

Impact of Economic shocks on the Sri Lankan Agriculture sector Output and Employability

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Abstract

Introduction - This study investigates how economic shocks affect Sri Lanka's service industry, which is a crucial part of the country's growing economy. The study concentrated on important service sectors, including real estate and ownership dwelling, financial services, insurance, trade and retail trade, transportation, storage, and communication. The study aims to understand how macroeconomic variables in the service sector, such as employment and output, are affected by economic shocks, such as changes in interest rates, exchange rates, and inflation.

Methodology – This study utilizes secondary data obtained from various sources. Using a time series data set, the study examined the variables such as inflation rates, exchange rates, and fertilizer imports against output and employability. The collected data is analyzed using descriptive statistics, correlation analysis, and regression analysis.

Findings & Conclusion – This study provides the influence of economic shocks on macroeconomic variables in the agriculture sector. wherein the inflation rate, exchange rate and fertilizer imports affect output but not the agriculture sector's employability. There are studies that support the findings exhibited in this study based on historical studies. Despite many limitations, this study will provide insightful information highlighting the significance of interest rate stabilization, moderate inflation, and exchange rate stability for long-term growth in the agriculture sector. Additionally, this study closes a significant knowledge gap that is unique to the Sri Lankan agriculture sector and offers a basis for well-informed decision-making in the face of economic uncertainties.

Keywords: Inflation rate, exchange rate, fertilizer imports, GDP, employment, economic shock