



News Release

Economy of Sri Lanka Further Grew by 3.3 percent in the Third Quarter of 2017

National Accounts Estimates of Sri Lanka; 3rd Quarter of 2017

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The Department of Census and Statistics (DCS) Sri Lanka, has released the estimated Gross Domestic Product (GDP) and other macroeconomic indicators for the third quarter of 2017.

Issuing a communiqué, on releasing National Accounts Estimates for the third quarter of 2017, the DCS states that the GDP growth rate for the third quarter of 2017 has been estimated as 3.3 percent. The Gross Domestic Product for Sri Lanka for the third quarter of 2017 at constant (2010) price has reached up to Rs. Million 2,351,384 and the GDP reported for the third quarter of 2016 was Rs. Million 2,276,896.

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 7.6 percent, 27.8 percent, 56.3 percent and 8.3 percent respectively in the third quarter of 2017. During the third quarter of 2017, the ‘Services activities’ continued to expand further by 4.3 percent, while ‘Industrial Activities’ recording a marginal growth rate of 1.9 percent. However, overall ‘Agricultural activities’ have reported a negative growth rate of 3.3 percent in the third quarter of 2017, which is the ever reported lowest growth rate in third quarter series, since 2010. ‘Agriculture sector’ of the economy has been affected badly mainly due to the unfavorable weather conditions (severe drought as well as heavy rainfalls) prevailed during almost last 2 years in many districts of the country, and as a result, ‘Agriculture sector’ has reported negative growth rates over the last 7 quarters.

Among the sub activities of ‘Agriculture’, ‘Growing of rubber’ and ‘Growing of tea’ have reported significant positive growth rates of 22.7 percent and 17.0 percent respectively in the third quarter of 2017. These two activities reported negative quarterly growth rates in many quarters during the last three years and since last quarter of 2017, those activities reported positive growth rates. In addition, ‘Animal production’ and ‘Fresh water fishing’ have reported considerably high positive growth rates of 7.9 percent and 4.8 percent respectively. The value added of ‘Growing of rice’, ‘Growing of oleaginous fruits; including Coconut’, ‘Growing of vegetables’, ‘Marine fishing’ and ‘Growing of Spices’ declined by 32.5 percent, 20.8 percent, 6.0 percent, 5.4 percent and 4.1 percent respectively during this quarter, when compared to the third quarter of 2016.

The 'Industrial activities', which shared the GDP by 27.8 percent at current price, has continued to expand further at a rate of 1.9 percent. Among the 'Industrial activities', the 'Construction' activity, which corresponds to the second highest share (7.4 percent) within the industry sector, grew by rate of 2.6 percent during this quarter when compared to the third quarter of 2016. The overall manufacturing activities have grown by 2.4 percent during the third quarter of 2017. Manufacture of textiles, wearing apparel and leather related products activity is the second largest contributor to the overall manufacturing industry, have reported 7.9 percent of significant growth during the third quarter of 2017. In addition, 'Manufacture of other non-metallic mineral products', 'Manufacture of basic metal and fabricated metal products', 'Manufacture of rubber and plastic products' and 'Electricity, gas, steam and air conditioning supply' have reported significant positive growth rates of 19.1 percent, 10.5 percent, 4.5 percent and 3.4 percent respectively. However, 'Manufacture of food, beverages and tobacco' activity which contributes 8.6 percent of share to the GDP, reported negative growth of 2.4 percent during this quarter.

Among the three major activities, the 'Services activities' which gave the highest contribution (56.3 percent) to the GDP, has grown by 4.3 percent during the third 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', 'Telecommunication', 'Human health activities', and 'Insurance' which reported significantly higher growth rates of 19.6 percent, 19.5 percent, 19.3 percent, and 10.9 percent respectively. In addition, 'Accommodation, food and beverage serving activities', 'IT Programming and consultancy', 'Wholesale and retail trade' and 'Other personal services activities', have expanded marginally during this quarter.

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



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