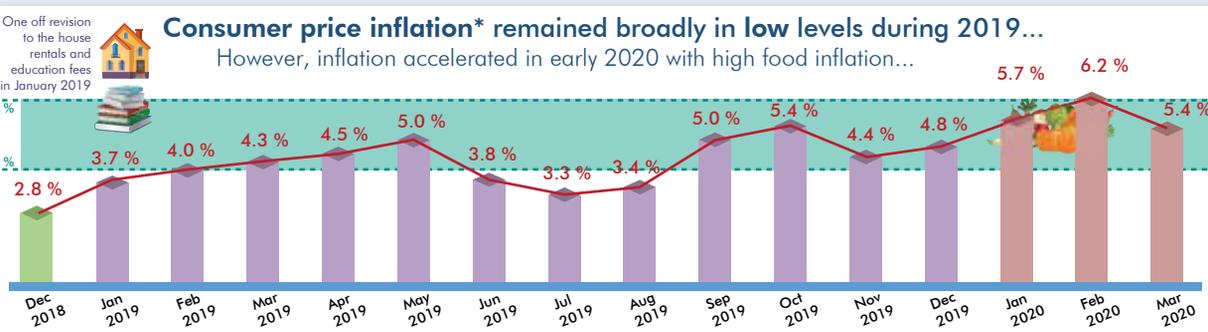
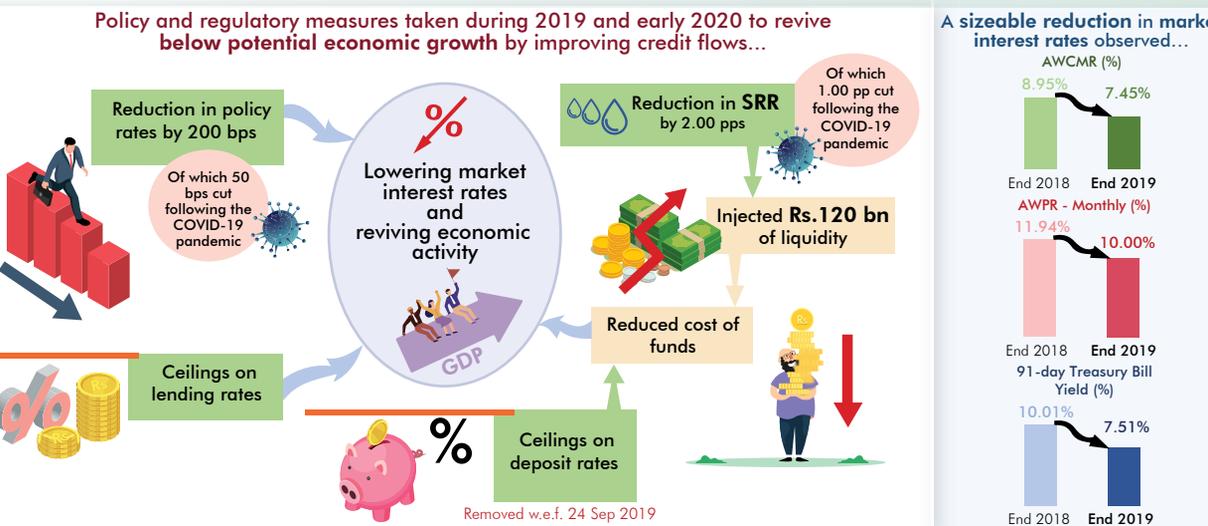
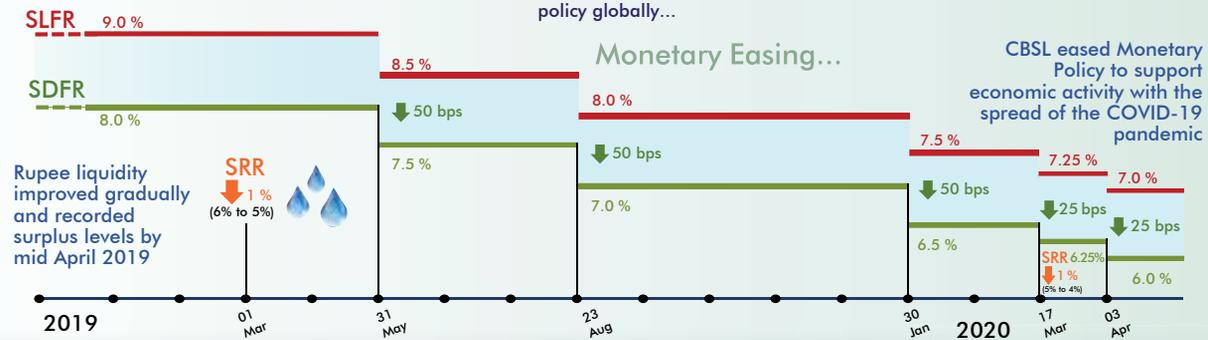


Figure 7.1  
Monetary Sector Performance

The Central Bank of Sri Lanka (CBSL) adopted an **accommodative monetary policy** stance in May 2019 and reinforced the same in August 2019 and early 2020 to revive economic activity... supported by muted inflation, well-anchored inflation expectations, a relatively stable external sector and increasingly easing monetary policy globally...



The CBSL conducted monetary policy in line with a flexible inflation targeting framework aimed at stabilising inflation at mid single digit levels over the medium term while supporting economic growth to reach its potential.

