



Gross Domestic Product (GDP) by Production Approach

Second Quarter of 2021

Base year 2010

Department of Census and Statistics
Ministry of Economic Policies and Plan Implementation

The Department of Census and Statistics (DCS) Sri Lanka has released the estimated Gross Domestic Product (GDP) at current and at constant (2010) price by Production Approach with the other macroeconomic indicators for the second quarter of 2021 (from 1st of April to 30th June).

The Gross Domestic Product for Sri Lanka for the second quarter of year 2021 at current price reported as Rs.3,626,482 million as against the Rs.3,007,345 million reported for the same quarter of the year 2020. Further, the Gross Domestic Product for Sri Lanka for the second quarter of 2021 at constant price has increased up to Rs. 2,170,052 million from Rs. 1,932,319 million which recorded in the second quarter of 2020.

- Sri Lanka's economy grew by 12.3percent in the second quarter of 2021, compared to the negative growth rate of 16.4percent reported in the second quarter of 2020.
- Compared the GDP growth rates of major economic activities in the second quarter of 2021 with the second quarter of 2020, the 'Agricultural', 'Industry' and 'Services' activities grew by 8.1percent, 22.1percent and 7.5percent respectively in this quarter.
- 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 9.2percent, 27.0percent, 57.9percent and 5.8percent respectively in the second quarter of 2021.

Content

General Description – page1

Performance in Agriculture activities – page 5

Performance in Industrial activities – Page 8

Performance in services Activities – Page 11

Source Publication

- http://www.statistics.gov.lk/NationalAccounts/StaticInformation/Detail_Note/Second_Quarter_2021_en

1.0 General Description for the second quarter of year 2021

Compared to the second quarter of 2020, the second quarter of 2021 began with a very favourable economic performance for Sri Lanka, providing some relief from the second wave of the Covid-19 pandemic which began to spread in the fourth quarter of 2020, creating the necessary environment for many businesses to continue. The celebration of the Sinhala & Tamil New Year was also seen as maintaining a satisfactory level of people's lifestyles under the new generalization. Many people and the society enjoyed this great relief after being under a long period of imposed restrictions, such as doing business activities, travel restrictions, health precautions. As a result of this, especially in the month of April, this peaceful environment, affected pleasantly to run most of the business activities well, except very few like, international tourist arrivals related businesses and entertainment related businesses and cultural activities.

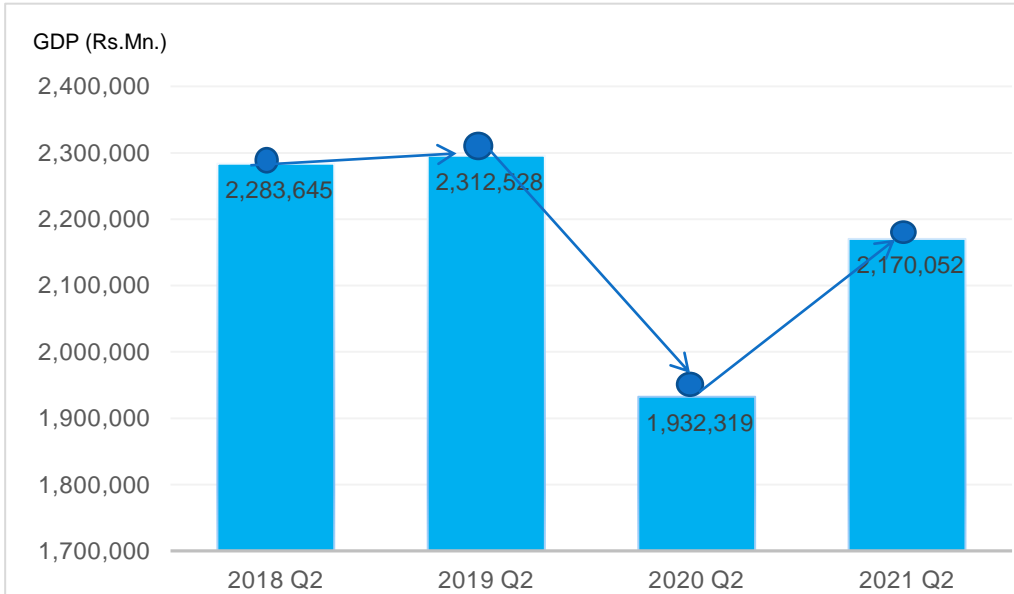
However, at the end of April, unfortunately, the third wave of the Covid-19 pandemic resumed, while reporting high growing number of Covid-19 positive patients from all the districts of the country. As a result of fast spreading of this Covid-19 virus and the new variant of Delta virus, government decided to impose travel restrictions in the whole country for about a month from 21st of May to June, in order to prevent the spreading of this pandemic. However, when compared to the nature of this lock down with the lock down period in the year 2020, it was not much strict in this year. In the midst of the third wave, even under Covid-19, it was possible to do a number of businesses that contribute to the viability of the economy by following health guide lines. The government permitted to all agriculture related activities, most of manufacturing activities, construction work and many services related businesses to continue their work even under this lock down period. This created some sort of favourable environment to continue businesses in the second quarter in this year, when compared to the situation and the nature of the lockdown period in the second quarter 2020. As a result, most of the economic and business activities, have reported expansion in their industries when compared to the second quarter of the previous year.

In the second quarter of 2020, the Sri Lankan economy was hit hardly by the Covid-19 pandemic. The country was totally under the lock down for a period of nearly one month. As a result, many economic activities of the country recorded negative growth rates in their economic activities in this quarter. This led to an unprecedented fall in the economy by 16.4 percent in the second quarter of 2020 which was the largest drop in GDP growth rate ever recorded in the Sri Lankan history.

According to the GDP estimates of second quarter of 2020, the real GDP level reduced up to Rs.1,932,319 million from Rs.2,312,528 million which recorded in second quarter 2019. Accordingly, in the second quarter of the year 2021 the GDP growth rate is calculated based on that reduced level of real GDP value.

The Gross Domestic Product for Sri Lanka for the second quarter of 2021 at constant price has increased up to Rs.2,170,052 million from Rs.1,932,319 million which recorded in the second quarter of 2020. However, the Figure I clearly shows that the economy still has not reached at least the 2019 second quarter GDP level. That indicates the level of GDP yet to be achieved to recover the economy.

Figure 1: Comparison of the real GDP levels in the second quarters from 2018 to 2021.



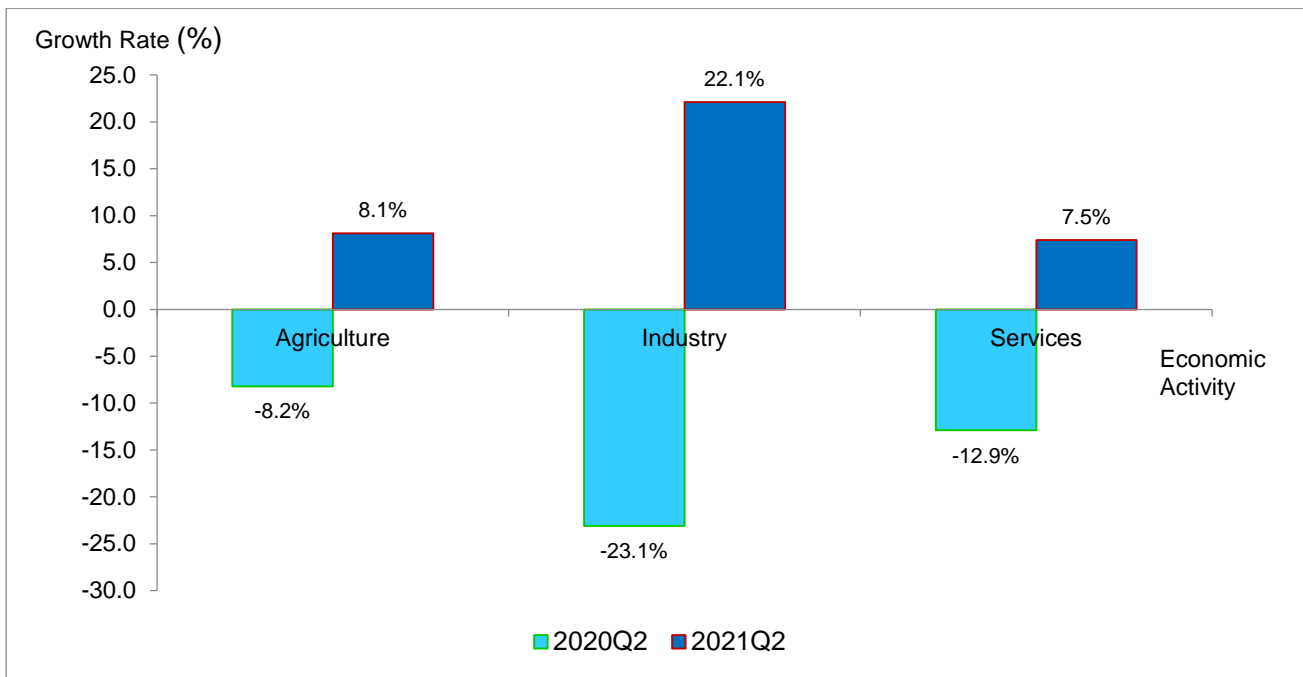
Under these circumstances described above, it recorded a 12.3 percent GDP growth rate for the second quarter of 2021 as compared to the 16.4 percent of negative growth rate recorded in the second quarter of 2020.

In addition, the Gross Domestic Product for Sri Lanka for the second quarter of 2021 at current price has increased up to Rs.3,626,482 million from Rs.3,007,345 million which recorded in the second quarter of 2020 registering 20.6 percent of change in the current price GDP.

During the second quarter of 2021 all three major economic activities, recorded significant positive growth rates by Agriculture (8.1 percent), Industrial (22.1 percent) and Services (7.5 percent) activities. These recorded high growth rates reported as a result of the contractions reported in these activities in the second quarter last year.

The four major components of the economy; ‘Agriculture’ (9.2 percent), ‘Industry’ (27.0 percent), ‘Services’ (57.9 percent) and ‘Taxes less subsidies on products’ (5.8 percent) have contributed their share to the GDP at current prices in the second quarter of 2021.

Figure 2: Comparison of Growth Rates in the second quarters of 2020 and 2021



In the second quarter of 2021, among the agricultural activities, 'Marine fishing' (24.7 percent), 'Animal production' (18 percent), and 'Growing of rubber' (15.7 percent) recorded significant positive growth rates. In this quarter while many other agricultural activities reported noteworthy expansions compared to the same quarter of the previous year. Among them 'Growing of Oleaginous fruits include Coconut' (14 percent), 'Growing of tea' (13.4 percent), 'Plant propagation and agriculture support service activities' (12.3 percent)', 'Fresh water fishing' (7.6 percent), 'Growing of Cereals' (6.6 percent), 'Growing of fruit' (6.5 percent), 'Growing of Spices' (4.7 percent), 'Forestry and Logging' (4.2 percent)) are the key activities. However, the activities such as 'Growing of rice' (5.1 percent), 'Growing of vegetables' (4.5 percent) and 'Growing of other perennial crops' (4.3 percent) have reported contractions in this quarter.

During the second quarter of 2021, the overall industrial activities have reported a considerable level of growth by 22.1percent. However, the level of value of Gross value addition in the industrial sector, has not reached even the 2019 level. This high positive growth is reported basically due to the drawback in the second quarter of the year 2020.

Overall manufacturing sector has reported 26.5 percent expansion in the second quarter of year 2021 . Within the Manufacture activities, 'Manufacture of basic metals and fabricated metal products' (74.5 percent), 'Manufacture of rubber and plastic products' (66.8 percent), 'Manufacture of textiles, wearing apparel and leather related products' (60.7 percent) and ' Manufacture of furniture' (54.4 percent), 'Manufacture of machinery and equipment' (47.8 percent), 'Manufacture of other non-metallic mineral products' (41.3 percent),

'Manufacture of wood and wood products(except furniture)' (32.0 percent), 'Manufacture of paper products' (28.1 percent) and 'Other manufacturing' (28.1 percent) reported significant expansions in this quarter. 'Manufacture of chemical and basic pharmaceutical products' (13.0 percent) and 'Manufacture of coke & refined petroleum products' (12.7 percent) also showed an expansion in this quarter. 'Manufacture of food beverages and tobacco products' which has the highest share to the GDP of industrial sector showed substantial increase in the growth rate by 5.4 percent in this quarter.

Among the 'Industrial activities', 'Electricity, gas, steam and air conditioning supply' activity (12.8 percent) and 'Water collection and treatment' (3.2 percent) have further expanded in the second quarter of 2021. Meanwhile 'Construction' (18.2 percent) and 'Mining and quarrying' (17.9 percent) activities reported considerable expansions. However, "Sewerage, waste, treatment and disposal activities" recorded significant contraction of 5.7 percent in this quarter.

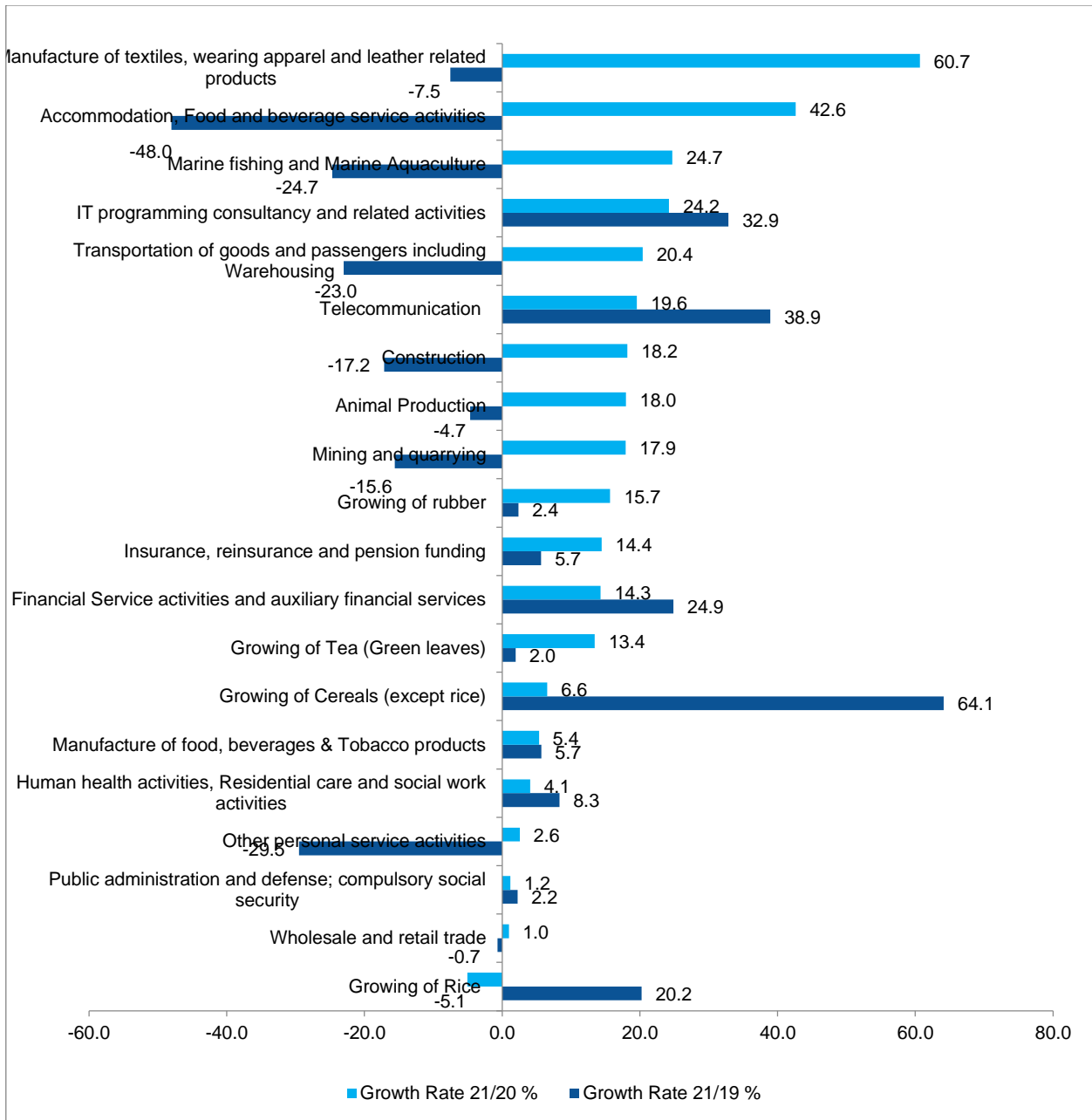
The Service sector too reported a moderate growth of 7.5 percent. This expansion in the services sector was supported specially by the sub activities of 'IT programming consultancy and related activities' (24.2 percent), 'Transportation of goods and passenger including ware housing' (20.4 percent), 'Telecommunication' (19.6 percent), 'Insurance Services' (14.4 percent), 'Financial service activities' (14.3 percent)). In addition, the 'Real estate activities' (5.5 percent), 'Professional services' (3.4 percent), 'Other personal service' (2.6 percent) and 'Wholesale and retail trade' (1.0 percent) were expanded.

In addition, the 'Accommodation, food and beverage serving activity' reported 42.6 percent of growth in this quarter. It does not show a recovery in this activity. The significant growth is recorded due to the sharp drawback (63.6 percent) recorded in the second quarter last year.

GDP implicit price deflator which measures the price change in the economy with respect to a specific base year (2010=100), increased to 167.11 in the second quarter of 2021 from 155.63 recorded in the second quarter of 2020 indicating 7.4 percent of inflation rate.

The Colombo Consumer Price Index (CCPI) (2013 = 100) increased to 140.5 in the second quarter of 2021, from 134.4 recorded in the second quarter of 2020, indicating 4.5 percent of inflation rate.

Figure 3: Comparison of the Growth Rates of selected economic activities in second quarters with 2021/2020 and 2021/2019.



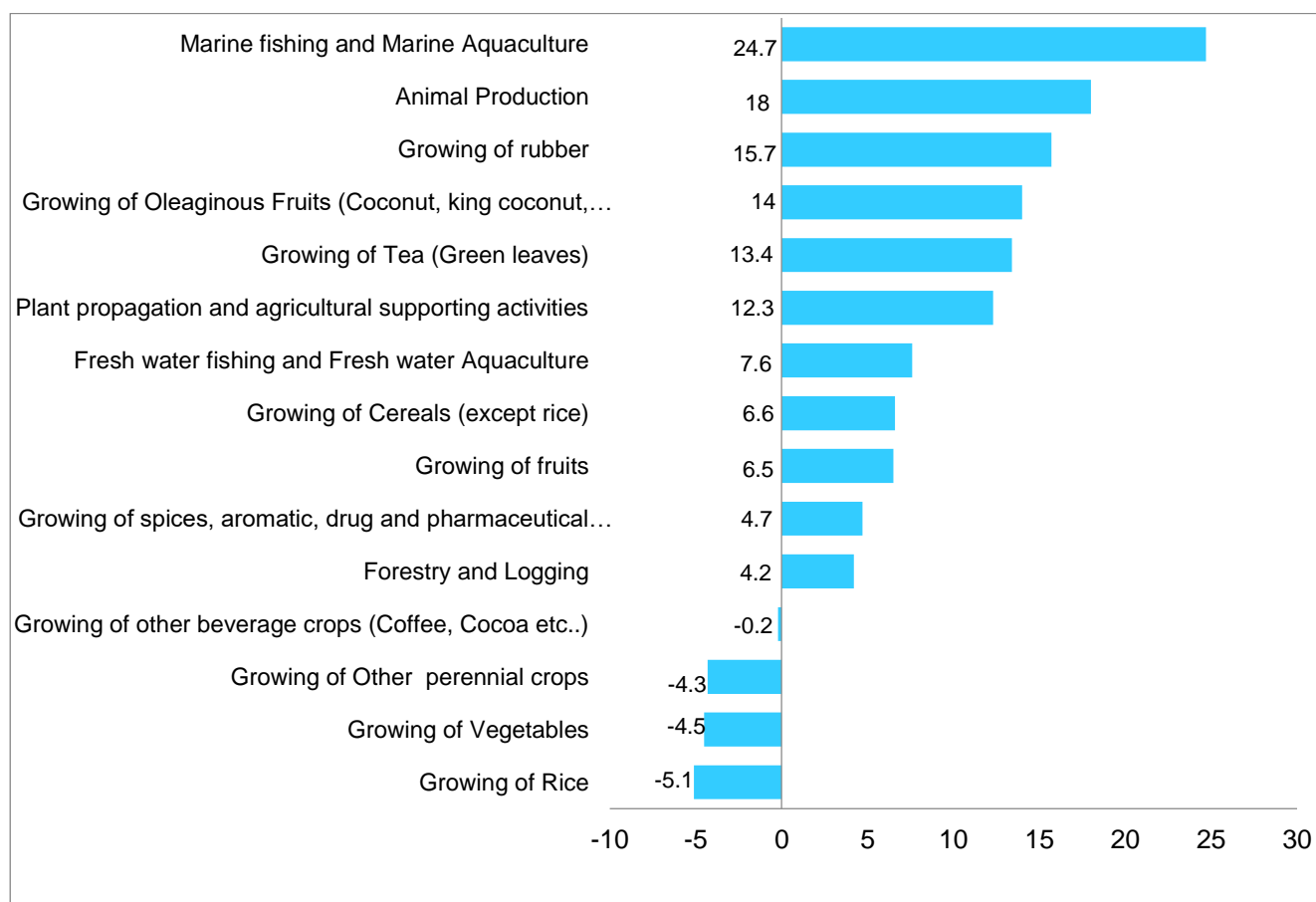
1.1 Agricultural Activities

In the second quarter of 2021, due to the permission given by the government to continue their work in all the agriculture related activities even under this Covid-19 pandemic, ‘Agriculture, forestry and fishing’ sector reported a substantial expansion by 8.1 percent and shared 7.6 percent of GDP at current price when compared to 8.2 percent contraction recorded in the second quarter of 2020.

The ‘Growing of Cereals (except rice)’ recorded a positive growth rate of 6.6 percent in the second quarter of 2021 compared to the second quarter of 2020 that reported a positive growth of 54 percent. When consider the

growth rate of some major crops of production recorded for Kurakkan (27 percent), Maize (19 percent), Black gram (64 percent), Gingerly (81 percent) supported for the expansion of this economic activity. However, some crop productions such as Green gram (6 percent), Cowpea (23 percent), Soya beans (35 percent), Ground nuts (31 percent) have recorded considerable declining rates.

Figure 4: A comparison of percentage growth rates of Agricultural activities in the second quarter of 2021



The value added of the activity of “Growing of rice” recorded a negative growth rate of 5.1 percent in the second quarter of 2021, compared to the second quarter of 2020. Paddy production of 2021 Yala season has decreased by 5.0 percent.

In the second quarter, the value addition of growing of vegetables consist one month production of the Maha cultivation period and two months production of the yala cultivation period. In the second quarter of 2021, the production was estimated using the cultivation extent data published in the ‘Crop forecast’ values of the Department of Agriculture. According to the latest Crop forecast report, cultivation extents of most of the vegetable items in that list have decreased compared to the 2020 yala season. Simultaneously, most of the vegetable items reported considerable increases in their producer prices in the second quarter of 2021 compared the prices recorded in the second quarter of the previous year. Hence, at the current prices, the Gross Value Added of vegetables increased by 19.3 percent but in real terms, it has reported 4.5 percent negative growth rate in the second quarter of 2021.

The activity of 'Growing of Oleaginous fruits' including coconut and king-coconut has contributed Rs.16,878 million to the GDP at constant (2010) price in the second quarter of 2021 and the share to the GDP was reported as nearly 0.8 percent. 'Growing of Oleaginous fruits' reported an increase of 14.0 percent within the second quarter 2021, when compared to the second quarter of 2020. The average producer price of a coconut nut increased from Rs.48.07 to Rs.61.28 from the respective quarter in 2020 to 2021, exceeding 27 percent price increase. Estimated coconut production in this quarter recorded as 778.43 million nuts according to Coconut Development Authority.

The 'Growing of tea' recorded a positive growth rate of 13.4 percent in the second quarter of 2021 compared to the second quarter of 2020, reported a negative growth of 10.1 percent. The made tea production has increased by 13.4 percent in the second quarter of 2021. The average price of one kg of 'Made Tea' at Colombo Auction has decreased from Rs.657.78 to Rs.604.25 by 8.1 percent in this quarter, compared to the second quarter of 2020. The low grown tea which has the largest market share around 58.0 percent of the total tea production, recorded a 12.5 percent increase in this quarter.

The value added as well as the latex production of "Growing of Rubber" recorded an increase of 15.7 percent in the second quarter of 2021, compared to the decrease of 11.5 percent recorded in the second quarter of 2020. According to the Rubber Development Department, the average price received for one kilogram of latex increased by 88.5 percent from Rs.291.49 per Kg to Rs.549.37 per Kg in the second quarter of 2021.

The activity of "Growing of other perennial crops" consist with several sub activities viz ; 'growing of areca-nut', 'growing of Ordeal', 'growing of betel', 'growing of jak-fruit, bread-fruit' and 'toddy tapping'. The overall activity has contributed Rs.3, 948 million to the total GDP at constant (2010) prices, and it's a 4.3 percent decrease in the second quarter of 2021. The export of betel has decreased by 14 percent in this quarter compared to the second quarter of 2021.

'Animal production' comprised with several sub categories viz. 'Raising animals for meat', 'Diary farming' and 'Eggs production'. The overall value addition in the second quarter of 2021 at constant (2010) price was Rs.14,712 million and the share to the GDP was reported as 1.0 percent. The 'Animal Production' activities reported an increase of 18.0 percent in the second quarter of 2021 compared to second quarter of 2020. According to the 'Department of Animal Production and Health', the animal slaughtering in the country has increased considerably in this quarter except cattle. Milk production increased by 6.6 percent and Egg production increased by 23.8 percent in the second quarter of 2021 compared to the second quarter of 2020.

The activity of 'Forestry and logging' contributed Rs.11,014 million to the GDP at constant (2010) prices in the second quarter of 2021 recording a 4.21 percent growth compared to that of second quarter 2020. The major contribution of about 90 percent comes through the Logging part which includes the firewood as well. In this quarter, the 'State Timber Corporation' alone has recorded nearly 37.7 percent increase in their log volume, while 23.7 percent decrease in value terms. Finally altogether total value added in real terms has increased by 4.21 percent in the second quarter 2021 compared to the respective quarter of 2020.

The contribution of 'Marine fishing and marine aquaculture' activity has contributed Rs.33,177 million to the total GDP at current price and shared 0.9 percent of total GDP in second quarter of 2021. Compared to the second quarter of 2020, the value added of this activity has increased by 24.7 percent at constant(2010) price . 'Ministry of Fisheries' has reported 26.0 percent while reporting increase of deep sea fish production (37.2 percent) and coastal fish production (16.6 percent). Although the travel restrictions and quarantine curfew are in effect in some area and province where the rapid outbreak of Covid 19 pandemic in the second quarter of 2021, it has had minor impact on marine fishing activity.

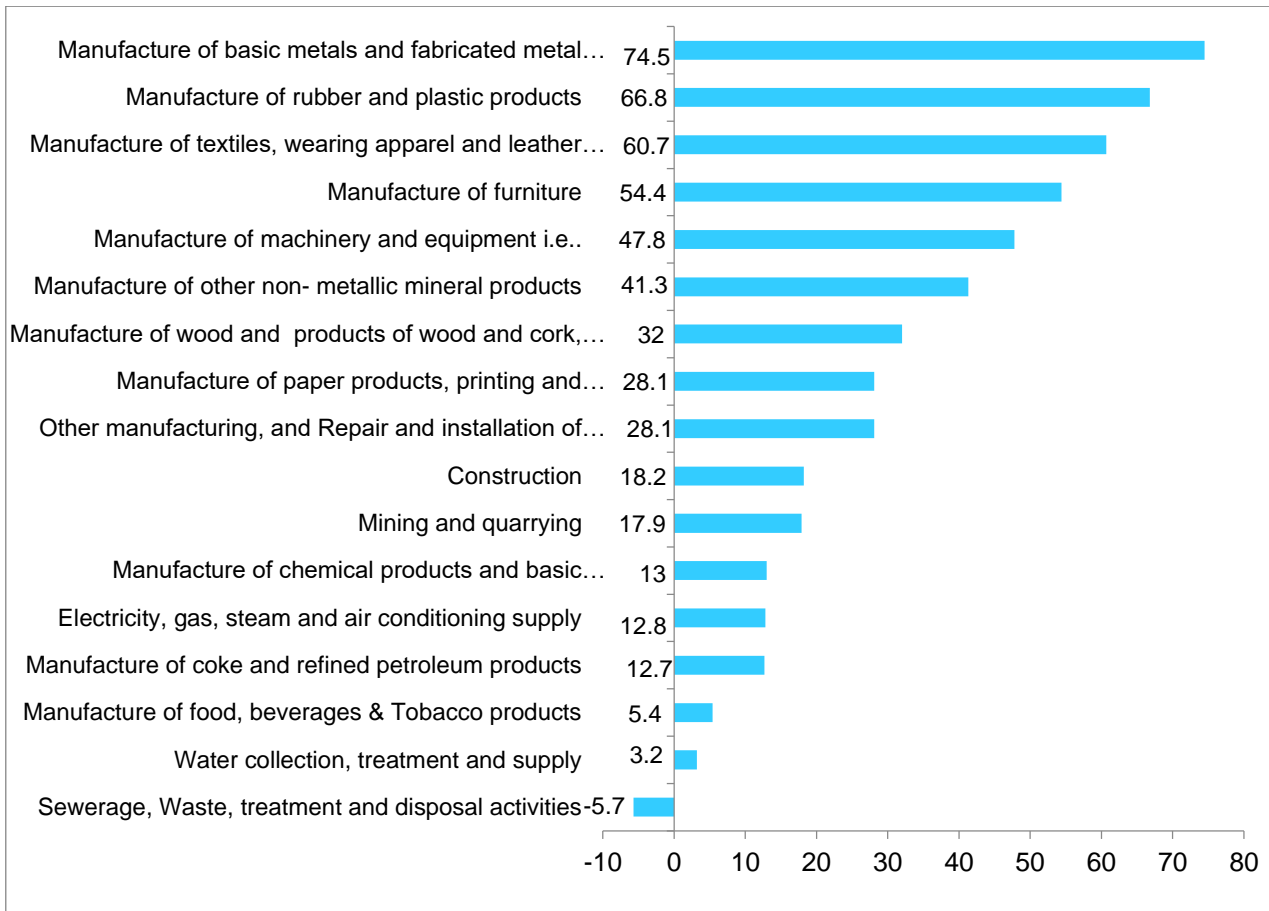
The fire and destruction of the X Press Pearl ship near the Colombo harbour in May of 2021 had significant impact to decrease marine fishing production. Due to the severe impact of this shipwreck the government declared the as a prohibited area for fishing activity from Panadura to Kochchikade via Colombo from June of 2021.This shipwreck had a direct and indirect negative impact on the fishing industry in Sri Lanka. This led to record marine fisheries production decrease in the second quarter.

The activity of 'Inland fishing inland aquaculture' has increased by 7.6 percent in the second quarter of 2021 when compared to the second quarter of 2020.

1.2 Industry Activities

In the second quarter of 2021, overall Industry activities reported a significant expansion of 22.1 percent compared the contraction of 23.1 percent reported in the second quarter of 2020 due to the impact of Covid-19 pandemic. The overall Industry activities, which shared 27.0 percent of the GDP, contributed Rs.979,531 million at current price.

The 'Mining and Quarrying' activity which contributes nearly 2.3 percent to the total GDP, reported 17.9 percent growth in this quarter, when compared to the same quarter of 2020. 'Mining and Quarrying' activity consists mainly with three sub activities, 'Mining of Construction Materials', 'Gem Mining' and 'Mining of other minerals'. Out of these three sub activities the 'Mining of construction materials' which gives the highest contribution to the overall 'Mining and quarrying' activity, increased by 13.5 percent. The value of 'Gem exports' have increased by 442 percent in this quarter, compared to the same quarter of previous year.

Fig 5: A comparison of percentage growth rates of Industrial activities in the second quarter of 2021

1.2.1 Manufacturing Activities

The Covid-19 health crisis has badly impacted on the manufacturing activities in second quarter of 2020. However, the overall manufacturing industry activities contributed Rs.255, 532 million to Rs.323, 336 million of value addition at real terms to the total GDP from the second quarter of 2020 to same quarter of 2021, showing considerably high growth rate of 26.5 percent in second quarter of 2021 compared to the second quarter of 2020. Most of the manufacturing activities have reported higher growth rate in this quarter.

The largest activity of the manufacturing activities 'Manufacture of food, beverages and tobacco products' which is contributed 5.9 percent share to the GDP, recorded a 5.4 percent growth rate in second quarter of 2021 when compared to the growth rate of 0.3 percent recorded in the second quarter of 2020.

The second largest activity of 'Manufacture of textiles, wearing apparel and leather products' has recorded considerably high growth rate of 60.7 percent in the second quarter of 2021, compared to the negative growth rate of 42.4 percent recorded in the second quarter of 2020.

The activity of 'Manufacture of Wood and product of wood cork except furniture' has recorded 32.0 percent growth rate in the second Quarter of 2021 when compared to the negative growth rate of 35.4 percent recorded in same quarter of 2020.

The 'Manufacture of coke and refined petroleum products' recorded negative 25.4 percent growth rate in the second quarter of 2020 and it increased by 12.7 percent in the second quarter of 2021. The petroleum production quantity has increased by 14.0 percent in this quarter.

The activity of 'Manufacture of Chemical products and basic pharmaceutical products' which was recorded 11.6 percent decline in the second quarter of 2020 has been recovered and notable increase was observed and also 13.0 percent increase is recorded in same quarter of 2021. This high growth rate reported as a result of higher demand for medicines and other health related products needed to control the Covid-19 outbreak.

The activity of 'Manufacture of rubber and plastic products, leather and related products', reported a decline of 43.1 percent in the second quarter 2020. However, notable recovery was observed in this activity expansion of 66.8 percent recorded in second quarter of 2021.

Further, The activities of 'Manufacture of furniture' (54.4 percent), 'Manufacture of other non-metallic mineral products' (41.3 percent), 'Manufacture of basic metals and fabricated metal products' (74.5 percent), 'Manufacture of paper products and printing product' (28.1 percent), 'Manufacture of machinery and equipment' (47.8 percent), and 'Other manufacturing and Repair and installation' (28.1 percent) reported high positive growth rates in the second quarter of 2021.

1.2.2 Other Industry Activities

The real value added of 'Electricity, gas, steam and air conditioning supply' has reported a 12.8 percent growth in the second quarter of 2021. The electricity power generation has increased from Gwh.3,605 to Gwh.4,073 indicating a 13.0 percent increase in-between second quarter of 2020 and 2021. Meanwhile the total revenue from sales of electricity has increased by 1.6 percent in this quarter. In addition the existed ratio of 17:78:5 hydro powers, thermal and NCRE power generation in the second quarter of 2020 has changed to 45:47:8 in this quarter.

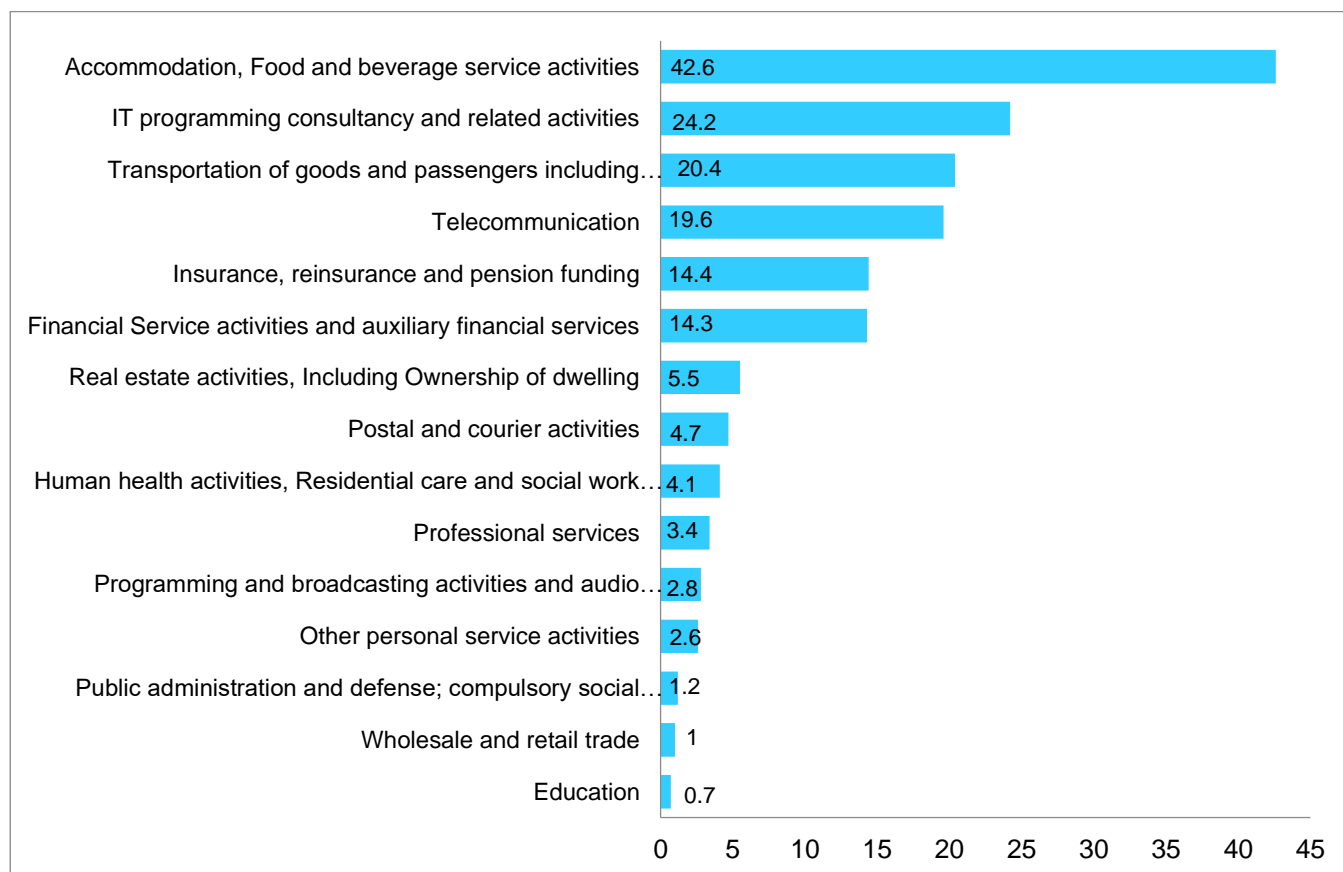
The activity of 'Water collection, treatment and supply' has reported a 3.2 percent positive growth in the second quarter of 2021. The volume of water supply for the second quarter of 2020 was 195,639 (thousand m3) and it has increased to 201,787 (thousand m3) in the second quarter of 2021, registering a 3.1 percent increase. In addition, total revenue for this quarter also decreased by 14.1 percent.

Construction activity has increased by 18.2 percent in the second quarter of 2021 compared to the second quarter of 2020. The share of construction activity to the total GDP reported as 6.3 percent in this quarter. Cement imports increased by 11.68 percent and domestic cement production increased by 33.83 percent during the quarter. The total supply of cement has increased by 24.64 percent. Also, the value of imported building materials increased by 61.7 percent in the second quarter of 2021 compared to the second quarter of 2020.

1.3 Service Activities

The overall contribution of service activities at current price and constant (2010) price to the total GDP are reported as Rs.2,101,397 million and Rs.1,303,929 million respectively for the second quarter of 2021 compared to the second quarter of 2020 and recorded positive growth rate of 7.5 percent. The share to the GDP in service activities is reported as 57.9 percent at current price in this quarter.

Fig 6: A Comparison of percentage growth rates of Service activities in the second quarter of 2021



The “Wholesale and retail trade” which contributes nearly 13.4 percent to the GDP, reported 1.0 percent of positive growth rate in the second quarter of year 2021 when compared to the 1.6 percent of negative growth rate recorded in the second quarter of 2020. The third wave of the Covid-19 pandemic has been active since late April, affecting the country's business and daily life throughout the second quarter of 2021, but wholesale and retail sales recorded a positive growth of 1.0 percent this quarter.

The value added of wholesale and retail trade activity is affected by fluctuations in total domestic production and total imports. Therefore, the growth rate of this activity is dependent on the variations in above three variables of Imports, domestic Agricultural production and domestic Industrial production. The “Wholesale and retail trade” activity covers trade of food and non-food essential consumer goods as well as other categories such as clothing, footwear and accessories, fashion and jewellery, electronics, household and consumer durables, entertainment, shelter and housing.

According to the External Trade Statistics of Central Bank of Sri Lanka (CBSL), the total import expenditure for the second quarter of 2021 has increased up to Rs. 989,351 million from Rs. 599,729 million reported for the second quarter of 2020, by 65.0 percent. Also, the value of consumer goods import expenditure has increased by 17.9 percent during this quarter from Rs. 154,399 million to Rs. 181,990 million. According to the Trade Indices released by the Central Bank of Sri Lanka, the import volume index value of consumer goods has increased by 3.0 percent, further the total import volume index has increased by 37.1 percent during the second quarter of 2021 when it compared with the values of the same quarter in 2020. In addition, during this quarter, the total trade margin value of domestic industrial production has increased substantially up to Rs. Million 303,946 from Rs. Million 213,921 in the second quarter of 2021 by 42.1 percent when compared with the second quarter of 2020.

Moreover, according to the External Trade Statistics of CBSL, the total export value to the rest of the world has been increased by 63.4 percent during this second quarter of 2021, when compared to the second quarter in 2020. According to the CBSL Trade Indices, the total export volume index has increased 55.9 percent. Due to the expansion in the domestic manufacturing and the agricultural production in the second quarter, the agricultural and industrial exports to the rest of the world have been grown remarkably. Accordingly, among the exports, the volume indices of agricultural exports and the industrial exports have expanded by 8.7 percent and 70.0 percent respectively during this quarter.

The activity of 'Transportation of goods and passengers & Warehousing activities' is a combination of land transport, water transport, air transport and warehousing and support activities for transportation. During the second quarter of 2021, land transport activity recorded a positive growth rate, which compared to the second quarter 2020, all land transport services contributed more to this. Air transport and water transport both also recorded positive growth rates in the second quarter of 2021. Further support activities including warehousing for transportation recorded a positive growth in this quarter. All in all, transport as a whole recorded 20.4 percent positive growth in the second quarter of 2021.

The activity of 'Postal and courier activities' has recorded a positive growth rate of 4.7 percent in the second quarter of 2021 with compared to the same quarter of the year 2020. Meanwhile postal department showed increase in their operational expenditures in this quarter.

In the second quarter of 2020, the 'Accommodation, food and beverage serving' activities suffered a severe setback with the global and local spread of the Covid 19 pandemic due to strict travel restrictions and country locks imposed. The third wave of the Covid-19 epidemic began in late April 2021 and spread throughout the second quarter of 2021, but the impact on the economy of 'Accommodation, food and beverage serving' was minimal compared to the second quarter of 2020. Especially since April is a long festive season, hotel revenues have increased due to the large number of hotel-related services available by local tourists, but the re-imposition of travel restrictions in May and June has being affected to limit hotel activities once again. According to the

quarterly financial statements of listed hotel companies listed on the Colombo Stock Exchange in Sri Lanka, the quarterly turnover of those hotels during the second quarter of 2021 has increased by about 160 percent, when compared to the second quarter of 2020. The recorded total revenue for the second quarter of 2019 was Rs.6,906 million, which had been affected by the Easter Sunday attack too. In the second quarter of 2020, this level again reduced up to Rs.1,209 million. In the second quarter of 2021 this level has been increased up to Rs.3,136 million. This level change has been caused to report high growth rate in this industry in this quarter.

The sub activity of ‘Food and beverage serving activities’ was completely disrupted by the Covid-19 epidemic in the second quarter of 2020. However, it became somewhat active in the second quarter of 2021. We observed specially the service of food delivery, expansion even up to the rural level. Consequently, the value added of ‘Accommodation, food and beverage serving’ in the second quarter of 2021 has increased significantly by 42.6 percent compared to the second quarter of 2020 as a whole. However, the value added in the second quarter of 2019 was Rs.34,123 million. It has declined to Rs.12,437 million in the same quarter of 2020 and increased to Rs.17,738 million in the second quarter of 2021. Accordingly, this shows the level of gross value addition yet to be cover to have a full recovery in the industry.

The activity of ‘Programming and broadcasting activities and audio video productions’ has reported a positive growth of 2.8 percent in the second quarter of 2021 with compared to. the same quarter of the year 2020. In the second quarter of 2020, this activity recorded a negative growth of 3.9 percent

Telecommunication activity was reported a 16.2 percent growth in the second quarter of 2020 and have further reported a 19.6 percent growth in the second quarter of 2021. This activity experiences relatively high growth rates in past five quarters owing to working-from-home and learning-from-home arrangements practiced amidst the Covid-19 pandemic.

In the second quarter of 2021, fixed access wireless telephone connections have increased 23.4 percent, while mobile connections recorded a 4.9 percent increase compared to the second quarter of 2020. The internet and email subscribers have increased continuously from recorded 0.5 million subscribers in 2010 to approximately 20 million subscribers in the second quarter of 2021.

The ‘IT programming and consultancy including IT BPM is one of the major emerging industry in Sri Lanka recorded substantial performance during this second quarter of 2021, amidst Covid-19 pandemic. It is one of the main industries which recorded substantial positive growth rate of 24.2 percent. Most of the companies in this industry were able to continue their work following working from home concept. According to the CBSL Balance of Payment Statistics, credit value of export revenue from computer services has increased by 31.7 percent during this quarter.

Financial intermediation is the main service, provided by financial institutions supplied by licensed commercial banks (LCB’s), licensed specialized banks (LSBs), other registered financial companies, Central Bank of Sri Lanka,

Colombo stock exchange (CSE) and persons representing household in Sri Lankan economy. This activity recorded 14.3 percent real growth rate for the second quarter of 2021, recording Rs.257,365 million value added at constant prices in this Quarter over the value of Rs 225,186 million recorded in the second quarter of 2020. The value of loans, advances and deposits of financial institutions has recorded an increase by 16.24 percent and 21.27 percent respectively in this Quarter. 'Average Weighted Lending Rate' (AWLR) and average 'Average Weighted Deposit Rate' (AWDR) compiled by Central Bank of Sri Lanka recorded 9.50 percent and 4.87 percent respectively in the second quarter of 2021.

The real value added of 'Insurance, reinsurance and pension funding' which reported an increase of 14.4 percent in the second quarter of 2021. During this period, the staff cost and the profit before tax of insurance companies have decreased by 4.2 percent. The usage of this activity is represented by the total of the values of premiums and the claim incurred, has increased by 21.2 percent in this quarter.

The 'Real Estate Activities including Ownership of dwellings' expanded further by 5.5 percent in the second quarter of 2021, compared to the second quarter of 2020. This activity reported a value addition of Rs.125,510 million in real terms to the total GDP, sharing 5.8 percent at nominal terms.


The activity of "Professional services" has contributed Rs.36, 802 million at constant (2010) price and shared 1.7 percent to the total GDP at current price. This activity is a combination of eight compilation categories. It is mainly comprised by 'Legal and accounting activities', 'Architectural and engineering activities', 'Scientific research and development', 'advertising and market research, other professional, scientific and technical activities and publishing activities', 'Veterinary activities', 'Rental and leasing activities', 'Employment, travel agency, security and investigation activities' and 'Services to building and landscape activities'. The real value added of these sub activities in this quarter has increased by 3.4 percent compared to the same quarter of 2020.



During the second quarter of 2021, Human health activities recorded 4.1 percent of growth when compared to the same quarter in the previous year. Especially private health services expanded considerably. According to the second quarter (April to June) financial statements of listed companies of major five hospitals in the country, which are registered at 'Colombo Stock Exchange', the reported quarterly turnover of hospitals, altogether has been increased by 85 percent during this second quarter when compared to the second quarter financial (April to June) statements of the year 2020. In addition, e-channelling services have been expanded substantially during this quarter.

The "Other personal service activities", which contributes 7.6 percent to the total GDP at current price, consists of the two economic activities "arts and public entertainment" and "other personal activities". Due to the spread of the Covid-19 pandemic across the country, the daily life style has come down due to the strict social policies and regulations imposed for the welfare of the people, and these activities have been further restricted due to the re-imposition of travel restrictions in May and June. Under these circumstances, this activity has increased by 2.6 percent for the second quarter of 2021.

The Vision of DCS

“To be the leader in the region in producing timely statistical information to achieve the country’s development goals.”





 **Department of Census & Statistics,
Sankyana Mandiraya
No. 306/71, Polduwa
Road, Battaramulla**

 info@statistics.gov.lk
 +94 11 2147000
 +94 11 2147011
 statistics.gov.lk

The Mission of DCS

“Making contribution in the socioeconomic development of the country by providing accurate timely statistics, more Effectively by means of new technology, and utilising the services of dedicated staff under a strategic leadership to become a prosperous nation in the globalised environment.”

This publication is produced by the National Accounts Division

 **4^h floor, Department of Census and Statistics**
 National.accounts@statistics.gov.lk
 **+94 112147071**  **+94 112147053**