

Economic growth...

"We adopted a new methodology about two to three years ago; everyone was saying that the methodology is excellent but that methodology needs a lot of surveys to support it. We don't have the sources to undertake all the surveys to support that methodology," he noted.

The base year for the national accounts was moved to 2010 by the DCS, along with a new methodology to enhance the accuracy of constant price estimates and represent the real economic structure of the economy.

Dr. Coomaraswamy pointed out that the International Monetary Fund had predicted a 3.5 percent GDP growth for 2018 while the World Bank's forecast was 4 percent. The Central Bank was anticipating a 3.8 percent growth last year.

"My view is that the growth is somewhere between 3.5 and 4 percent in 2018," he said.

Dr. Coomaraswamy said that due to lack of resources to conduct all surveys necessary to capture economic activities under the new methodology, the DCS uses proxy responses for surveys, which might not be accurate to make a judgment.

He noted that the accuracy of these surveys would largely depend on picking the right proxy responses and a sufficient number of proxy responses.

In particular, Dr. Coomaraswamy was doubtful of the activities recorded in the transport and construction segments, while noting that the proxies used for the surveys in the segment may not be completed.

Further, he was also doubtful of capturing the data in certain new sectors, such as economic activities of Colombo Port City, which is under construction, as well as the emerging activities in the rapidly growing shared economy.

Meanwhile, responding to a media query, the governor said that the political crisis, which prevailed for almost two months, last year, had caused a significant cost to the economy.

He noted that domestic and foreign investments, tourism and capital markets were particularly impacted by the crisis.

However, he stressed that the biggest impact was on the sentiment and confidence of the country, which is extremely difficult to quantify.

Speaking of the economic growth forecast for this