



News Release

Economy of Sri Lanka Grew by 4.0 Percent in the Second Quarter of 2017

National Accounts Estimates of Sri Lanka; 2nd Quarter of 2017

Department of Census and Statistics

Ministry of National Policies and Economic Affairs

Tel: 94-11-2147071 Fax: 94-11-2877938 e-mail: national.accounts@statistics.gov.lk

.....
The Department of Census and Statistics (DCS) Sri Lanka, has released the estimated Gross Domestic Product at current prices and at constant (2010) prices in Production approach and other macroeconomic indicators for the second quarter of 2017.

Issuing a communiqué, on releasing National Accounts Estimates for the second quarter of 2017, the DCS states that the GDP growth rate for the second quarter of 2017 has been estimated as 4.0 percent. The Gross Domestic Product for Sri Lanka for the second quarter of 2017 at constant (2010) price reportedly reached up to Rs. Million 2,211,612 and the GDP reported for the second quarter of 2016 was Rs. Million 2,125,848.

The four major components of the economy; Agriculture, Industry, Services and Taxes less subsidies on products has contributed their share to the GDP at current price by 8.2 percent, 25.9 percent, 56.6 percent and 9.4 percent respectively in the second quarter of 2017. During the second quarter of 2017, the Industrial and the Services activities have recorded higher growth rates of 5.2 percent and 4.5 percent respectively. However, overall Agricultural activities have reported a negative growth rate of 2.9 percent. Agriculture sector of the economy has been affected badly from the unfavorable weather conditions (severe drought as well as heavy rainfalls) prevailed during the last 18 months in many districts of the country and as a result, Agriculture sector has reported negative growth rates during last 6 quarters.

Among the sub activities of Agriculture, the value added of 'Growing of rice', 'Growing of oleaginous fruits; including Coconut', 'Growing of Cereals (except rice)', 'Growing of vegetables' and 'Growing of Spices' declined by 32.9 percent, 20.2 percent, 15.3 percent, 5.9 percent and 3.8 percent respectively during this quarter, when compared to the same quarter in the previous year. However, it is noteworthy that, 'Growing of rubber' and 'Growing of tea' which recorded negative quarterly growth rates continuously for the last three years, have reported significant positive growth rates of 10.2 percent and 6.9 percent respectively, in the second quarter of 2017. In addition, 'Animal production' and 'Fresh water fishing' have reported considerably high positive growth rates of 10.9 percent and 9.0 percent respectively. Agricultural activities; such as 'Forestry and logging' and 'Marine fishing' have also reported positive growth rates (5.5 percent and 3.1 percent respectively) during the second quarter of 2017.

The industrial activities which shared the GDP by 25.9 percent at current price, has recorded a considerable growth rate of 5.2 percent in the overall industrial activities in this quarter. Among the industrial activities, the 'Construction' activity, which corresponds to the highest share within the industry sector, grew by 9.3 percent during this quarter when compared to the second quarter of 2016.

In parallel to the construction activity 'Mining and quarrying' also has reported significant growth rate of 18.4 percent. The overall manufacturing activities have grown by 0.9 percent during the second quarter of 2017. Major proportion of manufacturing activities is shared by 'Manufacture of food, beverages and tobacco' and 'Manufacture of textile and wearing apparel' activities which have reported 2.2 percent of negative growth rate and 2.5 percent of positive growth rate respectively during the quarter. In addition, 'Manufacture of furniture' and 'Manufacture of rubber and plastic products' activities have reported significant positive growth rates of 12.4 percent and 8.4 percent respectively.

Among the three major activities, the Services activities which gave the highest contribution (56.6 percent) to the GDP, recorded a positive growth rate of 4.5 percent during the second quarter of 2017, when compared to the same quarter in the year 2016. The performance of Services sector was underpinned specially by the sub activities of 'Financial service activities', 'Human health activities' and 'Telecommunication' which reported significantly higher growth rates of 16.4 percent, 13.2 percent and 12.4 percent respectively. In addition, 'Wholesale and retail trade' and 'Transportation of goods and passengers' which contributes in higher shares to the GDP, have expanded by 4.0 percent and 1.6 percent respectively.

According to the DCS, further details on the GDP estimates for the second quarter of 2017 have been published in the DCS website: www.statistics.gov.lk.



Dr. A. J. Satharasinghe
Director General
Department of Census and Statistics