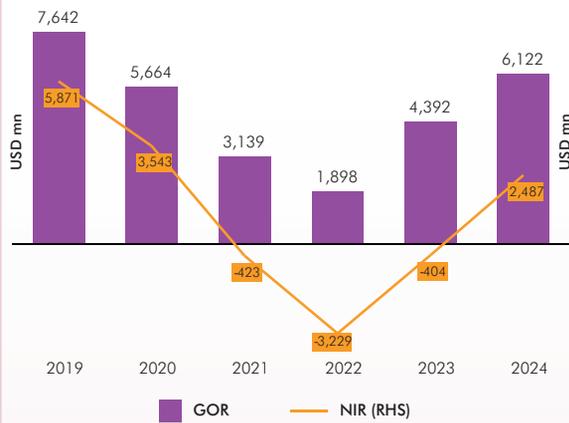


Featured Charts 1.6 Post-Crisis Turnaround of International Reserves

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Gross Official Reserves and Net International Reserves



Source: Central Bank of Sri Lanka

Sri Lanka's Gross Official Reserves (GOR) and the Net International Reserves (NIR) recorded a notable turnaround. GOR, including the PBOC swap since 2021, declined to a bare minimum in 2022, prompting the announcement of a debt standstill by the Government. The country's NIR position, which also considers the reserve related liabilities, was negative and at a historical lowest during 2022. However, the Central Bank was able to increase the assets over and above the requirements under the IMF-EFF by way of direct purchases, while IMF-EFF related multilateral funding also supported this process. Reserve related liabilities also declined with servicing of the special swap arrangement with the Reserve Bank of India (RBI). Hence, the reserve related V-shaped recovery post-crisis was a combined effect of a notable increase in GOR as well as the continuous reduction of the Central Bank liabilities.