDP growth rate of the first quarter of 2020 in Sri Lanka, recorded a negative growth rate of 1.8 percent. This contraction in the economy is mainly due to the risk carried with the spread of global pandemic for the first time in Sri Lanka in early March of 2020. To prevent the spread of this disease the government imposed a full lockdown period for the whole country and as a result all of the economic activities, except very few totally collapsed.

The economic growth rate of the first quarter of this year is calculated with respect to the declined GDP in the first quarter of last year. Hence, the first quarter of 2021 increased GDP will be

reflected in the recovery of the economy which was being contracted as a result of the negative impact of the first wave of the pandemic.

Issuing a communiqué, on releasing National Accounts Estimates, the DCS states that the GDP growth rate for the first quarter of 2021 has been estimated as 4.3 percent of positive growth rate when compared to the 1.8 percent of negative growth recorded in the first quarter of 2020. The Gross Domestic Product for Sri Lanka for the first quarter of 2021 at constant price has increased up to Rs. 2,393,922 million from Rs. 2,295,432 million which recorded in the first quarter of 2020. In addition, the Gross Domestic Product for Sri Lanka for the first quarter of 2021 at current price has increased up to Rs. 4,173,783 million from Rs. 3,844,079 million which recorded in the first quarter of 2020 registering 8.6 percent of change in the current price GDP.

The four major components of the economy; 'Agriculture', 'Industry', 'Services' and 'Taxes less subsidies on products' have contributed their share to the GDP at current prices by 7.8 percent, 29.2 percent, 57.4 percent and 5.7 percent respectively in the first quarter of 2021.

During the first quarter of 2021 among the three major economic activities, the Agriculture and Industrial activities reported substantial positive growth rates of 6.1 percent and 5.5 percent respectively. It is because, all agriculture and industrial related activities were permitted to continue their businesses throughout the country even during the period of imposed restrictions. Meanwhile the Services activities expanded at a moderate rate of 3.0 percent during this quarter, when compared to the same quarter in year 2020.

## **Performance in Agricultural Activities**

In the first quarter of 2021, the agriculture activities as a whole have reported a substantial expansion by 6.1 percent when compared to the 6.5 percent of negative growth recorded in the first quarter of 2020. Most of the agriculture activities have reported positive growth rates. Specially, 'Growing of tea' (37.9 percent), 'Growing of cereals' (34.8 percent), 'Fresh water fishing' (27.0 percent), 'Growing of rubber' (16.0 percent), 'Growing of vegetables' (14.5 percent), 'Growing of fruits' (6.9 percent), 'Growing of Oleaginous fruits; including Coconut' (6.4 percent), 'Animal production' (5.5 percent), 'Forestry and logging' (5.4 percent), 'Growing of spices' (4.9 percent). However, during this quarter, 'Marine fishing' (16.0 percent) and 'Growing of rice' (6.3 percent) have contracted significantly.



## **Performance in Industrial Activities**

During the first quarter of 2021, the overall industrial activities have reported a considerable level of growth by 5.5 percent. This positive growth is basically underpinned by the expansion in the manufacturing, construction, mining and quarrying activities during this quarter.

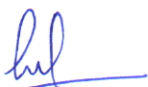
The overall manufacturing industry grew by 6.8 percent during the first quarter of 2021 when compared to the same quarter in previous year. The 'Manufacture of chemical products and basic pharmaceutical items' (20.0 percent), 'Manufacture of other non-metallic mineral products' (15.3 percent), 'Manufacture of rubber and plastic products' (12.9 percent), 'Manufacture of textiles, wearing apparel and leather related products' (8.4 percent), 'Manufacture of food, beverages and tobacco products' (6.0 percent) and 'Manufacture of machinery and equipment' (8.1 percent) have reported positive growth rates during this quarter.

Among the 'Industrial activities', the 'Construction' activity, which corresponds to 6.3 percent of share within the industry sector, recorded a moderate growth by 3.4 percent. Following that growth in the construction activity, the 'Mining and quarrying' activity too recorded positive growth rate of 3.7 percent during this year. Meanwhile 'Electricity, gas, steam and air conditioning supply' activity has reported positive growth rate of 2.7 percent. Further, the 'Water collection, treatment and supply' activity has recorded 3.5 percent of positive growth rate in this quarter.

## **Performance in Services Activities**

The Service sector too reported a moderate growth of 3.0 percent. This expansion in the services sector was supported specially by the sub activities of 'Telecommunication' (19.1 percent), 'IT programming consultancy and related activities' (14.9 percent), 'Financial service activities' (13.1 percent) and 'Insurance' (11.4). In addition, the 'Wholesale and retail trade' (3.7 percent), 'Transportation of goods and passenger including ware housing' (1.0 percent), 'Other personal services' (2.0 percent) and 'Professional services' (3.0 percent) were expanded. However, during this quarter 'Accommodation, food and beverages services' related activities were further showed a downturn by 31.9 percent during this quarter, when compared to the first quarter of 2020.

According to the DCS, detail information of GDP estimates for the first quarter of 2021 has been published in the DCS website: [www.statistics.gov.lk/NationalAccounts/StaticalInformation/GDP](http://www.statistics.gov.lk/NationalAccounts/StaticalInformation/GDP)



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