



## News Release

### **Economy of Sri Lanka grew by 3.8 percent in the first quarter of 2017**

#### **National Accounts Estimates: 1<sup>st</sup> Quarter of 2017**

##### **Department of Census and Statistics**

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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 first quarter of 2017 (January, February, March).

Severe drought condition prevailed mainly in four provinces: Northern, Eastern, North-Central and North-Western from 2016 had an unfavorable impact, mainly on agricultural activities of the country.

Issuing a communiqué, on releasing National Accounts estimates for the first quarter of 2017, DCS states that economic growth rate for the first quarter of 2017 has been estimated as 3.8 percent. The Gross Domestic Product at constant (2010) prices for the first quarter of 2017 recorded as Rs. 2,161,770 million, and GDP reported for first quarter of 2016 was Rs. 2,082,544 million.

The four major components of the economy: Agriculture, Industry, Services and Taxes less subsidies on products have contributed their shares to the GDP at current price by 7.0 percent, 30.8 percent, 52.3 percent and 9.9 percent respectively for the first quarter of 2017. In this quarter, the highest growth rate of 6.3 percent was reported for Industrial activities. Service activities reported a growth rate of 3.5 percent. Amidst unfavorable weather conditions, performance of agricultural activities further contracted and reported a negative growth rate of 3.2 percent.

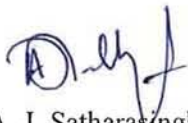
Among the sub activities of Agriculture, ‘Growing of spices’, ‘Animal production’, ‘Forestry and logging’ and ‘Marine fishing’ reported high growth rates: 6.1 percent, 6.9 percent, 9.3 percent and 5.8 percent respectively. In the meantime the substantial declines in growth rates were reported for ‘Growing of rice’, and ‘Growing of Oleaginous fruits’ by 53.1 percent, and 10.2 percent respectively in this quarter, due to continuous drought prevailed through the respective growing areas of these crops. During this quarter, the activities of ‘Growing of Tea’ and ‘Growing of Rubber’ reported negative growth rates of 5.7 percent, and 17.2 percent respectively.

In the first quarter of 2017, the overall industry activities further expanded significantly recording 6.3 percent growth rate. The ‘Construction’ activity, which corresponds to the highest share of the GDP among the industrial activities, further increased remarkably by 16.1 percent during this quarter compared to the same quarter in 2016. In addition, significant growth rates reported for sub activities of ‘Water collection, treatment and supply’ ‘Manufacture of other non-metallic and mineral production’, ‘Manufacture of machinery and equipment’, and ‘Mining and Quarrying’, by 21.6 percent 19.5 percent, 18.2 percent and 17.9 percent respectively, reinforcing the growth of industry sector in the first quarter of 2017. During this quarter the growth rate of ‘Manufacture of textile and wearing apparel’ recovered the contraction reported in the 1st quarter of 2016, and recorded

a positive growth rate of 0.6 percent. Meanwhile 'Manufacture of food, beverages and tobacco' recorded a slight contraction of 0.3 percent within this quarter.

The Service activities which contribute a highest share of 52.3 percent to the overall GDP grew by 3.5 percent during the first quarter of 2017, compared to the same quarter in the year 2016. Performance of the service activities was buoyed by the sub activities of 'Wholesale and retail trade', 'Transportation of goods and passengers including warehousing', 'Financial service activities' and 'Human health, residential care and social work activities' which reported significant growth rates of 4.5 percent, 3.1 percent, 14.9 percent and 11.1 percent respectively compared to the respective quarter in year 2016. 'Other personal service activities' reported a slight growth by 2.0 percent during the first quarter of 2017.

DCS stated that a detailed report on the National Accounts estimates for the first quarter of 2017 has been published in the DCS website: [www.statistics.gov.lk](http://www.statistics.gov.lk).



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