Monetary Policy Review at a Glance

January 2026

What did we decide?

We have kept the Overnight Policy Rate ***unchanged***

7.75%

What is going on in the economy?



- Inflation is rising gradually
- Economy is expected to continue its growth momentum despite recent weather related disruptions
- Private sector credit continued to expand, supported by improving business activity and vehicle imports
- Gross official reserves increased to USD 6.8 billion by end-2025, despite large debt repayments
- The Sri Lanka rupee remained broadly stable so far this year

What does the future hold for the economy?

- Inflation is expected to gradually move towards the 5% target by the second half of 2026
- Stronger demand and post-cyclone rebuilding are expected to support economic growth



We are closely monitoring domestic and global developments and stand ready to take action to keep inflation stable around the target of 5% while supporting sustainable growth

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CENTRAL BANK OF SRI LANKA