



## News Release

**“Services activities recorded 4.9 percent growth in 2<sup>nd</sup> Quarter 2016”**

**National Accounts Estimates of Sri Lanka  
2<sup>nd</sup> Quarter of 2016**

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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 2016.

Sri Lanka experienced inclement weather conditions during second quarter of 2016. It may have caused an impact on the economy. Agriculture activities were affected badly due to the dry weather condition prevailed from October 2015 to May 2016 and high rain falls experienced in upcountry and wet zone areas. High rain falls experienced in the Western province and the areas in and around free trade zones of the Western province may have affected considerably over industrial activities.

The Gross Domestic Product of Sri Lanka for the second quarter of 2016 (April, May, June) at constant (2010) price reportedly reached up to Rs. Million 2,130,240. The GDP value reported for the second quarter of 2015 was Rs. Million 2,075,805 resulting a positive growth rate of 2.6 percent for the second quarter of 2016.

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 7.7 percent, 26.6 percent, 55.8 percent and 9.8 percent respectively in the second quarter of 2016. During the second quarter of 2016, especially the Services activities have recorded a significant growth rate of 4.9 percent compared to the second quarter of 2015. Industrial activities reported growth rate of 2.2 percent. However, the agricultural activities have reported 5.6 percent of negative growth rate.

Among the sub activities of Agriculture, the value added of ‘Growing of rice’, ‘Growing of tea’, ‘Growing of rubber’ and ‘Marine fishing’ declined by 17.9 percent, 12.2 percent, 8.2 percent and 7.8 percent respectively during this quarter, compared to the same quarter in the

previous year. Meanwhile the ‘Growing of oleaginous fruits; including Coconut’, ‘Animal production’ and ‘Forestry and logging’ have shown a slight increase in growth rate by 1.0 percent, 1.7 percent and 2.0 percent respectively.

The industrial activities which shared the GDP by 26.6 percent at current price, has recorded a positive growth rate of 2.2 percent in the overall industrial activities in this quarter. Among the industrial activities, the ‘Construction’ activity, which corresponds to the highest share, increased by 6.9 percent during this quarter to the second quarter of 2015. In addition, the sub activities of ‘Electricity, gas, steam and air conditioning supply’ and ‘Manufacture of furniture’ have shown a considerable growth rates of 7.0 percent, 4.4 percent respectively. Activities of ‘Manufacture of food, beverages and tobacco’ and ‘Manufacture of textile and wearing apparel’ which contribute considerably to industrial activities, experienced growth in each activity by 0.4 percent and 0.9 percent respectively during the second quarter of 2016, when compared the same quarter in the previous year. Meanwhile the ‘Mining and quarrying’ activity have reported a 4.9 percent of positive growth rate, over the period considered.

Among the three major activities, the Services activities which gave the highest contribution to the GDP growth, recorded a positive growth rate of 4.9 percent during the second quarter of 2016, compared to the same quarter in the year 2015. The performance of Services sector was underpinned specially by the sub activities of ‘Telecommunication’, ‘Financial service activities’, ‘Insurance activities’, ‘Education service’ and ‘Wholesale and retail trade’ which reported significantly higher growth rate of 21.2 percent, 14.5 percent, 15.1 percent, 10.5 percent and 3.5 percent respectively compared to the respective quarter in the year 2015.

According to the DCS, further details on the GDP estimates for the second quarter of 2016 have been published in the DCS website: [www.statistics.gov.lk](http://www.statistics.gov.lk).

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