



News Release

Sri Lanka recorded 1.6 percent of GDP growth rate in the second quarter of 2019

National Accounts Estimates of Sri Lanka; 2nd Quarter of 2019

Department of Census and Statistics

Ministry of Economic Reforms and Public Distribution

Tel: 94-11-2147071 Fax: 94-11-2877938 e-mail: national.accounts@statistics.gov.lk

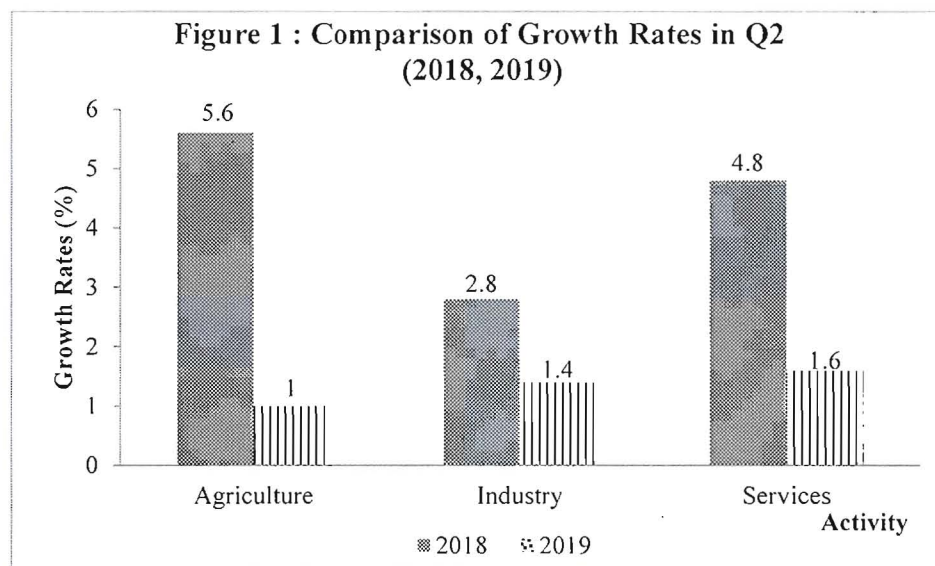
The Department of Census and Statistics (DCS) Sri Lanka, has released the estimated Gross Domestic Product (GDP) at current price and at constant (2010) price in Production approach and other macroeconomic indicators for the second quarter (April, May, June) of 2019.

National Accounts estimates of the second quarter 2019 reflect the impact of 'Easter Sunday Attack' hit on April 21st 2019. The service sector recorded the ever reported lowest growth rate for the second quarter series since 2010. The highest impacts are observed on 'Accommodation, food and beverage service activities' along with 'Transportation of goods and passengers including warehousing'. However, amidst most affected service activities, 'IT programming consultancy and related activities' has achieved a favorable increase in the growth rate in this period.

Issuing a communiqué, on releasing National Accounts Estimates for the second quarter of 2019, the DCS states that the GDP growth rate for the second quarter of 2019 has been estimated as 1.6 percent. The Gross Domestic Product for Sri Lanka for the second quarter of 2019 at current price and constant (2010) price have reached up to Rs.3,620,736 million and Rs.2,315,995 million respectively against the current and constant (2010) prices of Gross Domestic Product reported for the second quarter of 2018 which was recorded as Rs.3,490,538 million and Rs.2,280,019 million respectively.

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 prices by 7.4 percent, 25.8 percent, 59.5 percent and 7.4 percent respectively in the second quarter of

2019. During the second quarter of 2019, the Agriculture, Industry and Services activities continued to expand further by 1.0 percent, 1.4 percent and 1.6 percent respectively (Figure 1).



Among the sub activities of ‘Agriculture’, ‘Growing of Oleaginous fruits; including Coconut’ and ‘Fresh water fishing’ have reported an outstanding positive growth rates of 26.0 percent and 28.3 percent respectively in the second quarter of 2019 compared to the second quarter of 2018. ‘Growing of other perennial crops’, ‘Growing of rubber’, ‘Animal production’, ‘Growing of fruits’ and ‘Growing of tea’ have reported considerable positive growth rates of 8.0 percent, 4.7 percent, 3.4 percent, 2.5 percent and 1.3 percent respectively in the second quarter of 2019. According to the estimated paddy production for ‘Yala’ Season the ‘Activity of Growing of Rice’ showed a contraction of 1.2 percent. The heavy drop in maize production caused 3.3 percent contraction in ‘Growing of Cereals’. The unfavorable weather conditions and warnings issued by the Department of Meteorology have curtailed ‘Marine fishing activities by 5.1 percent.

In the second quarter of 2019, the overall industry activities have further expanded by 1.4 percent. In manufacturing activities, ‘Manufacture of textiles, wearing apparel and leather related products’, ‘Manufacture of other non-metallic mineral products’, ‘Manufacture of furniture’ and ‘Manufacture of coke and refined petroleum products’, showed positive growth rates of 6.2 percent, 4.8 percent and 4.8 percent and 2.4 percent, respectively. ‘Manufacture of food beverages and tobacco products’ has contracted slightly by 0.2 percent while ‘Manufacture of wood and wood products’, ‘Manufacture of paper products’, ‘Manufacture of basic metals products’ have contracted heavily in this quarter compared to 2018 by 24.4 percent, 11.8 percent, 12.5 percent respectively. When comparing other industry activities with the two respective quarters of 2018 and 2019, ‘Electricity, gas, steam and air conditioning supply’,

‘Water collection and treatment’, ‘Sewerage and waste treatment’ and ‘Construction’ activities have expanded considerably by 7.0 percent, 7.3 percent, 10.8 percent and 2.4 percent respectively. In the second quarter of 2019, ‘Mining and quarrying’ activity also reported a minor contraction of 0.5 percent.

During the second quarter of 2019, the performance of Services sector was underpinned specially by the sub activities of ‘IT programming consultancy and related activities’, ‘Financial service activities’, ‘Telecommunication’ and ‘Insurance, reinsurance and pension funding’ which reported significantly higher growth rates of 12.0 percent, 8.1 percent, 7.4 percent and 6.7 percent respectively compared to the second quarter 2018. The ‘Wholesale and retail trade’ expanded slightly by 1.3 percent in this period. The ‘Postal and courier activities’, ‘Professional services’, and ‘Other personal service activities also recorded growth rates of 2.8 percent, 1.6 percent and 1.5 percent respectively. An outstanding contraction of 9.9 percent was recorded in ‘Accommodation, food and beverages service activity. ‘Transportation of goods and passengers including ware housing’ also reported a considerable contraction of 1.5 percent in this quarter. Both ‘Human health activities’ and “Education ‘also reported slight contractions of 0.5 percent and 1.0 percent in the second quarter of 2019 compared to the second quarter of 2018.

According to the DCS, detail information of GDP estimates for the second quarter of 2019 has been published in the DCS website: www.statistics.gov.lk.



I.R.Bandara,

Director General