

News Release

Sri Lanka recorded 2.7 percent of Economic growth rate in the third quarter of 2019

National Accounts Estimates of Sri Lanka; 3rd Quarter of 2019

Department of Census & Statistics State Ministry of Economic Policy Development

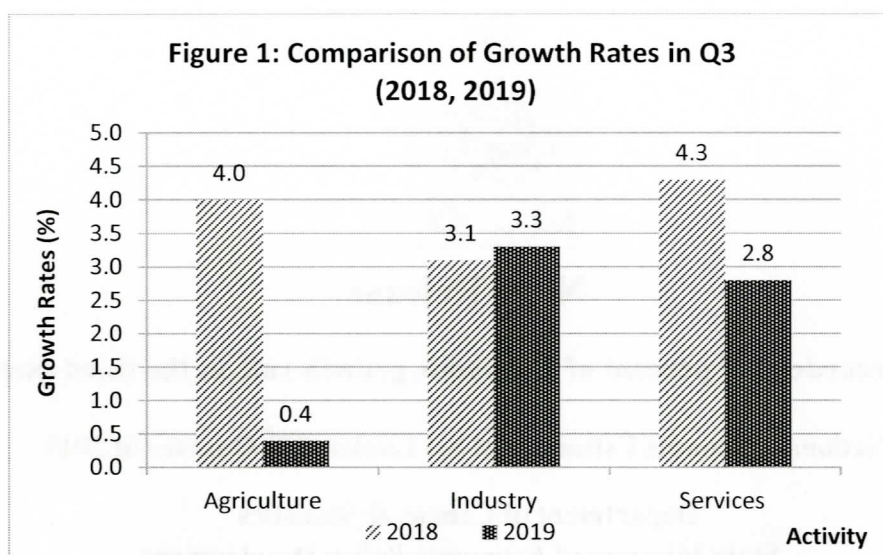
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The Department of Census and Statistics (DCS) Sri Lanka, has released the estimated Gross Domestic Product (GDP) at current price and at constant (2010) price in Production approach and other macroeconomic indicators for the third quarter (July, August,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

National Accounts Estimates of the third quarter 2019 still reflect the impact of 'Easter Sunday Attack' hit on April 21st 2019 specially in some services sector related economic activities. Accordingly, when compared with the third quarter of 2018 the 'Accommodation, food and beverage service activities' even in this quarter have contracted substantially showing the negative impact of Easter Sunday attack.

Issuing a communiqué, on releasing National Accounts Estimates for the third quarter of 2019, the DCS states that the GDP growth rate for the third quarter of 2019 has been estimated as 2.7 percent. The Gross Domestic Product for Sri Lanka for the third quarter of 2019 at current price and constant (2010) price have reached up to Rs.4,027,051 million and Rs.2,507,363 million respectively against the current and constant (2010) prices of Gross Domestic Product reported for the third quarter of 2018 which was recorded as Rs.3,692,822 million and Rs.2,441,796 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 6.9 percent, 26.8 percent, 60.0 percent and 6.2 percent respectively in the third quarter of 2019. During the third quarter of 2019, Industry and Services activities recorded substantial growth rates of 3.3 percent and 2.8 percent respectively, while Agriculture activities recorded a slight positive growth rate of 0.4 percent. (Figure 1)



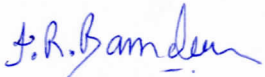
Among the sub activities of ‘Agriculture’, ‘Growing of Oleaginous fruits; including Coconut’, ‘Fresh water fishing’, ‘Growing of Tea’ and ‘Growing of Cereals’ have reported an outstanding positive growth rates of 13.9 percent, 10.9 percent, 10.0 percent and 8.1 percent respectively in the third quarter of 2019 compared to the third quarter of 2018. In addition, ‘Growing of Vegetables’, ‘Forestry and Logging’, ‘Growing of Fruits’ and ‘Growing of other perennial crops’ have reported considerable positive growth rates of 5.1 percent, 3.6 percent, 3.5 percent and 3.1 percent respectively in the third quarter of 2019. However some of major agriculture activities have reported negative growth rates in this quarter when compared to the same quarter in 2018. Among those sub activities ‘Growing of Rubber’, ‘Plant propagation’, ‘Marine fishing’, ‘Animal production’ and ‘Growing of Rice’ have reported a substantial contraction during this quarter by 19.9 percent, 13.7 percent, 8.2 percent, 6.2 percent and 4.3 percent respectively.

The ‘Industrial activities’, which shared the GDP by 26.8 percent at current price, has continued to expand further by 3.3 percent significantly. The overall manufacturing activities have grown by 2.5 percent during the third quarter of 2019, 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 5.0 percent and 5.1 percent respectively during this period. In addition, ‘Manufacture of other non-metallic mineral products’ have reported significant positive growth rate of 9.3 percent while ‘Manufacture of chemical products’ have reported slight positive growth rate of 1.5 percent during this quarter. However, performances of some of manufacturing activities have reported contraction during this quarter when compared to the third quarter of 2018. Specially ‘Manufacture of paper products’, ‘Manufacture of basic metal and fabricated metal products’, ‘Other manufacturing, repair, installation of machinery and equipment’ and ‘Manufacture of furniture’ activities reported negative growth rate of 8.2 percent, 7.3 percent, 6.1 percent and 5.3 percent respectively during this quarter.

Among the 'Industrial activities', 'Mining and quarrying' and 'Construction' which contributes high share of 2.2 percent and 6.7 percent to the GDP have reported considerable growth during this quarter by 5.0 percent and 4.6 percent respectively. In addition, 'Electricity, gas, steam and air conditioning supply', 'Water collection, treatment and supply' and 'Sewerage, waste treatment and supply' have recorded 1.5 percent, 4.9 percent and 8.5 percent of positive growth rates during this quarter.

In the third quarter of 2019, the 'Services' activities which gives the highest contribution to the GDP by 60.0 percent, have reported positive remarkable growth of 2.8 percent. This 2.8 percent of Services sector growth mainly driven by the Services activities of 'Wholesale and retail trade', 'Transportation of goods and passengers', 'Financial services' and 'Other personal services' which are the highest contributing services activities to the GDP. Those activities reported growth rates as 2.1 percent, 1.4 percent, 6.9 percent and 3.0 percent respectively. In addition, 'IT programming, consultancy and related services' even though its share to the GDP is low (0.2), have reported outstanding performance of 20.5 percent of growth rate during the third quarter of 2019, when compared to the same quarter in year 2018. Further the sub activity of 'Telecommunication' grew significantly by 11.1 percent during this quarter. However the sub activity of 'Accommodation, food and beverage serving activities' have reported a contraction by 7.5 percent during this quarter when compared to the third quarter of 2018, showing continuous adverse impact of Easter Sunday attack on tourism industry.

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



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Director General