



ASHOK ABEYSINGHE
Member of Parliament

PARTLY TRUE **FAKE**

MP Abeysinghe not firm on the closure of firms due to economic crisis

In a parliamentary speech, MP Ashok Abeysinghe claimed that 237,143 small and medium enterprises (SMEs) closed between 2020 and 2022 due to the economic crisis. This statement was made in the broader context of debates around micro, small, and medium enterprises (MSMEs).

To verify the claim, FactCheck.lk consulted the Impact of the Economic Crisis on MSMEs 2022 Report produced by the Department of Census and Statistics (DCS).

According to this report, approximately 263,100 MSMEs closed from Jan-2019 to end-2022. Of these, 90.1% (around 237,000) closed between 2020 and 2022 (see Exhibit 1). This figure is the closest to the figures cited by the MP. However, 97% of the total closures from Jan-2019 were micro enterprises (where less than 9 persons are engaged). This suggests that the MP misspoke and meant to refer to MSMEs when he said SMEs.

In addition to making it clear that the number referred to by the MP is based mostly on including micro enterprises, the DCS report also suggests that less than half of the total closures (41%), approximately 108,100 MSMEs,

were due to the economic crisis - because the survey also queries the reason for closure (see Exhibit 2). According to it, non-economic crisis factors, including the COVID-19 pandemic, contributed to over half of the closures.

In the context, the MP's claim can be interpreted as meaning to refer to micro enterprises as well as the number he quoted is correct inclusive of micro enterprises, not just SMEs as stated. However, he seems to have neglected an aspect of the data in attributing all the closures to the economic crisis - given that the survey asked the question and found that less than half of the closures recorded (from 2019 onward) claimed to be due to the economic crisis.

Therefore, we classify the MP's claim as **PARTLY TRUE**.

FactCheck.lk's verdict is based on the most recent information that is publicly accessible. As with every fact check, if new information becomes available, FactCheck.lk will revisit the assessment.

Year of closure	Total number of closures 2020-2022 ('000)
2019	26.0
2020	87.9
2021	72.1
2022	77.1
Total	263.1

Enterprise type	Closed due to economic crisis since Jan-2019 (in '000)	% of the total closed due to the economic crisis
Micro	105.6	98%
Small	2.4	2%
Medium	0.1	0.1%
Total	108.1	100%

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