

Contribution of the major sectors of Sri Lankan Economy

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Abstract

The Economy of Sri Lanka mainly depends on three major sectors which are agriculture, industry and services that are highly contributing to the Gross Domestic Product (GDP). GDP is the market value of all officially recognized final goods and services produced within a country in a year, or over a given period of time. The main objective of this research is to study the contribution of major sectors such as agriculture, industry and services to the economic growth of Sri Lanka. The data is secondary time series of all the variables and taken over the duration of 2005-2019. This data is approximately 15 years past. Main source of data is Central bank of Sri Lanka and Department of census and statistics. Moreover, for drawing useful inference from the available secondary data, the statistical tools and test like correlation analysis and multiple regression analysis have been used to analyze these data using SPSS and Excel. Finally, the study concludes that there is significant difference among the performance of the three sectors with regard to GDP contribution in the period 2005-2019. There is higher positive degree of correlation between three major sectors and GDP growth rate of Sri Lanka. Each one-unit increase in Agriculture growth rate is associated with 0.847 unit increases in GDP growth rate, holding all other variables constant. Each one-unit increase in industry growth rate is associated with 0.189 unit increases in GDP growth rate, holding all other variables constant.

Key words: *Sri Lankan Economy, GDP, Agriculture sector, Industry sector, Service sector*

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