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Press Release

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Statistics Department

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Provincial Gross Domestic Product – 2011

- 1) Provincial Gross Domestic Product (PGDP) for 2011 has been computed by the Statistics Department of Central Bank of Sri Lanka (CBSL), based on the disaggregation of the Gross Domestic Product (GDP) estimated by the Department of Census and Statistics (DCS). In the estimation of PGDP for the provinces, the value of each line item in GDP is apportioned using relevant indicators at provincial level.
- 2) In 2011, the GDP at constant prices (real terms) grew by 8.3 per cent, while the GDP at current market prices (nominal terms) grew by 16.7 per cent and amounted to Rs. 6,543 billion with a per capita income of Rs. 313,511 (US \$ 2,836). The disaggregation of GDP at current market prices across provinces is given in Table 1.

Table 1

**Salient Features of the Gross Domestic Product (at current market prices) by Provinces
- 2010¹ and 2011²**

Item/Province	Year	Western	Central	Southern	Northern	Eastern	North Western	North Central	Uva	Sigauwa	Island
GDP (Rs.Bn)	2010	2,513	563	599	190	334	535	267	253	351	5,604
	2011	2,905	644	727	241	375	652	300	292	406	6,543
GDP Growth (%)	2010	13.4	18.9	17.7	21.8	19.5	14.8	20.6	15.5	19.1	15.9
	2011	15.6	14.5	21.4	27.1	12.4	21.9	12.4	15.5	15.7	16.7
GDP Share (%)	2010	44.8	10.0	10.7	3.4	6.0	9.5	4.8	4.5	6.3	100
	2011	44.4	9.8	11.1	3.7	5.7	10.0	4.6	4.5	6.2	100
Per capita income ³ (Rs '000)	2010	428	209	240	159	214	228	215	191	181	271
	2011	491	237	289	200	237	276	239	218	207	314
Per capita income ratio ⁴	2010	1.6	0.8	0.9	0.6	0.8	0.8	0.8	0.7	0.7	1.0
	2011	1.6	0.8	0.9	0.6	0.8	0.9	0.8	0.7	0.7	1.0

1. Revised
2. Provisional
3. Calculated using mid-year population estimates prepared by the Registrar General's Department
4. Ratio between per capita income of the province to that of all Island

3) Continuing the trend observed in the recent past, the share of the Western province in the GDP, declined further in 2011 reducing disparities between provinces. However, the PGDP of the Western province also grew at a healthy rate of 15.6 per cent largely underpinned by the expansion in manufacturing and trade. The Northern province recorded the highest nominal growth rate and increased its share of the national economy driven by an expansion in agriculture, fishing, construction, transportation and financial services. The North Western and Southern provinces had the next highest growth rates and also increased their share of the GDP. These two provinces benefitted from greater contributions from trade, manufacturing, financial services and transport while the Southern province largely benefitted from the high growth momentum in the construction sector. The nominal growth rates in the Eastern and North Central provinces moderated and recorded a decline in their shares of the GDP, due to a setback in the Agriculture sector as a consequence of adverse weather conditions that prevailed in the first quarter of 2011. The nominal growth of the Central province GDP also decelerated and its share declined, with the drop in hydro - power generation in the second half of 2011.

Provincial GDP Growth Rates

- 4) All provinces recorded double digit nominal growth rates in their PGDP in 2011. The Northern province recorded the highest growth rate of 27.1 per cent, in nominal terms, in 2011. The PGDPs of North Western and Southern provinces grew by 21.9 per cent and 21.4 per cent, respectively. However, the growth rates of the Eastern, North Central, Central and Sabaragamuwa provinces decelerated in 2011 compared to 2010.

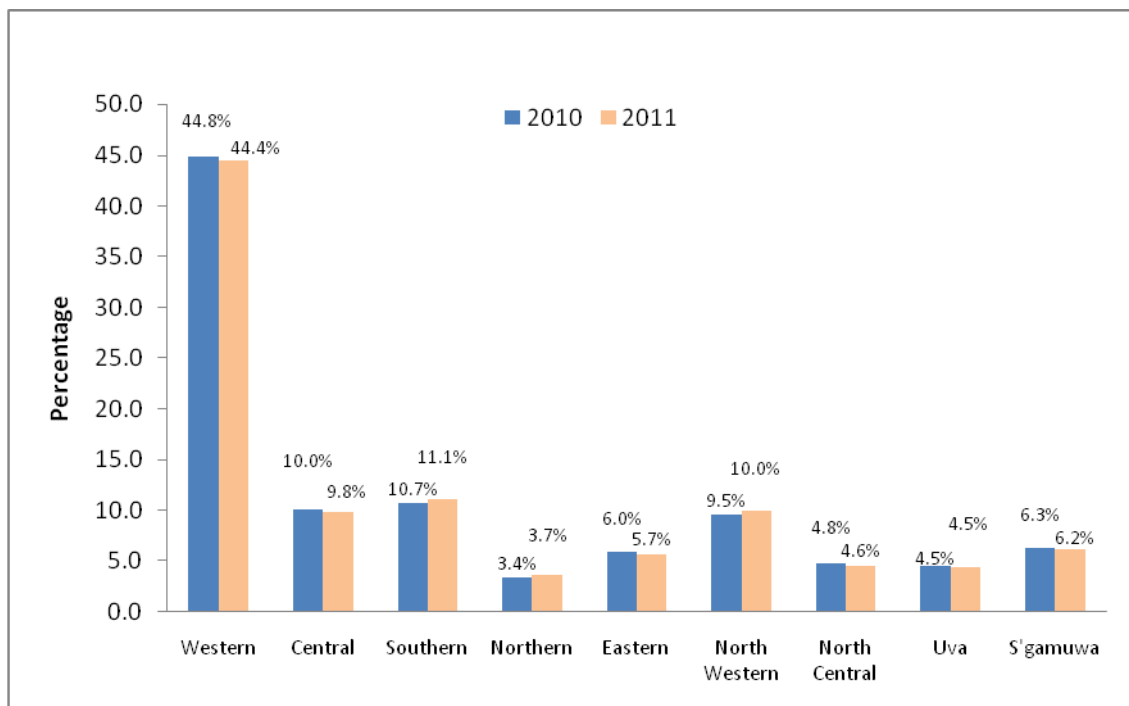
The main reason for the high growth in the Northern province was the improved performance in the agriculture sector. The paddy production of the Northern province increased by 90 per cent to 210 million kilograms in 2011 compared to 2010. Significant increases in both inland and marine fish production in the Northern province also contributed to this high growth in 2011. The marine and inland fish production of the Northern province increased by 38 per cent and 165 per cent to 46,370 and 2,150 metric tons, respectively in 2011. This high growth witnessed in the Northern province was also supported by the expansion of banking services, with 34 new branches established in 2011. The increased economic activities due to major infrastructure development projects including Southern highway, Mattala airport and Hambantota port, as well as better performance in the tourism sector contributed largely to the high growth of 21.4 per cent in the Southern province GDP. The noticeable growth in the manufacturing sector and financial sector helped the North Western province to record 21.9 per cent growth in its GDP in 2011. Meanwhile, Eastern, North Central, Central and Sabaragamuwa provinces have shown a marginal deceleration in their growth rates in 2011. Adverse weather conditions that prevailed during the first quarter of 2011, adversely affected the performance in agriculture sector in both Eastern and North Central provinces. Paddy production of Eastern and North Central provinces decreased by 39 per cent and 3 per cent to 650 and 1,144 million kilograms, respectively, in 2011. In addition, vegetable production in both Eastern and North Central provinces dropped by 33 per cent and 7 per cent respectively while highland crop production of Eastern and North Central provinces decreased by 12 per cent and 33 per cent respectively in 2011. Setbacks observed in hydro-

power generation in the second half of 2011 affected to the performance of the Central province. Hydro-power generated from the major power stations located in the Central province dropped by 21 per cent to 3,350 GWh in 2011 reducing the value addition in the manufacturing sector of the province.

Provincial GDP Shares in overall GDP in 2011

- 5) Reflecting high growth performances in other provinces, the share of the Western province to the overall GDP declined to 44.4 per cent in 2011 from 44.8 per cent in 2010. The Southern province accounted for the second highest contribution of 11.1 per cent in 2011, compared to 10.7 per cent in 2010. The third highest contribution to the country's GDP came from the North Western province, which was 10.0 per cent in 2011 compared to 9.5 per cent in the previous year. The contribution of the Northern province to GDP increased to 3.7 per cent in 2011 from 3.4 per cent in 2010. However, the shares of the Central, Eastern, North Central and Sabaragamuwa provinces declined to 9.8 per cent, 5.7 per cent, 4.6 per cent and 6.2 per cent, respectively, in 2011. The contribution of the Uva province remained unchanged in 2011.

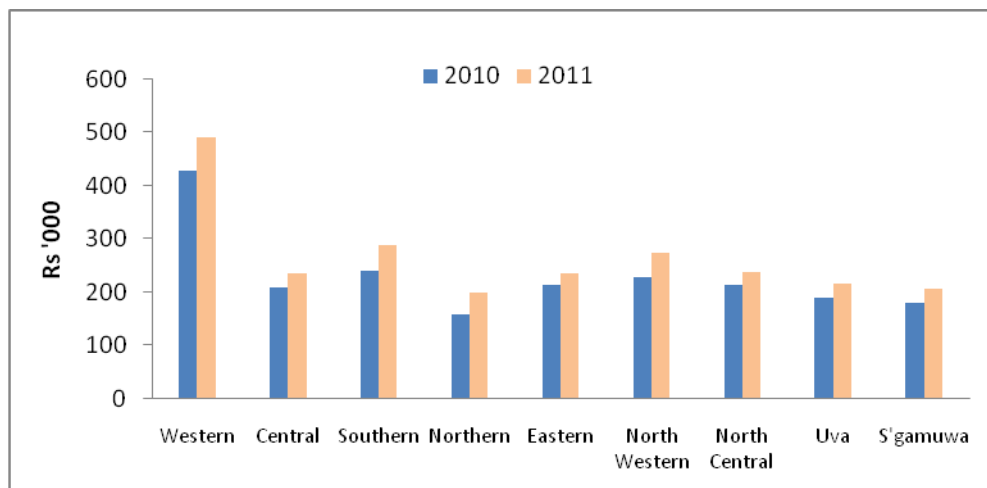
Chart 1
Share of PGDP in the overall GDP



Provincial Per Capita Income

- 6) Per capita of all provinces have increased in 2011. The per capita income of the Western province at Rs. 490,724 was 1.6 times the national per capita income in 2011. The per capita income in all other provinces remained below the national average of Rs. 313,511.

Chart 2
Per Capita Income by Province



Sectoral Contributions to the PGDP

- 7) There were considerable variations in the structure of the PGDP across the provinces. The Agriculture sector accounted for around 3 per cent of the GDP in the Western province in 2011, whereas it accounted for 15 - 30 per cent of the GDP in the other provinces. The contribution of the Agriculture sector to the PGDP decreased in all provinces in 2011, except the Western and Northern provinces. The Industry sector contribution to PGDP increased in 2011 in all provinces, except for Central and North Western provinces. As in 2010, the largest contribution to PGDP from industry sector was observed in the Southern province. The Services sector was the most dominant sector accounting for between 49.6 per cent and 64.1 per cent of the PGDP in different provinces. The contribution from the Services sector declined in the Western and Northern provinces, but increased in all other provinces during 2011.

Table 2
GDP Composition of the Provinces

Sector	Year	Western	Central	Southern	Northern	Eastern	North Western	North Central	Uva	S'gamuwa	Island
Agriculture	2010	3.0	18.1	16.7	16.3	22.1	18.2	29.0	32.5	22.2	12.8
	2011	3.2	17.6	15.4	24.2	16.2	17.0	23.3	30.1	21.0	12.1
Industry	2010	31.9	28.7	34.5	15.2	29.5	30.3	20.6	19.4	24.3	29.4
	2011	32.7	26.5	35.0	18.7	31.6	29.7	21.7	19.6	25.4	29.9
Services	2010	65.0	53.3	48.8	68.5	48.4	51.4	50.5	48.1	53.5	57.8
	2011	64.1	55.9	49.6	57.1	52.2	53.3	55.0	50.4	53.6	58.0