



National Output, Expenditure and Employment

The Sri Lankan economy grew by 8.0% during the first half of 2021, recovering from the contraction of 9.1% recorded during the corresponding period of 2020, amidst the headwinds from the renewed flare-ups of the COVID-19 pandemic. Higher growth recorded during the first half of the year was largely supported by focused restrictive measures, which provided more room for conducting economic activities and the favourable base effect, which resulted from the significant contraction in the economy during the corresponding period of 2020 due to the stiff restrictions on mobility imposed countrywide. Accordingly, all three major economic activities, namely Services, Industry and Agriculture expanded during the first half of 2021. Further, both investment and consumption expenditure increased during this period while net external demand deteriorated. Reflecting the increase in economic activities, several labour market indicators showed improvements during the first half of 2021, compared to the corresponding period of 2020.

2.1 Output

The economy grew at a healthy rate of 8.0% during the first half of 2021 amidst the disturbances which emanated from the third wave of the pandemic, compared to the contraction of 9.1% recorded in the corresponding period of 2020. This higher growth was fuelled by the favourable growth recorded in the first quarter of 2021 and the double digit economic growth recorded in the second quarter of 2021. All three major economic activities recorded substantial growth rates during the first half of the year with Industry activities being the major contributor. Accordingly, Industry, Services and Agriculture activities grew by 12.1%, 5.1% and 7.1%, respectively, during the first half of the year.

Industry activities drove the economy during the first half of the year, followed by the favourable contribution of Services and Agriculture activities...

Services

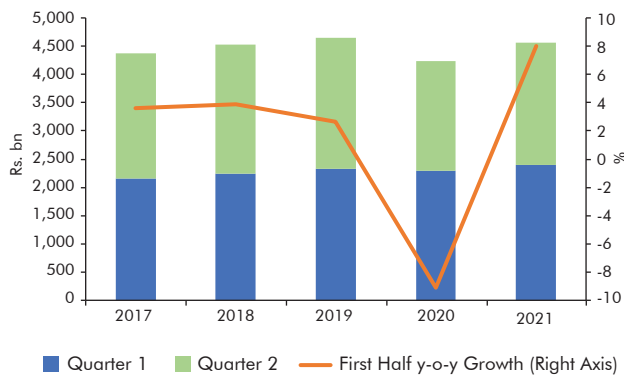
Services activities were largely supported by the expansion in financial services, transportation, wholesale and retail trade, real estate and other personal service activities. Further, telecommunication, and IT programming and consultancy activities also recorded favourable double digit growth rates during the period. However, accommodation, food and beverage services contracted during the first half of the year.

Wholesale and retail trade, transportation and storage, accommodation, food and beverage service activities grew by 3.7% during the first half of 2021, compared to 8.6% contraction recorded in the corresponding period of 2020. This growth was mainly attributable to the expansion in transportation of goods and passengers including warehousing activities by 8.1% per cent during the first half of 2021. Meanwhile, wholesale and retail trade activities also expanded by 2.3% during this period. However, accommodation, food and beverage service activities contracted by 13.4% during the first half of 2021, due to continuous disturbances that prevailed worldwide for tourism activities with the recurring waves of the pandemic.

Information and communication activities grew by a higher rate of 18.9% during the first half of 2021, compared to 13.4% growth recorded in the corresponding period of 2020. This higher growth was mainly attributable to the significant growth of 19.3% recorded in telecommunication activities during the first half of 2021, supported by greater demand for telecommunication services amidst the continuation of working-from-home and learning-from-home arrangements. Further, IT programming consultancy and related activities grew at a higher rate of 19.9% during the first half of 2021, reflecting the resilience of the IT/BPM industry, especially benefitting from higher demand owing to digital transformation under the new normal.

The growth in Services activities was mainly driven by financial services, transportation, and wholesale and retail trade activities...

Figure 2.1
First Half GDP at Constant (2010) Prices (a)



(a) The data are based on the base year 2010 GDP estimates

Source: Department of Census and Statistics

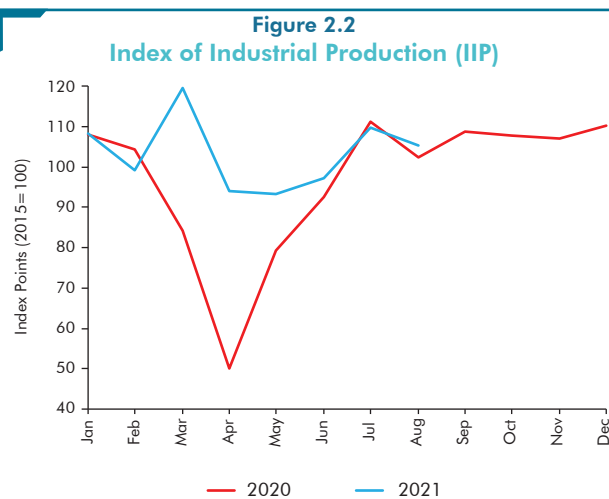
Financial, insurance, and real estate activities, including ownership of dwellings grew at a higher rate of 10.1% during the first half of 2021, compared to 1.3% growth in the corresponding period of 2020. This was mainly driven by higher growth of 13.8% recorded in financial service activities and auxiliary financial services during the first half of 2021. Further, real estate activities, including ownership of dwellings grew by 4.6% during this period.

Considering other Services related activities, other personal services, professional services, public administration, defence, education, human health and social work activities grew during the first half of 2021, compared to the corresponding period of 2020. Accordingly, other personal service activities recorded a growth of 2.2% during the first half of 2021, which recorded a substantial contraction during the same period of 2020. Further, human health activities, residential care and social work activities grew by 3.6% while public administration and defence related services recorded a growth of 1.2% during this period continuing the growing trend which prevailed during the first half of 2020, partly supported by the Government’s involvement in managing the COVID-19 pandemic.

Industry

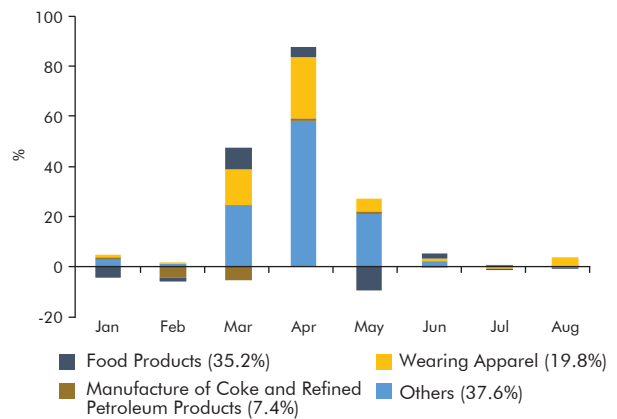
The expansion in Industry activities was mainly driven by the favourable growth in manufacturing activities. In the meantime, the recovery in construction, and mining and quarrying activities also contributed to the overall growth of Industry activities.

The performance of the Industry sector, as reflected in the y-o-y growth of the IIP, was largely facilitated by selective less-rigid mobility restrictions imposed from the latter part of April 2021 that allowed major industrial activity to continue without disruptions. Further, the COVID-19 vaccination drive that picked up pace especially from July 2021 also enabled the continuity of industrial activity, amid the third wave of the pandemic.



Source: Department of Census and Statistics

Figure 2.3
Contribution to y-o-y Change in IIP



Source: Department of Census and Statistics

Despite disruptions related to COVID-19, with the exception of February and July 2021, industrial production showed a y-o-y growing trend during the eight months ending August 2021.

The recovery in manufacturing, construction and mining activities induced the expansion in Industry activities...

Notably, the highest value of the IIP since its inception was reported in March 2021. Accordingly, the IIP for March 2021 stood at 119.6. Of the key sectors in the IIP, the manufacture of wearing apparel and manufacture of textiles categories were the key contributors to the upward trajectory of the index during this period. Overall, other key categories relating to the manufacture of food products, coke and refined petroleum products, rubber and plastic products and other non-metallic mineral products also contributed positively during this period, despite some minor occasional declines.

During the period thus far in 2021, there have been several initiatives spearheaded by the Government to uplift the Industry sector, especially in relation to improving the sector’s contribution to the productive capacity of the economy while also improving its export orientation. Recognising the need for a comprehensive and holistic policy document for industrial sector development, the Ministry of Industries initiated the formulation of the National Policy for Industrial Development. The document is expected to serve as a guiding framework for public and private industries

while also ensuring that the industrial development process is aligned with the Government’s National Policy Framework and gives due consideration to the SDGs.

The Ministry of Industries and the EDB were also engaged in policy initiatives targeted at industries that had been already earmarked by the Government. In this regard, approval was granted by the Cabinet of Ministers for the Standard Operating Procedure for the Automobile Manufacturing/Assembly Industry and Automobile Components Manufacturing Industry, while the preparation of the regulatory framework for the Boat Building industry was underway. Initiatives have also been taken to identify the skill gaps and training required to develop the Electrical and Electronics Industry in Sri Lanka.

The recent establishment of the National Innovation Agency is a welcome initiative to enable the harnessing and commercialisation of innovation across all spheres of the economy, which can pave way for the effective positioning of Sri Lanka in Global Value Chains.

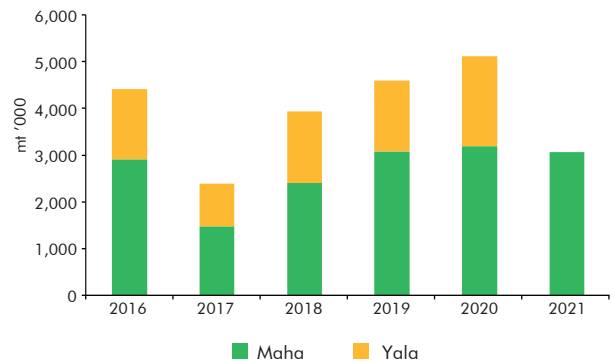
Agriculture

The expansion in Agriculture activities was driven mainly by the significant increases in growing of tea, animal production and growing of oleaginous fruits (including coconut) during the first half of the year. Further, growing of fruits, rubber, spices, other cereals, vegetables, and forestry and logging activities also contributed positively towards the expansion in overall Agriculture activities. However, growing of rice and other perennial crops contracted during this period.

The expansion in Agriculture activities was mainly driven by the growth in tea and animal production activities...

Paddy production in the 2020/21 Maha season declined by 4.2% in comparison to the bumper harvest recorded in the previous Maha season. On the other hand, tea and rubber production recorded a significant recovery in the eight months ending August 2021, supported by the favourable weather conditions and low base effect of last year. Accordingly, on a y-o-y basis, tea and rubber production grew by 17.9% and 12.1%, respectively, during the period from January to

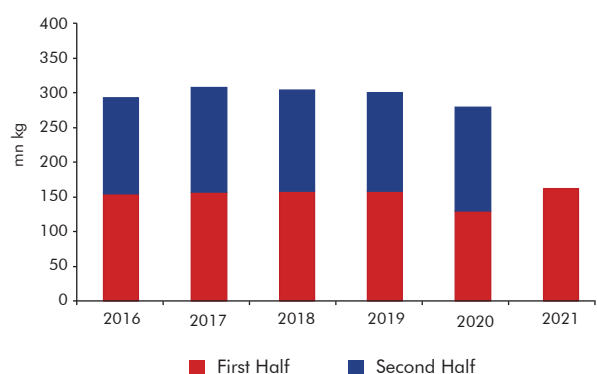
Figure 2.4
Paddy Production



Source: Department of Census and Statistics

August 2021. Tea production in all three elevations, namely, high grown, medium grown and low grown, increased during the eight months ending August 2021. Meanwhile, with the escalation of tea and rubber prices in the global market, FOB prices increased, y-o-y, for both tea and rubber. During January to August 2021, coconut production expanded by 10.1% supported by the lagged effects of favourable weather conditions that prevailed in the preceding year. However, fish production declined marginally by 0.2% on a y-o-y basis during the eight months ending August 2021 on account of the reduction in marine fish production by 2.2%. This was due to the disruptions that occurred in marine fish supply chains, particularly during the second wave of the pandemic, as well as due to the incident of a large vessel catching fire off the coast of Colombo, causing severe damage to marine resources. However, inland fishing activities registered a y-o-y growth of 6.8% during the eight months ending August 2021. Although vegetable production marginally declined in the first half of 2021, other field crop production recorded a notable y-o-y expansion of 39.6% with the increased production of big

Figure 2.5
Tea Production



Source: Sri Lanka Tea Board

onion, maize, black gram and green gram. The livestock sector fared well in the first half of 2021, with increased production of milk, eggs and poultry meat.

Amid the COVID-19 pandemic, with due consideration to supporting the livelihood of farmers while also ensuring food security and addressing longstanding environmental issues related to agriculture, the Government has undertaken several interventions during the year, thus far. One of the longstanding initiatives in this regard was the paddy purchasing programme, which was continued with the imposition of guaranteed prices of Rs. 50.00/kg for Nadu, Rs. 52.00/kg for Samba and Rs. 55.00/kg for Keeri Samba categories in order to provide fair prices for farmers. Meanwhile, the PMB applied a deduction of Rs. 8.00/kg from the guaranteed price for wet paddy. The PMB purchased around 45,000 mt of paddy stocks from the 2020/2021 Maha harvest while only around 6,786 mt were purchased in the 2021 Yala season. Meagre warehouse facilities, drying facilities, and transportation facilities of the PMB have weakened the Government’s paddy purchasing programme, limiting the Government’s ability to intervene and stabilise the prices in the market. With the concentration of market power among few millers and the MRPs for rice, shortages in rice supplies and sharp price escalations were observed in the local markets. Although an extraordinary gazette was issued on 02 September 2021 imposing MRPs of Rs. 103.00/kg for Samba and Rs. 98.00/kg for Nadu, the gazette was revoked at end September to avoid any further shortages and ensure consistent rice supply.

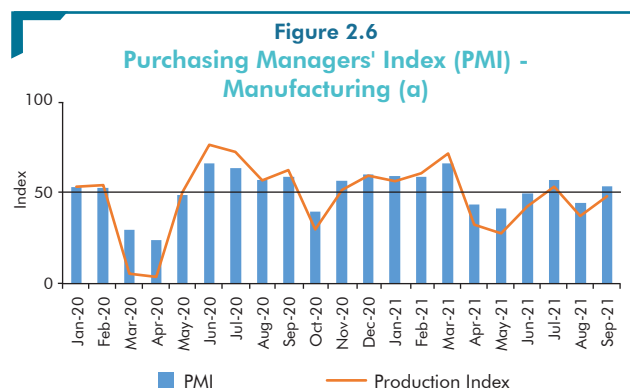
In line with the Government’s National Policy Framework, ‘*Vistas of Prosperity and Splendour*’, a ban was imposed on the importation of chemical fertilisers and other agrochemicals in May 2021 while promoting domestic organic fertiliser production with the aim of shifting the economy towards organic agriculture. Accordingly, farmers who produce and use organic fertiliser for their own paddy cultivation will be given an incentive of Rs. 12,500 per hectare, with a maximum of two hectares from the 2021/22 Maha season. However, considering widespread concerns among stakeholders on possible loss in food production, lower income for farmers, potentially higher food import costs and loss of foreign exchange earnings, and food security issues, particularly due to limited availability of organic fertiliser in the country, the Government has taken steps to import

advanced types of inorganic fertilisers, mineral fertilisers and agrochemicals for several crops, such as paddy, tea and coconut from the 2021/22 Maha season. Meanwhile, a Presidential Task Force for Green Agriculture was appointed in October 2021 with the aim of promoting organic agriculture especially via the formulation of a systematic programme for the sustainable maintenance of green agriculture, identification of suitable organic fertiliser for various crops and improving the quality of crops, and the production of pesticides and weedicides locally.

Production Side Developments as Reflected by the Purchasing Managers' Index (PMI) Surveys

The PMI for manufacturing activities denoted increases during the first half of 2021, except in the months of April, during which the seasonal demand normally declines, and in May, within which the resurgence of the third wave of the pandemic affected the economy. The expansion in the Manufacturing PMI during the first half was mainly driven by the m-o-m expansions in sub-indices related to Production and New Orders, especially driven by food and beverages, and textiles and wearing apparel sectors. During the third quarter, Manufacturing PMI increased in the month of

Both Manufacturing and Services PMIs expanded up to September during 2021, except in April, May and August while the expectations for the rest of the year remain favourable...



(a) PMI is based on a perception survey which captures monthly developments compared to the previous month. This is a diffusion index ranging from 0-100 where an index value above the neutral level of 50 denotes an expansion, while a value below 50 denotes a contraction in the respective activity in general.

Source: Central Bank of Sri Lanka

July at a higher rate particularly due to the expansion in the textiles and wearing apparel sector benefitting from the increase in export orders. However, the PMI contracted in August with the spread of the virus, and it bounced back in September to positive territory indicating an expansion on a m-o-m basis, mainly owing to an increase in new orders, particularly in the manufacture of textiles and wearing apparel and food and beverages sectors. Further, expectations for manufacturing activities for the next three months as per the September survey round remained at elevated levels, anticipating further improvements in economic conditions locally and globally with the gradual relaxation of restrictions and lessening of the pandemic situation.

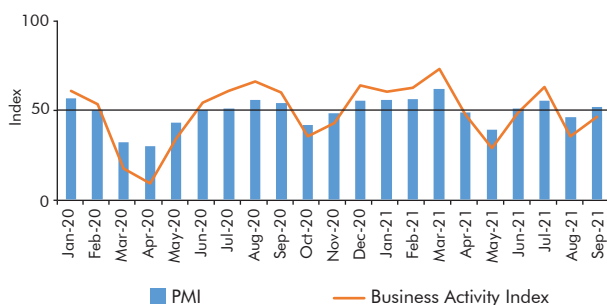
Meanwhile, PMI for Services activities recorded increases during the first half of the year, mainly underpinned by the expansion observed in New Businesses and Business Activities, besides the declines recorded in the months of April and May. During April, extensive holidays amidst the impact from the onset of the third wave of the COVID-19 pandemic towards the latter part of the month led to this moderation in Business Activities. In May, the drop in demand for non-essentials and constraints to business operations amid travel restrictions imposed to contain the spread of the third wave of the COVID-19 pandemic affected the growth of Services activities. Financial services denoted a healthy performance throughout the period while transportation, other personal services, and wholesale and retail activities benefitted from the favourable environment that prevailed during the first quarter. During the second quarter,

health services improved with the resurgence of the pandemic while transportation and accommodation services were unfavourably affected. At the beginning of the third quarter, business activities across most of the sub sectors increased in line with the relaxation of the travel restrictions while in August, Business Activities such as wholesale and retail trade, real estate, insurance and other personal activities, reported considerable declines indicating the adverse effects of reimposition of travel restrictions. However, the Services PMI returned to the expansionary path in September with improvements observed in transportation, solely related to freight forwarding, and financial services, education and telecommunication sub sectors. Further, Expectations for Business Activities for the next three months increased in September, indicating a favourable outlook for the fourth quarter of the year.

2.2 Expenditure

GDE, which is the aggregate of consumption and investment expenditure of the economy, grew at current market prices by a higher rate of 16.5% during the first half of 2021 in comparison to the contraction of 5.0% recorded in the corresponding period of 2020. This growth was largely driven by the 16.5% expansion observed in the consumption expenditure, which recorded a contraction of 2.9% in the corresponding period of 2020. Further, recovering from 11.4% contraction recorded during the first half of 2020, the investment expenditure grew by 16.7% during the corresponding period in 2021, contributing favourably to the growth achieved as well as the expected economic recovery. In the meantime, net external demand contracted significantly by 55.2% during the first half of 2021 due to the increase of import of goods and services at a higher rate of 29.4% in comparison to the 19.1% increase in export of goods and services during the period. Subsequently, GDP at current market prices grew by 13.8% during the first half of 2021, compared to the contraction of 6.8% recorded in the corresponding period of 2020.

Figure 2.7
Purchasing Managers' Index (PMI) - Services (a)

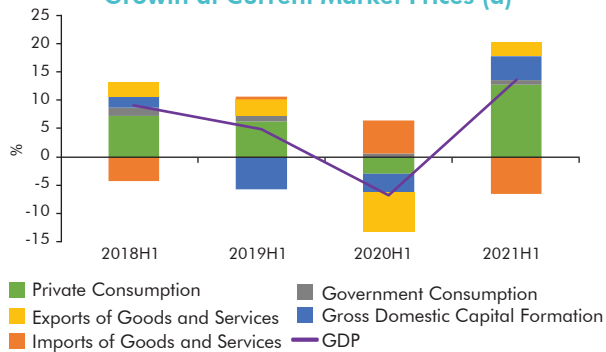


(a) PMI is based on a perception survey, which captures monthly developments compared to the previous month. This is a diffusion index ranging from 0-100 where an index value above the neutral level of 50 denotes an expansion, while a value below 50 denotes a contraction in the respective activity in general.

Source: Central Bank of Sri Lanka

GDE expanded during the first half of the year with a higher growth in both Consumption and Investment while Net External Demand deteriorated...

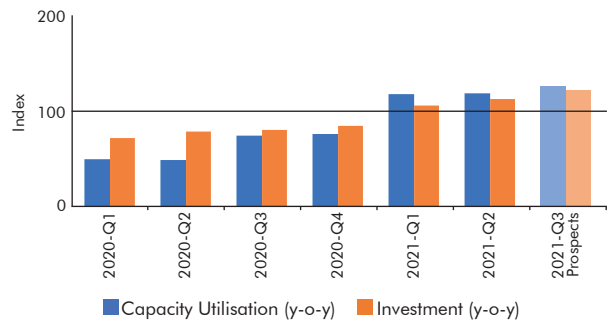
Figure 2.8
Expenditure Category-wise Contribution to GDP Growth at Current Market Prices (a)



(a) The data are based on the base year 2010 GDP estimates

Sources: Department of Census and Statistics
Central Bank of Sri Lanka

Figure 2.10
Investment and Capacity Utilisation Indices (a)



(a) These indices are derived from the Business Outlook Survey and ranges from 0-200 where an index value above the neutral level of 100 denotes an improvement, while a value below 100 denotes a deterioration in the business sentiment.

Source: Central Bank of Sri Lanka

Demand Side Developments as Reflected by the Business Outlook Survey (BOS)

As per the results of the BOS conducted by the CBSL on a quarterly basis, the balance of opinion on both demand and sales recorded an expansion during the first quarter as well as in the second quarter of 2021, compared to the corresponding periods of 2020. Further, the balance of opinion on capacity utilisation and investment also improved during the first and second quarters of 2021, compared to the corresponding periods of 2020, in line with the increase in sales and demand. Accordingly, the balance of opinion on demand, sales, investment and capacity utilisation improved, reflecting the higher economic growth achieved during the first half of the year. This improvement was mainly due to the strong seasonal demand that prevailed during the first quarter of 2021 compared to 2020 and the favourable developments in the economy during the second quarter of 2021 in comparison to the second quarter of last year where

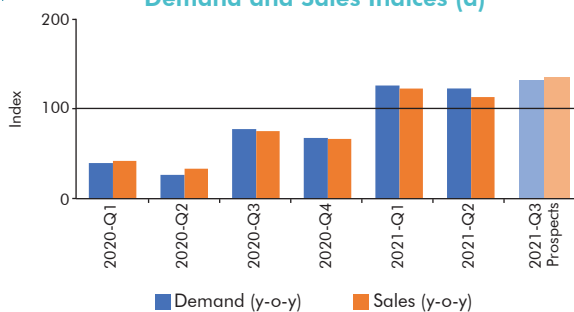
the demand side indicators were adversely affected owing to the islandwide lockdown. Moreover, demand and sales, investments as well as capacity utilisation are anticipated to increase during the third quarter, compared to the relevant period in the previous year reflecting the improved business prospects.

As per the BOS, key demand side indicators improved during the first half of the year, compared to the previous year, while prospects for the third quarter also remain elevated...

2.3 Employment

Most of the labour market indicators showed improvements in the first half of 2021, compared to the corresponding period of 2020, despite the resurgence

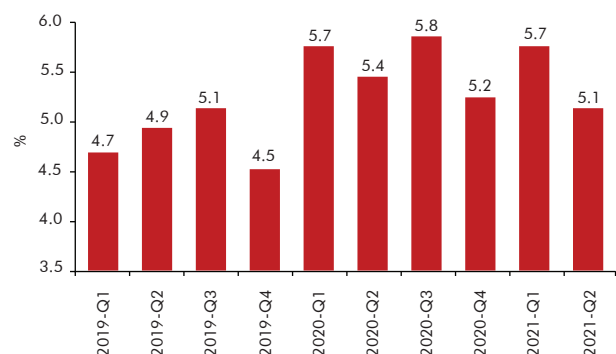
Figure 2.9
Demand and Sales Indices (a)



(a) These indices are derived from the Business Outlook Survey and ranges from 0-200 where an index value above the neutral level of 100 denotes an improvement, while a value below 100 denotes a deterioration in the business sentiment.

Source: Central Bank of Sri Lanka

Figure 2.11
Unemployment Rate



Source: Department of Census and Statistics

of the third wave of the pandemic during the second quarter of the year. Accordingly, the labour force, which is the economically active population, increased by 1.5% to 8.594 mn in the first half of 2021 from 8.469 mn recorded in the first half of 2020. However, the economically inactive population also increased at a higher pace to 8.466 mn in the first half of 2021 from 8.272 mn recorded in the corresponding period of the previous year due to the decrease in active job search amidst the spread of the third wave of the pandemic during the second quarter. Accordingly, the labour force participation rate, which is the ratio of the labour force to the household population, declined slightly to 50.4% in the first half of 2021 from 50.6% recorded in the first half of 2020. Nevertheless, the employed population increased by 1.7% to 8.131 mn in the first half of 2021 from 7.999 mn recorded in the corresponding period of 2020 reflecting an improvement in the creation of new employment opportunities during the period, yet remained below pre-pandemic levels. Consequently, the unemployment rate declined to 5.4% in the first half of 2021 from 5.6% recorded in the first half of 2020 also supported by the working age population moving out of the labour force amid the resurgence of COVID-19 and the imposition of travel restrictions. Accordingly, the unemployed population also declined to 0.463 mn in the first half of 2021 from 0.471 mn recorded in the first half of 2020. Following the trend observed during the first half of 2021, a further recovery in the labour market is expected in 2021 amid the anticipated growth in the economy.

“ Labour force and employed population increased, while the unemployment rate declined during the first half of 2021 compared to the corresponding period of the previous year...”

Departures for foreign employment declined by 24.1% to 30,797 in the first half of 2021 from 40,581 in the corresponding period of the previous year due to the higher number of departures that occurred during the first quarter of 2020. Male and female departures for foreign employment contributed by 63.8% and 36.2%, respectively, to the total departures for foreign employment in the first half of 2021. Meanwhile, in line with the decline in departures for foreign employment, departures under most skill categories, namely, middle level, clerical and related, skilled, semi-skilled, unskilled and housemaid, except for the professional category, declined during the first half of 2021, compared to the corresponding period of 2020.

“ An improvement in departures for foreign employment was observed during the first half of 2021 compared to the second half of 2020, yet remained below pre-pandemic levels...”

Table 2.1
Agriculture Production Index (2007-2010=100) (a)

Item	2020 First Half (b)	2021 First Half (c)	Change %
Agriculture and Fishing	120.7	122.1	1.2
1. Agriculture	120.3	121.1	0.7
1.1 Agriculture Crops	113.9	112.0	-1.7
Paddy	171.0	163.7	-4.2
Tea	83.7	103.7	23.9
Rubber	56.0	64.9	15.8
Coconut	95.3	105.3	10.5
Other Crops	110.7	89.1	-19.6
o/w Vegetables	150.1	144.8	-3.6
Other Field Crops	168.6	214.0	27.0
1.2 Livestock	170.5	193.2	13.3
2. Fisheries	122.7	127.0	3.5

(a) Excluding fruits sub sector
(b) Revised
(c) Provisional

Source: Central Bank of Sri Lanka

Table 2.2
Trends in Paddy and Rice Production

Category	Unit	2020 First Half (a)	2021 First Half (b)	Change %
1. Paddy Production	mt '000	3,197	3,061	-4.2
2. Net Extent Harvested	hectares '000	663	682	2.8
3. Yield Per Hectare (c)	kg/hectare	4,821	4,492	-6.8
		2020 Jan-Aug (a)	2021 Jan-Aug (b)	Change %
4. Paddy Price				
Samba	Rs./kg	49.07	60.58	23.5
Nadu	Rs./kg	46.84	52.75	12.6
5. Rice - Retail Price				
Samba	Rs./kg	101.97	132.20	29.6
Nadu	Rs./kg	99.20	112.72	13.6
6. Rice Imports	mt '000	11	10	-11.4

(a) Revised
(b) Provisional
(c) Yield per hectare is calculated by dividing total production by net extent harvested.

Sources: Department of Census and Statistics
Hector Kobbekaduwa Agrarian Research
and Training Institute
Sri Lanka Customs
Central Bank of Sri Lanka

Table 2.3
Trends in Tea, Rubber and Coconut Production

Item	Unit	2020 Jan-Aug (a)	2021 Jan-Aug (b)	Change %
1. Tea				
1.1 Production (c)	kg mn	179	211	17.9
High Grown	kg mn	41	47	14.4
Medium Grown	kg mn	31	37	18.8
Low Grown	kg mn	107	127	18.9
1.2 Average Price				
Colombo Auction	Rs./kg	630.80	620.20	- 1.7
Export (FOB)	Rs./kg	858.25	925.90	7.9
2. Rubber				
2.1 Production	kg mn	50	56	12.1
Sheet	kg mn	25	28	12.1
Crepe	kg mn	9	10	11.7
Other	kg mn	16	18	12.3
2.2 Average Price				
Colombo Auction (RSS 1)	Rs./kg	309.24	448.60	45.1
Export (FOB)	Rs./kg	347.09	511.46	47.4
3. Coconut				
3.1 Production (d)	nuts mn	1,848	2,035	10.1
Desiccated Coconut (e)	nuts mn	157	182	15.8
Coconut Oil (e)	nuts mn	37	148	298.3
Virgin Coconut Oil (e)	nuts mn	124	130	4.4
Copra Exports (e)	nuts mn	5	2	-64.1
Fresh Nut (e)	nuts mn	11	9	-18.3
Coconut Cream, Milk Powder and Milk (e)	nuts mn	295	341	15.3
Domestic Nut Consumption (f)	nuts mn	1,218	1,223	0.4
3.2 Average Price				
Colombo Auction	Rs./nut	48.18	57.26	18.8
Retail	Rs./nut	70.20	84.74	20.7
Export (FOB) (g)	Rs./nut	49.69	66.45	33.7

(a) Revised

(b) Provisional

(c) Elevational categories - Low grown - 0 to 610 metres above Mean Sea Level (MSL)
Medium grown - 610 to 1,220 metres above MSL
High grown - over 1,220 metres above MSL

(d) Estimate (breakdown does not add up to total production due to adjustment for changes in stocks)

(e) In nut equivalent, converted at

1 mt Desiccated Coconut	8,960 nuts
1 mt Coconut Oil	9,250 nuts
1 mt Virgin Coconut Oil	13,700 nuts
1 mt Copra	5,500 nuts
1 mt Coconut Milk Powder	16,000 nuts
1 mt Coconut Cream	8,960 nuts
1 mt Coconut Milk	4,000 nuts

(f) Per capita consumption during 2010 - 2011 is estimated at 95.52 nuts per annum while that from 2012 onwards has been revised to 87.20 nuts per annum (excludes industrial usage)

(g) Three major coconut kernel products only

Sources: Sri Lanka Tea Board
Rubber Development Department
Coconut Development Authority
Department of Census and Statistics
Colombo Tea Brokers' Association
Ceylon Chamber of Commerce
Sri Lanka Customs
Central Bank of Sri Lanka

Table 2.4
Trends in Fish Production

Category	Unit	2020 Jan-Aug (a)	2021 Jan-Aug (b)	Change %
Production	kg mn	283	283	-0.2
Marine	kg mn	222	217	-2.2
Coastal and Lagoon	kg mn	126	117	-7.2
Off-shore	kg mn	96	100	4.5
Inland Fisheries	kg mn	61	65	6.8
Capture	kg mn	50	53	4.5
Aquaculture	kg mn	6	3	-49.4
Shrimp Farms	kg mn	4	9	115.1

(a) Revised
(b) Provisional

Source: Ministry of Fisheries

Table 2.5
Trends in Vegetables, Other Field Crops and Sugar Production

Category	Unit	2020 First Half (a)	2021 First Half (b)	Change %
1. Vegetables				
1.1 Production	mt '000	894	884	-1.1
1.2 Extent Cultivated	hectares '000	68	67	-1.5
2. Other Field Crops				
2.1 Production	mt '000	421	587	39.6
2.2 Extent Cultivated	hectares '000	110	149	34.6
3. Sugar				
3.1 Production	mt '000	32	28	-12.4
3.2 Extent Cultivated	hectares '000	13	14	11.5

(a) Revised
(b) Provisional

Sources: Department of Census and Statistics
Lanka Sugar Company (Pvt) Ltd. – Pelwatte Unit
Lanka Sugar Company (Pvt) Ltd. – Sevanagala Unit
Galoya (Hingurana) Sugar Industries Ltd.

Table 2.6
Livestock Sector Statistics

Sub sector	Unit	2020 First Half (a)	2021 First Half (b)	Change %
1. National Milk Production	mn litres	199	218	9.5
Cow Milk	mn litres	174	187	7.5
Buffalo Milk	mn litres	25	31	23.3
2. National Egg Production	mn	1,161	1,534	32.1
3. National Poultry Meat Production	mt '000	102	113	10.8

(a) Revised
(b) Provisional

Source: Department of Animal Production and Health

Table 2.7
Index of Industrial Production (IIP) (2015=100)

Item (a)	First Half 2020 (b)	First Half 2021 (b)	Change %	
			First Half 2019/20 (b)	First Half 2020/21 (b)
1. Manufacture of Food Products (35.2%)	106.8	105.9	3.4	-0.9
2. Manufacture of Beverages (3.8%)	80.9	105.8	-23.9	30.8
3. Manufacture of Tobacco Products (1.7%)	64.2	70.3	-21.2	9.5
4. Manufacture of Textiles (3.3%)	77.4	127.7	-24.9	65.0
5. Manufacture of Wearing Apparel (19.8%)	67.8	93.3	-42.2	37.7
6. Manufacture of Leather and Related Products (0.3%)	55.4	79.5	-49.2	43.6
7. Manufacture of Wood and Products of Wood and Cork, Except Furniture; Manufacture of Articles of Straw and Plaiting Material (0.2%)	68.1	88.2	-28.2	29.5
8. Manufacture of Paper and Paper Products (1.7%)	66.2	91.1	-29.2	37.5
9. Printing and Reproduction of Recorded Media (1.4%)	86.0	122.9	-14.8	43.0
10. Manufacture of Coke and Refined Petroleum Products (7.4%)	82.5	66.5	-20.3	-19.3
11. Manufacture of Chemicals and Chemical Products (4.1%)	78.8	89.2	-22.5	13.2
12. Manufacture of Basic Pharmaceutical Products and Pharmaceutical Preparations (0.1%)	96.8	116.1	5.0	19.9
13. Manufacture of Rubber and Plastic Products (5.7%)	60.0	102.0	-46.0	69.9
14. Manufacture of Other Non-metallic Mineral Products (7.8%)	92.6	131.2	-18.2	41.7
15. Manufacture of Basic Metals (2.4%)	94.3	134.0	-21.6	42.0
16. Manufacture of Fabricated Metal Products (Except Machinery and Equipment)(1.3%)	91.1	132.3	-15.9	45.2
17. Manufacture of Electrical Equipment (2.0%)	60.5	84.4	-31.0	39.5
18. Manufacture of Machinery and Equipment n.e.c. (0.7%)	87.4	120.7	-8.4	38.1
19. Manufacture of Furniture (0.8%)	59.6	79.7	-37.0	33.8
20. Other Manufacturing (0.3%)	56.6	69.6	-10.2	23.0
Index of Industrial Production	86.4	101.9	-19.0	18.0

(a) Weights applicable for each division are in parenthesis

Source: Department of Census and Statistics

(b) Provisional

Note: IIP is compiled by the Department of Census and Statistics with the base year 2015 and classified in accordance with the International Standard Industrial Classification (ISIC) Revision 4

Table 2.8
Expenditure on Gross Domestic Product at Current Market Prices (a)(b)

Item	2019 (c)	2020		2021	Change %	
		First Half (c)	Annual	First Half	First Half 2019/20 (c)	First Half 2020/21
1. Private Consumption Expenditure	10,485,180	4,949,351	10,589,745	5,837,538	-4.3	17.9
2. General Government Consumption Expenditure	1,416,989	737,789	1,556,489	787,317	6.9	6.7
3. Gross Domestic Capital Formation	4,030,195	1,638,583	3,778,482	1,911,599	-11.4	16.7
4. Exports of Goods and Services	3,472,337	1,188,516	2,483,056	1,415,818	-32.7	19.1
5. Less: Imports of Goods and Services	4,391,746	1,662,814	3,434,777	2,152,012	-21.9	29.4
Gross Domestic Product	15,012,953	6,851,425	14,972,995	7,800,259	-6.8	13.8

(a) The data are based on the base year 2010 GDP estimates

Sources: Department of Census and Statistics
Central Bank of Sri Lanka

(b) Provisional

(c) Revised

Table 2.9
Labour Force, Employment and Unemployment

Item	2019	2020		2021 (a)	
		First Half	Annual	First Half	Annual (Projections)
Household Population, '000 (Aged 15 years and above)	16,424	16,741	16,739	17,060 (b)	17,066
Labour Force, '000	8,592	8,469	8,467	8,594	8,576
Employed, '000	8,181	7,999	7,999	8,131 (b)	8,117
Unemployed, '000	411	471	468	463 (b)	458
Labour Force Participation Rate (% of Household Population)	52.3	50.6	50.6	50.4	50.3
Unemployment Rate (% of Labour Force)	4.8	5.6	5.5	5.4	5.3

(a) Provisional

(b) Estimated based on the data published in Special Data Dissemination Standard

Sources: Department of Census and Statistics
Central Bank of Sri Lanka

Abbreviations and Acronyms

bn	: Billion	mn	: Million
BOS	: Business Outlook Survey	m-o-m	: Month-on-Month
CBSL	: Central Bank of Sri Lanka	MRP	: Maximum Retail Price
DCS	: Department of Census and Statistics	MSL	: Mean Sea Level
EDB	: Export Development Board	Mt	: Metric Tonne
FOB	: Freight on Board	PMB	: Paddy Marketing Board
GDE	: Gross Domestic Expenditure	PMI	: Purchasing Managers' Index
GDP	: Gross Domestic Product	R&D	: Research and Development
H1	: First Half	SDGs	: Sustainable Development Goals
IIP	: Index of Industrial Production	VAT	: Value Added Tax
IT/BPM	: Information Technology/Business Process Management	y-o-y	: Year-on-Year

