



## News Release

### **Economy of Sri Lanka grew by 3.2 percent in the first quarter of 2018**

#### **National Accounts Estimates: 1<sup>st</sup> Quarter of 2018**

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The Department of Census and Statistics (DCS) Sri Lanka has released the estimated Gross Domestic Product (GDP) at current prices and at constant (2010) prices in Production Approach and other macroeconomic indicators for the first quarter of 2018.

Issuing a communiqué, on releasing National Accounts estimates for the first quarter of 2018, DCS states that economic growth rate for the first quarter of 2018 has been estimated as 3.2 percent. The Gross Domestic Product at constant (2010) prices for the first quarter of 2018 recorded as Rs.2, 223,856 million, and GDP reported for first the quarter of 2017 was Rs.2, 154,971 million.

The four major components of the economy: Agriculture, Industry, Services and Taxes less subsidies on products have contributed their shares to the GDP at current prices by 7.0 percent, 30.4 percent, 53.6 percent and 8.9 percent respectively for the first quarter of 2018.

In this quarter, the agricultural activities have expanded by 4.8 percent, while in the first quarter of 2017 it recorded as 4.4 percent contraction. Agriculture sector which recorded negative growth rates consecutively over several quarters due to unfavorable weather conditions, seems to be recovered and commenced recording positive growth rates since fourth quarter 2017. Industrial activities have expanded marginally, recording 1.0 percent of growth rate during this period. Service activities have further expanded by 4.4 percent in the first quarter 2018 compared to the same quarter in the year 2017.

Among the sub activities of Agriculture, 'Growing of Rice' has recorded 56.6 percent growth rate and 49.6 percent contraction was recorded in the first quarter of 2017. 'Growing of Cereals' (except rice), 'Growing of Vegetables', 'Growing of Tea', 'Growing of Fruits', 'Animal Production', 'Forestry and Logging' and 'Fresh water fishing and Fresh water aquaculture' have reported high growth rates of 40.2 percent, 22.3 percent, 10.6 percent, 6.0 percent, 5.4 percent, 3.2 percent and 37.4 percent respectively. In the meantime, the substantial negative growth of 13.5 percent was reported for 'Growing of Oleaginous Fruits' (including coconut) due to continuous drought prevailed throughout the coconut growing areas during the last year. The 'Growing of Rubber' and 'Marine fishing and Marine aquaculture' have also been contracted by 13.9 percent and 2.0 percent respectively in this quarter.

In the first quarter of 2018, the overall industry activities expanded by 1.0 percent. The manufacturing sector alone has expanded by 2.8 percent during this period, which was largely contributed by the growth of sub activities of 'Manufacture of Food, Beverages and Tobacco', 'Manufacture of Textile

and Wearing apparels and Leather related products', Manufacture of Wood and Wood products', 'Manufacture of Chemical products and Basic pharmaceutical products', Manufacture of Rubber and Plastic products', and 'Manufacture of Basic metals and Fabricated metal products'. These activities have reported positive growth rates of 5.2 percent, 4.7 percent, 11.9 percent, 6.1 percent, 7.9 percent and 9.1 percent respectively. However 'Construction' activity has contracted by 4.9 percent in this quarter compared to the first quarter of 2017. The sub activity of 'Electricity gas, steam and air conditioning supply' reported a significant growth of 10.2 percent in the first quarter of 2018, compared to the growth rate of 0.9 percent recorded in the first quarter of 2017.

The Service activities which contribute the highest share of 53.6 percent to the overall GDP grew by 4.4 percent during the first quarter of 2018, compared to the same quarter in year 2017. This performance was largely due to the expansion of sub activities of 'Wholesale and Retail Trade', 'Accommodation, Food and Beverage services', 'Telecommunication', 'Financial Services activities and auxiliary financial services', 'Real Estate activities including ownership of dwellings', 'Professional Services' and 'Other Personal Service activities'. These activities recorded significant growth rates of 5.4 percent, 7.6 percent, 11.1 percent and 12.2 percent, 4.9 percent, 3.9 percent and 5.0 percent respectively. 'Public administration and defense; compulsory social security' and 'Education services' reported contractions by 0.4 percent and 1.7 percent respectively.

Quarterly national accounts estimates are compiled mainly using the provisional estimates provided by the data providers. Based on the actual data received, the DCS has revised the third and fourth quarters of 2017 and the annual 2017 growth rates as 3.2 percent, 3.5 percent, and 3.3 percent respectively

DCS stated that a detailed report on the National Accounts estimates for the first quarter of 2018 has been published in the DCS website: [www.statistics.gov.lk](http://www.statistics.gov.lk).



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