

PRESS RELEASE

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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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Monetary Policy Review: No. 03 – April 2022

The Central Bank of Sri Lanka Significantly Tightens its Monetary Policy Stance to Stabilise the Economy

The Monetary Board of the Central Bank of Sri Lanka, at its meeting held on 08 April 2022, decided to increase the Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) of the Central Bank by 700 basis points to 13.50 per cent and 14.50 per cent, respectively, effective from the close of business on 08 April 2022. The Board, having noted the inflationary pressures that could further intensify in the period ahead, driven by the build-up of aggregate demand, domestic supply disruptions, exchange rate depreciation and the elevated prices of commodities globally, was of the view that a substantial policy response is imperative to arrest the buildup of added demand driven inflationary pressures in the economy and preempt the escalation of adverse inflationary expectations, to provide the required impetus to stabilise the exchange rate and also to correct anomalies observed in the market interest rate structure.

A detailed press release will be issued in due course.

INFORMATION NOTE:

A press conference chaired by Governor Dr. P Nandalal Weerasinghe will be held on 08 April 2022 at 6.00 pm at the Atrium of the Central Bank of Sri Lanka and will be livestreamed on Facebook and YouTube.