

Gross Domestic Product (GDP) by Production Approach Annual & 4th Quarter of 2022 Base year 2015

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 constant (2015) price by Production approach with the other macroeconomic indicators for the annual & fourth quarter of 2022.

The Gross Domestic Product at current price of the year 2022 reported as Rs.24,147,726 million as against the Rs.17,600,191 million reported for the year 2021. The Gross Domestic Product at constant (2015) prices for the year 2022 reported as Rs.12,017,849 million as against the Rs.13,037,934 million reported for the year 2021.

- The Economy of Sri Lanka contracted by 7.8 percent in 2022 compared to the expansion of 3.5 percent in the economy reported in the year of 2021.
- Compared GDP growth rates of major economic activities in 2022 with the year 2021; the 'Agricultural', 'Industrial' and 'Services' activities are declined by 4.6 percent, 16.0 percent and 2.0 percent respectively.
- 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 8.7 percent, 30.3 percent, 56.1 percent and 4.9 percent respectively in the year of 2021.
- The GDP growth rate for the fourth quarter of 2022 has been estimated as 12.4 percent of negative growth rate when compared to the 1.4 percent of positive growth recorded in the fourth quarter of 2021.

Content

General Description for the year of 2022 – page 1
Performance in Agriculture activities – page 4
Performance in Industrial activities – Page 7
Performance in services Activities – Page 9
Performance in 4th quarter of 2022 – Page 14

Source Publication

http://www.statistics.gov.lk/NationalAccounts/StaticInformation/Reports/Detailed_note_Annual2022_en

1.0 General Description for the year of 2022

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 fourth quarter (October 1st to December 31st) of 2022 and for the year (January 1st to December 31st) of 2022.

Issuing a communiqué, on releasing National Accounts Estimates, the DCS states that the year on year GDP growth rate for the year of 2022 has been estimated as 7.8 percent of negative growth rate, against the value reported in the previous year 2021.

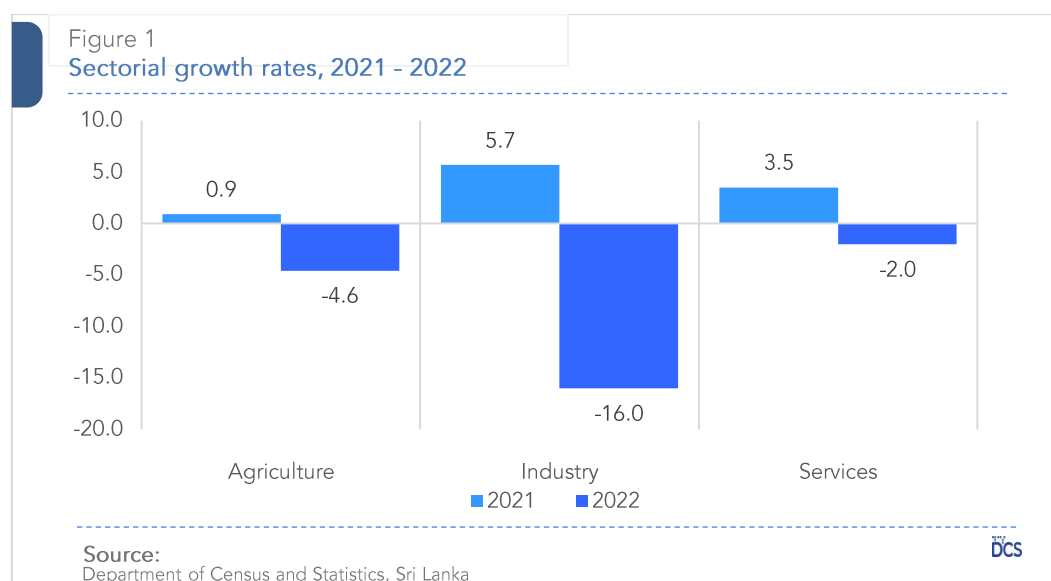
Further, the Gross Domestic Product for Sri Lanka for the year 2022 at constant price (2015) has declined to Rs. 12,017,849 million from Rs. 13,037,934 million which recorded in the previous year 2021.

In addition, the Gross Domestic Product for Sri Lanka for the year of 2022 at current price has increased up to Rs. 24,147,726 million from Rs. 17,600,191 million which recorded 37.2 percent of positive change in the current price GDP, in the year 2021.

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, 30.3 percent and 56.1 percent respectively, while 'Taxes less subsidies on products' component has contributed 4.9 percent of share to the GDP in the year of 2022.

During the year, all three major economic activities of Agriculture, Industrial and Services have recorded negative growth rates of 4.6 percent, 16.0 percent and 2.0 percent respectively.

The following figure reflects the changes in the growth rates of years 2021 and 2022.



The gradual recovery in economic activities which was observed in the year of 2021 when compared to the year 2020, along with the reducing of the COVID-19 pandemic, reversed the direction of performance of many economic activities and resulted in contraction of the whole economy. This is mainly caused by the deepening of the economic crisis and youth and social unrest began in early part of the year 2022. In addition, frequent power disruptions, shortages in fuel, raw materials, foreign currency which affected in making supply chain disruptions, amidst price escalations in both domestic and global markets, affected adversely to the whole production process of agriculture, industry and services.

The Agriculture sector recorded a contraction during 2022, owing to shortages in agricultural inputs, particularly fertilizer and agrochemicals, increased cost of inputs as well as fuel shortages. As well the industry sector as a whole reported significant contraction due to the subdued performance in manufacturing and construction activities. Scarcity of raw materials, high input prices, import restrictions, prolonged power disruptions, fuel shortage, foreign currency shortage, deterioration of purchasing power parity of consumers have been caused to this contraction. Meanwhile, the services sector witnessed a marginal shrinkage in the year of 2022 along with the contraction in the agriculture and industrial activities.

During the year 2022, the depreciation of the Sri Lankan Rupee at a notable rate, increase of interest rate to a high rate, supply side disruptions happened in both locally and globally, administrative price adjustments have been caused to record a high inflation domestically and as a whole the Sri Lankan economy reported a slower performance during the year 2022.

In the year 2022, the agriculture activities have recorded 4.6 percent of decline in overall agriculture sector when compared to the 0.9 percent of positive growth recorded in the year 2021. The contraction in the agriculture activities were mainly driven by the 'Growing of cereals' (21.6 percent), 'Growing of tea' (15.9 percent), 'Marine fishing and Marine aquaculture' (15.4 percent), 'Growing of rice' (13.0 percent), 'Animal Production' (12.9 percent), 'Growing of other beverage crops (9.1 percent), 'Growing of vegetables' (8.4 percent) and 'Growing of rubber' (6.7 percent). However, some agricultural activities such as 'Forestry and logging' (16.1 percent), 'Agriculture supporting activities' (14.7 percent), 'Fresh water fishing and Fresh water aquaculture' (11.9 percent), 'Growing of oleaginous fruits' (8.6 percent) and 'Plant propagation' (8.3 percent) have recorded considerable positive growth rates during this year.

During the year 2022, the overall industrial activities have reported a considerable negative growth rate of 16.0 percent compared to the 5.7 percent expansion reported in the year of 2021.

The overall manufacturing industry collapsed by 12.6 percent during the year 2022 when compared to the previous year. The 'Manufacture of textiles, wearing apparel and leather related products' is the only manufacturing activity which has reported an expansion of 8.1 percent in this year. The main

manufacturing activity of 'Manufacture of food, beverages and tobacco products' have recorded a decline of 14.2 percent with the highest share (7.1 percent) to the total GDP in manufacturing sector. In addition, all the other manufacturing activities have reported contractions in year 2022. This was mainly driven by some manufacturing activities such as 'Manufacture of rubber and plastic products' (30.7 percent), 'Manufacture of other non-metallic mineral products' (29.0 percent), 'Manufacture of furniture' (26.4 percent), 'Manufacture of basic metals and fabricated metal products' (27.6 percent), 'Other manufacturing and repair and installation' (21.7 percent) 'Manufacture of machinery and equipment' (19.0 percent) and 'Manufacture of chemical products and basic pharmaceutical products' (14.0 percent).

However, the activity of 'Manufacture of coke and refined petroleum products' has reported 58.2 percent of negative growth rate in the year 2022.

Among the 'Industrial activities', the 'Construction' activity, which corresponds to 8.0 percent of share to the overall GDP, recorded negative growth rate of 20.9 percent during the year 2022. Further, the 'Mining and quarrying' activity too recorded a negative growth rate of 31.0 percent during this year. Meanwhile the 'Electricity, gas, steam and air conditioning supply' activity has reported negative growth rate of 5.9 percent while the 'Water collection, treatment and supply' activity has recorded 0.6 percent of positive growth rate in this year.

In the year 2022, the performance of the Service sector has shrunk by 2.0 percent when compared to the year of 2021.

During the year 2022, the 'Financial service activities' and 'Insurance services' have reported shortfalls by 11.0 percent and 47.2 percent respectively. In addition, 'Real estate and ownership of dwelling activities' (12.1 percent), 'Programming and broadcasting activities' (11.0 percent), 'Human health services' (8.4 percent), 'Professional services' (4.0 percent), 'IT programming consultancy and related activities' (2.3 percent) and 'Wholesale and retail trade' (0.2 percent) have reported negative growth rates when compared to the previous year.

However, among the services related activities 'Accommodation, food and beverage serving activities' (27.0 percent), 'Postal and courier services' (5.7 percent), 'Transportation of goods and services' (3.5 percent), 'Education' (3.8 percent), 'Telecommunication' (3.1 percent), 'Public administration and defense' (1.2 percent) and 'Other personal services' (0.4 percent) have reported positive growth rates during the year of 2022.

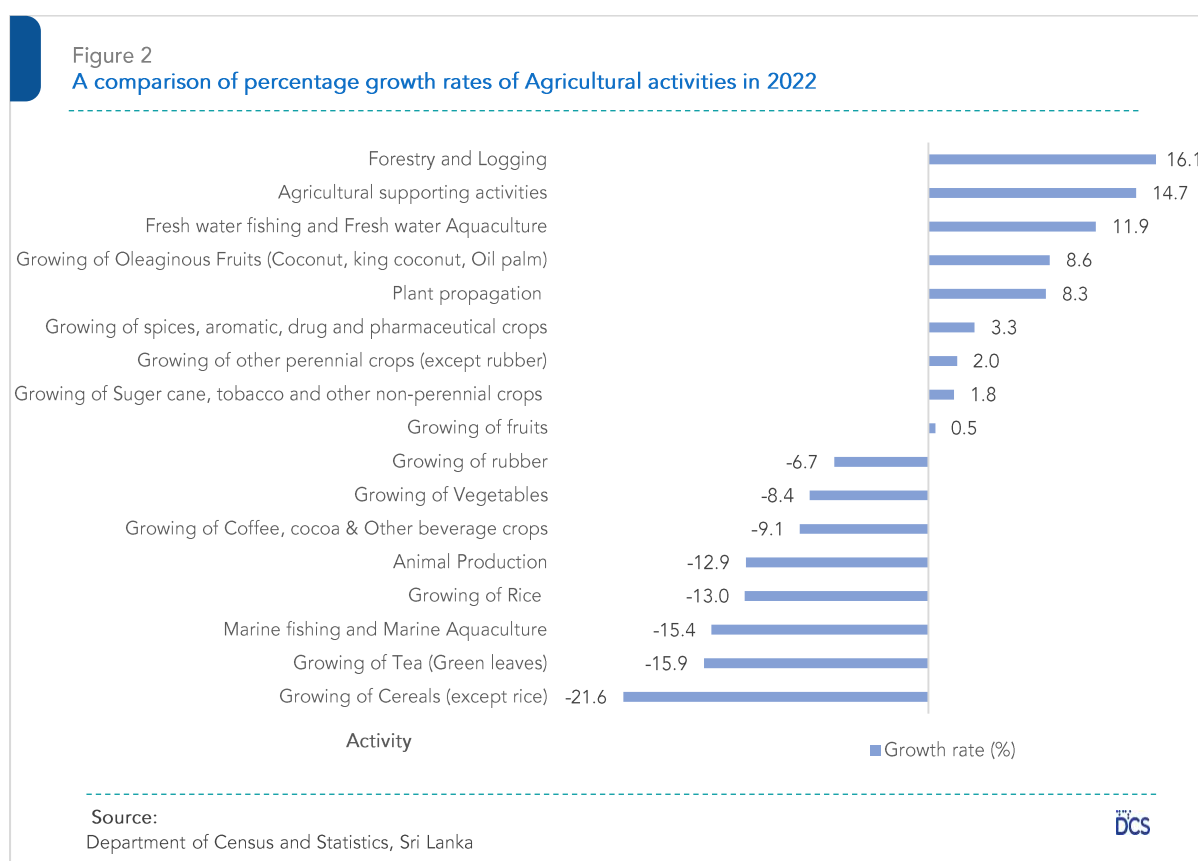
GDP implicit price deflator which measures the price change in the economy with respect to a specific base year (2015=100), increased to 200.9 in 2022 from 135.0 recorded in 2021 indicating 48.8 percent of inflation rate in 2022.

The National Consumer Price Index (NCPI) (2013 = 100) increased to 221.5 in the year 2022, from 147.2 recorded in 2021, indicating 50.4 percent of inflation rate.

1.1 Agricultural Activities

Most agricultural crops are seasonal and growing according to a respective season in Yala and/or Maha seasons. Traditionally the Yala season lasts for five months from May to September and Maha season runs from October to April. Therefore, the values added of these seasonal crops at the respective quarters are based on the estimates provided by the respective agencies.

In 2022 Agriculture sector recorded 4.6 percent of negative growth at constant price (2015) and shared 8.7 percent of GDP at current price when compared to 0.9 percent positive growth and 8.8 percent share to the GDP recorded in 2021. The total contribution of agricultural activities at current price and constant (2015) price to the total GDP are reported as Rs. 2,112,745 million and Rs. 906,909 million respectively in year 2022.



The sub activity of 'Growing of Cereals (except rice)' recorded a negative growth rate of 21.6 percent for the year 2022 compared to the 2.8 percent of growth rate reported in 2021. The productions of some major crops under this activity have recorded decreases including 'Maize', 'Green Gram', 'Black Gram', 'Ground Nuts' and 'Gingerly' by 28.9 percent, 34.1 percent, 12.9 percent, 20.7 percent

and 19.8 percent respectively. However, some productions have shown a slightly increase when compared to previous year.

The activity of 'Growing of rice' reported a negative growth rate of 13.0 percent in the year 2022 compared to the year 2021. This activity has contributed with a value addition of Rs. 93,377 million to the GDP at constant (2015) price in the year 2022. The share of this activity to the total GDP has reported as 1.1 percent in this year.

'Growing of Vegetables' recorded a 8.4 percent negative growth for the year 2022. All four quarters of 2022 recorded declines in regard to vegetables which mean both maha and yala seasons showed decrease in vegetable production. However preparation of 2022 Q4 estimates totally based on the expected yield data published by the Department of Agriculture. In 2022 yala season the five main vegetables which have highest shares in production were Manioc, Cabbage, Brinjals, Tomatoes and Carrot respectively. In these all five items' producer's prices in 2022 increased more than 50 percent compared to 2021 producer's prices.

The sub activity of 'Growing of Oleaginous fruits' including coconut, king coconut and Oil palm has contributed Rs. 111,315 million to the GDP at constant (2015) price in the year of 2022 and the share to the GDP was reported as 0.8 percent. The coconut production has expanded by 3,120 million nuts to 3,391 million nuts in 2022. The main reason for this increase is reported as the due to the favourable weather condition prevailed during the relevant period in coconut growing areas. Therefore, overall expansion of the 'Growing of Oleaginous fruits' was reported as 8.6 percent in 2022 compared to 2021. Total coconut exports in 2022 was reported as 13,380 thousand nuts, which reported a decrease of 8.0 percent compared to the 2021 and the export of king coconut has increased by 14.0 percent in this year compared to the 2021.

When compared to 2021, the value addition from 'Growing of Tea' activity decreased by 15.9 percent in year 2022. The total tea production has decreased by 16.0 percent during 2022 compared to the previous year. The low grown tea is having the largest market share of around 61.6 percent from total tea production, recorded a 15.4 percent decrease in year 2022. According to the statistics provided by Sri Lanka Tea Board, around 250.2 million kilograms were exported which indicates a 12.5 percent decline in 2022. The annual average price per kilogram of tea in Colombo Tea Auction increased up to Rs. 1,234.24 in 2022 compared to the average price of Rs. 635.83 reported in 2021.

The value added of 'Growing of Rubber' and the latex production have recorded declines of 6.7 percent and 7.8 percent respectively in the year 2022, compared to the previous year. This activity has made a contribution of Rs. 23,863 million to the GDP at constant (2015) price in the year 2022. The share of this activity to the total GDP has reported as 0.3 percent in 2022. According to the statistics of Rubber Development Department, the average price received for one kilogram of Latex increased by 39.3 percent from Rs.582.16 per kg to Rs. 811.20 per kg in 2022.

The activity of 'Growing of other perennial crops' consisted with several sub activities viz; 'growing of areca-nut', 'growing of odeal', 'growing of betel', 'growing of jak-fruit, bread-fruit' and 'toddy tapping'. The overall activity contributed Rs. 27,513 million to the total GDP at constant (2015) prices and showed an expansion of 2.0 percent in 2022 compared to 2021.

'Animal production' comprised with several sub categories viz: 'Raising animals for meat', 'Diary farming' and 'Eggs production'. The Animal Production activity has generated Rs. 81,874 million to the total GDP at constant (2015) price, sharing 1.0 percent of GDP. The Animal Production activities reported a contraction of 12.9 percent in 2022 compared to 2021. The milk and Egg production has reported a decrease over the period. According to the department of Animal Production and Health, the slaughtered number of animal, total milk and egg Production was somewhat decreased in year 2022 when compared with 2021 due to the prevailing situation in the country. The factors such as fuel shortage during several months, high price of concentrated feed and decrease of local maize production, reduction of veterinary service during the period of fuel restriction, frequent power cuts were the contributory factors for this.

The activity of 'Plant Propagation has contributed Rs. 881 million to the total GDP at constant (2015) prices, recording an 8.3 percent increase in 2022. The activity of 'plant propagation' mainly includes the production of plants/saplings of coconut, tea, rubber, cinnamon and fruits, used for propagation activities in the country. Although the plants/saplings of paper and cinnamon have decreased compared to the year 2021, the production of other type of plants/saplings has increased significantly.

The services produced by the providers of Agricultural Supporting services when ploughing and harvesting Paddy, are considered as the major components of the output of this activity. These services are engaged in some cereal crops and some upcountry vegetables as well as paddy. Combined harvester machines employed in paddy harvesting and four wheeled and two wheeled tractors and with operators which are engaged in ploughing/land are incorporated in this activity when compiling the output. During the year 2022, the total value addition of this activity at current price and constant price were estimated as Rs. 44,181 million and Rs. 34,202 million respectively indicating an increase of 14.7 percent growth when compared to the value of the previous year. The current value added has increased with the raise of service charges due to the increase of the prices of fuel and other inputs of combined harvester machines and tractors.

The total value added of the activity 'Forestry and logging' is estimated by considering the production of firewood and logs. This activity has contributed Rs. 51,611 million at constant (2015) price in the year 2022 sharing 0.3 percent to the total GDP at current price. And also, it has recorded a considerable growth of 16.1 percent in 2022 compared to the slight increase of 4.4 percent reported in the previous year. Due to the shortage of LP gas and its price increase, the demand of firewood was increased and hence a decline was observed in the usage of gas throughout the year.

Though the State Timber Corporation has recorded a decrease in the log production, the volume of logs recorded apart from the State Timber Corporation has indicated a growth during this year.

The 'Marine fishing and marine aquaculture' activity has contributed Rs. 231,430 million to the total GDP at current price and shared 1.0 percent of total GDP in year of 2022. Compared to the year of 2021, the value added at constant price (2015) of this activity has recorded a decrease of 15.4 percent. And also, 'Ministry of Fisheries' has reported of 15.4 percent decrease in total marine fisheries Production in the year of the 2022 compared to the year of 2021. The deep sea fish production and coastal fish production has decreased by 14.3 percent and 16.4 percent respectively. According to the report of the 'Ministry of Fisheries', there was a negative impact of economic crisis with the shortage of fuel, gas and price increase of other consumer goods. Therefore, negative economic condition was observed within the year.

The 'Inland fishing and inland aquaculture' has increased by 11.9 percent in the year of 2022 when compared to the year of 2021.

1.2 Performance in Industrial Activities

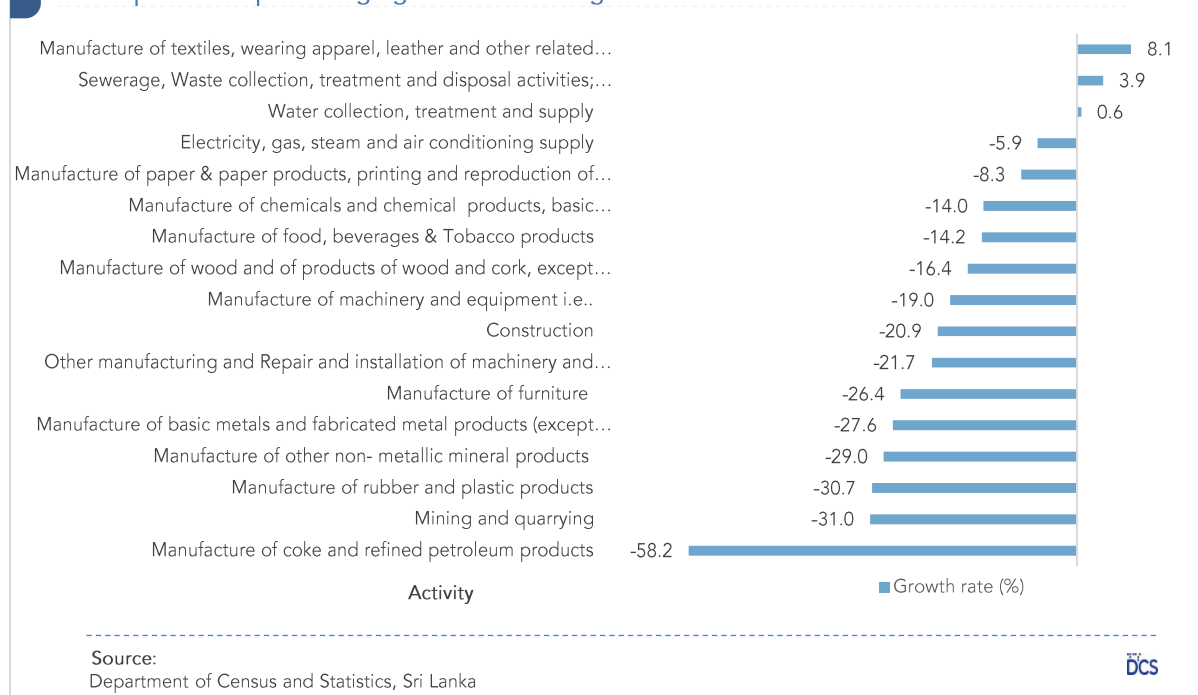
The industrial activities have recorded a decline of 16.0 percent in 2022 when compared to the 5.7 percent recorded in the year 2021. The industrial activities, which shared one fourth of the total GDP at current price, contributed Rs. 7,308,952 million and Rs. 3,309,764 million at current price and constant (2015) price respectively to the total GDP in this year 2021, which contribute 30.3 percent to the total GDP at current price.

In 2022 'Mining and Quarrying' activity contributed 1.9 percent of GDP at current price and recorded a massive 31.0 percent decline. Mining and quarrying activity is a combination of another three sub activities; Mining of construction materials', 'Gem mining' and 'Mining of other minerals'. Among these three 'Mining of construction materials' alone contributed around 87 percent of total value added of this industry and recorded 33.6 percent negative growth in 2022 whilst 'Mining of other minerals' too recorded a decline of 15 percent. However, 'Gem mining' recorded around 6 percent growth in 2022 and its contribution in this activity was around 12 percent of total value added generated in 2022.

The real gross value added of 'Electricity, gas, steam and air conditioning supply' activity recorded a contraction of 5.9 percent in the year of 2022. Electrical power generation has decreased from 16,608.6 Gwh in 2021 to 15,768.4 Gwh in 2022 by registering a 5.1 percent decline. Within this decline thermal coal electricity generation decreased by around 7 percent whilst hydro generation decreased by around 5 percent. Similarly, NCRE generation too decreased in 2022 by around 2 percent. Furthermore in 2022 electricity use in the industry sector decreased by 10.1 percent whilst electricity usage in the hotel sector increased by 11.7 percent.

Figure 3

A comparison of percentage growth rates of Agricultural activities in 2022



Total volume of water supply in 2022 increased by merely 0.4 percent while recording a 0.6 percent growth in gross value added. In 2022 water price index in PPI increased by only around 11 percent whilst electricity price index in PPI increased by around 30 percent. . The volume of water supply for has increased from 28,127,216 (thousand m³) recorded in 2021 to 37,986,714 (thousand m³) in the year 2022. Electricity is the major individual input item in 'Water collection, treatment and supply' activity thus recorded 0.6 marginal growth in this activity mainly attributed to this price difference of output and input.

The economic crisis in Sri Lanka in 2022 had a severe impact on the construction industry. In comparison to 2021, 'Construction' activity has decreased by 20.9 percent in 2022. The share of construction activity in the GDP was recorded at 8.0 percent this year. During the year, the total cement import and domestic cement production has decreased by 48.4 percent and 28.9 percent respectively. Therefore, the total supply of cement has decreased by 36.4 percent in the year 2022. However, the increase in the price of construction materials in 2022 compared to 2021 directly affected this situation.

1.2.1 Manufacturing Activities

The economic crisis has badly impacted on the manufacturing activities in year 2022. However, the overall manufacturing industry activities contributed Rs1,963,346 millions of value addition at real terms to the total GDP in year 2022 showing considerably contraction of 12.6 percent. Most of the manufacturing activities have reported contractions more due to the prevailed unfavorable

conditions such as owing to fuel shortages, power outages and widespread scarcity of key imported raw materials globally and domestically during this year. But during the year 2021, these activities recorded considerable growth of 7.4 percent.

The largest sub activity of 'Manufacture of food, beverages and tobacco products' has contributed 7.1 percent to the total GDP and contracted by 14.2 percent in year 2022. The second largest activity of manufacture of textiles, wearing apparel and leather products' has recorded a moderate growth of 13.8 present in year 2021. However, notable recovery was observed in the sector with the expansion of 8.1 percent recorded in year 2022.

The sub activity of 'Manufacture of Coke and refined petroleum products has indicated a contraction of 29.9 percent in year 2021 and it has increased by 58.2 percent with a highest contraction in year 2022. High frequency indicators suggest that growth has faltered due to the economic crisis of the country and the global low demand pertained at this period.

Further all the other manufacturing activities were reported declines in year 2022. These contraction percentages were recorded as 'Manufacture of wood and product of wood and cork, except furniture' (16.4 percent) 'Manufacture of paper products, printing and reproduction of media products' (8.3 percent), 'Manufacture of chemical products and pharmaceutical products' (14.0), 'Manufacture of rubber and plastic product' (30.7 present), 'Manufacture of other non-metallic mineral product' (29.0 percent) , 'Manufacture of basic metals and fabricated metal products' (27.6 percent), 'Manufacture of machinery' (19.0 percent), 'Manufacture of furniture' (26.4 percent), Other manufacturing and repairs (21.7 percent) in the year 2022 when compared to the year 2021.

1.2 Performance in Service Activities

The total contribution of service activities at current price and constant (2015) price to the total GDP are reported as Rs. 13,549,054 million and Rs. 7,265,095 million respectively for the year 2022 compared to the previous year recording a contraction of 2.0 percent. The share to the GDP (at current price) in service activities is reported as 56.1 percent at current price in this quarter.

Figure 4
A comparison of percentage growth rates of Services activities in 2022



The 'Wholesale and retail trade' which contributes nearly 13.8 percent to the GDP, reported 0.2 percent of negative growth rate in year 2022 when compared to the 1.5 percent of growth rate recorded in the year 2021.

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 of Imports, domestic Agricultural production and domestic Industrial production.

With the beginning of the year 2022, certain economic decisions taken due to the gradual economic crisis had a negative impact on the economic activity of wholesale and retail trade. This economic activity shows a negative growth of 0.2 in 2022 due to decrease in volume of imports with the restriction of imports, the decrease in the agricultural production volume, and the decrease in the industrial production volume.

According to the External Trade Statistics of Central Bank of Sri Lanka (CBSL), the total import expenditure for the year of 2022 has increased up to Rs. 5,737,333 million from Rs. 4,104,218 million reported for the year of 2021, by 39.8 percent. Also, the value of consumer goods import expenditure has increased by 14.0 percent during this year from Rs. 764,979 million to Rs. 872,256 million. However, according to the Trade Indices released by the Central Bank of Sri Lanka, the import volume index value of consumer goods has decreased by 18.0 percent and in the meantime, the total import volume index has decreased by 22.4 percent during the year of 2022 when it compared with the values of the 2021.

According to the External Trade Statistics of CBSL, the total export value to the rest of the world has been increased by 70.3 percent during the year 2022, when compared to the year 2021. In addition, the total export volume index has increased by 3.9 percent. Among the exports, the volume indices of industrial exports have increased by 6.4 percent and the volume indices of the agricultural exports has decreased by 7.9 percent during this year.

The activity of 'Transportation of goods and passengers and warehousing activities' is a combination of land transport, water transport, air transport and warehousing and support activities for transportation. During the year of 2022, land transport activity recorded a 3.5 percent positive growth rate. This growth is mainly supported by increased use of passenger transport services in 2022. Passenger km of CTB, Railway and private buses have increased by 140.4 percent, 205.9 percent and 18.1 percent respectively. Air transport also recorded a positive growth rate in the year of 2022. Consequently, passenger km of Sri Lankan Airlines has increased by massive 288.3 percent. However, support activities for transportation (including ports operation) including warehousing recorded a negative growth of 8.2 percent in this year.

The sub activity of 'Postal and courier activities' has recorded a positive growth rate of 5.7 percent in 2022 with compared to the 2021. This growth was mainly attributed to postal department to which according to the reports, the total revenue recorded a 29.6 percent increase in 2022. Further courier activities also contributed positively for the above growth rate.

'Accommodation, food and beverage serving' activity, which were adversely affected by the Easter Sunday attack and the Covid-19 pandemic, showed growth with the end of 2021, and despite the crisis conditions in 2022, there was a sharp increase in foreign tourists, and the activities of the local tourism industry also took place at a certain level this year. Therefore, in the year 2022, this economic activity has recorded a positive growth of 27.0 percent.

According to Sri Lanka Tourism Development Authority (SLTDA) data, 719,978 foreign tourists visited Sri Lanka in 2022. According to the financial statements of hotel companies listed on the Colombo Stock Exchange in Sri Lanka, the turnover of those hotels has increased by 129.3 percent in 2022 compared to 2021.

The sub activity of 'Programming and broadcasting activities and audio video productions' reported a negative growth of 11.0 percent in 2022. In this industry, an increase in expenditures and simultaneous decrease in revenue were seen compared to the previous year.

Telecommunication activity recorded 3.1 percent growth in year 2022. In the past two years period this activity experienced relatively high growth but in 2022 it has come down. This come down was mainly caused by overall economic condition prevailing in the country at the moment and normalization of education and office works after lifting covid-19 restrictions in the economy. Further

recent increase in call and data charges might also affected for this relatively low growth rate in this industry. In 2022 total profit of this industry decreased and voice subscriptions in both wire and mobile declined. However, data subscriptions in CDMA and mobile increased by 11.0 percent and 13.0 percent respectively in 2022.

The 'IT programming and consultancy related activities' including Information Technology (IT) and Information Technology Enabled Services (ITES) sectors which correspond to 1.8 percent of share to the GDP, has reported a contraction of 2.3 percent in their generated value added in the year of 2022, when compared to the year 2021. The electricity and power disruption, fuel shortage, forex regulations, uncertain operating environment and civil unrest prevailed in the second and third quarters of the year have been the cause for this drawback. In addition, economic crisis has resulted in increasing the migration of skilled IT professionals at a higher rate and this has affected adversely on IT industry as well. According to the CBSL Balance of Payment Statistics, credit value of export revenue from computer services in LKR term has increased to Rs. Mn 341,574 from Rs. Mn 232,373 in the year 2022, when compared to the year 2021. It is mostly due to the steep depreciation in Sri Lankan Rupee against US dollars. However, the export revenue of computer services in USD terms has decreased from \$ Mn 1,168 to \$ Mn 1,066 by 8.8 percent during the year 2022 when compared to the year 2021.

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 11.0 percent negative growth rate in year 2022 by recording Rs 530,274 million value added at constant prices over the value of Rs 596,106 million recorded in 2021. The value of loans, advances and deposits of licensed commercial banks (LCB's) and licensed specialized banks (LSBs), have recorded an increase by 5.7 percent and 18.8 percent respectively in this Year. 'Average Weighted Lending Rate' (AWLR) and average 'Average Weighted Deposit Rate' (AWDR) compiled by Central Bank of Sri Lanka recorded 18.7 percent and 14.0 percent respectively in this year.

The real value added of 'Insurance, reinsurance and pension funding' activity reported a decline of 47.2 percent in 2022. This activity has contributed with a value of Rs.78,509 million to the GDP at constant (2015) price in the year 2022. The share of this activity to the total GDP has reported as 0.6 percent in this year. The usage of this activity is represented by the total of the value of Premiums and the claims incurred and which has increased by 15.2 percent. The annual profit of the employees' provident fund declined by 11.7 percent to Rs. 264.1 billion in 2022 from Rs. 299.1 billion recorded in the previous year. This is mainly due to reduction in net gain on financial instruments at fair valuation of equities. And also, the National Consumer Price Index [NCPI] (all items) has increased by 50.4 percent in the year 2022.

The 'Real Estate Activities including Ownership of dwellings' decreased by 12.1 percent in the year of 2022, compared to the year of 2021. This activity reported a value addition of Rs.554,473 million in real terms to the total GDP, sharing 4.1 percent at nominal terms.

The activity of 'Professional services' has contributed Rs.289,841 million at constant (2015) price and shared 1.8 percent to the total GDP at current price. This activity comprises with 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'. This economic activity decreased by 4.0 percent in the year 2022 compared to the year 2021.

Throughout the year of 2021, due to the expansion in the COVID -19 related health services, in many quarters of the year the human health services reported substantially high positive growth rates. However, this situation has been changed in the year 2022. When compared to the year 2021, the human health services have been reported as negative growth rates in all four quarters of the year 2022. Accordingly, human health activities recorded 8.4 percent of draw back during the year 2022. The government spending on health services have been declined in the year when compared to the year 2021. Slowdown in COVID-19 related revenue, shortages in essential supplies for health and pharmaceutical items, increased prices in health services have been caused to this draw back in private health services. As well, the health services highly relied on donations and credit lines throughout the year 2022. According to the financial statements of listed companies of major six hospitals in the country, which are registered at 'Colombo Stock Exchange', the reported annual turnover of hospitals altogether has been increased only by 1.0 percent during this year when compared to the statements of the year 2021. In addition, e-channelling services have been expanded at a slower rate during the year.


The 'Other personal service activities', which contribute 7.1 percent to the total GDP at the current price, consists of three economic activities 'Arts and public entertainment', 'Other personal activities' and 'Activities of household as employers of domestic personnel'. In comparison to the year of 2021, a slight growth of 0.4 percent is recorded due to the reasons such as daily power cuts (for few hours), fuel crisis, restriction of the import of goods, the shortage of raw materials and increasing in prices of raw materials.


2.1 National Accounts Estimates – 4th Quarter, 2022


Issuing a communiqué, on releasing National Accounts Estimates for the fourth quarter of 2022, the DCS states that the GDP growth rate for the fourth quarter of 2022 has been estimated as 12.4 percent of negative growth rate when compared to the 1.4 percent of positive growth recorded in the fourth quarter of 2021. The Gross Domestic Product for Sri Lanka for the fourth quarter of 2022 at constant price (2015) has decreased to Rs. 2,917,721 million from Rs. 3,331,073 million which recorded in the fourth quarter of 2021. In addition, the Gross Domestic Product for Sri Lanka for the fourth quarter of 2022 at current price has increased to Rs. 6,575,456 million from Rs. 4,724,501 million which recorded in the fourth quarter of 2021 registering 39.2 percent of change in the current price GDP. During the fourth quarter of 2022, the overall industrial activities have reported 30.1 percent of considerable level of contraction and as well the services activities a negative growth rate of 3.9 percent while the overall agriculture activities have reported a slight positive expansion by 0.7 percent.


The Vision of DCS


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

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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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