

Gross Domestic Product (GDP) by Production Approach

Second Quarter of 2023

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 and constant (2015) price by Production approach with the other macroeconomic indicators for the second quarter (April 1st to June 30th) of 2023.

The Gross Domestic Product at current price for the second quarter of year 2023 reported as Rs. 6,145,452 million as against the Rs. 5,442,362 million reported in the same quarter of the year 2022. The Gross Domestic Product at constant (2015) price for the second quarter of year 2023 reported as Rs. 2,597,440 million as against the Rs. 2,680,074 million reported for the second quarter of year 2022.

- ❑ Sri Lanka's economy contracted by 3.1 percent in the second quarter of 2023, compared to the negative growth rate of 7.4 percent in the second quarter of 2022.
- ❑ The Agricultural activities expanded by 3.6 percent while Industrial and Services activities declined by 11.5 percent and 0.8 percent respectively.
- ❑ 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, 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 2023.

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Source Publication

http://www.statistics.gov.lk/NationalAccounts/StaticallInformation/GDP2015_expand

1.0 General Description for the second quarter of year 2023

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.

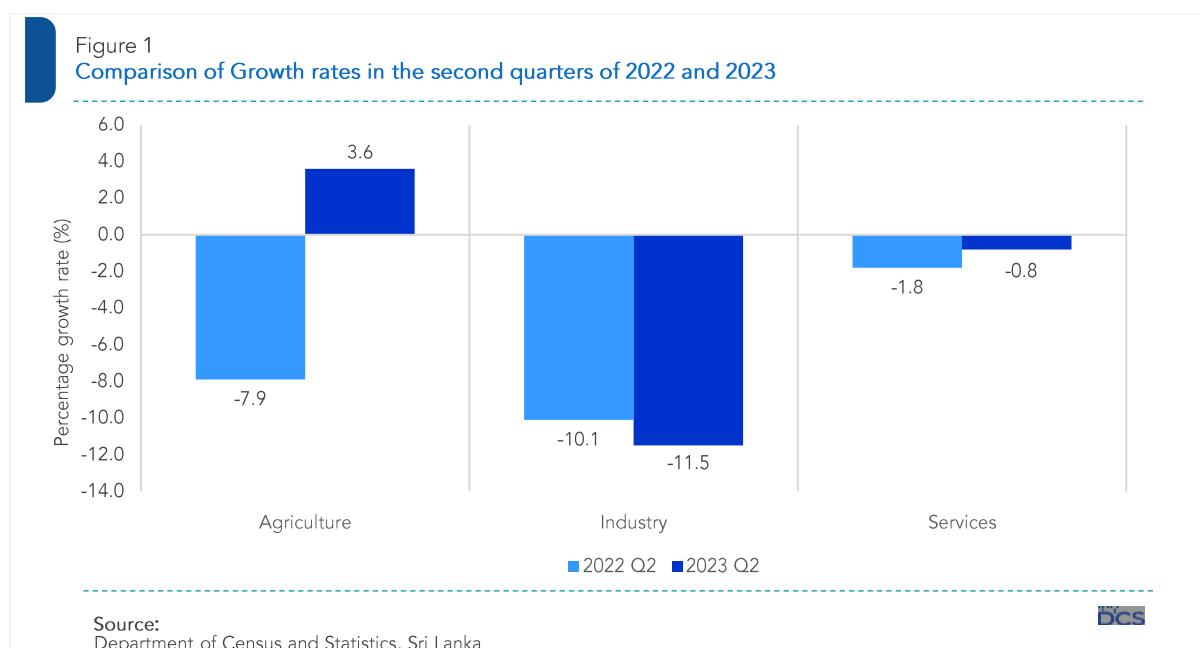
Further, the Gross Domestic Product for Sri Lanka for the second quarter of year 2023 at constant price (2015) has declined up to Rs. 2,597,440 million from Rs. 2,680,074 million which recorded in the second quarter of year 2022.

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.

In addition, the Gross Domestic Product for Sri Lanka for the second quarter of 2023 at current price has increased up to Rs. 6,145,452 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, Agricultural activities have expanded by 3.6 percent while Industrial and Services activities have contracted by 11.5 percent and 0.8 percent respectively.



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.

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), 'Growing of rice' (19.8 percent), 'Plant propagation' (19.5 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.

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.

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.

The GDP implicit price deflator which measures the price change in the economy with respect to a specific base year (2015=100), increased to 236.6 in the second quarter of 2023 from 203.1 recorded in the same quarter of 2022 indicating 16.5 percent of inflation rate.

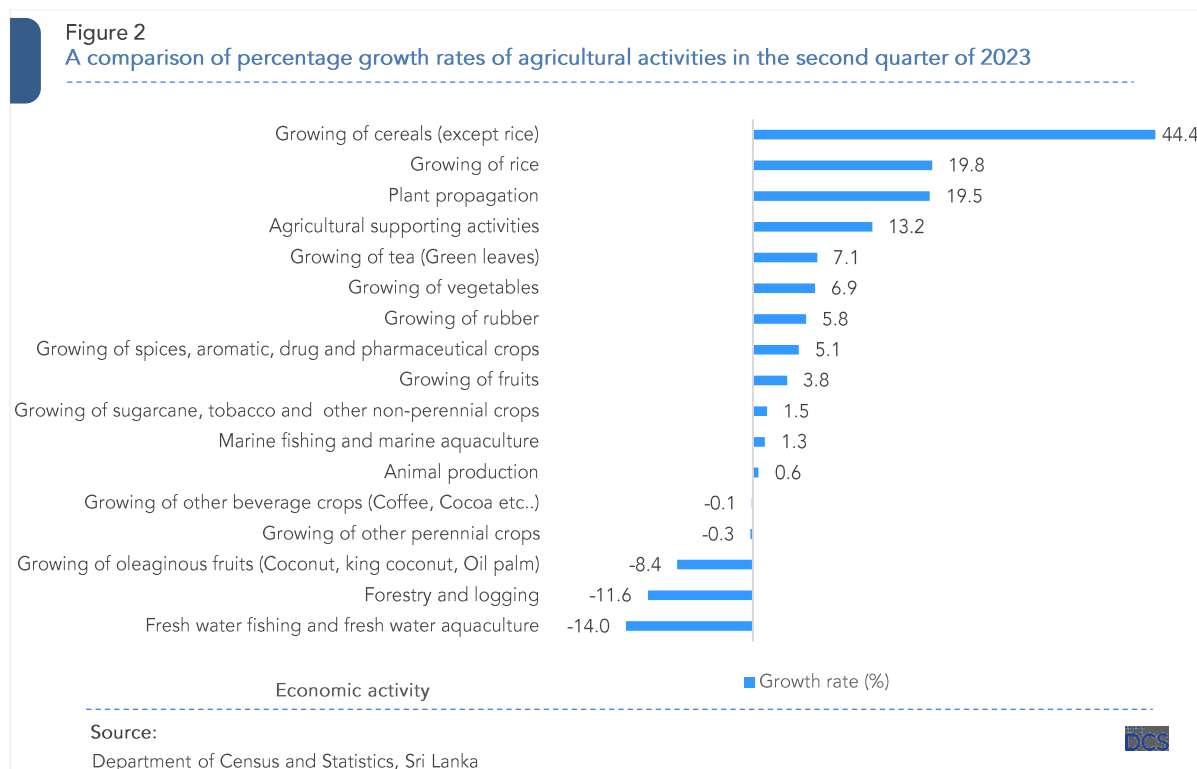
The National Consumer Price Index (NCPI) (2021 = 100) increased to 203.0 in the second quarter of 2023, from 167.2 recorded in the second quarter of 2022, indicating 21.5 percent of inflation rate.

1.1 Performance in Agricultural Activities

During the second quarter of 2023, 'Agriculture, forestry and fishing' sector reported an expansion by 3.6 percent when compared to the 7.9 negative growth recorded in the same quarter of 2022. The total contribution of agricultural activities at current and constant (2015) prices to the total GDP are reported as Rs. 637,260 million and Rs. 229,306 million respectively in this quarter. And also, agricultural activities shared 10.4 percent of total GDP at current price and 8.8 percent of total GDP at constant price.

The sub activity of 'Growing of cereals (except rice)' recorded a positive growth rate of 44.4 percent for the second quarter of 2023 compared to the 31.0 percent of negative growth rate reported in

same quarter of 2022. The production of some major crops of 'Maize', 'Green Gram', 'Cowpea', 'Black Gram' and 'Ground Nuts' have recorded increases by 27.7 percent, 92.9 percent, 26.5 percent, 56.2 percent and 48.0 percent respectively during this quarter. However, some productions have shown a decline when compared to the same quarter of the previous year.



The value added of the activity of 'Growing of rice' recorded a positive growth rate of 19.8 percent in the second quarter of 2023, compared to the same quarter of 2022. This activity has contributed Rs. 27,247 million gross value added to the GDP at constant (2015) price in the second quarter of 2023.

In the second quarter of 2023, the value addition of 'Growing of vegetables' was estimated using the production data of the one-month of 2022/2023 Maha cultivation period and two months of 2023 Yala cultivation period. This production was estimated using the provisional values published in the 'Crop forecast' of the Department of Agriculture. According to the latest crop forecast report, expected production of some of the vegetables has increased. Mainly upcountry items showed increase in their production. Hence, the real gross value added of 'Growing of vegetables' recorded a positive growth rate of 6.9 percent in the second quarter of 2023. Furthermore, an increase in the producers' prices of vegetables was identified in this quarter.

The sub activity of 'Growing of oleaginous fruits' comprises of three sub activities, namely, 'Growing of coconut', 'Growing of king coconut' and 'Growing of oil palm' and among the three sub activities the 'Growing of coconut' is the main activity. The sub activity of 'Growing of oleaginous fruits' has

contributed Rs. 26,050 million to the GDP at constant (2015) price in the second quarter of the year 2023 and the share to the GDP was reported as 0.8 percent at GDP at current price. And also, the production of coconuts has decreased around 10.0 percent in this quarter. Therefore, overall contraction of the 'Growing of oleaginous fruits' was reported as 8.4 percent in this quarter, compared to the same quarter of the previous year. Further, the exports of coconuts has reported as 2,840 thousands nuts, while reporting an increase of 15.4 percent during this quarter compared to the respective quarter of 2022. Exports of king coconut has increased by 6.4 percent in this quarter compared to the respective quarter of 2022. The producer price of a coconut has increased from Rs. 59.5 to Rs. 70.2 indicating an increase of 18.1 percent.

The 'Growing of tea' recorded a positive growth rate of 7.1 percent in second quarter of 2023, compared to the 19.8 percent negative growth reported in the same quarter of the last year. The 'Made tea' production has increased by 7.1 percent in the second quarter of 2023. The average price of one kg of 'Made Tea' at Colombo auction has decreased from Rs. 1,300.84 to Rs.1,069.84 by 17.8 percent in this quarter, compared to the same quarter of the previous year. The low grown tea which has the largest market share around 56.4 percent of the total tea production, recorded a 1.8 percent increase in this quarter.

During the second quarter of 2023, the value added of 'Growing of rubber' has increased by 5.8 percent while latex production has also indicated an increase of 5.2 percent. However, these values were recorded as decreases of 14.0 percent and 15.8 percent respectively during the same quarter of year 2022. According to the Rubber Development Department, the average price received for one kilogram of latex decreased by 46.3 percent from Rs. 1,068.09 per kg to Rs. 573.24 per kg in this quarter.

The activity of 'Growing of other perennial crops' consisted with several sub activities viz; 'Growing of areca-nut', 'Growing of odiyal', 'Growing of betel', 'Growing of jak-fruit, bread-fruit' and 'Toddy tapping'. The overall activity contributed Rs. 7,032 million to the total GDP at constant (2015) prices and showed a decline of 0.3 percent in the second quarter of 2023 compared to the second quarter of 2022.

'Animal production' activity comprised with several sub categories viz. 'Raising animals for meat', 'Dairy farming' and 'Eggs production'. The overall value addition in the second quarter of 2023 at constant (2015) price was Rs. 21,005 million and the share to the GDP was reported as 1.6 percent. This activity reported an expansion of 0.6 percent in the second quarter of 2023 compared to the second quarter of 2022. According to the Department of Animal Production and Health, the slaughtered number of Poultry has decreased by 3.2 percent while 'milk production' and 'eggs production' have increased by 4.4 percent and 1.4 percent respectively in this quarter compared to the same quarter of 2022. 'Raising animals for meat' and average producer prices of milk and egg have shown considerable increase during this period.

The economic activity of 'Plant Propagation' mainly includes the production of coconut, tea, rubber, cinnamon, pepper, flowers and fruits plants in the country. Compared to the second quarter of 2022, this quarter has recorded a significant growth of 19.5 percent while giving a value of 234 million rupees to the gross domestic product at constant (2015) prices.

The four-wheel or two-wheel tractors and combined harvesters are used in paddy cultivation for paddy field preparation and crop harvesting respectively. The value generated to the economy by providing that service is considered within the 'Agriculture supporting services' activity. It is the main component of this economic activity. In addition, use of machines to prepare the land before cultivation for several cereal crops and up-country vegetable crops is also added in this economic activity. Thus, in the second quarter of 2023, this economic activity has shown a growth of 13.2 percent due to the increase of the maize cultivating lands according to the latest forecasts. (However, other crops haven't shown any special contribution to the increase of input cost of these machines). The current value added of this activity has increased with the growth of service charges due to the increase in the prices of fuel and inputs.

The main contribution for the economic activity 'Forestry and logging' is represented by the value generated through the production of firewood and logs. The output of firewood is estimated according to the consumption patterns and necessities. The production of firewood has been expected a decline since fourth quarter of last year due to the availability and price reduction of LP gas. The demand of firewood has experienced a contraction in this quarter as the previous quarter of 2023. However, the current value added of firewood has increased in this year when compared to same quarter of the last year due to price increase. A downturn demand of log production has expected with the collapsing of construction industry. The log production has shown a decline with the contraction of the furniture products. The State Timber Corporation has also reported a decline of 12.8 percent in log production in this quarter. Though the constant value added has decreased, the current value added has indicated a considerable increase in this activity.

The contribution of 'Marine fishing and marine aquaculture' activity has reported as Rs. 75,746 million to the total GDP at current price and shared 1.2 percent of total GDP. Compared to the second quarter of 2022, the value added at constant (2015) price of this activity has recorded an increase of 1.3 percent. The 'Ministry of Fisheries' has reported an increase of 1.1 Percent in total marine fishery production. The deep-sea fish production has decreased 16.0 percent while coastal fish production has increased by 20.0 percent. According to Ministry of fisheries report, deep sea fish production has been decreased with the effects of high cost of fishing operations. Especially due to the increase in the price of fuel led to restrict the fishing operations.

According to the 'Ministry of Fisheries', fresh water fishing has decreased by 14.0 percent in this quarter when compared to the second quarter of 2022.

1.2 Performance in Industrial Activities

The industrial activities have reported a considerable contraction of 11.5 percent in this quarter compared to the second quarter of year 2022. The total contribution of industrial activities at current price and constant (2015) price have reported as Rs 1,661,672 million and Rs. 702,638 million respectively to the total GDP during this quarter compared to the same quarter of 2022. And also, the share to the total GDP at current price has reported as 27.0 percent.



The 'Mining and quarrying' activity has contributed around 1.5 percent to the Gross Domestic Product at current prices in the second quarter of 2023 and reported a contraction of 24.3 percent in this quarter compared to the same quarter of the year 2022. The total value added of this activity is calculated using three main sub categories; 'Mining of construction materials', 'Gem mining' and 'Mining of other minerals'. Out of these three sub activities, 'Mining of construction materials' contributed around 86.3 percent of the total value added of this industry. However, the 'Mining of construction materials' and 'Mining of other minerals' sub categories have reported contractions of 27.8 percent and 19.5 percent respectively while 'Gem mining' category has reported a positive growth of 13.8 percent in this quarter. The contraction reported in the major sub category of 'Mining of construction materials' has directly affected for the negative growth rate of this activity.

The activity of 'Electricity, gas, steam and air conditioning supply' has recorded a negative growth of 0.9 percent in the second quarter of 2023 compared to 1.7 percent contraction recorded in the same quarter of 2022. Due to the increase in the price of electricity produced by thermal power plants

using fuel, the gross value added of this activity has recorded a huge increase around 103 percent under the existing prices. The gross added value of electricity generation using fuel has indicated a moderate growth of 16.9 percent while electricity generation using hydropower has recorded a significant decrease of 27.3 percent. The Ceylon Electricity Board has also recorded a decrease of 1.8 percent in gross value added under constant prices. Thus overall, a negative growth of 0.9 percent has been recorded in this sector and the ratio between hydroelectricity, thermal electricity and renewable energy electricity reported as 28:52:19 in the second quarter of 2023 has changed to 21:61:19.

During the second quarter of 2023, the sub-economic activity of 'Water collection, treatment and supply' recorded a negative growth of 3.8 percent. However, the gross value added under current prices of this activity has recorded an increase of 23.5 percent at reflecting the large increase of water tariff.

Compared to the second quarter of 2022, 'Construction' activity has decreased by 23.1 percent in the second quarter of 2023. The share of construction activities in GDP has recorded as 5.9 percent in this quarter. And also, within the second quarter of 2023, the total supply of cement has decreased by 16.1 percent and the increase in the price of building materials has led to this negative growth.

1.2.1 Manufacturing Activities

Manufacturing activities reported a 5.3 percent contraction in the second quarter of 2022, followed by a considerable contraction of 5.1 percent reported in the second quarter of 2023. These contractions were primarily due to the current economic environment, which had a significant impact on manufacturing activities. However, despite these contractions, manufacturing activities accounted for 18.1 percent of the total GDP at current prices, amounting to Rs 1,113,502 million at current prices and Rs. 424,137 million at constant (2015) prices.

The largest sub-activity within manufacturing, namely 'Manufacturing of food, beverages, and tobacco products,' contributed 6.7 percent to the total GDP. Though this sub-activity experienced a positive growth rate of 3.2 percent in the second quarter of 2023, it had recorded a contraction of 11.1 percent in the second quarter of 2022.

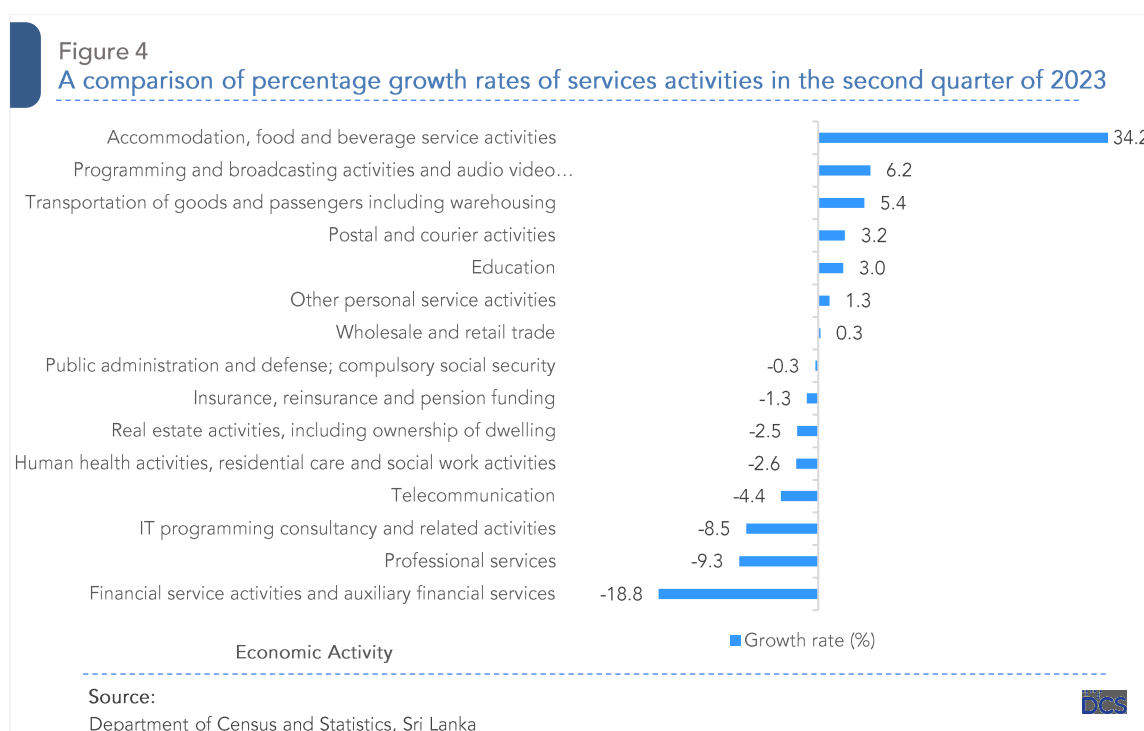
The second-largest activity, 'Manufacture of textiles, wearing apparel, and leather products,' contracted by 18.4 percent in the second quarter of 2023. However, it had indicated a considerable expansion of 27.9 percent during the same quarter of 2022.

On the other hand, the sub-activity of 'Manufacture of coke and refined petroleum products' recorded a considerably high growth rate of 473.2 percent in the second quarter of 2023 when compared to the contraction of 77.8 percent in the second quarter of 2022.

The sub-activity of 'Manufacture of chemical products and basic pharmaceutical products' recorded a growth rate of 4.3 percent in the second quarter of 2023 against the contraction of 4.6 percent recorded in the second quarter of the previous year.

When considering all other manufacturing activities, contractions were reported in most of them. Notable contractions occurred in the following manufacturing activities during this quarter: 'Manufacture of rubber and plastic products' (26.5 percent), 'Manufacture of paper products, printing, and reproduction of media' (25.0 percent), 'Manufacture of wood and products of wood and cork, except furniture' (21.4 percent), 'Manufacture of furniture' (12.3 percent), 'Manufacture of machinery' (8.1 percent), 'Other manufacturing and repairs' (4.1 percent), 'Manufacture of basic metals and fabricated metal' (1.9 percent), and 'Manufacture of other non-metallic mineral products' (0.2 percent).

1.3 Performance in Services Activities



The total contribution of service activities at current price and constant (2015) price to the total GDP are reported as Rs. 3,490,632 million and Rs. 1,541,492 million respectively for the second quarter of

2023 compared to the second quarter of 2022 recording a contraction of 0.8 percent. The share to the GDP in service activities is reported as 56.8 percent at current price in this quarter.

The 'Wholesale and retail trade' which contributes nearly 13.8 percent to the GDP, reported 0.3 percent of positive growth rate in the second quarter of year 2023 when compared to the 2.1 percent of positive growth rate recorded in the second quarter of 2022.

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.

According to the external trade statistics of Central Bank of Sri Lanka (CBSL), the total import expenditure for the second quarter of 2023 has decreased to Rs. 1,327,257 million from Rs. 1,505,533 million reported for the second quarter of 2022, by 11.8 percent. Also, the value of consumer goods import expenditure has increased to Rs. 250,933 million by 23.9 percent during this quarter over the value of Rs. 202,463 million reported in the same quarter of 2022. According to the trade indices released by the Central Bank of Sri Lanka, the import volume index value of consumer goods has increased by 16.7 percent. Further, the total import volume index has also increased by 8.6 percent during the second quarter of 2023 when compared with the value of the same quarter in 2022.

Moreover, according to the external trade statistics of CBSL, the total export value to the rest of the world has been decreased by 21.5 percent during the second quarter of 2023, when compared to the second quarter in 2022. According to the CBSL trade indices, the total export volume index has decreased by 7.2 percent. Among the exports, the volume indices of agricultural exports and the industrial exports have decreased by 4.6 percent and 7.6 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 2023, land transport activity further recorded a positive growth rate. Passenger and goods transport services have contributed more to this positive growth. Passenger kilometres of private buses has increased by 26.9 percent while passenger kilometres of CTB and Railway reported negative growth rates of 8.2 percent and 13.1 percent respectively. Air transport also recorded positive growth rate and passenger kilometres of Sri Lankan Airlines has increased by 11.1 percent during this quarter. Further, support activities including warehousing for transportation also recorded a positive growth by 6.8 in this quarter. As a whole, transport activity has recorded 5.4 percent positive growth rate in this quarter.

The sub activity of 'Postal and courier activities' recorded a 3.2 percent growth in the second quarter of 2023 compared to the same quarter of last year. This quarter 'courier activities' was the main contributor to the aforementioned positive growth.

The 'Accommodation, food and beverage serving' activities reported 34.2 percent of positive growth rate in the second quarter of the year 2023 when compared to the 33.9 percent positive growth rate recorded in the second quarter of 2022. According to the reports of the Sri Lanka Tourism Development Authority (SLTDA) 289,195 foreign tourists have arrived during the second quarter of 2023 against the 126,043 foreign tourists reported in the second quarter of 2022. And also, according to the quarterly financial statements of listed hotel companies registered in the Colombo Stock Exchange of Sri Lanka, the quarterly turnover of those hotels in the second quarter of 2023 has grown by 52.7 percent compared to the quarterly turnover of the second quarter of 2022.

The sub activity of 'Programming and broadcasting activities and audio video productions' reported a 6.2 percent expansion in the second quarter of 2023 with compared to the same quarter of previous year.

In the second quarter of 2023, 'Telecommunication' activity has recorded a contraction of 4.4 percent against the expansion of 5.9 percent recorded in the same quarter of 2022. This activity has experienced high growth rates throughout the last few years. However, the wireless landline connections and mobile phone connections have decreased by 19.4 percent and 5.3 percent respectively in this quarter. Further, the number of connections using the internet and e-mail has also decreased by 1.0 percent during this period.

The 'IT programming and consultancy related activities' including Information Technology (IT) and Information Technology Enabled Services (ITES) sectors which correspond to 1.9 percent of share to the GDP, has reported a contraction of 8.5 percent in their generated value added in the second quarter of 2023, when compared to the second quarter of 2022. 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, the export revenue of computer services in USD terms has decreased from \$ Mn 276 to \$ Mn 236 by 14.3 percent during the second quarter of 2023 when compared to the corresponding quarter of 2022. In addition, in the second quarter of 2023, the credit value of export revenue from computer services in LKR term as well has decreased to Rs. Mn 73,474 from Rs. Mn 95,496 in the second quarter of 2023, when compared to the same quarter of 2022. This is due to the appreciation of the Sri Lankan Rupee against US dollar during the recent quarters.

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 18.8 percent negative growth rate in this quarter. This was due to the increase in the NCPI by 21.5 percent during the second quarter of 2023. The financial sector indicated a value added of Rs. 111,228 million at constant price in this quarter compared to the Rs. 137,026 million recorded in the second quarter of 2022. The behaviour of financial services reflects through the values of loans, advances and total deposits. The value of loans & advances of financial institutions has recorded a decrease of 10.1 percent and the value of deposits of financial institutions has recorded an increase of 5.6 percent in this quarter. 'Average Weighted Lending Rate' (AWLR) and 'Average Weighted Deposit Rate' (AWDR) compiled by Central Bank of Sri Lanka recorded 17.5 percent and 15.1 percent respectively in the second quarter of 2023.

The real value added of 'Insurance, reinsurance and pension funding' has reported a decline of 1.3 percent in this quarter compared to the decrease of 45.9 percent reported in the second quarter of the last year. The usage of this activity is represented by the total of the values of premiums and the claim incurred and which has increased by 16.3 percent. And also, the NCPI has increased by 21.5 percent in this quarter.

The 'Real Estate Activities including Ownership of dwellings' decreased by 2.5 percent in the second quarter of 2023, compared to the second quarter of 2022. This activity reported a value addition of Rs.118,121 million in real terms to the total GDP, sharing 4.3 percent at nominal terms.

The activity of 'Professional services' has contributed Rs.52,386 million at constant (2015) price and 32.1 percent increase 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 decreased by 9.3 percent compared to the same quarter of 2022.

The human health services sector experienced a decline in the second quarter of 2023. The growth rate for this sector was recorded as negative value of 2.6 percent, indicating a contraction in economic activity compared to the same period in the previous year. This decline in the human health services sector is concerning as it reflects the challenges and disruptions faced by the industry. The negative growth rate suggests a decline in the production of goods and services within this sector, which encompasses healthcare facilities, hospitals, clinics, pharmaceuticals, and related services. According to the second quarter (April to June) financial statements of listed companies of major six hospitals in the country which are registered at 'Colombo Stock Exchange', the reported nominal value of quarterly turnover of hospitals altogether has been increased by 23.9 percent

during this second quarter when compared to the financial statements of the same quarter (April to June) in the year 2022. In addition, e-channelling services have been expanded at a rate of 47.0 percent during this quarter. However, during this quarter, the health sub-index of National Consumer Price Index, has been increased by 36.4 percent from the index value of 185.1 to 252.5. It shows the sharp increase in the price levels in the health sector of second quarter 2023 compared to the second quarter 2022.


The 'Other personal service activities', which contributes 5.2 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 second quarter of 2022, a slight growth of 1.3 percent is recorded due to the limitation of the number of people who come to avail of these services due to the increase in the price of goods.

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The Mission of DCS

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