

PRESS RELEASE

✉ Communications Department, 30, Janadhipathi Mawatha, Colombo 01, Sri Lanka

☎ +94 11 2477424 / +94 11 2477669 📠 +94 11 2346304

@ communications@cbsl.lk / dcommunications@cbsl.lk 🌐 www.cbsl.gov.lk



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இலங்கை மத்திய வங்கி

CENTRAL BANK OF SRI LANKA

Issued By

Economic Research Department

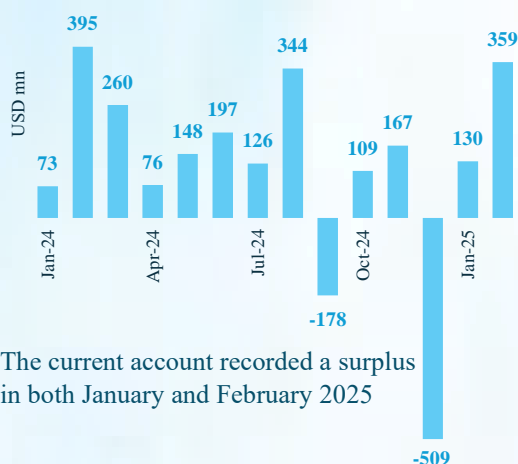
Date

28 March 2025

External Sector Performance – February 2025

The external sector of the Sri Lankan economy continued to strengthen in February 2025, with a considerably higher current account surplus compared to the preceding month.

CURRENT ACCOUNT BALANCE



The current account recorded a surplus in both January and February 2025

MERCHANDISE TRADE

Trade Deficit

USD 411 mn in Feb 2025

USD 319 mn in Feb 2024



EXPORTS

USD 1,053 mn

-0.6% growth (y-o-y)
in Feb 2025

IMPORTS

USD 1,464 mn

6.2% growth (y-o-y)
in Feb 2025

SERVICES (net)



Feb 2025: USD 408 mn

Feb 2024: USD 384 mn

Supported by:

Tourism (growth (y-o-y): 6.3%)

Transport (growth (y-o-y): 29.9%)

TOURIST ARRIVALS

240,217

10.0% growth (y-o-y)
in Feb 2025

492,978

15.6% growth (y-o-y)
in Jan-Feb 2025



WORKERS' REMITTANCES

USD 548 mn

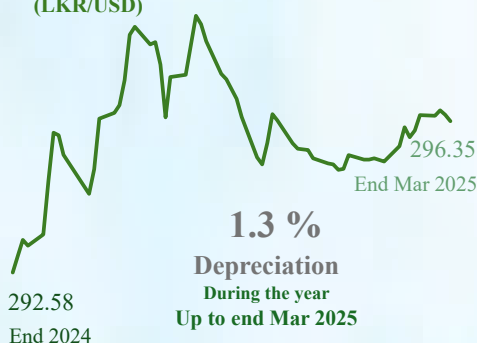
15.1% growth (y-o-y)
in Feb 2025

USD 1,121 mn

16.3 % growth (y-o-y)
in Jan-Feb 2025



EXCHANGE RATE (LKR/USD)



GROSS OFFICIAL RESERVES *

USD 6.1 bn
as at end Feb 2025



3.8
Months of
Imports
Coverage

* Including the swap facility with the People's Bank of China

GOVERNMENT SECURITIES & CSE FLOWS

Feb 2025

Govt. Securities (net)

CSE (net) **

USD
9 mn

Inflows: USD 19 mn
Outflows: USD 10 mn

USD
-9 mn

Inflows: USD 16 mn
Outflows: USD 25 mn

** including primary and secondary markets

EXTERNAL SECTOR PERFORMANCE SUMMARY

February 2025

- ❖ Compared to the previous month, the current account recorded a higher surplus for February 2025, mainly driven by a narrowed trade deficit. However, the surplus is lower than the level recorded in February 2024.
- ❖ The merchandise trade deficit contracted in February 2025 compared to January 2025. However, the trade deficit widened compared to February 2024.
- ❖ The terms of trade deteriorated in February 2025, as the decline in export prices outpaced the decline in import prices. In contrast, volumes of both exports and imports increased.
- ❖ Earnings from tourism in February 2025 were estimated at US dollars 368 million in comparison to the estimates of US dollars 401 million for the previous month. This drop is in line with the seasonal pattern of tourist arrivals.
- ❖ Workers' remittances increased to US dollars 548 million during February 2025 compared to US dollars 476 million in February 2024. In January 2025, remittances were US dollars 573 million.
- ❖ Foreign investments in the government securities market recorded a modest net inflow, while the foreign investments in the CSE (considering both primary and secondary markets) recorded a marginal net outflow during the month.
- ❖ Gross official reserves (GOR) in February 2025 stood at levels broadly similar to January 2025 at US dollars 6.1 billion. GOR include the swap facility with the People's Bank of China (PBOC).
- ❖ The Sri Lanka rupee depreciated by 1.3 per cent during the year up to end March 2025.

Detailed statistics are available in the Monthly External Sector Bulletin, and in the External Sector Statistics web pages in the CBSL website, which can be accessed through the following web links:

<https://www.cbsl.gov.lk/en/external-sector-bulletin>

<https://www.cbsl.gov.lk/en/statistics/statistical-tables/external-sector>

Summary of External Sector Performance (a)

Category	Feb 2024 (USD mn)	Feb 2025 (USD mn)	Change (%)	Jan-Feb 2024 (USD mn)	Jan-Feb 2025 (USD mn)	Change (%)
Current Account Balance	394.7	359.3	-9.0	467.7	489.4	4.6
Trade Balance	-319.1	-411.3		-860.2	-1,144.0	
Merchandise Exports	1,059.3	1,052.9	-0.6	2,030.0	2,105.7	3.7
Merchandise Imports	1,378.4	1,464.2	6.2	2,890.2	3,249.7	12.4
Services Account (net)	384.0	408.4	6.3	781.8	826.7	5.7
Services - Inflows	618.9	664.5	7.4	1,237.1	1,370.2	10.8
<i>of which,</i>						
Tourist Earnings (b)	345.7	367.6	6.3	687.5	768.2	11.7
Sea and Air Transport Services	126.2	168.6	33.6	268.6	336.6	25.3
Computer and IT/BPO services	61.9	64.9	4.9	117.8	132.9	12.8
Services - Outflows	234.9	256.1	9.0	455.3	543.5	19.4
<i>of which,</i>						
Travel Abroad	57.3	78.0	36.0	105.6	130.4	23.4
Sea and Air Transport Services	63.0	87.4	38.7	127.4	199.4	56.5
Primary Income Account (net)	-133.8	-174.4	30.3	-396.1	-287.5	-27.4
Primary Income Account - Inflows	39.8	49.3	23.8	77.3	103.8	34.3
Primary Income Account - Outflows	173.6	223.7	28.8	473.4	391.2	-17.4
<i>of which,</i>						
Direct Investment related	46.4	62.4	34.6	121.1	142.6	17.8
Portfolio Investment related	11.1	60.4	444.8	70.3	87.8	24.9
Other Investment Interest	114.5	99.5	-13.1	278.6	157.5	-43.5
Secondary Income Account (net)	463.6	536.5	15.7	942.2	1,094.2	16.1
<i>of which,</i>						
Workers' Remittances - Inflows	476.2	548.1	15.1	963.7	1,121.1	16.3
Personal Transfers - Outflows	12.6	12.4	-1.3	22.5	28.4	25.9
Main Flows to the Financial Account						
Net Flows to the CSE (c)	41.4	-8.6	-120.7	36.2	-30.3	-183.7
Net Flows to the G-Sec. Market	-68.3	9.4	-113.7	-78.5	43.4	-155.2
Change in Reserves (d)	24.2	20.7	-14.5	127.9	-35.8	-128.0

Sources: Central Bank of Sri Lanka (CBSL), Sri Lanka Customs (SLC), Sri Lanka Tourism Development Authority (SLTDA), Colombo Stock Exchange (CSE)

- (a) Provisional
- (b) Based on the survey conducted by the Sri Lanka Tourism Development Authority
- (c) Includes primary and secondary transactions
- (d) Includes valuation changes that impact reserve asset position