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Contribution of medicinal plants to the National Income of Sri Lanka: A study in the Western Province

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Medicinal plants are being increasingly used both in traditional systems of medicines and for industrial purposes. In Sri Lanka, 35% of the total population depends on Ayurveda medicinal systems. However, the contribution of medicinal plants to the economy is not very obvious within the national accounts. The unavailability of such information may hinder the investment in medicinal plants. Therefore this study intends to estimate the contribution of medicinal plants towards the industrial and agricultural sectors of the national income of the Western Province.

Data collection was done using two surveys; a survey of the main industrial and government institutes included government Ayurvedic hospitals, central dispensaries, Ayurveda Cooperation and private industries which have more than a 100 employees and a household survey of 100 families. Both surveys recorded the usage, types and quantities and the prices of medicinal plants. The Output approach was followed to estimate the GDP. By estimating the production values, intermediate values were predicted using the proportions of intermediate values to production values of previous years. Contribution of medicinal plants to both industrial sectors and the agricultural sector was calculated.

Results revealed that selected institutes in the government and private sector which use medicinal plants make a contribution of 0.008 % (49Mn) to the GDP in the Western Province. It is 0.11% of the total industrial sector contribution in the province. Based on the household usage, there is 0.16% contribution towards the Western Province GDP. As a percentage of the Agricultural sector GDP, it is 5.85. Considering both industrial and agricultural sectors, medicinal plants contribute to 0.17% of the total GDP of the Western Province. The knowledge on the contribution of medicinal plants to the national income from various sectors is helpful to formulate necessary policies for conservation and sustainable utilization of medicinal plants.