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The IMF Executive Board approved emergency financing under the Rapid Financing Instrument (RFI),<sup>1</sup> providing Sri Lanka with immediate access to SDR 150.5 million (about US\$206 million, equivalent to 26 percent of quota) to help Sri Lanka address the urgent needs arising from the catastrophic Cyclone Ditwah and preserve macroeconomic stability. The IMF issued the following press release on 19 December 2025, which can be accessed from the link below.

<https://www.imf.org/en/news/articles/2025/12/19/pr-25436-sri-lanka-imf-approves-us-206-million-in-emergency-financial-support>

## **IMF Executive Board Approves US\$206 Million in Emergency Financial Support for Sri Lanka**

- *The IMF Executive Board approved emergency financing under the Rapid Financing Instrument (RFI), providing Sri Lanka with immediate access to about US\$206 million.*
- *The RFI will help Sri Lanka address the urgent needs arising from the catastrophic Cyclone Ditwah and preserve macroeconomic stability.*
- *Given the time needed to assess the impact of the cyclone and evaluate how the IMF-supported program can best support Sri Lanka's recovery and reconstruction efforts, the Fifth Review under the Extended Fund Facility (EFF) is deferred. Discussions will resume in early 2026.*

**Washington, DC:** The Executive Board of the International Monetary Fund (IMF) approved a disbursement of SDR 150.5 million (about US\$206 million, equivalent to 26 percent of quota) for Sri Lanka under the Rapid Financing Instrument (RFI). This emergency support will help address urgent balance-of-payments and fiscal pressures arising from the catastrophic Cyclone Ditwah, which hit the country on November 28.

The Sri Lankan authorities remain committed to their economic reform program supported by the Extended Fund Facility (EFF). The cyclone hit when the Fifth Review under the EFF was nearing completion. Given the time needed to assess the economic impact of the cyclone and examine how IMF-supported program can best support Sri Lanka's recovery and reconstruction efforts while preserving objectives and policy priorities, the Fifth Review has been deferred. An IMF mission team will visit Sri Lanka in early 2026 to resume discussions.

<sup>1</sup> Further details of the instrument can be accessed via the following link.

<https://www.imf.org/en/about/factsheets/sheets/2023/rapid-financing-instrument-rfi>

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

Sri Lanka was hit by a catastrophic cyclone, claiming more than 600 lives and affecting millions more. Flooding and landslides have displaced more than 100,000 people, destroyed critical infrastructure, and devastated livelihoods across the country. The disaster has created urgent humanitarian and reconstruction needs, generating significant fiscal pressures and balance-of-payments needs. The emergency financial support provided by the IMF under the RFI will help address these pressures.

"The government responded swiftly with a package of relief measures, supported by strong fiscal overperformance in 2025. The Central Bank of Sri Lanka stands ready to provide liquidity support to the financial system if needed.

"While recovery and reconstruction needs will be substantial, the authorities remain committed to maintaining fiscal prudence to safeguard fiscal and debt sustainability. All emergency spending will be executed in full compliance with the Public Financial Management Act and supported by enhanced monitoring and regular public reporting in line with transparency and accountability standards. The Central Bank will continue to refrain from monetary financing of the budget.

"The cyclone struck as Sri Lanka is emerging from a deep economic crisis and the IMF-supported reform program under the EFF is bearing fruit. Sustained adherence to the reform agenda has underpinned a robust economic recovery, price stability, substantial revenue-based fiscal consolidation, and progress rebuilding foreign exchange reserves. Nonetheless, the economy remains vulnerable and GDP has not recovered to its pre-crisis level.

"The authorities and IMF team maintain close engagement and will resume discussions at the earliest possible juncture. The IMF stands with the people of Sri Lanka during this difficult time and will continue to support Sri Lanka's recovery and reconstruction efforts.

## Sri Lanka: Selected Economic Indicators 2024-2027

	2024	2025	2026	2027
	Act.	Projections		
<b>GDP and inflation</b> (in percent)				
Real GDP	5.0	4.2	2.9	3.1
Inflation (average) 1/	1.2	-0.3	5.4	5.0
Inflation (end-of-period) 1/	-1.5	2.8	5.7	5.2
GDP Deflator growth	3.8	2.2	5.4	5.0
Nominal GDP growth	9.0	6.4	8.5	8.2
<b>Savings and investment</b> (in percent of GDP)				
National savings 2/	28.7	25.5	23.2	23.3
Government	-3.0	-1.2	-0.6	0.1
Private	31.7	26.7	23.8	23.1
National investment	27.0	24.9	23.6	23.2
Government	5.0	4.8	5.4	4.8
Private	21.9	20.1	18.2	18.3
Savings-Investment balance	1.8	0.6	-0.4	0.1
Government	-8.0	-6.0	-6.0	-4.7
Private	9.8	6.6	5.6	4.8
<b>Public finance</b> (in percent of GDP)				
Revenue and grants	13.7	16.0	15.2	15.2
Expenditure	19.1	20.3	20.0	19.0
Primary balance	2.2	3.4	2.0	2.3
Central government balance	-5.4	-4.3	-4.8	-3.7
Central government gross financing needs	21.9	21.6	19.8	14.8
Central government debt	100.8	99.8	100.6	97.9
Public debt 3/	105.7	104.1	104.6	101.3
<b>Money and credit</b> (percent change, end of period)				
Reserve money	15.8	15.8	6.6	8.2
Broad money	8.6	12.0	12.5	8.2
Domestic credit	4.0	12.2	8.2	5.6
Credit to private sector	10.7	22.3	12.2	9.3
Credit to private sector (adjusted for inflation)	9.5	22.6	6.7	4.3
Credit to central government and public corporations	-1.4	3.1	3.9	1.2
<b>Balance of Payments</b> (in millions of U.S. dollars)				
Exports	12,772	13,231	13,382	14,181
Imports	-18,841	-21,281	-22,664	-23,291
Current account balance	1,733	604	-386	107
Current account balance (in percent of GDP)	1.8	0.6	-0.4	0.1
Current account balance net of interest (in percent of GDP)	3.7	2.6	1.5	2.1
Export value growth (percent)	7.2	3.6	1.1	6.0
Import value growth (percent)	12.1	12.9	6.5	2.8
<b>Gross official reserves</b> (end of period)				
In millions of U.S. dollars	6,122	6,550	8,884	13,371
In months of prospective imports of goods & services	3.0	3.0	3.9	5.6
In percent of ARA composite metric	50.5	53.1	70.4	100.0
<b>Gross official reserves accounting for PBOC Swap conditions</b> (end of period) 4/				
In millions of U.S. dollars	4,716	5,144	8,884	13,371
In months of prospective imports of goods & services	2.3	2.3	3.9	5.6
In percent of ARA composite metric	38.9	41.7	70.4	100.0
<b>External debt</b> (public and private) 5/				
In billions of U.S. dollars	57.1	53.4	55.6	59.5
As a percent of GDP	57.7	50.6	52.3	54.8
<b>Memorandum items:</b>				
Nominal GDP (in billions of rupees)	29,899	31,819	34,512	37,351
Exchange Rate (period average)	302.0	...	...	...
Exchange Rate (end of period)	293.0	...	...	...

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/ PBOC swap (\$1.4bn based on valuation in 2024) becomes available once the GIR without it is above 3 months of the previous year's imports of goods and services.

5/ Based on market value when available.