



News Release

Economy of Sri Lanka grew by 3.7 percent in the second quarter of 2018

National Accounts Estimates: 2nd Quarter of 2018

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The Department of Census and Statistics (DCS) Sri Lanka, has released the estimated Gross Domestic Product (GDP) at current prices and at constant (2010) prices in Production approach and other macroeconomic indicators for the second quarter of 2018 (April, May, June).

Issuing a communiqué, on releasing National Accounts estimates for the second quarter of 2018, DCS states that economic growth rate of the country is estimated as 3.7 percent for the second quarter of 2018. The Gross Domestic Product at constant (2010) prices for the second quarter of 2018 recorded as Rs.2, 264,445 million, and GDP reported for second quarter of 2017 was Rs.2, 183,122 million.

The four major components of the economy viz. Agriculture, Industry, Services and Taxes less subsidies on products have contributed their shares to the GDP at current price by 8.4 percent, 25.6 percent, 57.1 percent and 8.9 percent respectively.

In this quarter, Agricultural activities expanded favorably by 4.5 percent, compared to the contraction of 3.1 percent reported in the second quarter of 2017. The Industrial activities performed a slight expansion of 2.3 percent and Service activities expanded further by 4.8 percent during the second quarter of 2018, compared to second quarter of 2017.

Among the sub activities of Agriculture, 'Growing of Cereals', 'Growing of Rice', 'Growing of Vegetables' and 'Growing of Oleaginous fruits including coconut' have expanded by 19.2 percent, 59.3 percent, 9.6 percent and 5.4 percent respectively recovering the heavy contractions recorded in the second quarter of 2017. The sub activities of 'Growing of fruits', 'Growing of Spices', 'Animal production', and 'Fresh water fishing' have further expanded by 6.9 percent, 3.1 percent, 2.6 percent and 32.8 percent respectively. In the meantime 'Growing of Tea and 'Growing of Rubber' reported substantial declines of 7.1 percent and 11.9 percent while a slight contraction of 0.5 percent is recorded for 'Marine Fishing'.

The Industrial activities which share one fourth of the GDP in the second quarter of 2018, expanded by 2.3 percent. The manufacturing sector alone has expanded further by 3.2 percent during this period, supported mainly by the sub activities of 'Manufacture of food, beverages and tobacco', 'Manufacture of textile and wearing apparels', 'Manufacture of coke and refined petroleum products', 'Manufacture of basic metals and fabricated metals' and 'Manufacture of furniture', which recorded positive growth rates of 5.2 percent, 1.9 percent, 22.4 percent, 6.3 percent and 5.9 percent respectively. The 'Construction' activity, one of the main contributors, to the total GDP, grew moderately by 1.4 percent in this quarter compared to the 6.0 percent growth recorded in the second quarter of 2017. The sub

activity of 'Electricity gas, steam and air' reported a considerable growth of 2.3 percent in the second quarter of 2018.

The three fifth of overall GDP is shared by the service economy of the country recorded an expansion of 4.8 percent in the second quarter of 2018, when compared to the same quarter in year 2017. Performance of the service activities were strengthened by the sub activities of 'Wholesale and retail trade', 'Accommodation, food and beverage services', 'Telecommunication services' 'Information Technology services', 'Financial services', 'Insurance services', 'Real Estate activities', and 'Other personal service' expanded by 4.9 percent, 6.4 percent, 14.4 percent, 9.0 percent, 12.0 percent, 11.0 percent, 3.7 percent and 4.8 percent respectively compared to the second quarter of 2017. The activity of 'Programming and broadcasting' contracted substantially by 15.5 percent within this quarter compared to the respective quarter in 2017.

DCS stated that a detailed report on the National Accounts estimates for the second quarter of 2018 has been published in the DCS website: www.statistics.gov.lk.



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