

PRESS RELEASE

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இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

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The Central Bank clarifies misreporting of the views expressed by Governor of the Central Bank on the economic outlook

The Central Bank of Sri Lanka wishes to clarify a misreporting of the views expressed by Governor of the Central Bank following a recent media engagement. Such media reports claim that 'Governor anticipates a difficult period ahead in the economy'. This is a gross misinterpretation of the views expressed by Governor, taken out of the context of the discussion on challenges that the economy could face in the period ahead if the envisaged reforms are delayed or derailed. Governor viewed that the difficult and painful policy measures implemented by the Government and the Central Bank thus far have helped to stabilise the economic conditions, compared to the unprecedented socio-economic tensions witnessed in 2022. Despite these reforms have resulted in significant adjustment costs, causing hardship to the people and businesses in the near term, they were necessary to restore stability, which will accrue benefits to the people and businesses in the period ahead. However, Governor reiterated the view that should there be any delay or derailment from the envisaged economic adjustment programme, which entails growth enhancing reforms, there could be significant downside risks to the envisaged economic recovery, thereby dampening the economic outlook.

Therefore, the Central Bank wishes to urge the public not be dissuaded by misquoted media reports published intentionally or otherwise, at this crucial moment of economic recovery from the worst crisis in history.