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Press Release

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The International Monetary Fund Releases the Sixth Tranche of US dollars 164.1 million under the Extended Fund Facility

The Executive Board of the International Monetary Fund (IMF) completed the Fifth Review under Sri Lanka's Extended Fund Facility (EFF) approving the disbursement of the sixth tranche amounting to SDR 118.5 million (approximately US dollars 164.1 million). The Executive Board also approved an extension of the arrangement by one year, until June 2020, and rephased the remaining disbursements.

The IMF acknowledged the progress made by the authorities to bring the EFF successfully back on track, despite a number of setbacks, by advancing fiscal consolidation through a well-targeted Budget 2019, rebuilding reserves, while maintaining a prudent monetary policy stance with greater exchange rate flexibility, and reviving structural reforms. The IMF has also maintained the view that the continued implementation of structural reforms is essential to support strong and inclusive growth with renewed efforts to strengthen governance of State Owned Enterprises (SOEs), amendments to the Monetary Law Act in transition to Flexible Inflation Targeting (FIT) with harmonizing of regulation and supervision of financial institutions, strengthening the macroprudential policy framework, and enhancing the crisis-preparedness toolkit to strengthen financial sector stability.

With the latest disbursement, the total disbursements under the arrangement so far amount to SDR 833.73 million (approximately US dollars 1,155 million). Continuation of the EFF is expected to help the country to strengthen external resilience and improve macroeconomic stability while enhancing market confidence in a challenging global and domestic environment.