



► ILO Brief

December 2025

Preliminary employment assessment of the impact of Cyclone Ditwah in Sri Lanka

Key points

- The floods and landslides triggered by Cyclone Ditwah have put some 16 per cent of national GDP at risk, valued at around US\$ 16 billion, with impacts concentrated in a limited number of districts. This spatial concentration increases the likelihood of uneven recovery and prolonged local economic disruption if not addressed through targeted interventions.
- Approximately 374,000 workers are located in affected areas, placing livelihoods and household incomes under immediate strain. The scale of potential monthly earnings losses (US\$ 48 million/month) underscores the urgency of income-stabilizing measures, particularly for informal and low-wage workers, who lack adequate social protection and are most vulnerable to shocks.
- Agriculture and related activities, including plantations and fisheries, already characterized by informality and exposure to climate risks, have been disproportionately affected. Flooding and landslides in key production areas threatens both short-term employment and undermines longer-term food security and livelihoods, with knock-on effects across rural economies.
- In the short term, emergency cash assistance is needed, ideally linked to decent employment promotion (for instance, in debris removal or infrastructure reconstruction) with adequate wages that are based on the needs of the workers and their families. Support to MSMEs with suitable grants and subsidies for example for machinery, repairs and tools is needed to kick start the businesses and to retain the workers they employ.
- Moving forward and given the evolving situation and preliminary nature of this analysis (which combines unconventional remote sensing data and a traditional Labour Force Surveys, as well as discussion with ILO constituents and stakeholders), the ILO will continue to monitor the labour market and social consequences of the floods and landslides as more data becomes available. Future work will also make efforts to provide greater insights on the medium-term support measures that are needed to promote decent work, safe and healthy workplaces and recovery of livelihoods.

Context

In late November 2025, Cyclone Ditwah made landfall in Sri Lanka, bringing torrential rainfall and strong winds. The event triggered widespread flooding and landslides across

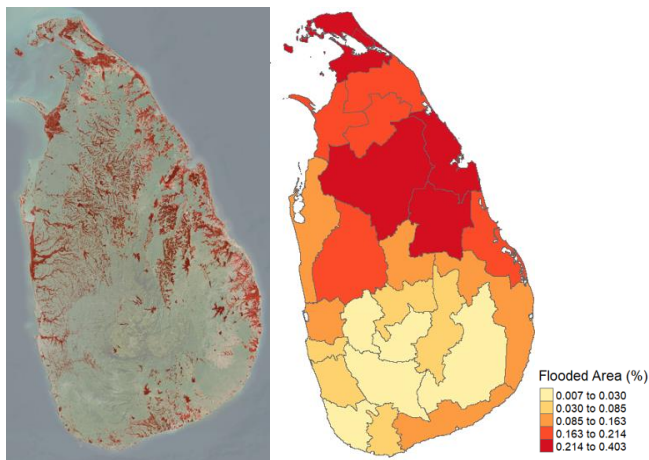
all 25 districts of the country, resulting in severe humanitarian and infrastructural impacts. Floods and landslides resulted in the death of 643 persons.¹

¹ Disaster Management Center, Current Situation Report, 2025.12.17

The floods and landslides have severely impacted homes, particularly in areas with vulnerable households. Essential services, such as power, communication, water and sanitation, have been disrupted. Arable lands have been submerged, potentially leading to significant losses in crop yields. Means of production have been destroyed. Aquaculture has also suffered substantial losses and mature tea plantations have been badly damaged. Additionally, damage to infrastructure and roads has isolated some of the most affected villages, further complicating relief and assistance efforts.

Urban and peri-urban Micro, Small and Medium sized enterprises (MSMEs) in garment, trade, repair services and small manufacturing are also affected. For both MSMEs and workers in these sectors, the challenges are immense as they have lost not just the workspace, but also their inventory and machines. More than 29,600 registered MSMEs in Sri Lanka have been identified as disaster-affected businesses, of which 12,300 are micro enterprises.²

► **Figure 1: Scope of flooding**



Note: The left panel of the figure shows the flood extent (in red). The right panel measures percentage of flooded area at district level.

Area impacted

The areas flooded cover 11,202km² concentrated in the northern part of Sri Lanka, representing 17 per cent of the landmass.³ There are 10 districts with a proportion of impacted areas larger than 20 per cent: Kilinochchi (42%), Jaffna (42%), Batticaloa (32%), Trincomalee (32%), Polonnaruwa (27%), Anuradhapura (24%), Mannar (22%),

Puttalam (21%), Ampara (20%) and Kurunegala (20%) (see Figure 1). Central highlands, with a concentration of tea plantations, have been severely impacted by landslides and unstable ground caused by the floods.

Preliminary assessment of the economic and employment impacts

Following the floods and landslides, the primary concern is the impact on affected individuals and communities. The floods in Sri Lanka are regarded as one of the most severe flood disasters the country has faced in the last two decades. The floods caused extensive damage to homes, infrastructure and livelihoods, particularly in vulnerable areas. This led to a coordinated response from both the national and international community to address the humanitarian needs and reduce the risk of further crisis.

Population

The population living in the impacted areas amounts to 1.7 million, representing nearly 7.5 per cent of Sri Lanka's total. The western districts have a larger share of the population impacted reflecting population density. The percentage of the population living in the impacted areas reaches 18 per cent in Mannar, 12 per cent in Kilinochchi, followed by 12 districts where between 5 per cent and 10 per cent of the population is affected (Kegalle, Matale, Kurunegala, Polonnaruwa, Anuradhapura, Puttalam, Vavuniya, Mullaitivu, and Trincomalee).⁴

Economic

The geographical distribution of Gross Domestic Product (GDP) is estimated using nighttime light data (see Annex for details). This approach enables a more precise estimate of areas directly affected by the floods. The combined flooded and landslide-impacted zones account for 16.3 per cent of observed nighttime lights. It can therefore be estimated that GDP equivalent to US\$ 16 billion has been exposed to potential damages.

It is challenging to disentangle the respective impacts of floods and landslides. While floods are more extensive, with water receding over time, landslides may cause deeper and persistent damage to production sites, critical infrastructure and transport networks.

² <https://economynext.com/over-29600-industries-affected-in-sri-lankas-disaster-minister-253854/>

³ Based on DMC 1m resolution raster, which measures flood extent between 26/11, 27/11 and 28/11.

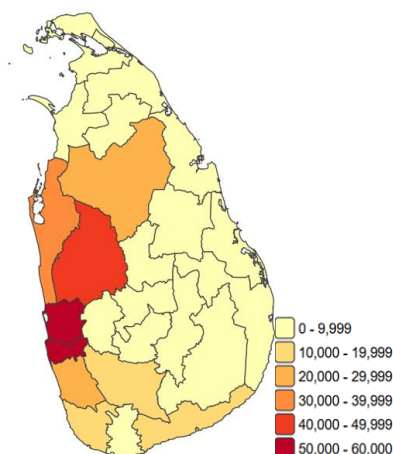
⁴ Estimates of affected population varies across agencies ranging from 308 000 (UNOSAT) to 1.5 million (FAO) and 2.3 million (UNDP). One factor explaining these differences is the dates at which water extent has been measured.

Employment and earnings

Using the population estimates derived above, the total number of jobs within the affected area is estimated by first calculating the working-age population, i.e. persons aged 15 and over, using the 2024 Labour Force Survey data produced by the Department of Census and Statistics, Sri Lanka. Based on a working age population rate of 76 per cent and district level employment rates ranging between 15 per cent and 41 per cent, it can be estimated that 374,000 workers are in the impacted areas. This corresponds to 244,000 men workers and 130,000 women workers. At the sectoral level, these figures translate into 85,000 agricultural jobs, 125,000 industrial jobs and 164,000 service jobs.

This labour market shock has taken place at a time when Sri Lanka already faces multiple labour market challenges, notably associated with the post-conflict period, COVID-19 crisis, the debt crisis and slowing exports.⁵

► **Figure 2: Total employment in impacted areas**



With a median monthly income of 40,000 Sri Lankan Rupees, the floods are putting at risk US\$ 48 million of earnings a month.⁶

In areas where pre-existing vulnerabilities were already high and which were heavily affected, vulnerable workers are likely to have been among the most impacted by the cyclone. The resulting loss of income and livelihoods may compel affected households to resort to negative coping mechanisms, including an increased reliance on child labour.

► **Table 1: Overview of population, economic, employment and earning impacts**

Indicator	Estimated Impacts
Population	1.7 million
GDP	US\$ 16 billion
Employment	374,000
Earnings	US\$ 48 million/month

Sectoral

Agriculture and fisheries are key economic sectors for Sri Lanka, accounting for around one-fourth of total employment. Both sectors are directly exposed to flooding, leading to widespread crop losses, damage to machinery, and losses of equipment. Tea plantations in the central highlands, employing over 2.5 million Sri Lankans and contributing US\$ 1.3 billion annually to exports, have been severely affected by landslides, which have uprooted crops and rendered estates unproductive.

The precise impact of floods on crop yields remains to be fully assessed. The overall effect is likely to vary depending on crop types and the duration of flooding. For instance, the impact may differ significantly between staple crops like rice and other crops such as vegetables. Preliminary assessments indicate that up to 23 per cent of rice production areas fall within the flooded areas, highlighting the sector's exposure to flood risks.

Tea plantations have suffered estimated output losses of up to 35 per cent⁷. Smallholder farmers, who manage around 60 per cent of tea land and produce 70 per cent of total output, have been disproportionately affected. Thousands of workers employed by these smallholders, who are among the most marginalized and impoverished in the country, have experienced a double blow, losing both homes and livelihoods.

Next steps

During the initial response to humanitarian needs cash assistance is vital. Following this, the alignment of humanitarian aid and recovery assistance, as foreseen under the Humanitarian-Development-Peace Nexus (HDPN), becomes crucial. Engaging workers' and employers' organizations, as well as community-based groups into the design and delivery of labour market

⁵ Gunatilaka, R., & Chandrasiri, S. (2022). *The labour market implications of Sri Lanka's multiple crises*. International Labour Organization. https://www.ilo.org/global/publications/books/WCMS_872232/lang-en/index.htm

⁶ See table 4.8 from the labour force survey report 2024.

⁷ [Cyclone Ditwah shatters Sri Lanka's tea industry as workers lose homes | Tamil Guardian](#)

recovery measures early on is necessary to foster long-term resilience.

Emergency cash assistance, prioritizing the most vulnerable workers, particularly women and those in informal employment should be extended broadly. Where feasible, it should be channelled through existing social protection systems to avoid long-term dependencies, to bolster local systems and to improve long-term coverage. Strengthening shock-responsive social protection systems is urgently needed. Medium-term recovery efforts should integrate lessons from this event to improve coverage, adequacy and coordination between wage protection, social protection, employment policies, and disaster risk management frameworks.

Where feasible, cash support should be linked to employment-intensive recovery activities. ILO's employment-intensive approach, incorporating decent work principles, can be highly effective in early recovery by providing immediate financial support to affected workers and individuals while engaging them in recovery activities such as debris removal, infrastructure repair, and community rebuilding. The approach promotes adherence to the Fundamental Principles and Rights at Work, including training on occupational safety and health, and helps to build local capacities that promote better working conditions in the medium-term. This could be coupled with broader public works programmes, supporting recovery and reconstruction.

As recovery moves forward, integrating basic occupational safety and health elements, such as task-specific safety briefings, appropriate work-rest arrangements, and provision of basic protective equipment, can help protect workers while supporting effective and sustainable recovery.

The MSME sector, which is already under duress after the COVID-19 crises and the economic and political crisis, has been hit for a third time by the cyclone. A substantial portion of Sri Lanka's employment recovery and future economic growth hinges upon the performance of MSMEs. Financial support to MSMEs is needed to compensate the loss in inventories as well as those incurred from business disruption.

In the medium term, assistance is needed to ensure decent working conditions during the recovery and reconstruction period, and that investment decisions are made which promote employment creation. More detailed analysis is required, to ensure that employment and income losses, as well as losses faced by enterprises are better understood to help guide the recovery strategy. Tripartite discussions

to develop a specific labour market recovery strategy that is cognizant of specific sectoral needs would be advisable.

Lastly, targeted support needs to be provided to the most affected sectors. In agriculture, plantations and fisheries, this should include the restitution of the means of production, support to cooperatives, wage subsidies for affected workers, and long-term efforts to increase resilience, following the principles of disaster-risk reduction. In the garment sector, home-based workers have been especially negatively affected and require focussed assistance.

► Annex: Methodology and figures

While the broader economic and societal repercussions of such disasters are extensive, the most severe impacts are concentrated in the flood and landslide-affected regions. Traditional data, such as administrative data, lacks the geographic granularity to measure the local impact of floods. Therefore, GIS and remote sensing data has been used to inform the economic and labour market impact of the floods and landslides.

Flood extent was shared by the Disaster Management Center of Sri Lanka (<https://www.dmc.gov.lk>) in the form of a raster file that captures the flooded area. The landslides are taken from UNOSAT (<https://unosat.org/products/4223>).

The gridded-population data are taken from WorldPop, 100m resolution raster for 2025 (<https://hub.worldpop.org/geodata/summary?id=72879>).

GDP is proxied by nighttime light radiance taken from VIIRS blackmarble. The product data is the VNP46A4 all angle snow free cover raster for 2024.

The crop data are taken from Quin et al. (2023).⁸ Rice data are at a 10km resolution for the latest year available.

The Labour Force Survey data are for 2024; working age population is set at 76.29 per cent, and the employment rate is measured at the district level. The monthly median earnings of 40,000 Sri Lankan rupees is taken from the Labour Force Survey.

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⁸ Qin, Xingli; Wu, Bingfang; Zeng, Hongwei; Zhang, Miao; Tian, Fuyou, 2023, "GGCP10: A Global Gridded Crop Production Dataset at 10km Resolution from 2010 to 2020", <https://doi.org/10.7910/DVN/G1HBNK>, Harvard Dataverse, V1