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*\*Endorsement of economic performance \*Total disbursements \$ 2.13 billion*

## IMF releases \$ 426.8 million to Sri Lanka

Sanjeevi JAYASURIYA

(DailyNews.lk) - The International Monetary Fund's (IMF) board of directors released \$ 426.8 million to Sri Lanka after reviewing the country's implementation of economic policies attached to a \$2.56 billion loan. The IMF in a release said that the Fund had completed the seventh review of Sri Lanka's economic performance under a programme supported by a Stand-By Arrangement (SBA). The completion of the review enables the immediate disbursement of an amount equivalent to SDR 275.6 million (about US\$ 426.8 million), bringing total disbursements under the arrangement to an amount equivalent to SDR 1.378 billion (about US\$ 2.13 billion). In addition, the Executive Board approved an extension of the arrangement period to July 23, to allow time for the completion of the eighth and final review.



**IMF Sri Lanka Representative Dr. Koshy Mathai**  
Picture by Sumanachandra Ariyawansa

The Executive Board also approved waivers of non observance for end-December performance criteria on net international reserves and reserve money. A rephrasing of the remaining disbursements was also approved by the Board. The standby arrangement was approved on July 24, 2009 for an amount equivalent to SDR 1.65 billion (about US\$ 2.56 billion), or 400 percent of Sri Lanka's quota. The International Monetary Fund (IMF) is optimistic of the economic growth of Sri Lanka and said that the recent policy decisions were taken in the right direction. "The economy is not over heated. It is pressured by commodity prices and labour market demands. The concentration should be on qualitative side to ensure sustainable economic development," IMF Sri Lanka

Representative Dr. Koshy Mathai said. "The policy implementation has taken shift from one policy to a combination of policies. It will take time to see the real change and we are happy regarding the flexible policies," he said at a media briefing held at the Central Bank. "The policy changes are seen as responsiveness in line to macro economic fundamentals. This is the time that sustainability of the economy moving forward is witnessed. The underline of economic policies will boost the growth. The monetary policy tightening is to stabilize the exchange rate. "The second half of last year was a concern. However, decisive and positive steps were taken at the beginning of this year. The policies were directed at growth sustainability covering the entire country. The tax structure adjustment shows total commitment to address the Balance of Payment issues. The policies in the recent

past are highly consistent in addressing the BPO issues," he said. Responding to a question on the slow FDI flow, Dr. Mathai said that domestic investment leads to foreign investment and it takes time to get use to the new business environment. The country experienced a steady increase over the years, he said adding that addressing the BOP issue and the consolidation of the policy regime are among the immediate concerns. "The rise in the economic growth resulted in current account deficit where mobilization of capital flows from abroad was attracted to finance the deficit. However sustainable corrective actions have been taken at present. "Fundamentally IMF's involvement is to discuss policies to steer the whole economy in the right direction. The lowering of the growth projection and other fiscal instruments are heading in the right direction," he said.



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By Reggie Fernando - OUR MAN IN COLOMBO  
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**Galyaye Piyadassi Nayaka Thero receives Agga Maha Panditha title**  
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**Dr. Chrys Perera receives 'Hospital Doctor of the Year 2012' award**

Dr Chrys Perera was awarded the prestigious Hospital Doctor of the Year 2012 award at the Wearside "Best of Health" awards ceremony held at Ramside Hall Hotel, Durham on 15th March 2012. He was nominated for the award by patients and work colleagues. Dr Perera is a Consultant Psychiatrist employed by the Northumberland Tyne and Wear NHS Foundation Trust, said to be the largest Mental Health Trust in the UK. He works at Cherry Knowle Hospital, Sunderland and, until about a year ago, was also the Assistant Medical Director in Sunderland. Dr Perera came to the UK in the late 1980s and specialised in Psychiatry and prior to his arrival in the UK, was a GP in Moratuwa.

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