



News Release

National Accounts Estimates of Sri Lanka; 3rd Quarter of 2020

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The Department of Census and Statistics (DCS) Sri Lanka, has released the estimated Gross Domestic Product (GDP) at current price and at constant (2010) price in Production approach and other macroeconomic indicators for the third quarter (July 1st to September 30th) of 2020.

Through out the third quarter in the year 2020, the country experienced the normalization of business activities and return to new-normality in day to day life style of the people, after the first wave of the covid-19 pandemic. This favorable condition affected on economic activities to perform well, specially in the third quarter and have resulted in recording 1.5 percent of positive growth rate in the economy for the first time for the year 2020. This recorded positive growth rate reflects the great recovery of the economy after the contraction in economy in first and second quarters of this year. Accordingly, over all Agriculture and manufacturing activities and many of the service activities including wholesale and retail trade, goods and land passenger transport, IT industry, telecommunication industry, financial and insurance services, real estate activities, professional services and private health services have reported positive growth rates when compared to the third quarter in the year 2019.

Issuing a communiqué, on releasing National Accounts Estimates for the third quarter of 2020, the DCS states that the GDP growth rate for the third quarter of 2020 has been estimated as 1.5 percent of positive growth rate when compared to the 2.4 percent of positive growth recorded in the third quarter of 2019. The Gross Domestic Product for Sri Lanka for the third quarter of 2020 at constant price has increased up to Rs. 2,545,863 million from Rs. 2,509,418 million which recorded in the third quarter of 2019. In addition, the Gross Domestic Product for Sri Lanka for the third quarter of 2020 at current price has increased up to Rs. 4,085,213 million from Rs. 3,833,960 million which recorded in the third quarter of 2019 registering 6.5 percent of change in the current price GDP.

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 prices by 8.2 percent, 27.7 percent, 56.8 percent and 7.4 percent respectively in the third quarter of 2020. Accordingly, for the first time in the year 2020, all three major economic activities of Agriculture, Industry & Services, have reported positive growth rates in the third quarter of 2020, showing recovery in the major economic activities after the Covid - 19 pandemic. The Agriculture sector, has reported a substantial growth in the value addition of the agricultural production by 4.3 percent during the third quarter in the 2020. Following that the industrial sector, has also reported 0.6 percent of growth during this quarter. Out of that, the manufacturing industry, has shown a significant growth by 5.3 percent during this quarter, when compared to the third quarter in year 2019. Moreover, the Services sector too recorded 2.1 percent of positive growth rate during this quarter.

Agriculture Sector

The expansion in the agriculture activities were mainly driven by the ‘Growing of cereals’ (256.6 percent), ‘Fresh water fishing’ (20.6 percent), ‘Growing of rice’ (15.5 percent), ‘Growing of vegetables’ (11.6 percent), ‘Growing of rubber’ (11.5 percent), ‘Growing of fruits’ (8.3 percent), ‘Growing of spices’ (6.0 percent) and ‘Animal production’ (2.8 percent) in the third quarter of 2020 when compared to the same quarter in the previous year. However, during the third quarter of 2020, ‘Marine fishing’ (11.6 percent), ‘Forestry and logging’ (7.8 percent), ‘Growing of Oleaginous fruits; including Coconut’ (5.1 percent) and ‘Growing of tea’ (4.3 percent) have contracted further in the third quarter in the year 2020.

Industry Sector

In the third quarter of 2020, the overall industrial activities have reported positive expansion by 0.6 percent. This positive growth is basically underpinned by the significant growth of 5.3 percent recorded in the manufacturing industry as a result of the normalization of the business activities, in the third quarter. After the nation-wide lockdown were lifted, many manufacturing sector activities started to return to their usual capacities in the production process. As a result, many activities recorded positive growth rates in the manufacturing sector.

The ‘Manufacture of food, beverages and tobacco products’ activity which is the highest contributor (6.9 percent share for the GDP) to the country’s industrial sector, has recorded outstanding growth of 11.5 percent in the third quarter of 2020, when compared to the third quarter in 2019. In addition, ‘Manufacture of chemical products and basic pharmaceutical items’ (13.1 percent), ‘Manufacture of rubber and plastic products’ (4.8 percent), ‘Manufacture of other non-metallic metal products’ (4.2 percent), ‘Other manufacturing’ (1.1 percent) and ‘Manufacture of textiles, wearing apparel and leather related products’ (0.1 percent) have reported positive growth

rates during the third quarter. However, the activities of ‘Manufacture of basic metals and fabricated metal products’ (6.9 percent) and ‘Manufacture of machinery and equipment’ (0.7 percent) have reported negative growth rates.

Among the ‘Industrial activities’, the ‘Construction’ activity, which corresponds to 6.5 percent of share within the industry sector, recorded substantial contraction by 9.1 percent in this quarter showing the continuous negative impact of the Covid – 19 pandemic, on that industry. Following that decline in the construction activity, the ‘Mining and quarrying’ activity too recorded negative growth rate of 6.8 percent during the third quarter of 2020. Meanwhile ‘Electricity, gas, steam and air conditioning supply’ and ‘Water collection, treatment and supply’ activities have recorded 2.1 percent and 4.1 percent of positive growth rates respectively in this quarter.

Service Sector

During the third quarter of 2020, the performance of Services sector recorded substantial expansion by 2.1 percent. This sector underpinned specially by the sub activities of ‘Telecommunication’ (16.5 percent), ‘IT programming consultancy and related activities’ (13.5 percent), ‘Financial service activities’ (12.3 percent), ‘Human health activities’ (4.6 percent), ‘Insurance activities’ (4.1 percent), ‘Wholesale and retail trade’ (2.9 percent), and ‘Transport services’ (0.9 percent). Due to the adverse effect of Covid – 19 pandemic, an outstanding contraction of 42.1 percent was recorded in ‘Accommodation, food and beverages service activity. ‘Other personal services’ also reported a contraction of 0.5 percent in this quarter.

According to the DCS, detail information of GDP estimates for the third quarter of 2020 has been published in the DCS website: www.statistics.gov.lk/NationalAccounts/StaticInformation/GDP



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