Central Bank of Sri Lanka rejects British Foreign Secy’s concerns about the IMF loan to Sri Lanka

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Re. Remarks attributed to the British Foreign Secretary, Hon David Miliband in connection with the proposed IMF Loan to Sri LankaThe Central Bank of Sri Lanka is deeply distressed by the recent media reports where the Foreign Secretary of the United Kingdom, Hon David Miliband, is supposed to have “raised doubts about whether Colombo could be trusted to use a US$ 1.9 billion loan from the IMF appropriately”.
For purposes of record, the Central Bank wishes to state that during the past 25 years, the IMF has granted nine loans to the Central Bank of Sri Lanka and the Bank has utilized all such IMF facilities very honourably in strict compliance with the terms of disbursement, and repaid such facilities without a single default. In fact, Sri Lanka has never delayed or defaulted on any loan, and consequently, has maintained an unblemished record of debt servicing. In that context, Hon Miliband’s alleged statement is very unfortunate and disturbing, since it casts a slur on the impeccable debt servicing record of the Central Bank of Sri Lanka, as well as Sri Lanka’s deep commitment to meeting its obligations. Media reports also indicate that Hon Miliband has stated that the Government of Sri Lanka should be “able to show that it will use any IMF money in a responsible and appropriate way”, and that he “does not think that’s yet the case”. This comment too, while being unfortunate, displays lack of basic knowledge, since IMF facilities are made available only to monetary authorities/central banks for balance of payment support purposes, and hence the contention that the government would utilize IMF money does not arise.
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Courtesy: Central Bank of Sri Lanka