



**PRESS NOTE**  
**ON**  
**ANNUAL ESTIMATES OF**  
**GROSS DOMESTIC PRODUCT – 2009**

**THE DEPARTMENT OF CENSUS AND STATISTICS**  
**MINISTRY OF FINANCE AND PLANNING**  
**SRI LANKA.**

**The Gross Domestic Product (GDP) of Sri Lanka for the year 2009 at current and constant (2002) prices along with the corresponding estimates of expenditure components of the GDP is hereby released by the Department of Census & Statistics (DCS)**

The economic output of Sri Lanka as measured by Gross Domestic Product (GDP) for the year 2009 recorded a 3.5 percent growth. The major division of economic activities, namely, Agriculture, Industry and Services registered positive growth rates of 3.2 percent, 4.2 percent and 3.3 percent respectively. The economic activities which registered relative significant growth among the sectors in 2009 are, “Rubber” at 7.9 percent, “Vegetables” at 7.3 percent “Fishing” at 6.9 percent, “Other mining” at 18.1 percent, “Hotels and restaurants” at 13.3 percent, and “Post and Telecommunication” at 11.7 percent.

The percentage share of the three major sectors, the Agriculture, Industry and Services to the total GDP more or less remained unchanged being 12.0 percent, 28.6 percent and 59.3 percent respectively.

The estimated per-capita GDP at market prices (per capita income) for the reference year is Rs. 235,945 (US\$ 2053).

The Annual Average Inflation rate as measured by the Colombo Consumers’ price index indicated 3.4 percent in 2009 whereas it was 22.6 percent in 2008 which was the highest rate ever recorded after 2002, (the year the new base year was introduced). However, it should be noted that highest ever recorded drop of inflation since February 2004 was registered as low as 0.7 percent in the month of September 2009. GDP implicit price deflator

(2002=100) of 2009 has significantly dropped to 5.7 percent. Which is the lowest value after 2002.

The total investment rate for the year 2009 was 24.5 percent. However, the government investment ratio has marked increase of 6.6 percent in 2009 following 6.5 percent the year before. The gross saving was up 23.7 percent in 2009 compared with 17.3 percent relatively low rate in 2008.

Private Final Consumption Expenditure at current prices was estimated at Rs.3,103,806 million of 2009 as against Rs. 3,085,296 million in 2008. The Government Final Consumption Expenditure at current prices was estimated at Rs. 851,549 million in 2009 as against Rs. 713,788 million in 2008.

Gross Fixed Capital formation at current prices estimated at Rs.1,147,440 million of 2009, as against Rs. 1,115,310 million of 2008.

## **Agriculture**

Overall agriculture sector grew by 3.2 percent in 2009. The growth achieved is remarkable as it achieved amidst decrease of earnings from agricultural exports and prevailed drought weather conditions.

Tea sub sector, which decelerated for the first three quarter of 2009, picked up by 18.3 percent growth at end of the year. Although, the paddy sub-sector during “Yala season” registered a negative growth of 5.1 percent, the harvested paddy production in 2009 was the second best yield ever produced since 1952. It seems that the impediments and barriers which affected the agriculture and fisheries industry in many districts due to prevailed unrest, faded away swiftly with the end of terrorism.

## **Paddy Production**

The production received in the year 2009 was the second best harvest ever produced after 1952 and also the second best harvested land extent area for paddy cultivation . As the production figures for 2008 recorded a highest since 1952 the decline was visible in relation to 2008. The obtained paddy yield per acre for the 2009 was 83.5 bushels whereas it was 81.2 bushels in 2008. The paddy production in Eastern province increased by 10.5 percent which contributed 25.1 percent to the total paddy production of the country.

## **Tea Production**

Tea production shows a decline in the first 3 quarters of 2009, due to the global economic crisis and drought weather conditions. But in the fourth quarter it shows a remarkable increase of 18.3 percent due to the cessation of drought and increase in export prices.

## **Rubber Production**

The value added for the rubber production increased of 7.9 percent in 2009. Although the growth of first, second and the third quarter registered a slight decline the fourth quarter shows a significant growth of 22.3 percent.

## **Livestock Production**

The sub-sector of Livestock production for the year 2009 is 6.2 percent. The growth of this sector was 5.6 percent in 2008. The milk production recorded an increase in production from 208.1 million liters to 233.3 million liters for the year 2009 signifying 12.1 percent growth. The consolidated defence stance in the East, the North Central Province and specially in Monaragala district

has led the livestock farming activities to grow. The production of eggs reported 9.8 percent increase in 2009.

### **Highland Crop**

The sub-sector of Highland-Crop for the year 2009 grew by 6.6 percent. This growth was supported by maize, manioc and big onion contributing the growth of 15.3 percent, 12.2 percent and 43.6 percent respectively.

### **Vegetables**

The sub-sector of vegetable production grew by 7.3 percent. This growth was pushed forward by the increase of low country vegetable as well as by the extension of home gardening.

### **Fishing Industry**

The fishing Industry grew by 6.9 in 2009. Of these “Inland fishing grew by 5.2 percent and “Marine – fishing” was up 7.2 percent. The fishing industry was flourished due to lifting of imposed security measures specially in the East and the North costal belt, and the deep sea during the unrest period in the country. Fishing industry grew by 12.7 percent at the third quarter of 2009. Inland fish production went down by 11.0 percent at the fourth quarter 2009, due to lower water storage capacity of many inland reservoirs.

## **Industry**

The real terms value added of the Industry sector grew by 4.2 percent in 2009 compared with a 5.9 percent growth in the previous year. The manufacturing sector which contributes 60.9 percent of the Industry sector grew by 3.3

percent in the year 2009. Electricity, Gas & Water increased by 3.7 percent and Construction industry indicated 5.6 percent growth rate for year 2009.

### **Mining & Quarrying**

Export quantity and value of precious stones decreased while the production increased for other mining in the construction sector.

### **Manufacturing Industry**

The factory industry increased by 3.4 percent. Food and beverages industry registered exceptional growth of 5.9 percent in 2009.

### **Electricity, Gas & Water**

The growth rate for the sub sector of Electricity, Gas & Water was 3.7 percent for the reference period. The Thermal power generation contributed 60 percent to the total power generation in 2009. The thermal power generation grew by 3.7 percent and Hydro power generation decreased by 5.6 percent.

### **Construction**

In real terms, the Construction Sector indicated a 5.6 percent growth for the year 2009.

This growth is due to the introduction of new development projects, in spite of the operation of large scale projects in 2009.

## **Services**

This sector grew by 3.3 percent in 2009.

### **Wholesale and Retail trade**

Wholesale and Retail trade sector contracted by 0.3 percent in the year 2009. This is mainly due to contraction of Import trade and Export trade sub sectors by 6.6 percent and 5.2 percent respectively.

### **Hotels & Restaurants**

Hotels and Restaurants Sector recorded a 13.3 percent relatively high growth in 2009 as against the negative growth rate of 5.0 percent for the last year. Although Tourists arrival decreased up to May in 2009, it increased during the rest of the months of the year, due to restored normalcy in the country. Hence this prevailed defence stability across the country caused the tourists arrival to increase from 438,475 to 447,899 by 2.1 percent in 2009. Tourists earnings and room occupancy rate also increased by 8.2 percent and 10.3 percent respectively in 2009.

### **Transport and Communication**

Transport and Communication Sector indicated 6.6 percent growth in 2009. Passenger and goods transportation, Cargo handling and Post and Telecommunication are the main sub sectors which contributed improvements of this growth.

Sri Lanka Transport Board has reported increases in daily bus operation by 5.6 percent and passenger kilometers traveled increased by 0.5 percent in 2009. Income from Passengers also increased by 3.1 percent due to resumption of long distance transport services and introduction of new

concept of “*Dumriyen Bus Riyata*”. And also Bus services within Northern and Eastern provinces as well as to the most of the other outer destinations which was at stand still for decades gained ground due to on set of normalcy across the country.

### **Banking insurance and real estate**

This sector expanded by 5.7 percent over in 2009. Banks maintained their interest income, non interest income and expenses so as to increase their profits with the dawn of the stable environment of the financial market. expansion was significant financial growth in financial activities in Northern Province after the end of internal unrest.

**Inquiries: National Accounts Division, Department of Census and Statistics,  
Tel: 2676345, 2696055 Fax: 2676572  
E-mail : [national.accounts@statistics.gov.lk](mailto:national.accounts@statistics.gov.lk) Web: [www.statistics.gov.lk](http://www.statistics.gov.lk)**

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