
Gross Domestic Product (GDP) by Production Approach

Third 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 third quarter of 2021 (from 1st of July to 30th September).

The Gross Domestic Product for Sri Lanka for the third quarter of year 2021 at current price reported as Rs.4,132,955 million as against the Rs.4,087,148 million reported for the same quarter of the year 2020. Further, the Gross Domestic Product for Sri Lanka for the third quarter of 2021 at constant price has decreased up to Rs. 2,497,489 million from Rs. 2,536,490 million which recorded in the third quarter of 2020.

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- Sri Lanka's economy contracted by 1.5 percent in the third quarter of 2021, compared to the positive growth rate of 1.3 percent reported in the third quarter of 2020.
 - The 'Agricultural' activities grew by 1.7 percent while 'Industry' and 'Services' activities decreased by 2.1 percent and 1.6 percent respectively in this quarter.
 - The three major economic activities of the economy; 'Agriculture', 'Industry' and 'Services' have contributed their share to the GDP at current prices by 8.7 percent, 29.9 percent, 57.4 percent respectively while 'Taxes less subsidies on products' component has contributed 4.1 percent of share to the GDP in the third quarter of 2021.

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1.0 General Description for the third quarter of year 2021

The third wave of the Covid-19 pandemic, which began in late April 2021, was growing rapidly and peaking in the third quarter of August. The third wave of the Covid -19 pandemic increased the number of patients infected with the Covid-19 delta variant in every district of the country. Therefore, the number of infected patients exceeded the hospital capacity and the number of deaths increased. This situation again affected the business activities and the economic activities of the society which was maintaining the livelihood of the people under the new generalization. In view of this, the government imposed an island wide quarantine curfew from the night of August 20th 2021 to control the spread of the Covid -19 pandemic throughout the country. The quarantine curfew was extended from time to time and lasted for 41 days until October 1st 2021.

Even during the quarantine curfew period, the government allowed agricultural activities, many manufacturing industries, construction and selected services to continue their activities with the objectives of maintaining the essential commodity supply chain, protect foreign exchange inflow and ensure the household income. However, those economic activities were controlled by the pandemic and the quarantine curfew. It was observed that the majority of the people exercised self-restraint to survive the risk situation. During this period, there was a clear falloff in the economics activities especially in the wholesale and retail trade, manufacturing industry, transportation, accommodation food serving and providing private services. At the same time, increased input prices of producers due to import restrictions imposed as a solution for declining foreign reserves also contributed to the slowdown in economic activity. As a result of the above situation, many of economic activities reported negative growth rates in third quarter of 2021 compared with the same quarter of 2020.

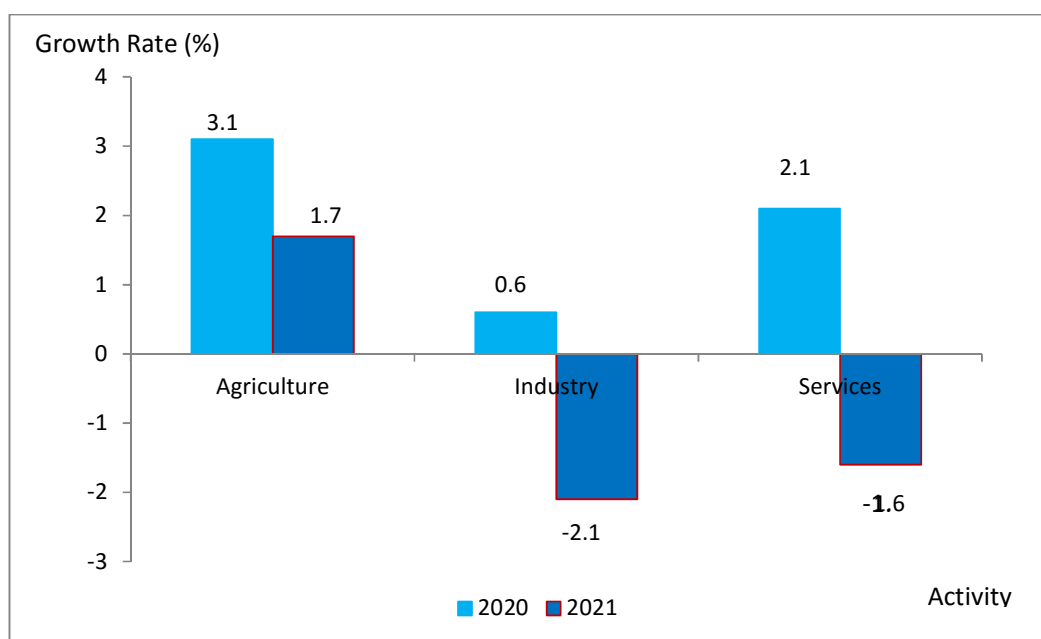
First wave of the Covid -19 pandemic was controlled by the government successfully. Many businesses and economic activities were able to reinstate except very few. Further, people were returned to their usual life style and these were resulted in recording 1.3 percent of positive growth rate in the economy for the first time in the year 2020. Accordingly in the third quarter, the YoY GDP growth rate has been calculated based on that higher level of real GDP.

Issuing a communiqué, on releasing National Accounts Estimates, the DCS states that the year on year GDP growth rate for the third quarter of 2021 has been estimated as 1.5 percent of negative growth rate. The Gross Domestic Product of Sri Lanka for the third quarter of 2021 at constant price has decreased up to Rs. 2,497,489 million from Rs. 2,536,490 million which recorded in the third quarter of 2020. In addition, the Gross Domestic Product for Sri Lanka for the third quarter of 2021 at current price has increased up to Rs. 4,132,955 million from Rs. 4,087,148 million which recorded in the third quarter of 2020 registering 1.1 percent of positive change in the current price GDP value.

The three major economic activities of the economy; 'Agriculture', 'Industry' and 'Services' have contributed their share to the GDP at current prices by 8.7 percent, 29.9 percent, 57.4 percent respectively while 'Taxes less subsidies on products' component has contributed 4.1 percent of share to the GDP in the third quarter of 2021.

During the third quarter of 2021, the agricultural activities, recorded slight positive growth rate of 1.7 percent. All agricultural related activities were allowed to carry out all economic related work even in the curfew periods throughout the country and this was affected favourably on all agricultural activities to report expansion in activities during the third quarter when compared with the same period in the year 2020. However, the Industrial and Services activities were contracted slightly by 2.1 percent and 1.6 percent respectively in the third quarter of 2021.

Figure 1: Growth rates of Major Economic Activities 2021



In the third quarter of 2021, the overall agriculture activities recorded a slower growth of 1.7 percent compared to the constructive growth of 3.1 percent in the third quarter of 2020. This slight growth in agriculture activities was particularly reflected in growing of cereals (38.0 percent), plant propagation and agricultural supporting activities (13.6 percent), "animal production" (8.9 percent) and growing of oleaginous fruits (Coconut, King coconut Oil palm) (8.8 percent), "forestry and logging" (7.9 percent), "growing of fruit" (6.4 percent), "growing of spices crops" (3.6 percent) and "growing of tea" (2.8 percent). However, "marine fisheries" (10.0 percent), "growing of vegetable" (9.8 percent), "growing of rubber" (8.1 percent) and "freshwater fishing" (5.2 percent) have declined significantly during the quarter. In addition, "growing of rice" (1.0 percent) has reported a slight decline.

The overall industry activities recorded negative growth of 2.1 percent in the third quarter of 2021. This negative growth was mainly due to contractions in several manufacturing industries as well as in the construction industry and mining and quarrying.

The overall manufacturing industry contracted by 0.6 percent in the third quarter of 2021 compared to the third quarter of the previous year. This drawback is mainly driven by the negative growth rates reported in activities; such as "manufacturing of furniture"(20.4 percent)," manufacturing of basic metals and fabricated metal products "(10.9 percent)," manufacturing of chemical products and pharmaceutical products " (6.3 percent), "manufacturing of coke and refined petroleum products" (6.2 percent) and other manufacturing product' (1.4 percent). In addition, the overall contraction in the manufacturing activities were mainly caused by the contraction in the "manufacturing of Food, beverage and tobacco products" (2.8 Percent), which is the largest contributor to the total GDP (6.8 percent) in manufacturing industry.

However, some of the manufacturing activities recorded positive growth rates in the third quarter of 2021. "manufacturing of wood and wood products" (8.9 percent), "manufacturing of rubber and plastic products" (7.6 percent), " manufacturing of paper products, printing & reproduction of media products" (7.1 percent), "manufacturing of machinery and equipment" (6.7 percent) "manufacturing of Textiles, wearing apparel, leather and related products" (4.9 percent).

The "construction industry" which contributes 6.7 percent to the Gross Domestic Product, recorded a significant decline of 6.0 percent during the quarter. With the downturn in the construction industry, the "Mining and quarrying" industry also recorded a negative growth of 6.9 percent in the third quarter of this year. However, other industrial activities of "Electricity generation transmission and distribution" (1.8 percent) and "water collection, treatment and supply" (7.3) recorded positive growth rates in the relevant period.

Overall service sector growth slowed to 1.6 percent in the third quarter of 2021. The main reason for this decline in the service sector is the recession in "Transportation of goods & passenger service activities" and "other personal services activities", which are equally contributed (9.5 percent) to the Gross Domestic Product. These two industries recorded negative growth rates of 14.9 percent and 5.7 percent respectively in this quarter. This significant decline in services activities is mainly due to restricted public gathering under the quarantine curfew. "Accommodation and food serving industry" (19.9 percent) and "Professional services" (0.9 percent) also recorded a negative growth rates in the reference period.

However, in the third quarter of 2021, "Telecommunications services" (18.9 percent), "IT services", (16.1 percent), "Financial services" (12.9 percent) and "Human health" activities (12.3 percent) Significant positive growth rates were recorded compared to the third quarter of 2020.

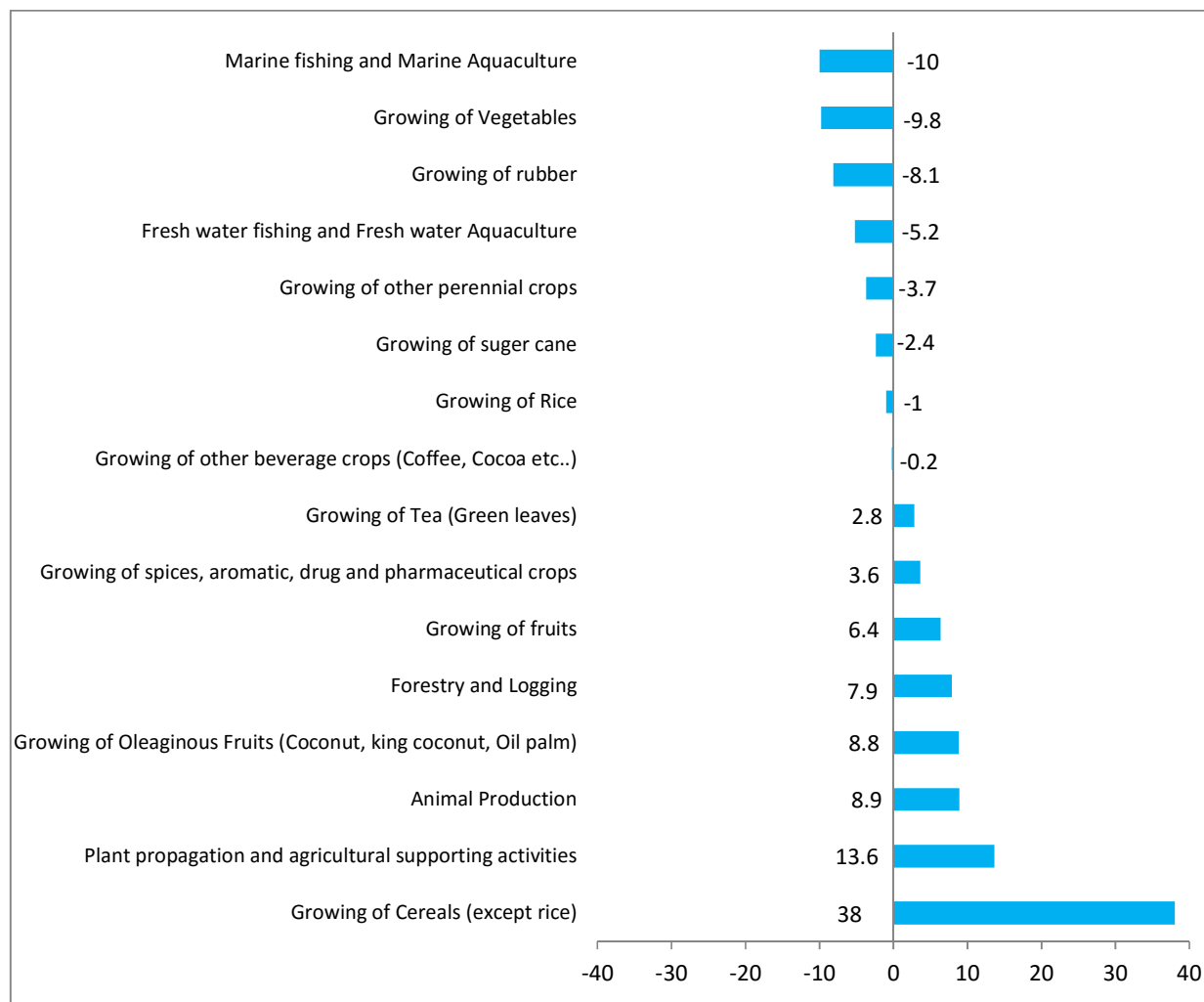
GDP implicit price deflator which measures the price change in the economy with respect to a specific base year (2010=100), increased to 165.48 in the third quarter of 2021 from 161.13 recorded in the third quarter of 2020 indicating 2.7 percent of inflation rate.

The Colombo Consumer Price Index (CCPI) (2013 = 100) increased to 143.6 in the third quarter of 2021, from 135.7 recorded in the third quarter of 2020, indicating 5.8 percent of inflation rate.

1.1 Agricultural Activities

The agricultural activities have contributed 8.7 percent of share to the overall GDP and have reported slight expansion by 1.7 percent in the third quarter of 2021. However, this sector reported 3.1 percent of positive expansion in the third quarter in 2020.

Figure 2: A comparison of percentage growth rates of Agricultural activities



The "Growing of Cereals (except rice)" recorded a positive growth rate of 38.0 percent in third quarter of 2021 compared to the third quarter of 2020 that reported a positive growth of 112.0 percent. Production of some major crops have recorded positive expansion; such as Kurakkan by 22.1 percent, Green Gram by 184.2 percent, Cowpea by 25.1 percent, Black gram by 141.2 percent and Gingelly by 261.6 percent. However, some productions have declined; such as Maize by 1.2 percent, Soybeans by 17.0 percent and Ground nuts by 3.3 percent.

The value added of the activity of "Growing of rice" recorded a negative growth rate of 1.0 percent in the third quarter of 2021, compared to the third quarter of 2020.

In the third quarter of a year, in gross value-added compilation process, the sub activity of "vegetable cultivation" considers three months of the Yala season of that year. According to the crop estimates of Department of Agriculture, for many vegetables, the cultivated land extent has decreased in the Yala season of this year when compared to the same season in the previous year. Moreover, the majority of producer prices of many vegetables, have increased in this season. Accordingly, at current prices, gross value added of this activity has increased slightly by 1.0 percent, while at constant prices it has dropped by 9.9 percent.

The activity of "Growing of Oleaginous fruits" including coconut and king-coconut has contributed Rs.17,750 million to the GDP at constant (2010) price in the third quarter of 2021 and the share to the GDP was reported as nearly 0.8 percent. "Growing of Oleaginous fruits" reported an increase of 8.8 percent within the third quarter 2021, when compared to the third quarter of 2020. The average producer price of a coconut increased from Rs.51.98 to Rs.54.04 from the respective quarter in 2020 to 2021, registering around 4 percent price increase. Estimated coconut production in this quarter recorded as Mn. 813.88 nuts according to Coconut Development Authority.

The "Growing of tea" recorded a positive growth rate of 2.8 percent in the third quarter of 2021 compared to the third quarter of 2020, which reported a negative growth of 4.2 percent. The "Made Tea" production has increased by 2.8 percent in the third quarter of 2021. The average price of one kg of "Made Tea" at Colombo Auction has decreased from Rs.616.03 to Rs. 588.76 by 4.4 percent in this quarter, compared to the third quarter of 2020. The low grown tea which has the largest market share around 62.3 percent of the total tea production, recorded a 0.3 percent decrease in this quarter.

The gross value added of latex production of "Growing of Rubber" recorded a decrease of 8.1 percent in the third quarter of 2021, compared to the increase of 16.8 percent recorded in the third quarter of 2020. According to the Rubber Development Department, the average price received for one kilogram of latex, increased by 102.0 percent from Rs. 300.67 per Kg to Rs. 607.21 per Kg in the third 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.4,083 million to the total GDP at constant (2010) prices, and it's a 3.7 percent decrease in the third quarter of 2021. The export of betel has decreased by 14.1 percent in this quarter compared to the third quarter of 2020.

Animal production' comprised with several sub categories viz. 'Raising animals for meat', 'Diary farming' and 'Eggs production'. The overall value addition of this activity in the third quarter of 2021 at constant (2010) prices was Rs. 18,598 million and the share to the GDP was reported as 1.2 percent. The 'Animal Production' activities reported an increase of 8.9 percent in the third quarter of 2021

compared to the third quarter of 2020. According to the 'Department of Animal Production and Health', all the animal slaughtering in the country has increased considerably in this quarter. Dairy farming showed considerable expansion in this quarter compared to the third quarter of 2020, reporting high milk production. Due to high demand for milk, the milk producer price also has increased by 14.2 percent from Rs. 79.9 to Rs. 91.3 per litter of milk. Meanwhile the Eggs production has recorded an increase of 22.8 percent in this quarter compared to the third quarter of 2020. The producer price of egg has decreased by 9.5 percent in this quarter.

The activity of 'Forestry and logging' contributed Rs.17,319 million to the GDP at constant (2010) prices in the third quarter of 2021 recording a 7.9 percent growth compared to that of third 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 29.7 percent increase in their log volume, while nearly 25.8 percent increase in value terms. Finally, altogether total value added in real terms has increased by 7.9 percent in the third quarter 2021 compared to the respective quarter of 2020.

The contribution of 'Marine fishing and marine aquaculture' activity has contributed Rs. 34,724 million to the total GDP at current price and 0.8 percent of share to the total GDP. Compared to the third quarter of 2021, this activity has recorded a contraction of 10.0 percent. 'Ministry of Fisheries' has reported a contraction of 7.7 Percent in total marine fish Production. However, in the meantime, Deep sea fish production has increased by 3.3% while, coastal fish production has decreased by 15.7 percent. According to the Ministry of Fisheries, the decline in fish production in the third quarter of 2021 was due to the collapse of the fish market as a result of the re-spreading of corona virus, the travel restrictions imposed by authorities, the isolations of certain areas, the X-Press Pearl disaster and etc. The burning of the X-Press Pearl ship in May 2021 near the Port of Colombo made a significant impact on fishing activities in the third quarter of 2021. During the third quarter of 2021, the entire sea areas of the cities around Panadura, Wadduwa, Colombo and Negombo fishing divisions were declared as no fishing areas due to the impact of this terrible incident. Thus, this accident had made a significant direct and indirect impact on the fishing industry.

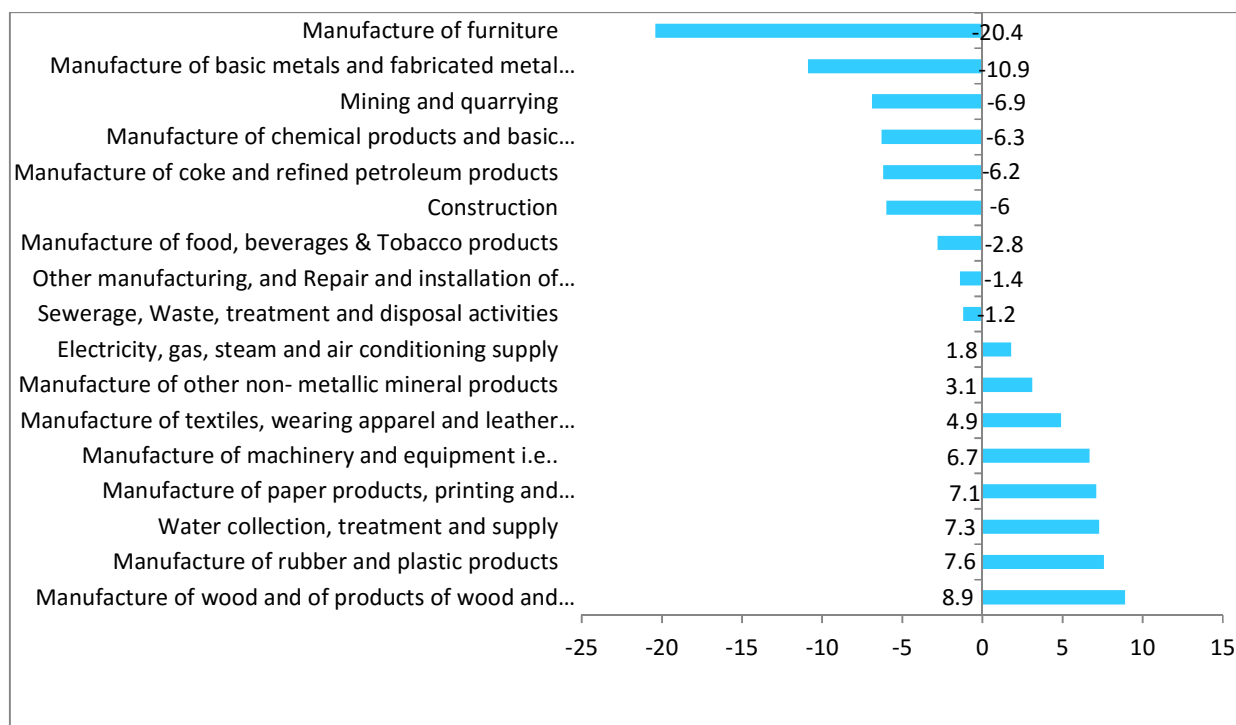
According to the 'Ministry of Fisheries', Inland fishery has decreased by 5.2 percent in the third quarter of 2021 when compared to the third quarter of 2020.

1.2 Industry Activities

In the third quarter of 2021, the overall Industry activities reported a contraction of 2.1 percent compared to the expansion of 0.6 percent reported in the third quarter of 2020. The overall Industry activities, which shared 29.9 percent of the GDP, contributed Rs.1,235,570 million at current price, in this quarter.

The 'Mining and quarrying' activity which contributes nearly 2.1 percent to the total GDP, reported 6.9 percent negative growth rate in the third quarter of 2021. The "Mining and quarrying" activity consists mainly by three sub activities of "Mining of construction materials", 'Gem mining' and 'Mining of other minerals'. Among those categories, 'Mining of construction materials' gives the highest contribution (93.0 percent) to the overall Gross Value added of this activity, recorded 8.9 percent of decline in this quarter when compared to the third quarter of 2020. In other two categories, namely 'Gem mining' and 'Mining of other minerals' recorded positive growth rates of 73.8 percent and 22.4 percent respectively. The higher share of the 'mining of construction materials' to the overall mining and quarrying activities has led this industry to report negative growth rate for this quarter.

Fig 3 : A comparison of percentage growth rates of Industrial activities



1.2.1 Manufacturing Activities

The third wave of Covid-19 pandemic has badly impacted on the manufacturing activities during the third quarter of 2021. Consequently, the value addition of overall manufacturing industry activities has

declined up to Rs.427,821 million from Rs.425,445 at real terms in the third quarter of 2021, showing contraction of 0.6 percent.

The “Manufacture of food, beverages and tobacco products” which contributed 6.8 percent share to the GDP, recorded a contraction of 2.8 percent in the third quarter of 2021, when compared to the significant growth rate of 11.9 percent recorded in the third quarter of 2020.

The second largest activity of “Manufacture of textiles wearing apparel and leather products” has recorded growth rate of 4.9 percent in the third quarter of 2021, compared to the growth rate of 2.1percent recorded in the third quarter of 2020.

The activity of “Manufacture of Wood and product of wood cork except furniture” has recorded 8.9 percent growth rate in the third Quarter of 2021 when compared to the negative growth rate of 6.0 percent recorded in same quarter of 2020.

The “Manufacture of coke and refined petroleum products” recorded decline of 6.2 percent in the third quarter of 2021. The petroleum production quantity has decreased by 6.1 percent in the same quarter 2021.

The activity of “Manufacture of Chemical products and basic pharmaceutical products” which was recorded 14.3 percent notable increase in the third quarter 2020. However, in this quarter it has shirked by 6.3 percent.

The activity of “Manufacture of rubber and plastic products” reported a growth rate of 2.8 percent in the third quarter of 2020. However, remarkable expansion in this activity of 7.6 percent recorded in this quarter of 2021.

The Manufacture of “paper products and printing product” reported significant growth rate of 7.1 percent in the third quarter 2021, Compared to the growth rate of 12.1 percent recorded in the third quarter of 2020.

Further, the activities of “Manufacture of furniture” (20.4 percent), “Manufacture of basic metals and fabricated metal products” (10.9 percent) and “Other manufacturing and Repair and installation” (1.4 percent) reported negative growth rates in the third quarter of 2021.

1.2.2 Other Industry Activities

The real value added of “Electricity, gas, steam and air conditioning supply” has increased by 1.8 Percent in the third quarter of 2021. In the respective quarter of the previous year, it grew by 1.9

percent only. The electricity power generation has increased from Mn 4,088 to Mn 4,169 indicating 2.0 percent growth rate within this period.

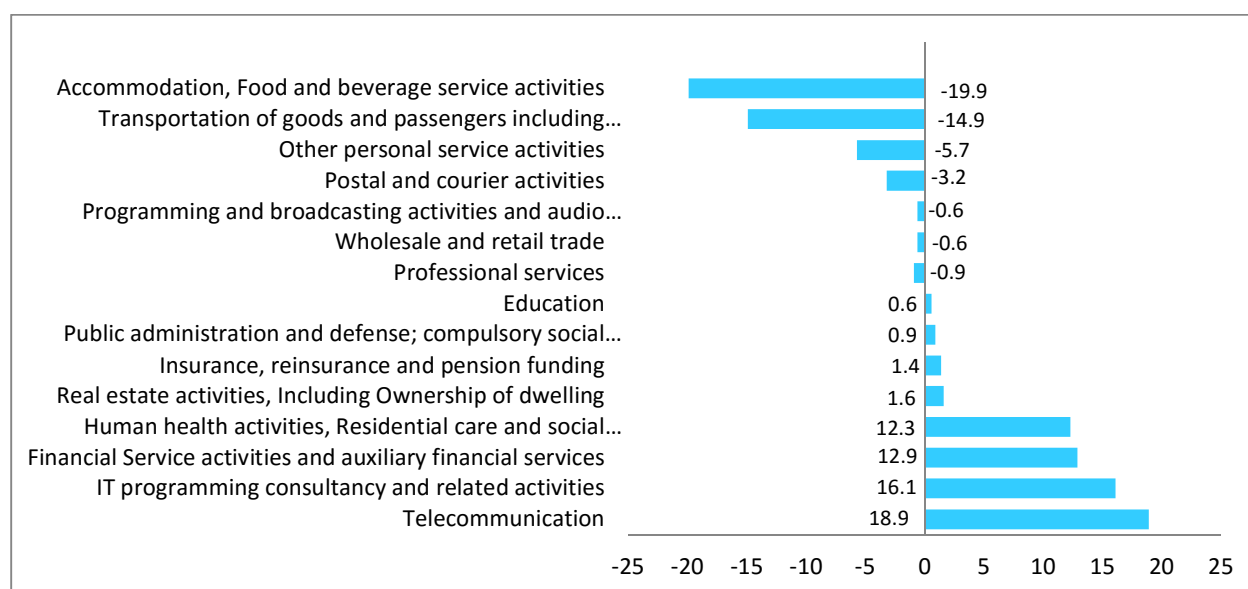
The sub activity of “Water collection, treatment and supply” has increased by 7.3 percent in the third quarter of 2021. The volume of water supply for the third quarter of 2020, was cubic meter thousands 196,623, in the year of 2021 it has increased to cubic meter thousands 210,815 registering 7.3 percent of positive growth rate. The total revenue has increased by 3.8 percent.

Construction activity has contracted by 6.0 percent in the third quarter of 2021 compared to the third quarter of 2020. The share of construction activity to the total GDP reported as 6.7 percent in this quarter. Further, Cement imports decreased by 30.7 percent and domestic cement production decreased by 2.4 percent during this quarter. Accordingly, the total supply of cement has decreased by 15.6 percent. As well, the quantity of imported building materials decreased in the third quarter of 2021 compared to the third quarter of 2020. The increase in the construction material prices in the third quarter of 2021 compared to the third quarter of 2020, has affected on this to make this situation worst.

1.3 Service Activities

The overall contribution of service activities at current price and constant (2010) price to the total GDP reported as Rs.2,370,853 million and Rs.1,456,873 million respectively for the third quarter of 2021 compared to the third quarter of 2020 and recorded negative growth rate of 1.6 percent. The share to the GDP in service activities is reported as 57.4percent at current price in this quarter.

Fig 4: A Comparison of percentage growth rates of Service activities



The "Wholesale and retail trade" which contributes nearly 13.3 percent to the GDP, reported 0.6 percent of negative growth rate in the third quarter of year 2021 when compared to the 2.9 percent of positive growth rate recorded in the third quarter of 2020. With the third wave of the covid-19 pandemic, the third quarter of 2021 experienced a decline in business and daily living conditions of the people in the country. As a result, the wholesale and retail activity reported a negative growth of 0.6 percent in the 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 depended 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 third quarter of 2021 has increased up to Rs. 988,389 million from Rs. 760,928 million reported for the third quarter of 2020, by 29.9 percent. Also, the value of consumer goods import expenditure has increased by 35.0 percent during this quarter from Rs. 145,410 million to Rs.

196,305 million. According to the Trade Indices released by the Central Bank of Sri Lanka, the import volume index value of consumer goods has decreased by 1.7 percent, further the total import volume index has decreased by 3.4 percent during the third 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 up to Rs. 409,444 million from Rs. 359,972 million in the third quarter of 2021 by 13.7 percent when compared with the third 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 15.6 percent during this third quarter of 2021, when compared to the third quarter in 2020. According to the CBSL Trade Indices, the total export volume index has increased by 1.9 percent. Among the exports, the volume indices of agricultural exports and the industrial exports have expanded by 1.5 percent and 1.9 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 third quarter of 2021, while both Air transport and water transport activities recorded positive growth rates, land transport activities, the major contributor for overall transportation activity in Sri Lanka recorded a negative growth rate. Further, support activities including warehousing for transportation also recorded a negative growth in this quarter. All in all, transport as a whole recorded 14.9 percent negative growth in the third quarter of 2021.

The activity of "Postal and courier activities" has recorded a negative growth rate of 3.2 percent in the third quarter of 2021 with compared to the same quarter of the last year. According to the reports, the output of the department of Posts recorded considerable decline during this quarter while courier activities recorded a slight positive growth in this quarter. However, finally overall activity recorded a 3.2 percent of decline.

In the third 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 the strict travel restrictions and country locks imposed. The third wave of the Covid-19 pandemic began in late April 2021 and spread throughout the third quarter of 2021. As a result, the "accommodation, food and beverage" activity and the related economic activities specially to the tourism industry, continued to decline due to the imposed travel restrictions nationwide. Therefore, the value added of this industry in the third quarter of 2021 has fallen sharply by 19.9 percent compared to the third quarter of 2020 as a whole. According to the quarterly financial statements of public listed companies who are listed under the category of 'Hotels and Restaurants' at the Colombo Stock Exchange, showed significant decline in their industry quarterly revenue by 25.0 percent in the third quarter of 2021, when compared to the same quarter in 2020. The recorded total quarterly revenue for the hotel industry for the third quarter

of 2020 was Rs. 3,982 million and same revenue category for the third quarter of 2021 was Rs. 2,984 million.

The sub activity of “Audio video productions and Programming and broadcasting activities” has reported a negative growth rate of 0.6 percent in the third quarter of 2021. The health precautions undertaken by the government to spread of the pandemic have been affected adversely on this industry to minimize usual audio, video production activities and broadcasting related activities. As well, the contraction in the overall economic activities due to the pandemic, have been caused to minimize advertising of consumer goods on media stations and this has affected on the broadcasting industry to minimize their revenue. Accordingly, the value added of this economic activity has recorded a decline of 0.5 percent even at current prices.

Telecommunication activity reported a 11.3 percent growth in the third quarter of 2020 and have further reported 18.9 percent growth in the third quarter of 2021. This activity experiences relatively high growth rates in past few quarters owing to working-from-home and learning-from-home arrangements practiced amidst the Covid-19 pandemic. In the third quarter of 2021, fixed access wireless telephone connections have increased by 64.9 percent, while mobile connections recorded a 11.8 percent increase compared to the third quarter of 2020. The internet and email subscribers have increased continuously from recorded 0.5 million subscribers in 2010 to approximately 24 million subscribers in the third 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 third quarter of 2021, amidst Covid-19 pandemic. It is one of the main industries which recorded substantial positive growth rate of 16.1 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 25.6 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 12.9 percent real growth rate for the 3rd quarter of 2021, recording Rs. 226,888 million value added at constant prices in this quarter over the value of Rs. 200,968 million recorded in the 3rd quarter of 2020. The value of loans, advances and deposits of financial institutions has recorded an increase by 15.8 percent and 18.2 percent respectively in this quarter. ‘Average Weighted Lending Rate’ (AWLR) and ‘Average Weighted Deposit Rate’ (AWDR) compiled by the Central Bank of Sri Lanka recorded 9.34 percent and 4.75 percent respectively in the 3rd Quarter of 2021.

The real value added of "Insurance, reinsurance and pension funding" reported an increase of 1.4 percent in the third quarter of 2021. During this period, the staff cost and the profit before tax of insurance companies have increased by 13.2 percent. The usage of this activity is represented by the total of the values of premiums and the claim incurred, has increased by 2.5 percent in this quarter.

The "Real Estate Activities including Ownership of dwellings" expanded further by 1.6 percent in the third quarter of 2021, compared to the third quarter of 2020. This activity reported a value addition of Rs.153,072 million in real terms to the total GDP, sharing 6.3 percent at nominal terms.

The sub activity of "Professional service" 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 output value of all these activities are estimated by using value added tax national level data released by the Department of Inland Revenue. The real value added of professional service activity has reported a negative growth rate of 0.9 percent for the third quarter of 2021.


During the third quarter of 2021, Human health activities recorded 12.3 percent of growth when compared to the same quarter in the previous year. Especially private health services expanded considerably. According to the third quarter (July to September) 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 41.8 percent during this third quarter when compared to the third quarter financial (July to September) statements of the year 2021. In addition, e-channelling services have been expanded substantially during this quarter.

The "Other personal service activities", which contributes 9.5 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 related to the welfare of the people, and as a result, these activities have been further restricted due to the re-imposition of travel restrictions in August and September. Under these circumstances, this activity has decreased by 5.7 percent for the third quarter of 2021.

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