

External factors healthy ...

The country was to borrow from the Bank of China, the Reserve Bank of India (RBI) through the International Sovereign Bond and the money to raise the status of the money during the first quarter this year.

The Governor said on the swap arrangement with RBI, once the administrative process has been completed, the money will come in the next week.

"The ISB will take a little more time. Once that money comes, we will see how to raise the remaining amount from other sources," the Governor said.

With regard to the program with the IMF, the Governor said the Extended Fund Facility Program with the donor will continue and added that discussions were held between the IMF delegation and senior officials of the Finance Ministry and the Central Bank last week.

"We will know the outcome of the discussion in a few days," Dr. Coomaraswamy said.

The Governor said the Central Bank has commenced liquidation of CIFL and Standard Credit and Finance Limited.

"The Central Bank has taken efforts to revive The Finance Company which has been insol-

vent for many years, but has not been successful. There has been one or two preliminary investors for TFC which is a strong brand. The brand name will help get investors to revive the company," the Governor said.

The Monetary Board of the Central Bank decided to reduce the Statutory Reserve Ratio (SRR) on all rupee deposit liabilities of commercial banks by 1.00 percent to 5.00 percent from March, 1.

The Board also decided to keep the policy interest rates of the Central Bank unchanged. The Standing Deposit Facility Rate (SDFR) and the Standing Lending Facility Rate (SLFR) of the Central Bank will remain at 8.00 percent and 9.00 percent.

Sri Lanka met the scheduled repayment of the maturing International Sovereign Bond of US \$ one billion in January. By January end, gross official reserves stood at US \$ 6.2 billion, which was sufficient to finance 3.4 months of imports.

Blurb: Economic growth is expected to reach its potential in the medium term benefiting from the low inflation environment, competitive exchange rate and appropriate policies to support investment.