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Press Release

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The International Monetary Fund Releases the Fourth Tranche of US dollars 251.4 million under the Extended Fund Facility

The Executive Board of the International Monetary Fund (IMF) completed the third review of the three-year Extended Fund Facility (EFF) obtained by Sri Lanka, enabling the disbursement of the fourth tranche to the value of SDR 177.774 million (approximately US dollars 251.4 million).

The main objective of the EFF is to strengthen the Balance of Payments position of Sri Lanka while supporting the government's economic reform agenda. Following the Executive Board's discussion of the third review, the IMF acknowledged the stable macroeconomic and financial conditions of Sri Lanka, despite continuous weather related supply shocks. The IMF has commended the commitment of the authorities towards implementing economic reforms while undertaking fiscal measures to improve government revenue. The IMF has further appreciated the efforts of the authorities to deepen the foreign exchange market while building up reserves and achieving enhanced exchange rate flexibility. The IMF has also maintained the view that the monetary policy must be focused on easing inflationary pressures and high credit growth. Furthermore, the IMF has recognised the efforts taken by the authorities to achieve quantitative performance criteria set under the EFF.

With the disbursement of the fourth tranche, a total of US dollars 759.9 million has been received thus far by Sri Lanka on account of the EFF. The EFF supported economic programme is expected to improve macroeconomic stability of the country and bolster market confidence while strengthening external resilience in a challenging global environment.