

# PRESS RELEASE

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இலங்கை மத்திய வங்கி  
CENTRAL BANK OF SRI LANKA

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The IMF Executive Board completed the combined Fifth and Sixth Reviews under the 48-month Extended Fund Facility (EFF) for Sri Lanka, providing the country with immediate access to SDR 508 million (about US\$ 695 million) to support economic policies and reforms. These are the sixth and seventh tranches Sri Lanka receives under the IMF-EFF. Accordingly, the total IMF financial support disbursed so far increases to SDR 1.778 billion (about US\$ 2.4 billion). The IMF issued the following press release on 27 May 2026, which can be accessed from the link below.

<https://www.imf.org/en/news/articles/2026/05/27/pr26172-sri-lanka-imf-completes-combined-5th-and-6th-reviews-under-eff>

## IMF Executive Board Completes the Combined Fifth and Sixth Reviews Under the Extended Fund Facility for Sri Lanka

- *The IMF Executive Board completed the combined Fifth and Sixth Reviews of the Extended Fund Facility for Sri Lanka, providing the country with immediate access to SDR508 million (about US\$695 million) to support economic policies and reforms.*
- *Performance under the program was generally strong. The prior actions on restoring fuel and electricity cost-recovery pricing were met. The continuous performance criteria on no new external payment arrears and on not imposing or intensifying import restrictions were not observed. All end-December 2025 quantitative performance criteria were met. Most structural benchmarks were met or implemented with a delay.*
- *The war in the Middle East and the aftermath of Cyclone Ditwah pose downside risks, but the economy is expected to remain resilient. Hard-won gains from the reform program have enabled swift policy responses to support the economy and help protect the vulnerable.*

**Washington, DC:** The Executive Board of the International Monetary Fund (IMF) completed the combined Fifth and Sixth Reviews of Sri Lanka's economic reform program supported by the 48-month Extended Fund Facility (EFF) arrangement. Completion of the combined reviews provides SDR508 million (about US\$695 million), bringing the total purchases under the arrangement to SDR1.778 billion (about US\$2.4 billion).<sup>1</sup>

The EFF arrangement for Sri Lanka was approved by the Executive Board on March 20, 2023 (see [Press Release No. 23/79](#)) in an amount of SDR 2.286 billion (395 percent of quota or about US\$3 billion). The arrangement supports Sri Lanka's reform program to durably restore macroeconomic stability by (i) restoring fiscal and debt sustainability while protecting the vulnerable, (ii)

<sup>1</sup> SDR figures are converted at the market rate of U.S. dollar per SDR on the day of the Board approval.

safeguarding price and financial sector stability, (iii) rebuilding external buffers, (iv) strengthening governance and reducing corruption vulnerabilities, and (v) advancing growth-oriented structural reforms.

Following the Executive Board's discussion, Mr. Kenji Okamura, Deputy Managing Director and Acting Chair, issued the following statement:

"Sri Lanka's strong implementation under the EFF arrangement has continued despite challenging circumstances. Gains from the economic reform program helped preserve economic resilience and provided room to respond to cyclone Ditwah and the Middle East war. The latter, however, has significantly worsened Sri Lanka's economic outlook and tilted risks to the downside. For 2026, growth is projected to slow down to 3 percent. Higher oil prices would increase inflation and weaken the current account, which would also be adversely impacted by lower tourism receipts. The uncertainty, regarding the war's intensity and duration, heightens risks to the outlook.

"Fiscal easing in 2026 is appropriate in response to the shocks, and the government is implementing a temporary relief package, while also allocating additional spending to support recovery and reconstruction following Cyclone Ditwah. From 2027 onward, the authorities are appropriately committed to reverting to the primary balance target of 2.3 percent of GDP, as well as complying with the primary expenditure ceiling.

"Program performance remains generally strong, but efforts are required to complete public financial and investment management, and electricity sector reforms. Sustained revenue mobilization is crucial to make the tax system more efficient and growth-enhancing and should be spearheaded by developing a medium-term revenue strategy. Debt restructuring is nearing completion, but debt sustainability risks remain high.

"Monetary policy should continue prioritizing price stability. Greater exchange rate flexibility and gradually phasing out the balance-of-payments measures remain critical to rebuild external buffers and resilience.

"Well-calibrated structural reforms and renewed public infrastructure are also needed to improve the investment climate and lift the growth potential."

## Sri Lanka: Selected Economic Indicators 2025-2028

	2025	2026	2027	2028
	Act.	Projections		
<b>GDP and inflation</b> (in percent)				
Real GDP	5.0	3.0	3.2	3.1
Inflation (average) 1/	-0.5	5.0	5.3	5.0
Inflation (end-of-period) 1/	2.1	6.1	5.0	5.0
GDP Deflator growth	3.7	6.2	5.2	5.0
Nominal GDP growth	8.8	9.4	8.5	8.2
<b>Savings and investment</b> (in percent of GDP)				
National savings 2/	31.2	27.4	24.2	23.9
Government	0.7	-0.4	0.2	0.0
Private	30.6	27.8	24.1	23.9
National investment	29.6	27.9	24.3	24.2
Government	5.6	5.8	4.7	4.6
Private	24.1	22.1	19.6	19.5
Savings-Investment balance	1.6	-0.5	-0.1	-0.3
Government	-4.9	-6.3	-4.6	-4.6
Private	6.5	5.8	4.5	4.4
<b>Public finance</b> (in percent of GDP)				
Revenue and grants	16.7	15.2	15.1	15.0
Expenditure	19.0	20.3	18.7	18.8
Primary balance	5.4	1.4	2.3	2.3
Central government balance	-2.3	-5.1	-3.7	-3.8
Central government gross financing needs	19.0	19.8	14.4	13.7
Central government debt	96.8	96.3	93.5	92.5
Public debt 3/	101.1	100.1	96.9	95.5
<b>Money and credit</b> (percent change, end of period)				
Reserve money	16.7	9.8	8.5	8.2
Broad money	11.5	17.3	8.5	8.2
Domestic credit	11.3	9.8	7.1	6.2
Credit to private sector	25.2	14.5	11.8	9.3
Credit to private sector (adjusted for inflation)	25.7	9.5	6.5	4.3
Credit to central government and public corporations	-1.4	4.3	1.1	1.9
<b>Balance of Payments</b> (in millions of U.S. dollars)				
Exports	13,581	14,131	14,401	15,179
Imports	-21,480	-23,095	-22,748	-23,987
Current account balance	1,719	-534	-115	-302
Current account balance (in percent of GDP)	1.6	-0.5	-0.1	-0.3
Current account balance net of interest (in percent of GDP)	2.8	1.4	1.8	1.7
Export value growth (percent)	6.3	4.0	1.9	5.4
Import value growth (percent)	14.0	7.5	-1.5	5.4
<b>Gross official reserves</b> (end of period)				
In millions of U.S. dollars	6,838	8,645	11,779	13,939
In months of prospective imports of goods & services	3.1	3.9	5.1	5.7
In percent of ARA composite metric	59.4	73.6	96.9	110.8
<b>Gross official reserves accounting for PBOC Swap conditions</b> (end of period) 4/				
In millions of U.S. dollars	5,395	8,645	11,779	13,939
In months of prospective imports of goods & services	2.4	3.9	5.1	5.7
In percent of ARA composite metric	46.9	73.6	96.9	110.8
<b>External debt</b> (public and private) 4/				
In billions of U.S. dollars	54.8	56.7	58.9	60.2
As a percent of GDP	50.3	51.7	52.7	51.2
<b>Memorandum items:</b>				
Nominal GDP (in billions of rupees)	32,751	35,835	38,891	42,089
Exchange Rate (period average)	300.9	...	...	...
Exchange Rate (end of period)	310.0	...	...	...

Sources: Data provided by the Sri Lankan authorities; and IMF staff estimates.

1/ Colombo CPI.

2/ Cash basis, excluding accrued but not paid interest.

3/ Comprising central government debt, publicly guaranteed debt, and CBSL external liabilities (i.e., Fund credit outstanding and international currency swap arrangements). The debt statistics currently assume the external debt restructuring to have been completed at end 2023.

4/ Based on market value when available.