



## News Release

### Economy of Sri Lanka grew by 4.4 percent in 2016

#### National Accounts Estimates of Sri Lanka 4<sup>th</sup> Quarter of 2016 and the year 2016

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The Department of Census and Statistics (DCS) has released the estimated Gross Domestic Product (GDP) and other macroeconomic indicators for the fourth quarter of 2016 and for the year of 2016.

Sri Lanka experienced inclement weather during the year 2016. Particularly, the severe flood experienced in second quarter of 2016 and the drought prevailed during the year, may have had impact on the agriculture activities of the country.

Issuing a communiqué, DCS states that economic growth rate for the year of 2016 has been estimated as 4.4 percent while economic growth rate for 4th quarter of 2016 has been estimated as 5.3 percent.

The Gross Domestic Product for Sri Lanka for the year of 2016 (January to December) at constant (2010) price has reached up to Rs. Million 9,012,026. The GDP value reported for the year of 2015 was Rs. Million 8,633,890.

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 price by 7.5 percent, 27.1 percent, 57.0 percent and 8.4 percent respectively for the year 2016. During the year 2016, highest growth rate of 6.7 percent was reported for overall Industrial activities. Meanwhile the Services activities have grown by 4.2 percent, compared to the previous year. However, the agricultural activities reported 4.2 percent of negative growth rate.

#### **Performance in Agriculture Activities**

Overall Agricultural activities reported a negative growth rate of 4.2 percent in 2016. Among the sub activities of Agriculture, most of the major agricultural activities have reported negative growth rates during the year 2016, when compared with 2015. Among them, the sub activity of 'Growing of rice' has declined drastically by 31.0 percent during the year 2016. In addition 'Growing of tea', 'Growing of rubber' and 'Growing of cereals' have declined by 11.2 percent, 10.7 percent and 10.5 percent respectively. Further, 'Growing of fruits', 'Growing of vegetables', and 'Growing of oleaginous fruits; including Coconut' have declined slightly by 3.7 percent, 2.1 percent and 0.6 percent respectively. Meanwhile the 'Fresh water fishing', 'Growing of spices' and 'Animal production' have reported positive growth rates as 9.9 percent, 6.4 percent and 6.3 percent respectively during the year 2016.

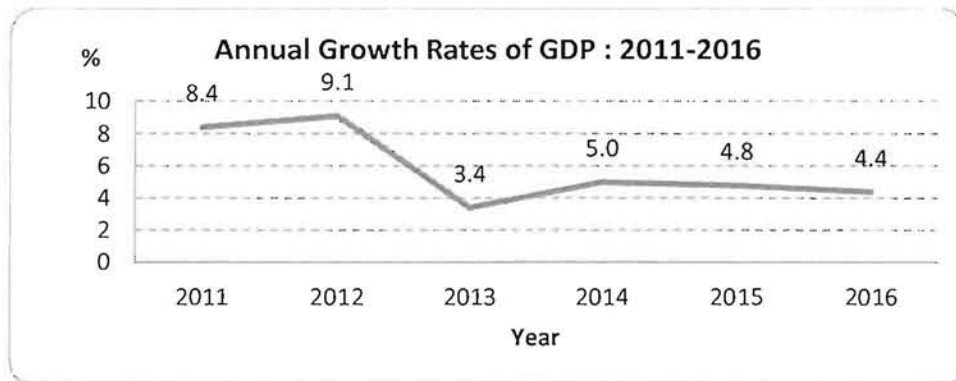
#### **Performance in Industrial Activities**

The industrial activities have recorded a significant growth rate of 6.7 percent in this year. Among the industrial activities, the 'Construction' activity, which corresponds to a considerably higher share for the industrial activities, increased by 14.9 percent. In addition, the sub activity of 'Mining and quarrying' recorded 14.4 percent of very high growth rate.

During the year of 2016, the manufacturing activity which comes under industrial activities, has grown by 1.7 percent. Among the manufacturing activities, specially the Manufacture of basic metal and fabricated metal products, 'Manufacture of rubber and plastic products' and 'Manufacture of machinery and equipment' have grown rapidly during the year of 2016 by 28.7 percent, 17.9 percent and 14.1 percent respectively, when compared with the year 2015. However, 'Manufacture of food, beverages and tobacco' and 'Manufacture of textile and wearing apparel' have declined by 2.5 percent and 0.2 percent respectively. The value added of 'Electricity, gas, steam and air conditioning supply' has increased by 8.4 percent over the period under consideration.

### Performance of Service Activities

Among the three major activities (Agriculture, Industries and Services), the Services activities gave the highest contribution (57.0 percent) to the GDP, recording a positive growth rate of 4.2 percent during the year 2016, when compared to the previous year. The performance of Services sector was underpinned specially by the sub activities of 'Financial service activities', 'Insurance activities', 'Telecommunication', 'Programming and broadcasting activities', 'Education service' and 'IT Programming consultancy' which reported significantly higher growth rates of 12.4 percent, 8.5 percent, 8.3 percent, 7.7 percent, 7.5 percent and 7.1 percent respectively compared to previous year.



### Performance in 4<sup>th</sup> quarter 2016

The DCS revealed that the GDP at constant price for the 4<sup>th</sup> quarter of 2016 has been estimated as Rs. Million 2,526,792 registering 5.3 percent growth rate compared to the 4<sup>th</sup> quarter of 2015. During the 4<sup>th</sup> quarter of 2016, the Agriculture activities have reported negative growth rate of 8.4 percent. In the meantime the overall performance of the Industrial activities have increased drastically during the 4<sup>th</sup> quarter of 2016 by 9.2 percent and Services activities have recorded positive growth rate of 4.6 percent.

Issuing a communiqué on releasing 2016 Annual and 4<sup>th</sup> Quarter National Accounts, DCS stated that a detailed report on the National Accounts estimates for the year 2016 have been published in the DCS website: [www.statistics.gov.lk](http://www.statistics.gov.lk).

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