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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

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## **Press Release**

**Issued By** Communications Department

**Date** 27.09.2017

### **Clarification by the Central Bank of Sri Lanka on misleading news reports on a comment made by the Governor**

The Central Bank of Sri Lanka (CBSL) has observed media reports highlighting adjustments to the Value-Added Tax (VAT) as the reason for increased inflation in 2017.

The CBSL wishes to clarify the Governor's response to a query from the media on rising inflation in 2017 at the press conference held on the Monetary Policy Review No. 6 of 2017 at CBSL Head Office. In his response, the Governor stated that in addition to the adjustments made to the government tax structure, the adverse impact of weather related supply side disruptions, rising international commodity prices and the impact of the base contributed to the acceleration of inflation thus far during 2017. While the aforementioned factors lie beyond the control of the CBSL, it has maintained a tight monetary policy stance since early 2016 thereby containing demand-driven inflationary pressures and the buildup of adverse inflation expectations.