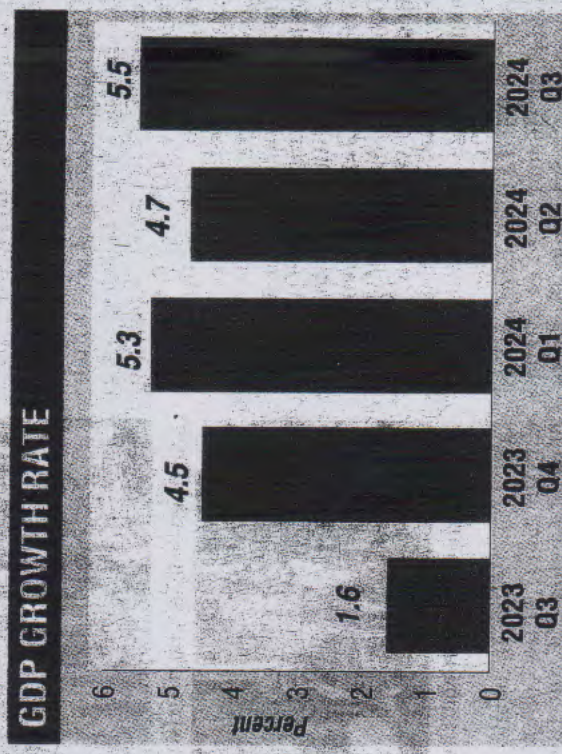


Economy grows by 5.5% in 3Q, powered by industrial sector

- Accounting for 27.3% of economy, industrial activities grew by 10.8%; dominant services sector grows by 2.6% and agriculture by 3%
- Country's economy grew by 5.5% in 3Q, higher than 5.3% in 1Q and 4.7% in 2Q
- DCS cites low interest rates, boost in export and import quantities facilitate most of economic activities



SRI Lanka's economy grew by 5.5% year-on-year (YoY) in the third quarter of 2024 — highest since 2021, whilst continuing the upward momentum seen since September 2023.

In terms of quarter-on-quarter, 3Q performance was higher than 4.7% growth achieved in 2Q.

The Department of Census and Statistics (DCS) said 3Q positive growth was driven by the industry sector accounting for 27.3% of the GDP, growing by a high 10.8%, whilst the service sector with a share of 55.5% of the GDP expanded by 2.6% and

Source: Department of Census and Statistics GraphicsDesk

the agriculture accounting for 8.2% of GDP expanded by 3% as against the third quarter of last year. A noteworthy increase in export and import quantities were identified in the third quarter of 2024, which facilitated most of the economic activities by providing forward and backward linkages to prosper," DCS said.

In addition, taxes less subsidies on products accounting for 8.9% of the GDP grew by 13.3% in the third quarter of 2024. "A sharp decline in interest rates was noticed towards the end of the third quarter of 2024,

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It also added that increase in imports of investment goods as well as intermediate goods such as textile and textile articles and cement mainly facilitated to the recorded high growth in apparel industry and construction industry respectively.

Moreover, DCS noted that increased earnings from Tourism and Workers' Remittances inflows strengthened the country's foreign-currency stance with the simultaneous uplift in country's rupee value in the foreign currency market.

From the domestic front, it said the increased water stocks in reservoirs further increased the hydro electricity generation and relatively high production of eggs and poultry supported animal production activity to report a remarkable positive growth rate in the third quarter of 2024.

Following is a brief commentary on the sectoral performance:

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