



Press Conference

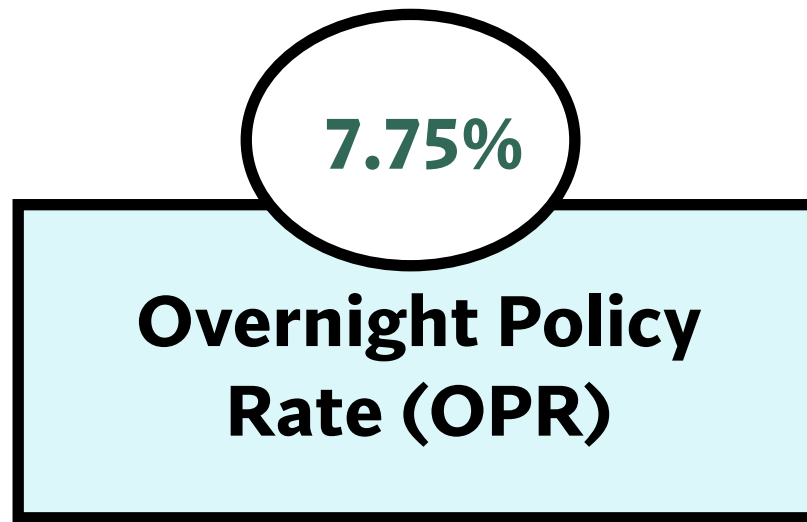
Review of the Monetary Policy Stance

Monetary Policy Review: No. 05 – September 2025

24 September 2025

**Economic Research Department
Central Bank of Sri Lanka**

The Central Bank of Sri Lanka keeps the Overnight Policy Rate Unchanged



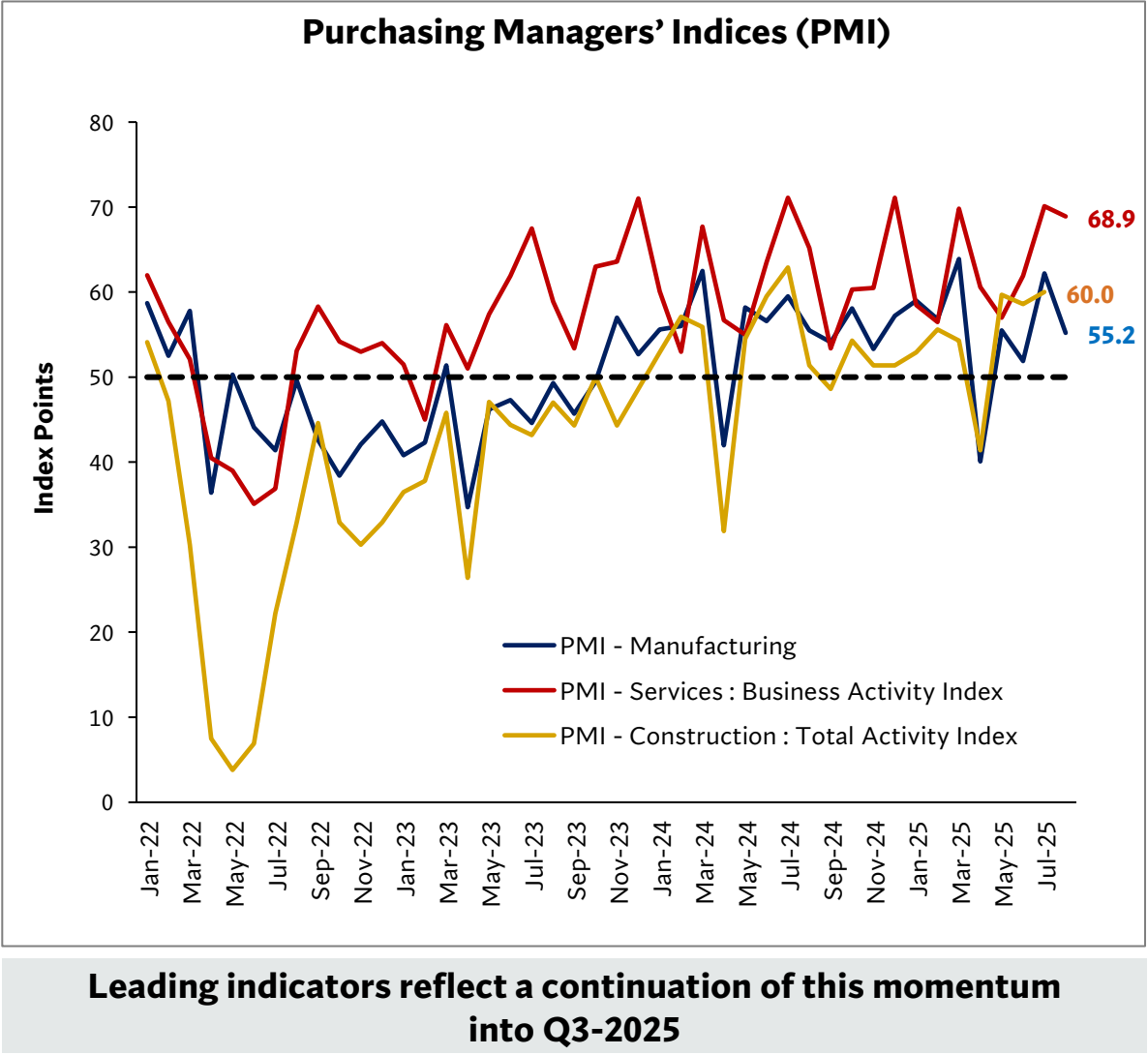
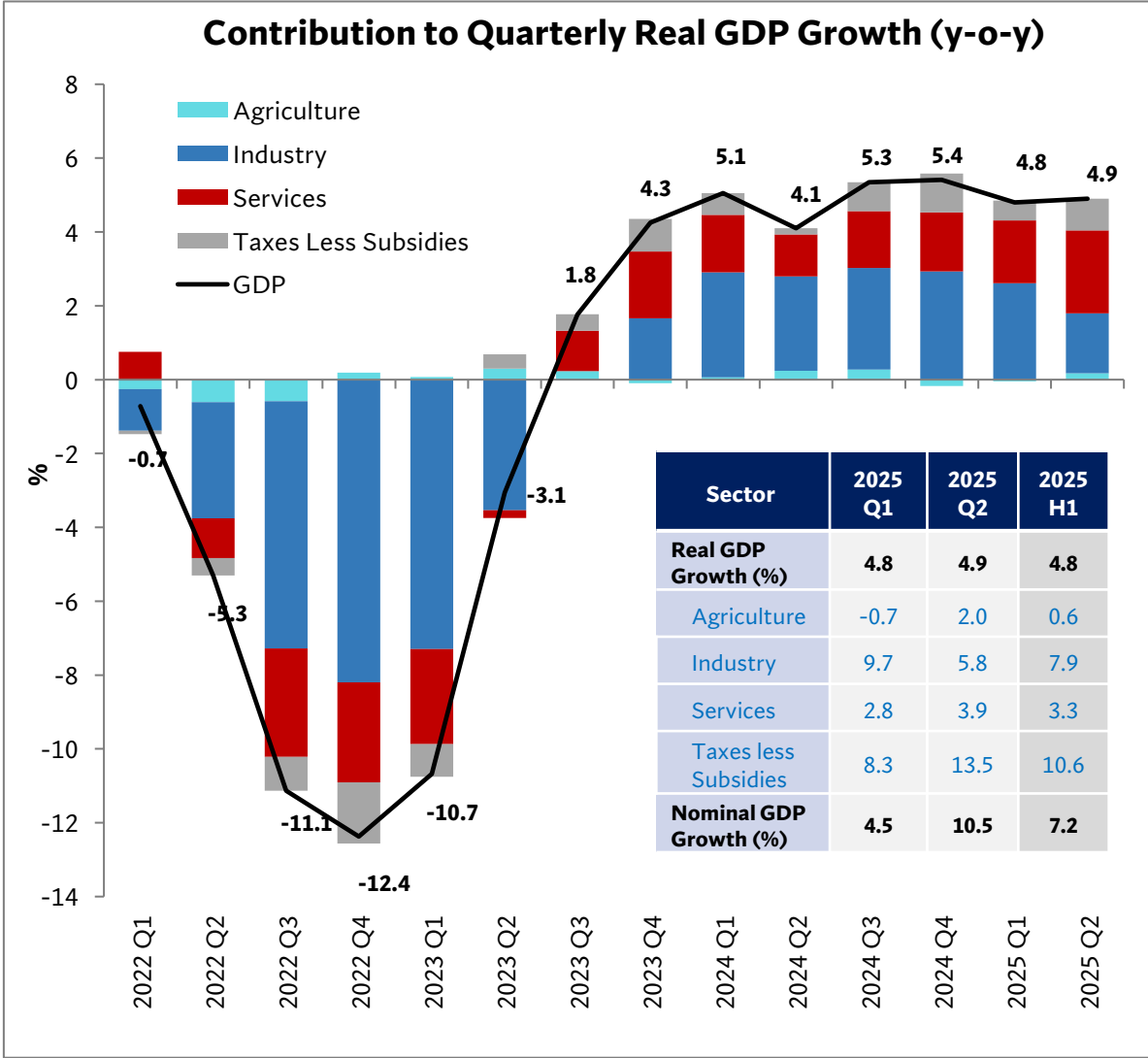
Margins for determination of the interest rates for Standing Facilities of the Central Bank remain unchanged at current levels;

- a. Standing Deposit Facility Rate (SDFR): OPR - 50 bps (7.25%)**
- b. Standing Lending Facility Rate (SLFR): OPR + 50 bps (8.25%)**

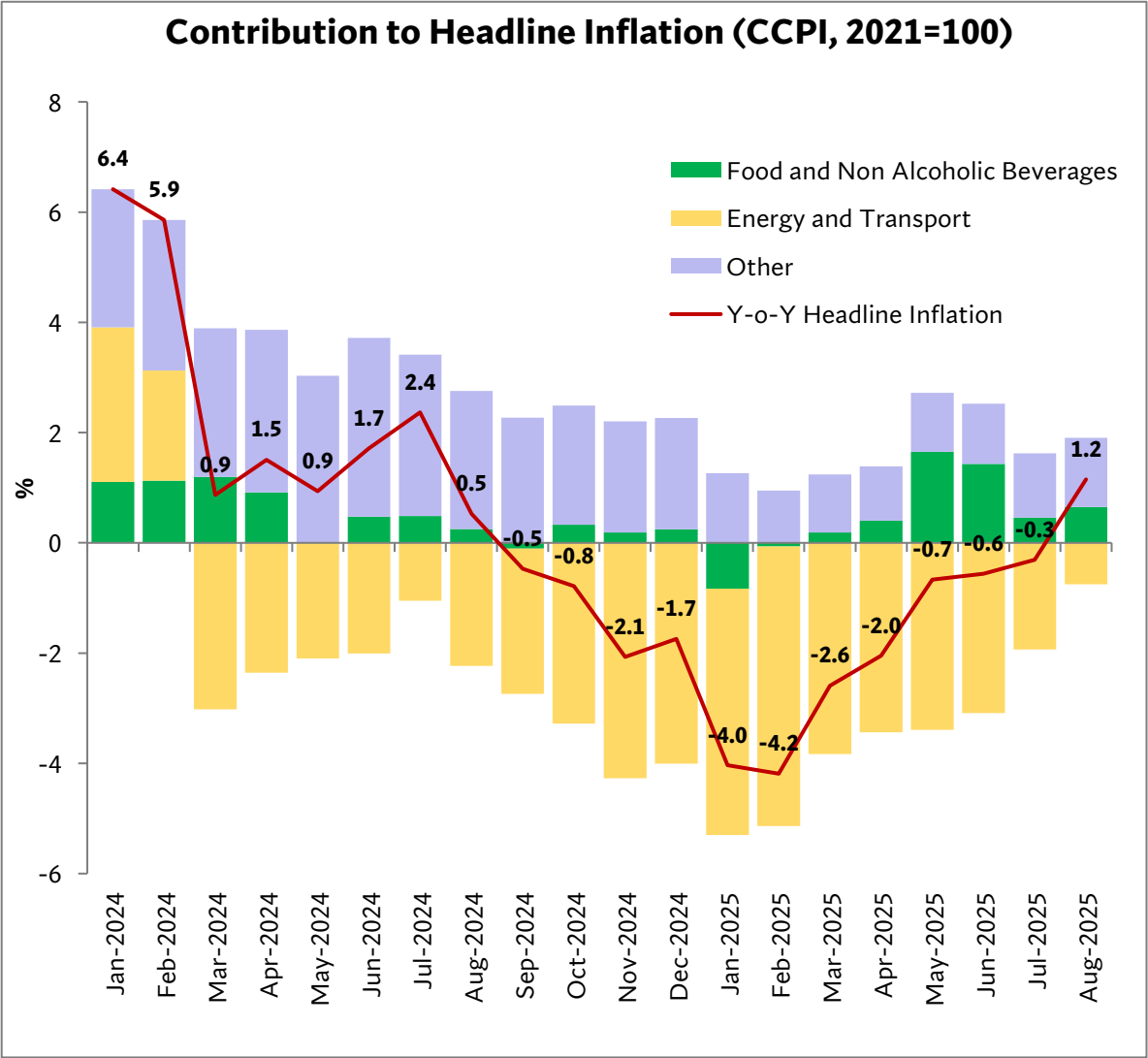
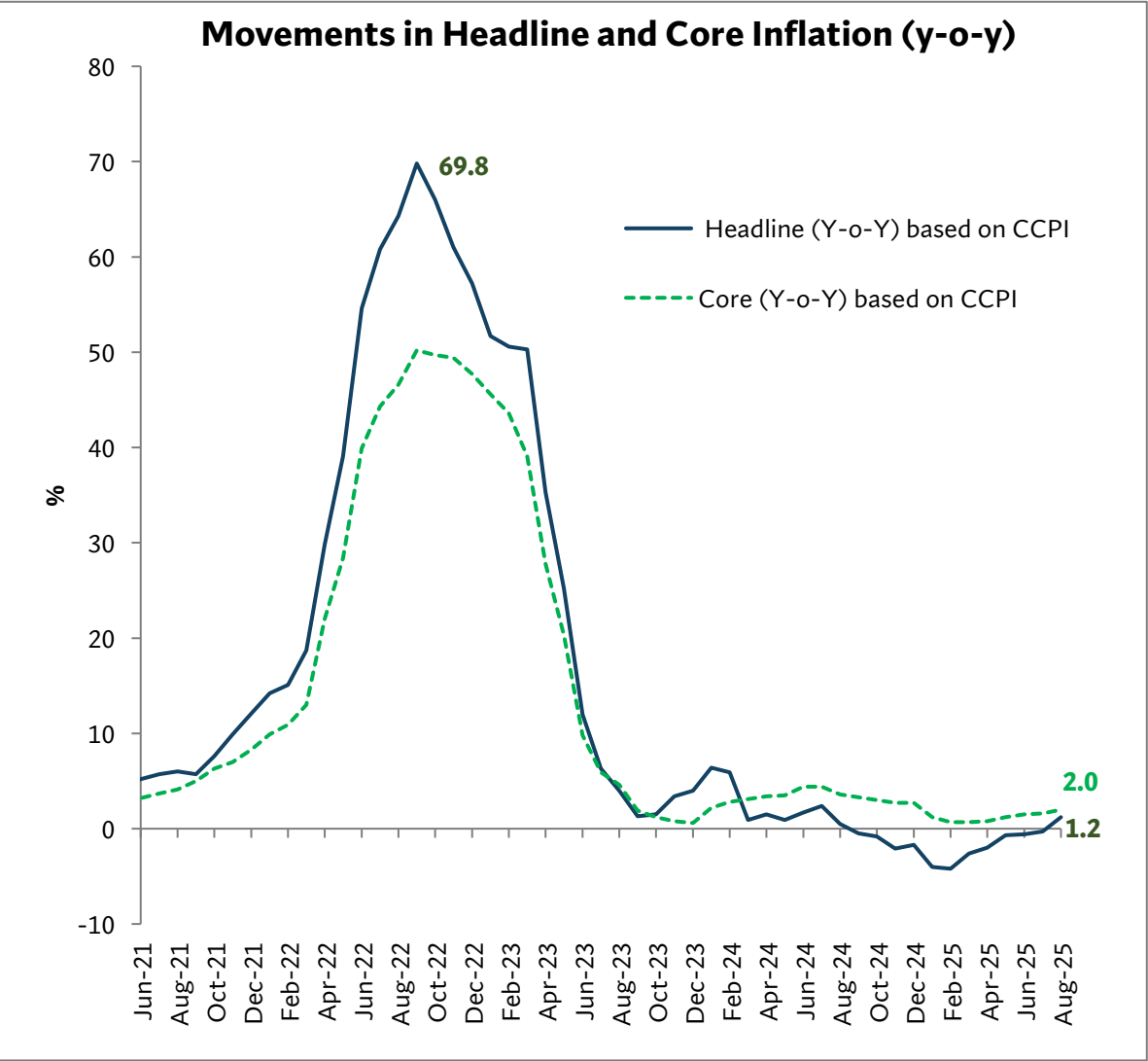
Statutory Reserve Ratio (SRR) remains unchanged at 2.00%

**The Monetary Policy Board is of the view that
the current monetary policy stance
will support steering inflation towards the
target of 5%**

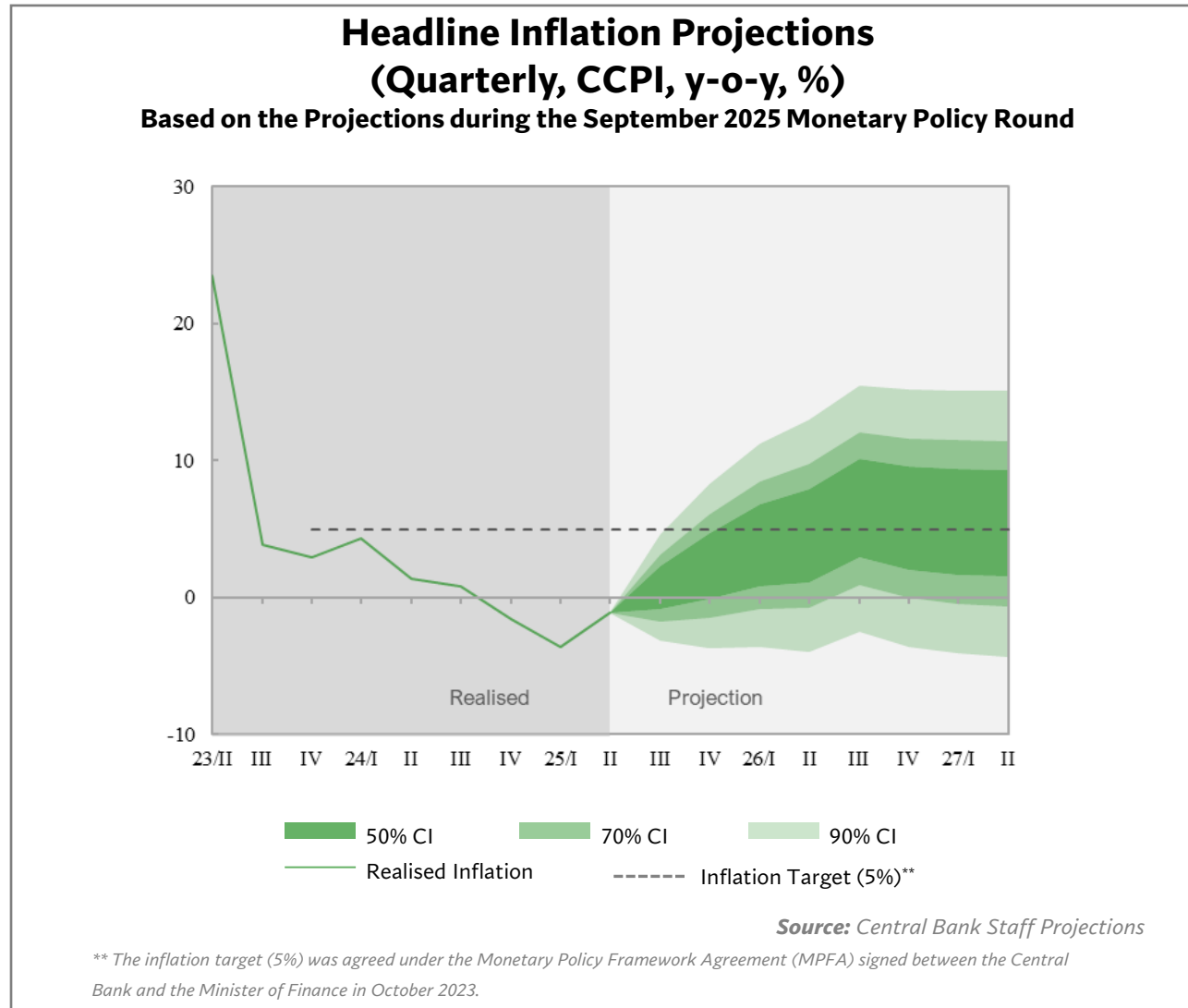
The economy is estimated to have grown by 4.8% in H1-2025...



Headline inflation based on the CCPI turned positive in August 2025, ending eleven months of deflation...

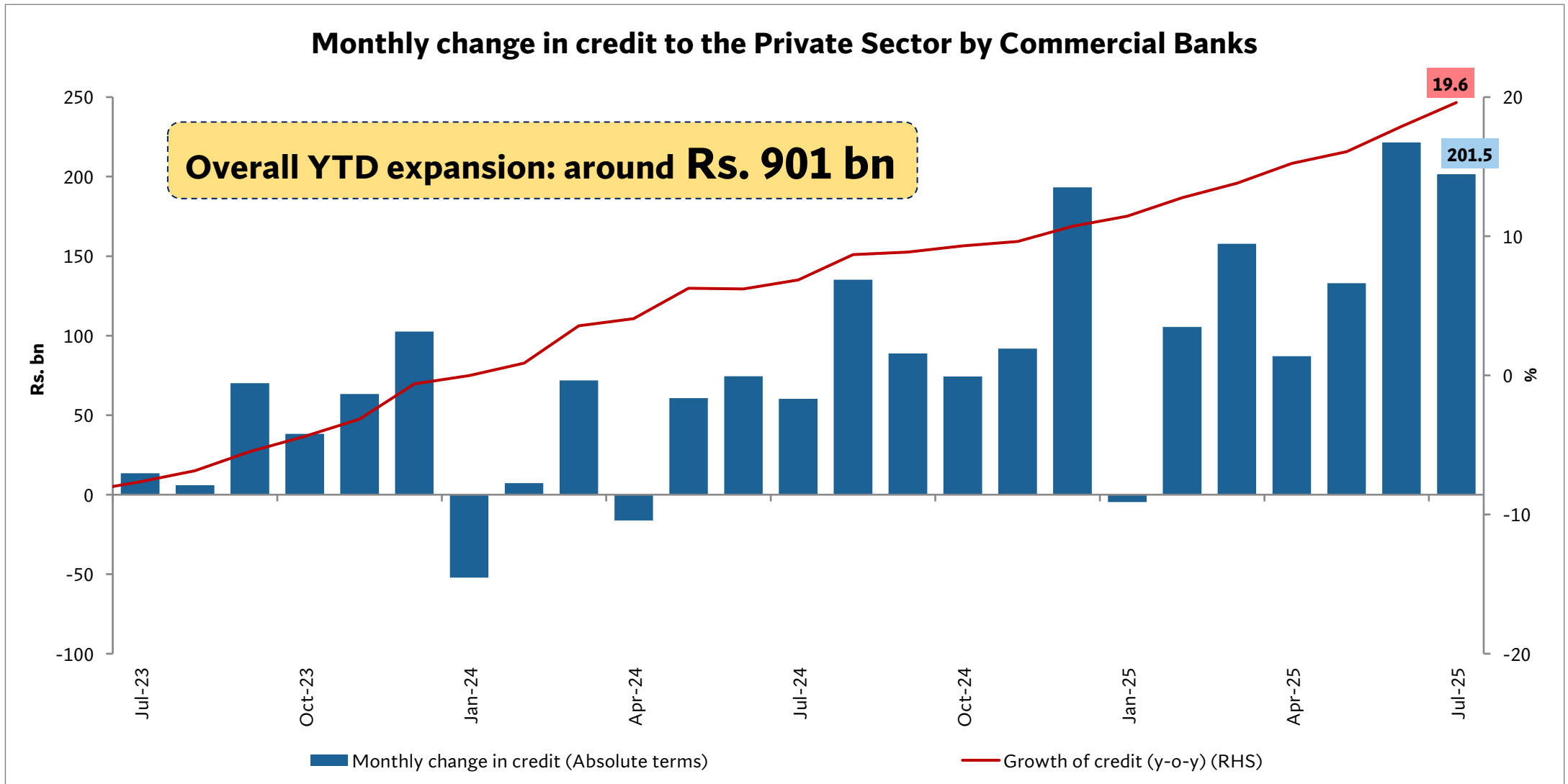


Inflation is projected to gradually increase towards the target of 5% by mid-2026...

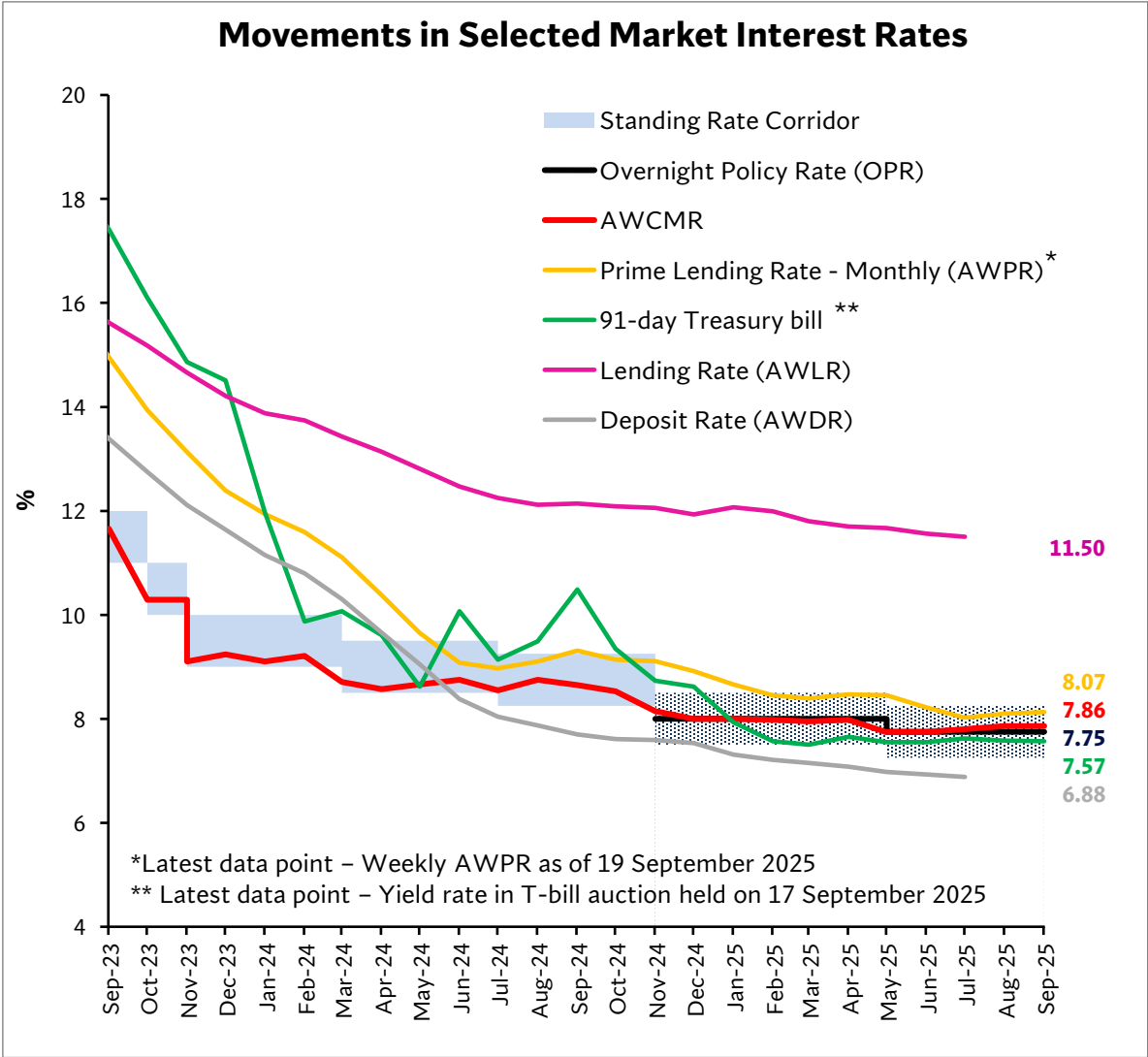
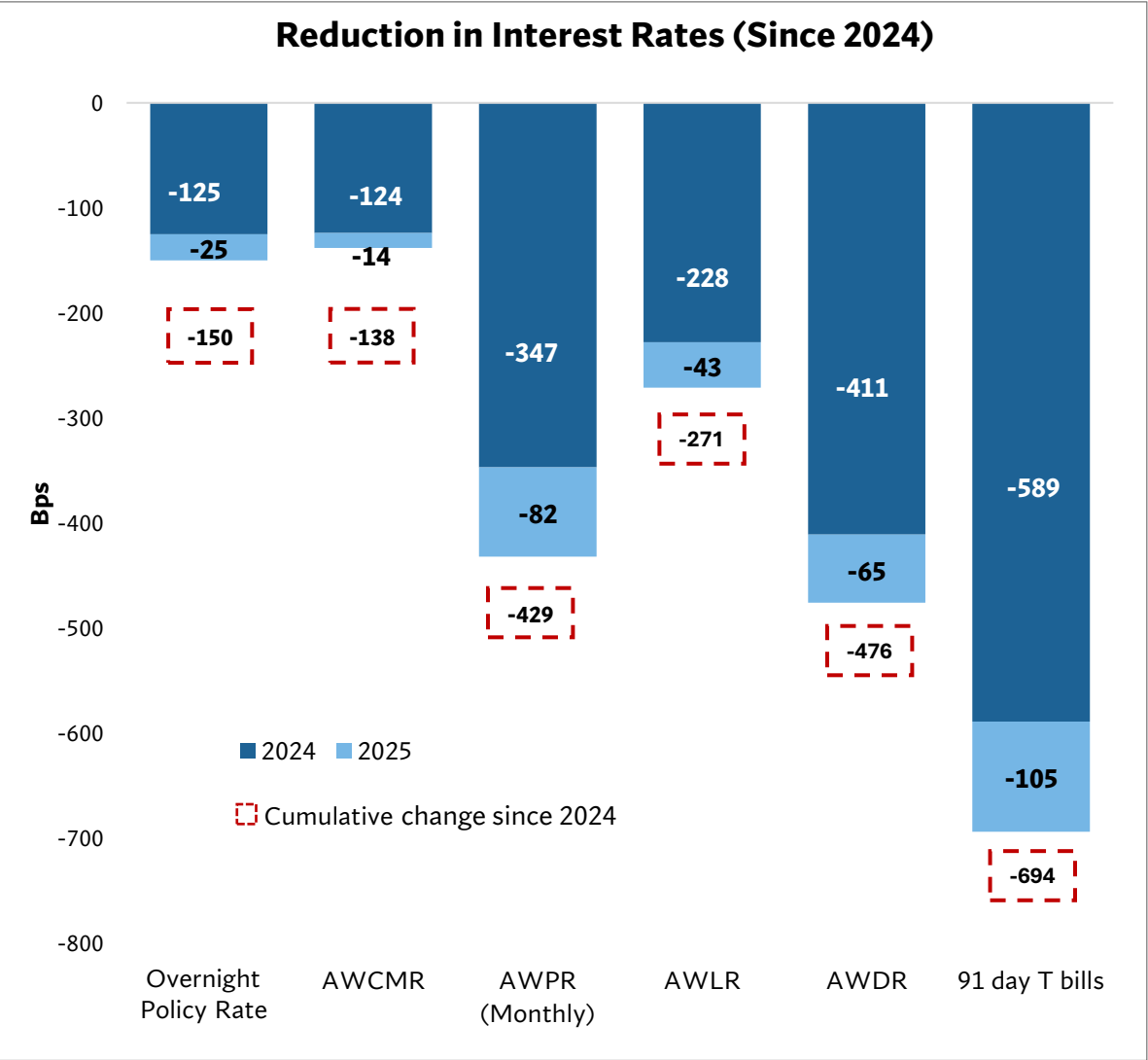


Reflecting strengthening domestic demand, core inflation is also expected to pickup, and **stabilise thereafter around the headline inflation target of 5%**

Credit to the private sector recorded a notable and broad-based expansion thus far in 2025...

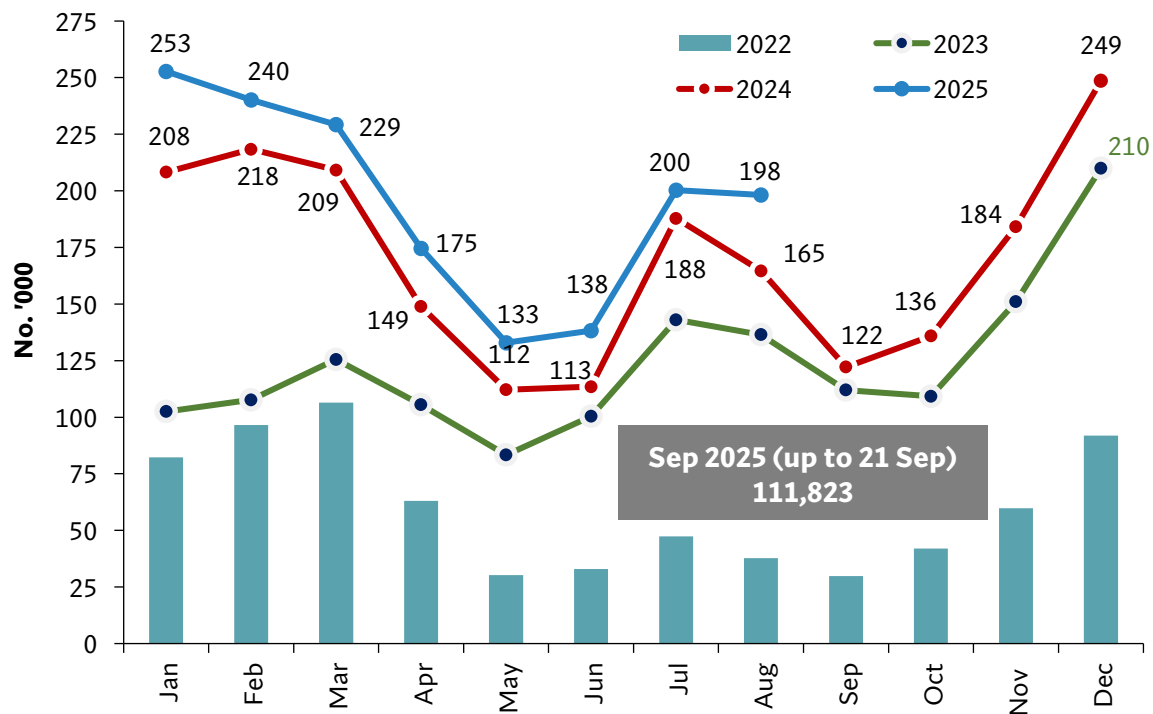


Credit expansion is supported by the low-interest-rate environment...

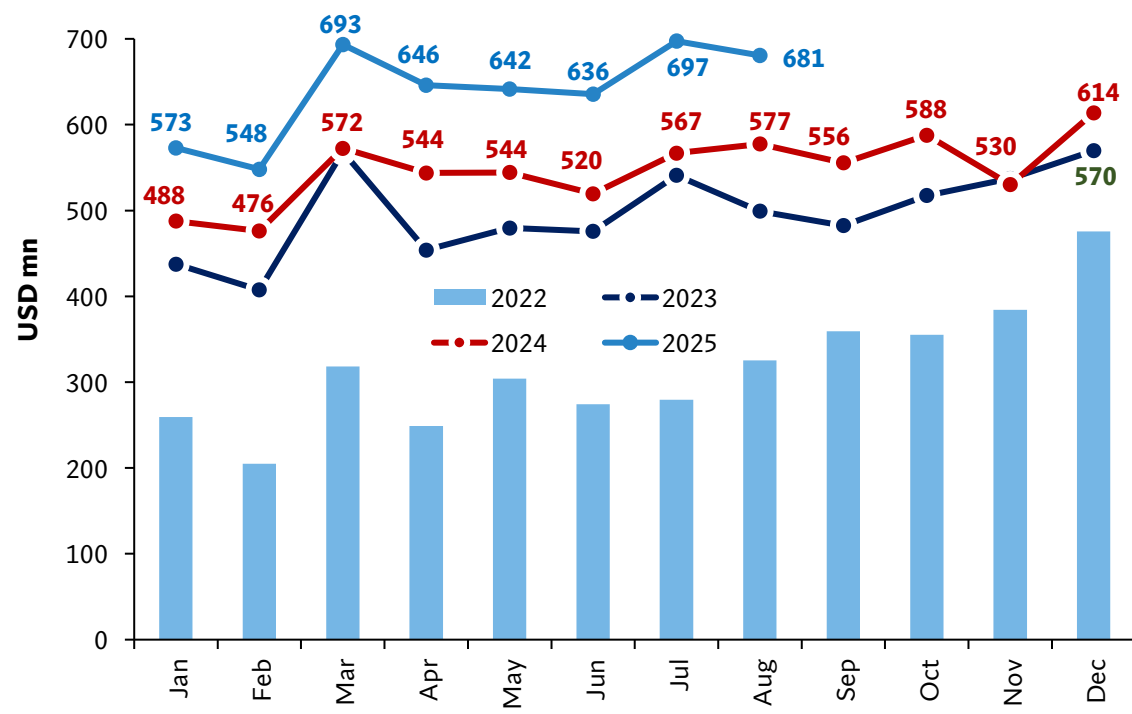


The external sector remained resilient supported by improved inflows from tourism and workers' remittances, despite a widening trade deficit...

Tourist Arrivals



Workers' Remittances



Earnings
from tourism

2025 Jan-Aug
USD 2.3 bn

2024 Jan-Aug
USD 2.2 bn

2024
USD 3.2 bn

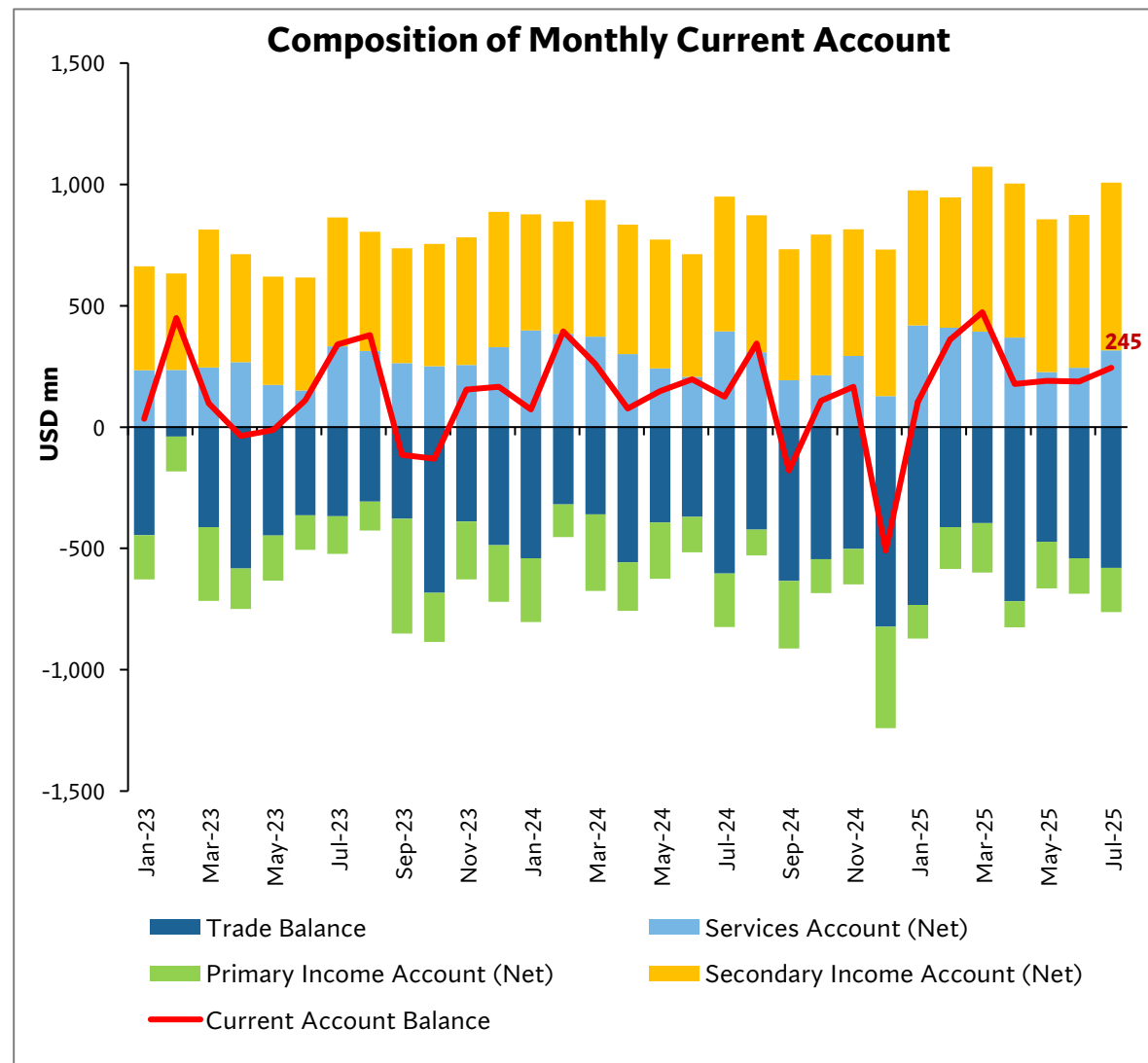
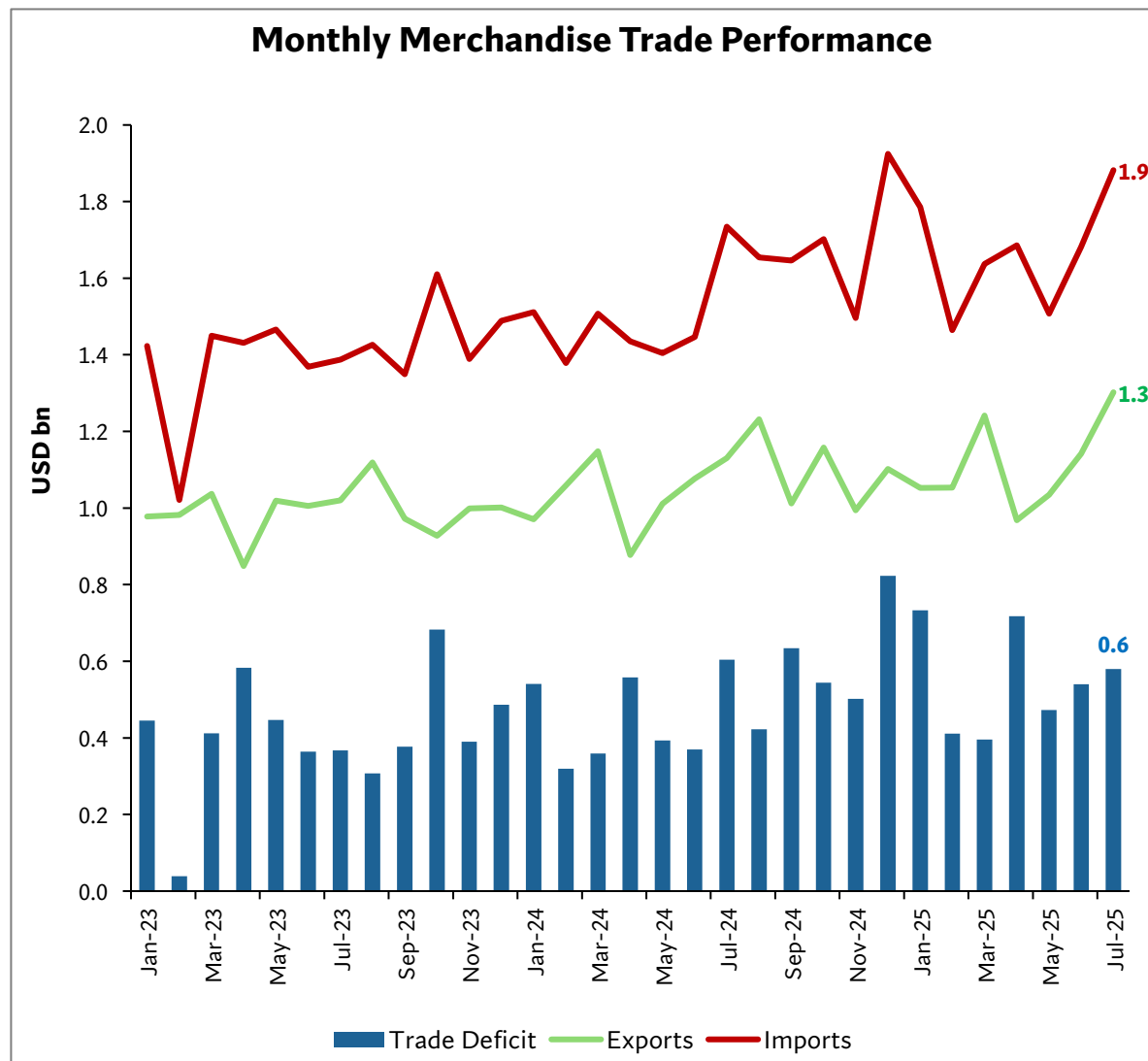
Workers'
Remittances

2025 Jan-Aug
USD 5.1 bn

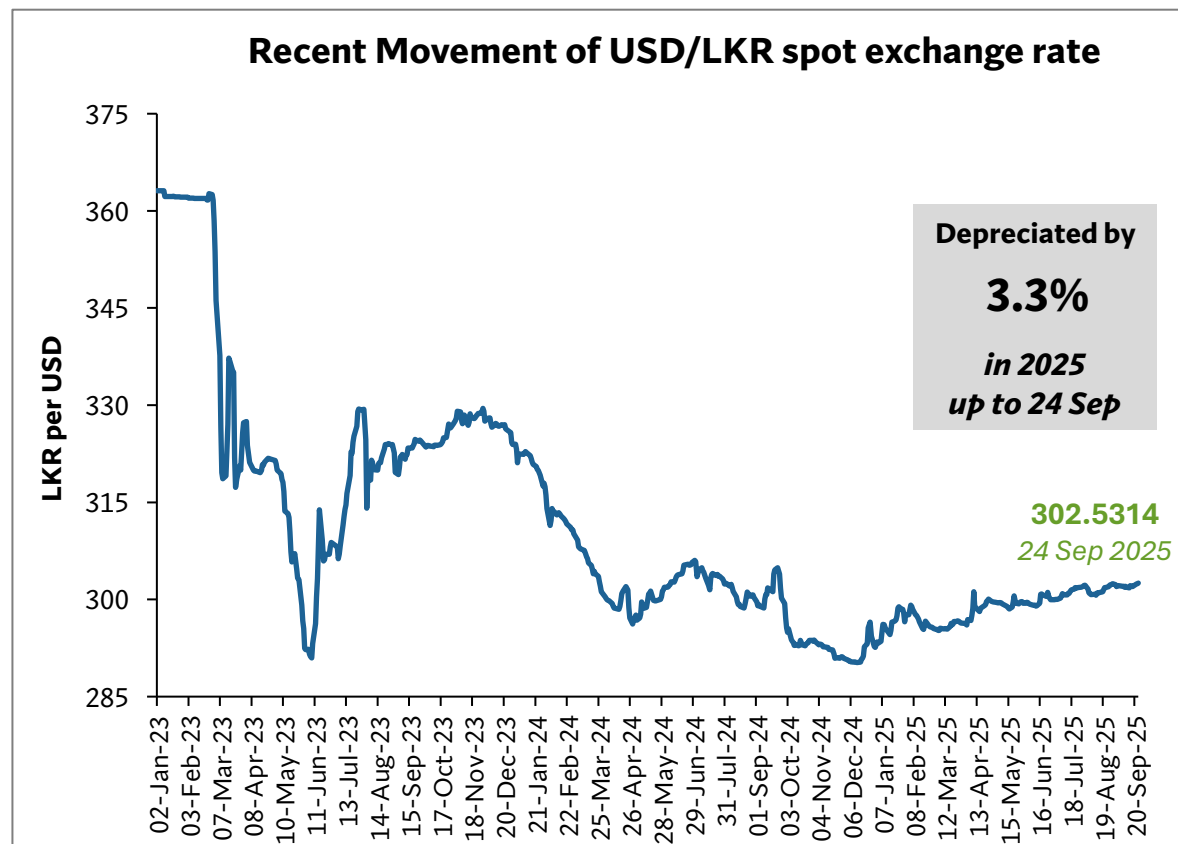
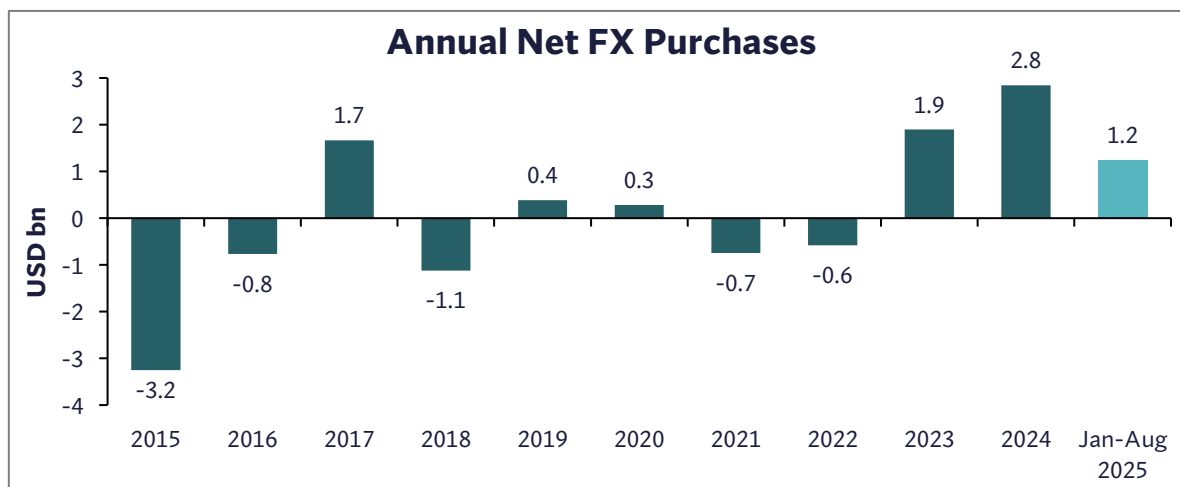
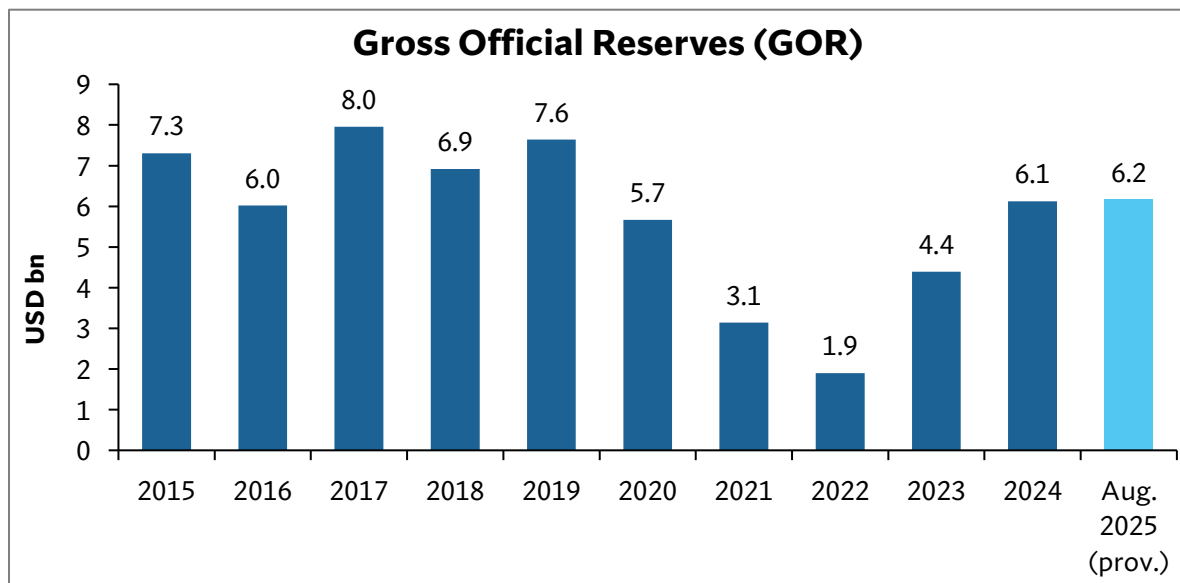
2024 Jan-Aug
USD 4.3 bn

2024
USD 6.6 bn

The external sector remained resilient supported by improved inflows from tourism and workers' remittances, despite a widening trade deficit...(cont.)



Continued net foreign exchange purchases by the CBSL have helped maintain GOR above USD 6 bn, amidst debt service payments...



All three major rating agencies have now raised Sri Lanka's sovereign ratings...

The Board will continue to monitor and assess incoming data on developments in the domestic and global fronts and emerging risks.

The Board remains prepared to implement appropriate policy measures to ensure that inflation stabilises around the target, while supporting the economy to reach its potential

Thank You