



## **News Release**

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

#### **National Accounts Estimates of Sri Lanka 4<sup>th</sup> Quarter of 2018 and the year 2018**

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The Department of Census and Statistics (DCS) has released the estimated Gross Domestic Product (GDP) and other macroeconomic indicators for the fourth quarter of 2018 and for the year of 2018.

The Gross Domestic Product for Sri Lanka for the year of 2018 (January to December) at constant (2010) price has reached up to Rs. 9,644,728 million while GDP value reported for the year of 2017 was Rs. 9,344,839 million. Issuing a communiqué, DCS states that economic growth rate for the year of 2018 has been estimated as 3.2 percent.

The four major components of the economy; Agriculture, Industry, Services and Taxes less subsidies on products have contributed their share to the GDP at current price by 7.9 percent, 27.0 percent, 56.8 percent and 8.3 percent respectively for the year 2018.

During the year of 2018, Agricultural activities expanded favorably by 4.8 percent compared to the contraction of 0.4 percent reported in the year of 2017. The Industrial activities recorded slight positive expansion by 0.9 percent and Service activities reported 4.7 percent of outstanding growth during the year of 2018, compared to the year of 2017.

#### **Performance in Agriculture Activities**

Among the sub activities of Agriculture, most of the key agricultural activities have reported significant positive growth rates during the year 2018, compared to the previous year. The 'Growing of rice' which recorded 7.1 percent of negative growth rate in the year of 2017, has reported 33.9 percent of striking positive growth rate during the year 2018. In addition, 'Growing of fruits', 'Fresh water fishing', 'Growing of Oleaginous fruits; including coconut', 'Growing of Spices', 'Animal production', 'Growing of cereals' and 'Growing of vegetables' have reported positive growth rates of 11.2 percent, 7.1 percent, 6.3 percent, 5.3 percent, 4.7 percent, 2.8 percent and 2.6 percent respectively during the year 2018. However some agricultural activities recorded negative growth rates during the year. Among them, 'Marine fishing', 'Forestry and logging', 'Growing of tea' and 'Growing of rubber' activities contracted by 2.0 percent, 0.9 percent, 0.8 percent and 0.6 percent respectively during the year 2018, when compared to the previous year.

## Performance in Industrial Activities

The 'Industrial activities', which shared the GDP by 27.0 percent at current price, has continued to expand further at a slight rate of 0.9 percent, during the year 2018, when compared to the year 2017. The overall manufacturing activities have grown by 3.0 percent during the year of 2018, supported mainly by the sub activities of 'Manufacture of food, beverages and tobacco' and 'Manufacture of textile and wearing apparels', which recorded positive growth rates of 5.5 percent and 3.6 percent respectively during the year 2018. In addition, 'Manufacture of basic metal and fabricated metal products', 'Manufacture of other non-metallic mineral products' and 'Manufacture of rubber and plastic products' have reported significant positive growth rates of 7.1 percent and 6.7 percent and 2.4 percent respectively. However, 'Manufacture of coke and refined petroleum products', 'Manufacture of paper products' and 'Manufacture of machinery and equipments' activities reported negative growth rate of 8.2 percent, 4.1 percent and 1.4 percent during this year.

Among the 'Industrial activities', 'Electricity, gas, steam and air conditioning supply' and 'Water collection, treatment and supply' activities have recorded 4.1 percent and 4.0 percent growth rates respectively. 'Mining and quarrying' has declined by 5.1 percent during the year 2018, when compared to the year 2017. The 'Construction' activity, which corresponds to the highest share (7.3 percent) within the industry sector, contracted by a rate of 2.1 percent during the year 2018, when compared to the year of 2017.

## Performance in Service Activities

Among the three major activities (Agriculture, Industries and Services), the Services activities which corresponds to the highest contribution (56.8 percent) to the GDP, recorded a striking positive growth rate of 4.7 percent during the year 2018, when compared to the previous year.

The performance of the Services sector was underpinned specially by the sub activities of 'Financial service activities', 'IT programming and consultancy', 'Insurance activities', 'Telecommunication', 'Accommodation, food & beverage serving', 'Wholesale and Retail trade' and 'Other personal services' activities, and which reported significantly higher growth rates of 11.8 percent, 10.8 percent, 10.0 percent, 9.4 percent, 5.5 percent, 5.0 percent and 4.8 percent respectively compared to previous year. Meanwhile 'Programming and broadcasting activities', and 'Public administration and defense activities', have declined by 7.0 percent and 0.6 percent respectively during the year 2018, when compared to the year 2017.

## Performance in 4<sup>th</sup> quarter 2018

The DCS revealed that the GDP at constant price for the 4<sup>th</sup> quarter of 2018 has been estimated as Rs. 2,680,362 million registering 1.8 percent of growth rate compared to the 4<sup>th</sup> quarter of 2017. During the 4<sup>th</sup> quarter of 2018, the Agricultural activities have reported 4.5 percent of substantial expansion and Services activities have recorded remarkable positive growth rate of 4.3 percent. However during the last quarter of 2018, the Industrial activities have reported a negative growth rate of 3.6 percent.

Issuing a communiqué on releasing 2018 Annual and 4<sup>th</sup> Quarter National Accounts, DCS stated that a detailed report on the National Accounts estimates for the year 2018 have been published in the DCS website: [www.statistics.gov.lk](http://www.statistics.gov.lk).



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