



PRESS NOTE
ESTIMATES OF GROSS DOMESTIC
PRODUCT (GDP)
(2002 – Base Year)

1ST QUARTER OF 2015

THE DEPARTMENT OF CENSUS AND STATISTICS
MINISTRY OF POLICY PLANNING, ECONOMIC AFFAIRS, CHILD,
YOUTH AND CULTURAL AFFAIRS
SRI LANKA

The estimated Gross Domestic Product at constant (2002) prices and its related economic indicators are hereby released by the Department of Census and Statistics (DCS) Sri Lanka.

The total economic output of Sri Lanka as measured by Gross Domestic Product (GDP) for the first quarter of 2015 (January, February, March) reportedly increased up to Rs. Million 912,534. GDP reported for the first quarter of 2014 was Rs. Million 857,497 resulting a positive growth rate of 6.4 percent for the first quarter 2015.

The three main pillars of the economy, Agriculture, Industries and Services sectors has shared the GDP at constant price (2002) by 10.9 percent, 32.7 percent and 56.3 percent respectively in the first quarter of 2015.

The growth rates for the 2015 first quarter for these three sectors are 0.7 percent in 'Agriculture', 6.5 percent in 'Industries' and 7.5 percent in 'Services'.

The sub sectors which reported higher growth rates compared to the first quarter of 2014 are 'Tea' by 7.1 percent, 'Other food crops' by 4.9 percent, 'Coconut' by 2.6 percent, 'Mining and quarrying' by 11.3 percent, 'Manufacturing' by 6.6 percent, 'Electricity, gas and water' by 9.5 percent 'Construction' by 4.1 percent, 'Wholesale and retail trade' by 11.9 percent, 'Transport and communication' by 4.0 percent, 'Banking, insurance and real estate' by 5.8 percent and 'Government services' by 6.9 percent.

In the meantime the sub sectors of 'Rubber', 'Minor exports crops', 'Fishing' showed a negative growth rates as 12.8 percent, 21.1 percent and 3.8 percent respectively.

GDP implicit price deflator which measures the price change in the economy with respect to a specific base year (2002=100), increased to 285.7 in the first quarter of 2015 from 271.5 in the first quarter of 2014 recording a 5.2 percent of inflation rate for the first quarter of 2015.

The Colombo Consumer Price Index (CCPI) (2006/2007 = 100) increased to 180.1 in the first quarter of 2015, from 177.5 recorded in the first quarter of 2014, indicating a 1.4 percent inflation rate.

Agriculture Sector

The 'Agriculture, Livestock and Forestry' sub sector grew slightly by 1.3 percent and the 'Fishing' sub sector decreased by 3.8 percent in the first quarter of 2015 compared to that of the first quarter of 2014.

The value added of 'Tea' sub sector has increased significantly by 7.1 percent in the first quarter of 2015 compared to the drop of 2.3 percent reported in 2014 first quarter. New technologies used and the favorable weather conditions prevailed in tea growing areas increased the tea production in this quarter.

The Value added of 'Rubber' sub sector has reported a huge negative growth of 12.8 percent in the first quarter of 2015. The rubber production of the country has been continuously decreasing from first quarter of 2014. In the first quarter of 2014, growth rate of this sub sector reported a negative rate of 1.1 percent. The heavy rainfalls and low prices for latex rubber may be the reasons for observed negative growth rates.

The value added of 'Coconut' sub sector reported an increase by 2.6 percent for the first quarter of 2015, on the top of the 6.7 percent reported in first quarter of 2014. According to the Coconut Development Authority, the favorable weather condition prevailed in the coconut cultivation areas was the main reason for this improvement in the coconut production. The coconut production has increased by 1.5 percent during this period. The toddy production also showed a considerable increase of 10.8 percent in the first quarter of 2015 compared to that of the first quarter of 2014.

The value addition for 'Minor exports crops' indicated a huge drop of 21.1 percent in this quarter, compared to the 3.1 percent decline reported in the first quarter of 2014.

The value addition of 'Paddy production' has increased by 0.8 percent in the first quarter of 2015. This is a substantial increase compared to the 5.7 percent negative growth in 2014 first quarter. This increase was mainly due to the expansion of sown extent by 17.0 percent in 2014/2015 'Maha' season compared to 16.5 percent decrease in sown extent in the last 'Maha' season 2013/14.

The 'Livestock' sub sector showed a trivial decrease of 0.4 percent in the first quarter of 2015 compared to the 3.1 percent growth reported in 2014 first quarter.

The 'Other food crops' sub sector which includes highland crops, vegetables and fruits has recorded an increase of 4.9 percent in the first quarter of 2015. Favorable weather conditions prevailed throughout the 'Maha' season in 2013/2014 in those areas improved the growth of highland crops which resulted a substantial increase in the value added of 12.3 percent in first quarter of 2015.

Percentage growth in 'Plantation development' sector showed an increase of 2.1 percent in the first quarter of 2015 compared to that of the considerable drop of 7.4 percent reported in 2014 first quarter.

Growth rate of 1.6 percent was reported for 'Firewood and forestry' sub sector in the first quarter of 2015 compared to the drop of 5.9 percent reported in the first quarter of 2014.

The Value added of 'Fishing' sub sector also reported a considerable decline of 3.8 percent compared to the 13.3 percent increase reported in the first quarter of 2014. Inland fishing production has decreased extensively by 28.6 percent compared to the huge increase reported as 95.7 percent in the first quarter of 2014. According to the Ministry of Fisheries, releasing of fingerlings to the tanks has been substantially reduced in the last quarter and the extensive harvesting of stocks due to drought prevailed in tank areas in the latter part of the last year has been the main cause for the decrease of inland fish production reported in the first quarter of 2015.

Marine Fish production has shown a slight increase by 0.2 percent in the first quarter of 2015 compare to that of 6.2 percent increase reported in the first quarter of 2014.

Industry Sector

Industry sector which gives a contribution of 32.7 percent to the Gross Domestic Product at national level showed a percentage growth of 6.5 in the first quarter of 2015 compared to the growth of 12.6 percent shown at the first quarter of 2014. The 'Manufacturing' sub sector

which gives the highest contribution of 54.3 percent to the Industry sector has grown by 6.6 percent in this quarter compared to the value of first quarter in 2014.

In this quarter 'Mining and quarrying' sub sector showed a growth of 11.3 percent compared to the value of first quarter of 2014. Within this sub sector, 'Gem mining' and 'Other mining' have increased by 17.2 percent and 9.4 percent respectively. The gem export values and the quantity increased up by 35.0 percent and 18.1 percent in the first quarter of 2015.

'Processing industry' sub sector under 'Manufacturing sector' showed a growth of 3.8 percent in this quarter. The drop in the rubber production in this quarter is the key reason for this trivial growth rate experienced in the Processing Industry.

'Factory industry' sub sector has grown up by 7.0 percent in the first quarter of 2015. The major contributors of factory industry, 'Food beverages and tobacco' and 'Textile wearing apparels and leather products' showed growth rates of 9.6 percent and 10.4 percent respectively.

The 'Electricity, gas and water' sub sector showed 9.5 percent growth in the first quarter of 2015 compared to the first quarter of the last year. The major reason for this favorable growth is the, increase in value added of the 'Electricity', 'Gas' and 'water' sub sectors. Those sub sectors grew by 9.1 percent, 19.1 percent and 1.5 percent respectively in the first quarter of 2015. In this quarter the electricity power generation has shown a considerable growth of 4.8 percent. With compared to the first quarter of 2014, the percentage of hydro-power generation has increased by 83.0 percent and thermal power generation has decreased by 22.0 percent in the first quarter of 2015. Hence the existed ratio of 26:74 hydro and thermal power generation in the first quarter of 2014 has changed to 45:55 in the first quarter of 2015.

In real terms, the 'Construction' sub sector indicates 4.1 percent growth for first quarter of 2015 compared to the growth of 22.5 percent in the same quarter of the last year.

Service Sector

The Service sector which corresponds to highest share of 56.3 percent to the Gross Domestic Product and it has recorded a 7.5 percent increase in the first quarter of 2015. In 2014 first quarter, it showed 6.5 percent increase in this sector.

The 'Wholesale and retail trade' sector which gives the highest contribution of 40.6 to the service sector, recorded a relatively a higher growth of 11.9 percent in the first quarter of 2015, when compared to the growth of 8.3 percent recorded in the first quarter of 2014. The main three pillars of the 'Wholesale and retail trade sector', 'Export trade', 'Import trade' and 'Domestic trade' have grown by 2.9 percent, 19.0 percent and 10.8 percent respectively.

According to the Balance of Payment Statistics of Central Bank of Sri Lanka, export earnings has increased to Rs. Million 378,918 in the first quarter of 2015, from Rs. Million 368,151 in 2014 first quarter, indicating a slight growth of 2.9 percent. Compared to the first quarter of 2014, agricultural exports dropped by 5.1 percent and industrial exports grew by 6.8 percent. According to the Trade Indices of Central Bank of Sri Lanka, the export volume index has increased by 3.3 percent and the unit value index has decreased slightly by 0.3 percent in the first quarter of 2015.

The 'Import trade' sector increased highly by 19.0 percent in the first quarter of 2015 with compared to the 8.3 percent growth recorded in the first quarter of 2014. According to the Balance of Payment Statistics of Central Bank of Sri Lanka the total import expenditure in the first quarter of this year has increased to Rs. Million 634,338 from Rs. Million 620,660 in the same quarter of the last year, indicating a slight growth of 2.2 percent in this sector. According to the Trade Indices, it has shown a huge increase in import volume index by 16.5 percent and a sharp decrease in unit value index by 12.3 percent in the first quarter of 2015.

The 'Domestic trade' sector which recorded a 8.3 percent growth in the first quarter of 2014, further grew by 10.8 percent in this quarter.

In the first quarter of 2015, value added of 'Hotels and restaurant' sector recorded a slight growth of 2.6 percent. The tourist arrivals increased to 478,838 in the first quarter of 2015, from 421,501 in 2014 respective quarter and this amount to a growth of 13.6 percent.

The 'Transport and communication' sub sector indicated 4.0 percent growth in this quarter against the 7.3 percent growth in the reference period of year 2014. 'Passenger and goods

transportation', 'Cargo handling' and 'Post and telecommunication' sectors were grown up by 3.5 percent, 7.3 percent, and 6.8 percent respectively.

The new registration of buses and motor cars were increased by 187.9 percent and 192.8 percent respectively during this quarter. Passenger income and passenger kilometers of Ceylon Transport Board, has increased by 5.3 percent and 15.1 percent respectively compared to the first quarter of 2014.

Total container handling activities of Ports Authority has increased by 4.7 percent in this period.

Passenger kilometers flown and total revenue of Sri Lankan Air lines has increased by 7.7 percent and 9.8 percent respectively in the first quarter of 2015.

The 'Banking, insurance and real estate' sector recorded 5.8 percent growth in the first quarter of 2015 against 5.1 percent growth reported in the same quarter in 2014. Average Weighted Lending Rate (AWLR) and Average Weighted Deposit Rates (AWDR) were recorded as 11.5 percent and 5.83 percent respectively in the first quarter of 2015. These two indicators were recorded a negative growth rates as 11.7 percent and 20.9 percent respectively in the first quarter of 2014. Profit before tax of many banks and other financial companies showed a considerable increase in this quarter.

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