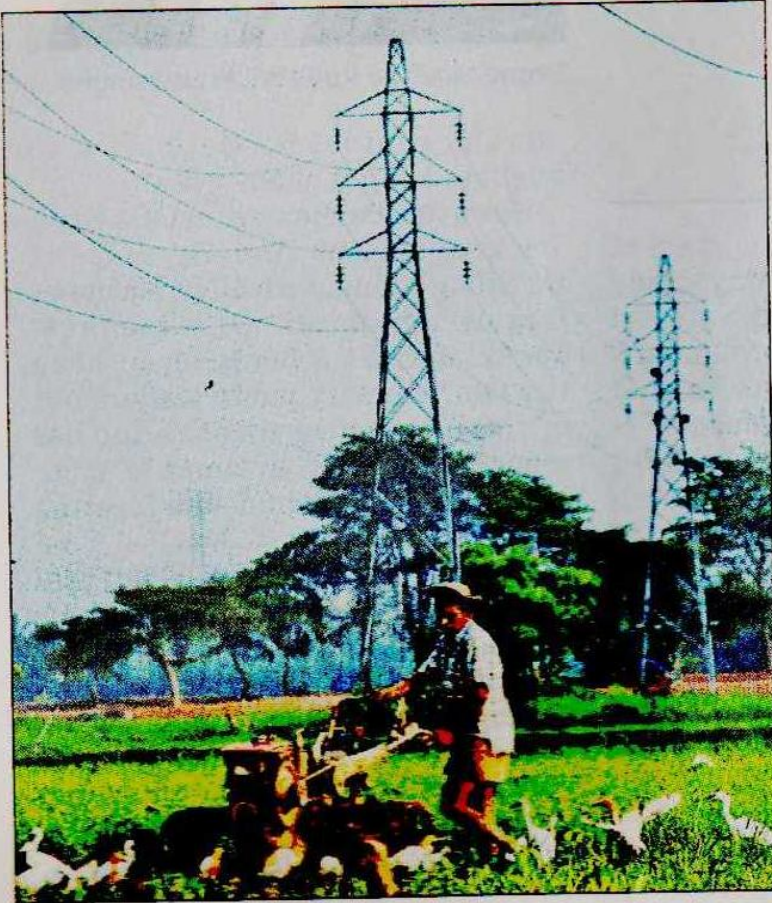


GDP growth slumps to 2.9% in 3Q

- **Industry sector suffers most with 1.9% growth compared to 5.3% a year earlier**
- **Agriculture recovers to grow by 3.3% reversing 3% contraction**
- **Services sector improves growth to 3.9% from 2.8%**



Revival of agriculture sector was the only silver lining in the third quarter GDP performance

THE country's economic growth in the third quarter had slumped to a historic low of 2.9% in the third quarter in comparison to 3.2% a year earlier reaffirming the continuous struggle.

The 3Q growth was lower in comparison to 3.7% achieved in the 2Q.

Agricultural activities expanded favourably by 3.3% compared to the contraction of 3.0% reported in the third quarter of 2017. The Industrial activities recorded positive growth rate of 1.9%, sharply down from 5.3% a year earlier and Service activities expanded further by 3.9% up from 2.8% a year ago.

The four major components of the economy viz. Agriculture, Industry, Services and Taxes less subsidies on products have contributed their shares to the GDP at current price by 7.5%, 27.4%, 56.8% and 8.3% respectively.

The Department of Census and Statistics said among the sub activities of Agriculture, the 'Growing of Rice' which

recorded 32.8% of negative growth rate in the third quarter of year 2017, has reported striking positive growth rate of 46.9% during this quarter. In addition, 'Growing of Oleaginous fruits including coconut', 'Growing of Cereals', 'Growing of Vegetables', 'Growing of Rubber', 'Animal production', 'Growing of fruits' and 'Growing of Spices' have expanded substantially by 11.9%, 10.6%, 9.9%, 5.2%, 5.1%, 4.0% and 3.1% respectively. The sub activities of 'Fresh water fishing' and 'Growing of Tea' have recorded a substantial decline by 19.1% and 14.9% respectively in this quarter.

The 'Industrial activities', which shared the GOP by 27.4% at current

price, has continued to expand further at a rate of 1.9%. The overall manufacturing activities have grown by 2.2% during the third quarter of 2018, supported mainly by the sub activities of 'Manufacture of food, beverages and tobacco' and 'Manufacture of textile and wearing apparels', which recorded positive growth rates of 3.7% and 3.2% respectively during this period. In addition, 'Manufacture of coke and refined petroleum products' and 'Manufacture of other non-metallic mineral products' have reported significant positive growth rates of 16.7% and 3.9% respectively. However, 'Manufacture of wood and products of woods' and 'Manufacture of paper products' activi-

ties reported negative growth rate of 13.1% and 7.5% during this quarter. Among the 'Industrial activities', 'Electricity, gas, steam and air conditioning supply' and 'Water collection, treatment and supply' have recorded 3.3% and 5.0% of positive growth rates respectively, while 'Mining and quarrying' has declined by 2.2%. The 'Construction' activity, which corresponds to the second highest share (7.0%) within the industry sector, grew by rate of 2.5% during this quarter when compared to the third quarter of 2017. Among the three major activities, the Services activities, which gave the highest contribution

(56.8%) to the GDP, has grown by 3.9% during the third quarter of 2018, when compared to the same quarter in the year 2017. Performance of the service activities were strengthened by the sub activities of 'Telecommunication services', 'Financial services', 'Insurance services', 'Information Technology services', 'Human health activities', 'Accommodation, food and beverage services', 'Wholesale and retail trade' and 'Other personal services' expanded by 14.8%, 12.4%, 8.3%, 7.5%, 5.7%, 5.4%, 5.0% and 4.8% respectively compared to the third quarter of 2017.

More Page 2

■ **Rupee ends weaker on foreign outflows**
- See page 9