Monetary Policy Review at a Glance

May 2026

What did we decide?

We have ***increased*** the Overnight Policy Rate (OPR) by ***100 basis points***

8.75%

Why did we take this decision?



- Inflation is expected to remain above the target for some time
- Higher energy prices may continue to add to inflationary pressures
- Continued credit expansion is driving import demand
- Pressures on the external sector observed
- Potential risk of de-anchoring inflation expectations

What does the future hold for the economy?

- Inflation is likely to remain above the 5% target in the near term, before easing and stabilizing around the target over the medium term
- External sector conditions are expected to improve with anticipated multilateral inflows, expected easing of global tensions and recent measures implemented by the GOSL and CBSL



We are closely monitoring domestic and global developments and stand ready to take measures to ensure inflation stabilizes around the 5% target while supporting sustainable economic growth over the medium term

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