



News Release

National Accounts Estimates of Sri Lanka

Second Quarter - 2022

Production Approach

Base year - 2015

Department of Census and Statistics

Ministry of Finance, Economic Stabilization and National Policies

The Department of Census and Statistics (DCS) Sri Lanka, has released the estimated Gross Domestic Product (GDP) at current price and at constant (2015) price in Production approach and the other macroeconomic indicators for the second quarter (April 01st to June 30th) of 2022.

The Gross Domestic Product for Sri Lanka for the second quarter of year 2022 at current price reported as Rs. 5,374,716 million.

The Gross Domestic Product for Sri Lanka for the second quarter of year 2022 at constant price (2015) reported as Rs. 2,782,114 million.

In the second quarter of year 2022, the percentage change of current price GDP reported as 33.3 percent and the year on year GDP growth rate reported as negative 8.4 percent.

The overall Agriculture, Industry and Services activities declined by 8.4 percent, 10.0 percent and 2.2 percent respectively, in the second quarter of 2022.

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Source Publication

<http://www.statistics.gov.lk/NationalAccounts/StaticInformation/GDP2015>

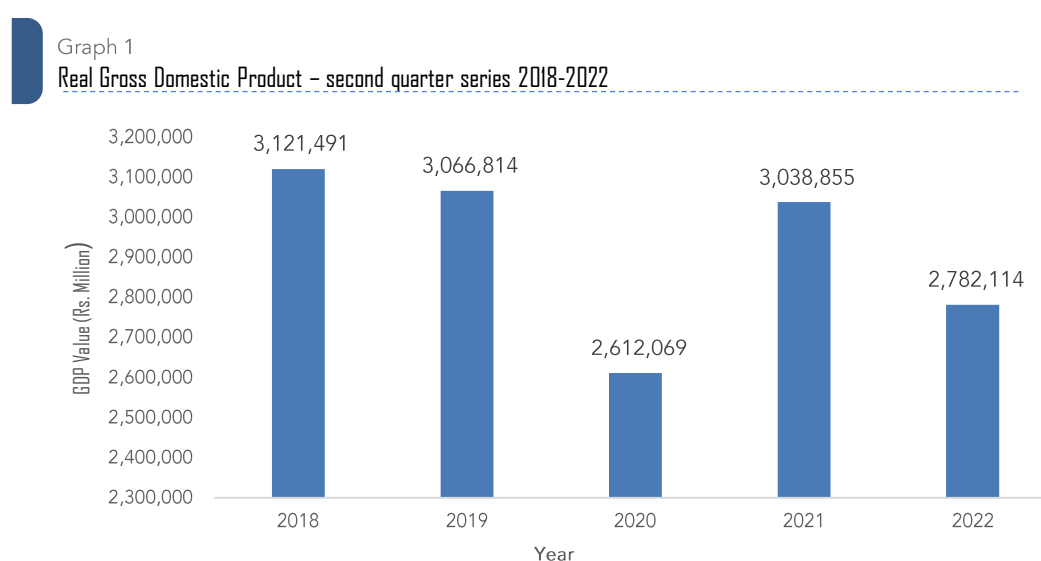
Executive summary

Issuing a communiqué, on releasing National Accounts Estimates, the DCS states that the year on year GDP growth rate for the second quarter of 2022 has been estimated as 8.4 percent of negative growth rate, against the value reported in the same quarter in the year 2021.

Further, the Gross Domestic Product for Sri Lanka for the second quarter of year 2022 at constant price (2015) has declined up to Rs. 2,782,114 million from Rs. 3,038,855 million which recorded in the second quarter of year 2021. However, the GDP at constant price (2015) reported in the second quarter of 2022 is higher than the GDP at constant price reported in the second quarter of year 2020 which is amounted to Rs. 2,612,069 million.

In the second quarter of year 2022, the year on year GDP growth rate is calculated based on the real GDP value reported in the second quarter of previous year. Accordingly, the following Figure reflects the changes in the real GDP levels in the second quarter GDP series from the year 2018 to the year of 2022.

Real Gross Domestic Product – second quarter series 2018-2022



Source:
Department of Census and Statistics, Sri Lanka



In addition, the Gross Domestic Product for Sri Lanka for the second quarter of 2022 at current price has increased up to Rs. 5,374,716 million from Rs. 4,032,171 million which recorded in the same quarter in year 2021 registering 33.3 percent of positive change in the current price GDP.

The three major economic activities of the economy; 'Agriculture', 'Industry' and 'Services' have contributed their share to the GDP at current prices by 10.2 percent, 32.0 percent and 49.4 percent respectively, while 'Taxes less subsidies on products' component has contributed 8.4 percent of share to the GDP in the second quarter of year 2022.

During this quarter, all three major economic activities of Agriculture, Industrial and Services activities have recorded negative growth rates of 8.4 percent, 10.0 percent and 2.2 percent respectively.

Background

The COVID – 19 pandemic began since end of first quarter of year 2020 in the country and throughout the past seven quarters it emerged time to time and has made destructive conditions on economic activities. Moreover, the same effect has been made even in the second quarter in the year 2021 which is the comparative quarter with the second quarter of this year. However, the COVID – 19 pandemic had minimum impact on the quarter under review in this year, although many economic activities could not continue their businesses as usual due to the prevailed uncertain operating environment and civil unrest conditions.

Specially power disruption, fuel shortage, supply chain disruptions in importing required materials including cement, shortages in supply of fertilizers and chemicals, disruptions in goods and passenger transport and the lower demand made in non-essential services due to the high inflation have made destructive conditions on agriculture, industry and services activities during the period under review.

As a result, many economic activities have been threatened severely; such as growing of cereals, growing of paddy, growing of vegetables, growing of tea, growing of rubber, marine fishing industry, mining and quarrying industry, construction industry, manufacturing industry specially including manufacture of food and beverages, goods and passenger transportation, information technology services, real estate activities, professional services and human health services. In addition to these activities, many economic activities were threatened directly or indirectly due to this uncertain operating environment. Hence, during this quarter, the total output of agriculture and industrial activities was reduced whilst reporting a decline in the demand for services, during the quarter under review.

Performance in Agricultural Activities

In the second quarter of year 2022, the agriculture activities have contracted by 8.4 percent when compared to the 11.2 percent of positive growth recorded in the same quarter in the year 2021. The contraction in the agriculture activities were mainly driven by the ‘Growing of cereals’ (32.3 percent), ‘Growing of tea’ (19.7 percent), ‘Growing of paddy’ (15.6 percent), ‘Marine fishing’ (15.3 percent), ‘Growing of rubber’ (13.7 percent), ‘Animal production’ (13.6 percent) and ‘Growing of vegetables’ (13.2 percent). However, during this quarter, ‘Fresh water fishing’ (11.2 percent), ‘Plant propagation and agriculture supporting activities’ (10.8 percent), ‘Growing of Oleaginous fruits; including Coconut’ (10.5 percent), ‘Forestry and logging’ (9.0 percent), ‘Growing of perennial crops’ (3.5 percent), ‘Growing of spices’ (3.2 percent) have reported positive growth rates.

Performance in Industrial Activities

In the second quarter of year 2022, the overall industrial activities have reported a shrinkage of 10.0 percent compared to the high growth of 21.6 percent reported in the same quarter in the previous year.

The overall manufacturing industry contracted by 5.3 percent during the quarter under review. However, one of major manufacturing industry of ‘Manufacture of textiles, wearing apparel and leather related products’ has reported a massive expansion of 28.2 percent during this quarter when compared with the comparative quarter of year 2021. Meanwhile, other main manufacturing industry of ‘Manufacture of food, beverages and tobacco products’ has reported a decline in the industry by 11.0 percent. In addition, ‘Manufacture of coke and refined petroleum products’ (78.0 percent), ‘Manufacture of wood and products of wood’ (40.1 percent), ‘Manufacture of basic metal and fabricated metal products’ (28.6 percent), ‘Manufacture of other non-metallic mineral products’ (28.4 percent), ‘Manufacture of rubber and plastic products’ (17.7 percent) have reported negative growth rates during this quarter. In the meantime, ‘Manufacture of paper products’ and ‘Manufacture of furniture’ have reported positive growth rates of 3.3 percent and 0.2 percent respectively.

Among the ‘Industrial activities’, the ‘Construction’ activity, which corresponds to 9.5 percent of share to the GDP, has recorded 16.2 percent of decline during the second quarter of year 2022. Further, the ‘Mining and quarrying’ activity which shared the GDP at 2.0 percent recorded 26.7 percent of negative growth rate.

Meanwhile the ‘Electricity, gas, steam and air conditioning supply’ activity has reported positive growth rate of 1.5 percent and the ‘Water collection, treatment and supply’ activity has recorded 20.6 percent of positive growth rate in this year.

Performance in Services Activities

During the second quarter of year 2022, the performance of the Service sector has shrunk by 2.2 percent when compared to the same quarter of year 2021.

During the quarter under review, the ‘Financial service activities’ and ‘Insurance services’ have reported shortfall by 19.5 percent and 16.8 percent respectively. In addition, ‘Professional services’ (9.7 percent), ‘Programming and broadcasting activities’ (8.4 percent), ‘Human health services’ (7.5 percent), ‘Ownership of dwelling and real estate activities’ (6.0 percent) ‘Goods and passenger transport and warehousing activities’ (0.7 percent) have reported negative growth rates.

Moreover, the ‘IT programming consultancy and related activities’ which corresponds to 1.9 percent of share to the GDP, has reported 4.3 percent of contraction in the industry during the second quarter of year 2022 when compared to the comparative quarter in the previous year. The electricity and power disruption, fuel shortage, forex regulations, uncertain operating environment and civil unrest have been caused significantly for this drawback.

However, among the services related activities ‘Accommodation, food and beverage serving activities’ (35.3 percent), ‘Postal and courier services’ (11.7 percent), ‘Telecommunication services’ (8.6 percent), ‘Educational services’ (5.0 percent), ‘Other personal services’ (2.0 percent) and ‘Wholesale and retail trade’ (1.7 percent) have reported positive growth rates during the second quarter of 2022.

According to the DCS, detail information of GDP estimates for the second quarter of 2022 has been published in the DCS website:

<http://www.statistics.gov.lk/NationalAccounts/StaticInformation/GDP2015>



P.M.P. Anura Kumara,
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The Vision of DCS

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

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.”



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