



# Business Outlook Survey

## 2<sup>nd</sup> Quarter 2019



STATISTICS DEPARTMENT  
CENTRAL BANK OF SRI LANKA

REPORT 2019Q02

### Executive Summary

- The balance of opinion on the business outlook continued to remain in the negative territory for the 10<sup>th</sup> consecutive quarter during Q2 2019 mainly due to the setback emanating from the Easter Sunday attacks, and even though a slight improvement is observed, it is expected to remain negative in Q3 2019 as well, with the prevailing uncertain environment in the country.
- The demand indicator reflected that all three major activities slowed down during Q2 2019. Meanwhile, demand for Industry and Services related activities are expected to improve during Q3 2019.
- Respondents intend to recruit employees mainly to fill vacant positions. Further, capacity utilization of the firms are expected to improve in Q3 2019 and investments are expected to increase in Q3 2019.
- The output and input prices are expected to increase at a slower rate in Q3 2019 compared to Q3 2018.
- The demand for bank credit increased during Q2 2019 especially in the context of deteriorated cash flow situation, although access to credit tightened. Meanwhile, majority of the firms expect to borrow during Q3 2019 to cover the operational expenses.

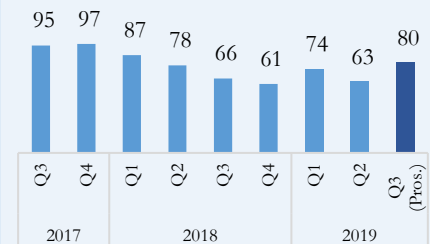
*Business Sentiment Indices (BSIs) will consist of values ranging from 0 to 200 where the general interpretation will be as follows,*

*BSI=100 means business sentiment is unchanged*

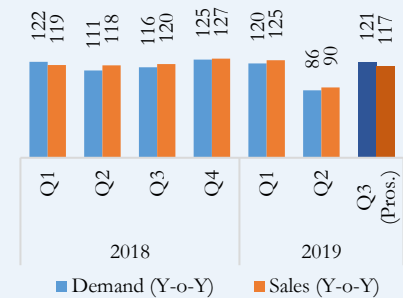
*BSI>100 means business sentiment has improved/increased*

*BSI<100 means business sentiment has worsened/decreased*

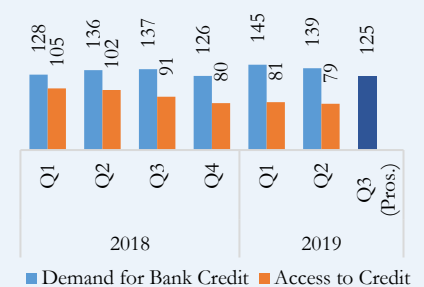
### Business Condition



### Business Activities



### Credit Conditions



### Purpose of Intended Future Borrowings

