



News Release

National Accounts Estimates of Sri Lanka

Second Quarter - 2023

Production Approach

Base year - 2015

Department of Census and Statistics

Ministry of Finance, Economics 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 1st to June 30th) of 2023.

The GDP for the second quarter of year 2023 at constant price (2015) has declined to Rs. 2,597,441 million from Rs. 2,680,074 million which recorded in the second quarter of year 2022.

The year on year GDP growth rate for the second quarter of year 2023 has been reported as 3.1 percent of negative growth rate.

In the second quarter of 2023, the overall Industry and Services activities declined by 11.5 percent and 0.8 percent respectively while overall agriculture activities grew by 3.6 percent.

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Source Publication

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

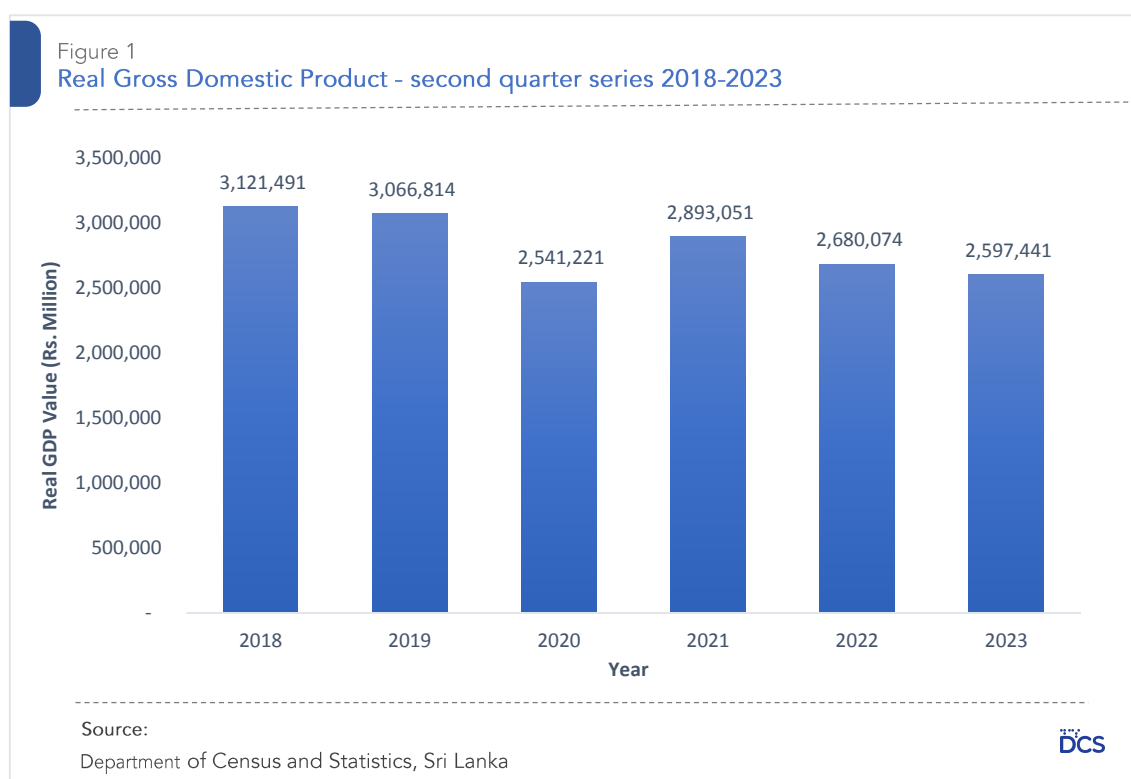
Executive summary

Issuing a communiqué, on releasing National Accounts Estimates, the DCS states that the year on year GDP growth rate for the second quarter of 2023 has been estimated as 3.1 percent of negative growth rate, against the value reported in the same quarter in the year 2022.

Further, the Gross Domestic Product for Sri Lanka for the second quarter of year 2023 at constant price (2015) has declined up to Rs. 2,597,441 million from Rs. 2,680,074 million which recorded in the second quarter of year 2022.

In the second quarter of year 2023, the year on year GDP growth rate is calculated based on the real GDP value reported in the second quarter of previous year.

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 2023.



In addition, the Gross Domestic Product for Sri Lanka for the second quarter of 2023 at current price has increased up to Rs. 6,145,451 million from Rs. 5,442,362 million which recorded in the same quarter in year 2022 registering 12.9 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 10.4 percent, 27.0 percent and 56.8 percent respectively, while ‘Taxes less subsidies on products’ component has contributed 5.8 percent of share to the GDP in the second quarter of year 2023.

During this quarter, Agriculture activities have expanded by 3.6 percent while Industrial and Services activities have contracted by 11.5 percent and 0.8 percent respectively.

Background

In the second quarter of year 2023, the pressure on short term and long-term investments caused by high interest rates in the economy remained in force. Along with that it was observed consumption pattern of general public was limited to consume mainly for the consumer goods due to the pressure derived through the reduction in real income of them (general public). Further, as a whole, expectations of domestic producer's about the economy were at a lower level and continued to grow slowly and this was specially affected by the uncertain situation related to exchange rates. Moreover, the high input costs have led to the deterioration of international competitiveness in terms of exports and as a result a decrease in export volumes could be observed.

As a result, in the second quarter of 2023, manufacturing industrial activities, construction activities and mining and quarrying activities have reported considerable declines. As well, financial services activities, IT programming consultancy and related activities and professional services have recorded contractions further.

Performance in Agricultural Activities

In the second quarter of year 2023, the agriculture activities have recorded an expansion of 3.6 percent compared to the same quarter of 2022.

The expansion in the agricultural activities were mainly driven by 'Growing of cereals' (44.4 percent), 'Plant propagation' (20.1 percent), 'Growing of rice' (19.8 percent), 'Agriculture supporting activities' (13.2 percent), 'Growing of tea' (7.1 percent), 'Growing of vegetables' (6.9 percent), 'Growing of rubber' (5.8 percent), 'Growing of spices' (5.1 percent), 'Growing of fruits' (3.8 percent), 'Marine fishing and marine aquaculture' (1.3 percent) and 'Animal production' (0.6 percent). However, some agricultural economic activities such as 'Fresh water fishing and fresh water aquaculture' (14.0 percent), 'Forestry and logging' (11.6 percent) and 'Growing of oleaginous fruits' (8.4 percent) have recorded negative growth rates in this quarter.

Performance in Industrial Activities

During the second quarter of year 2023, the overall industrial activities have reported a contraction of 11.5 percent compared to the same quarter of the previous year.

Among the 'Industrial activities', the 'Construction' and 'Mining and quarrying' activities have recorded negative growth rates of 23.1 percent and 24.3 percent respectively. The overall manufacturing industry contracted by 5.1 percent during this quarter indicating a drawback in this sector. Most manufacturing activities have reported contractions in this quarter with respect to the same quarter of the year 2022. Mainly 'Manufacture of rubber and plastic products' (26.5 percent), 'Manufacture of paper and paper products' (25.0 percent), 'Manufacture of wood and wood products' (21.4 percent), 'Manufacture of textiles, wearing apparel, leather and other related products' (18.4 percent), 'Manufacture of furniture' (12.3 percent), 'Manufacture of machinery and equipment' (8.1 percent) and 'Manufacture of basic metal and fabricated metal products' (1.9 percent) have reported declines during this period.

However, manufacturing activities such as 'Manufacture of coke and refined petroleum products' (473.2 percent), 'Manufacture of chemical products' (4.3 percent) and 'Manufacture of food, beverages and tobacco products' (3.2 percent) have recorded expansions in this quarter compared to the same quarter of the year 2022.

The 'Electricity, gas, steam and air conditioning supply' and 'Water collection, treatment and supply' activities have also recorded 0.9 percent and 3.8 percent of contractions in this quarter.

Performance in Services Activities

In the second quarter of the year 2023, the performance of the service sector has declined by 0.8 percent compared to the same quarter of the year 2022.

According to the quarterly review, 'Financial service activities' has reported significant downturn of 18.8 percent. Further, 'Professional services' (9.3 percent), 'IT programming consultancy and related activities' (8.5 percent), 'Telecommunication' (4.4 percent), 'Human health services' (2.6 percent), 'Real estate activities and ownership of dwelling' (2.5 percent) activities and 'Insurance services' (1.3 percent) have reported considerable negative growth rates during this quarter.

Moreover, activities such as 'Accommodation, food and beverage serving activities' (34.2 percent), 'Programming and broadcasting activities' (6.2 percent), 'Transportation of goods and passengers including warehousing' (5.4 percent), 'Postal and courier services' (3.2 percent), 'Educational services' (3.0 percent), 'Other personal services' (1.3 percent) and 'Wholesale and retail trade' (0.3 percent) have reported positive growth rates during the second quarter of 2023.

According to the DCS, detail information of GDP estimates for the second quarter of 2023 has been published in the DCS website: <http://www.statistics.gov.lk/NationalAccounts/StaticInformation/GDP2015>




P.M.P. Anura Kumara,
Director General

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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