

Coordination between CB and DCS expected for future national economic data calculation

The Central Bank is currently in discussions with the Department of Census and Statistics (DCS) to arrive at mutually agreeable ways on the calculation of national economic data after the latter surprised the country and the Central Bank by reporting a contraction in the economy for the first quarter, which was closed only for 10 days due to coronavirus.

* DCS a fortnight ago reported 1.6 percent contraction in the Sri Lankan economy with only the services sector indicating an expansion. This raised many an eyebrow, specially those at the Central Bank, who last week termed the data as, "unexpected". This also raised questions as to how deep the contraction would be

for the second quarter when the economy was closed for the most part due to curfew, if the growth is so sensitive to just less than two weeks of dormancy in the economy. The second quarter economic data is due in a month from now.

Sri Lanka's economy got off to a faster recovery from January on tax cuts, eased borrowing rates and broader confidence on the business and investment climate after a new President was elected in November 2019.

The corporate earnings and consumer spending recorded for the January-March quarter were strongest in many quarters with private sector borrowing a record Rs.120 billion in March alone.

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"I think, there is no need to open a debate here," said Central Bank Governor Professor W.D. Lakshman, in response to a question by a reporter on the matter.

"What we officially recognise are the numbers released by the Census and Statistics Department. We have internally considered on these numbers and have held discussions and debated with them (DCS). But they have presented their numbers. We have to accept that as the official number. We leave the debate to you (the media)," he added.

However, Prof. Lakshman said the Central Bank is talking to the DCS and other related