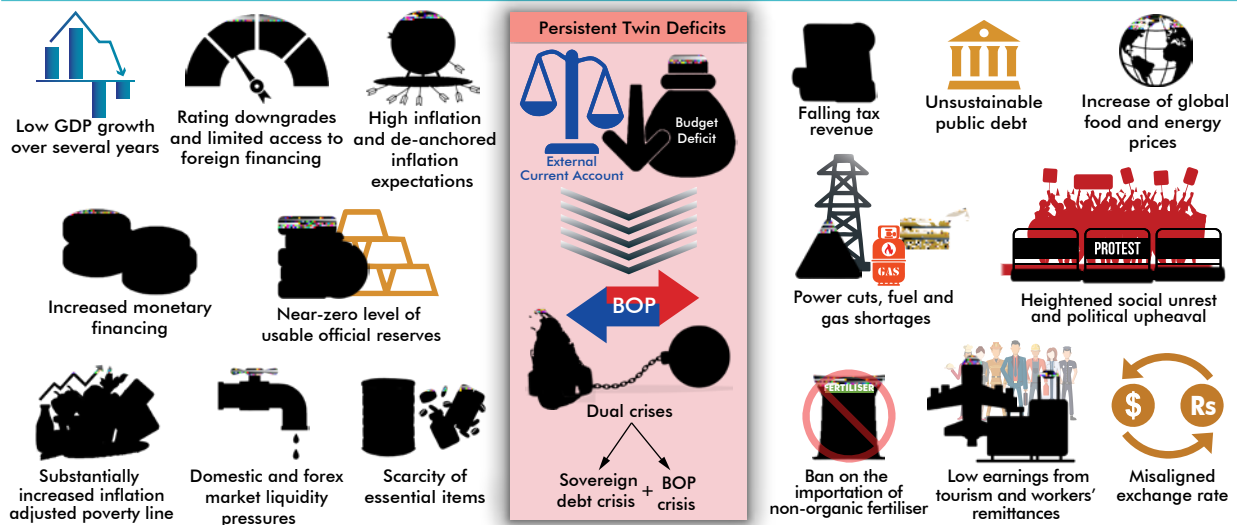


Figure 1.1

The Socio-Economic Crisis in 2022, Policy Actions and Outcomes Towards Restoring Stability

1



Significant tightening of monetary policy

Stabilising the exchange rate through market guidance

Supply of forex for essentials

Forex and rupee liquidity management

Import restrictions/margin deposit requirements

Continuous financial sector oversight

Credible and transparent policy measures prevented further worsening of the crisis and restored socio-economic stability

Announcement of the debt standstill and commencing debt restructuring

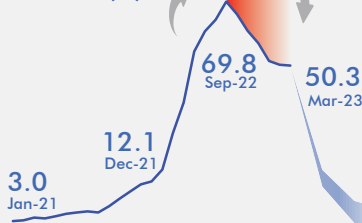
Negotiating an IMF-EFF Arrangement

Substantial fiscal tightening

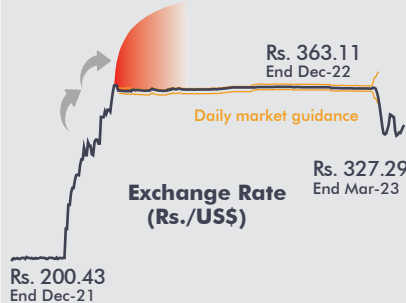
Strengthening social safety nets

SOE reforms

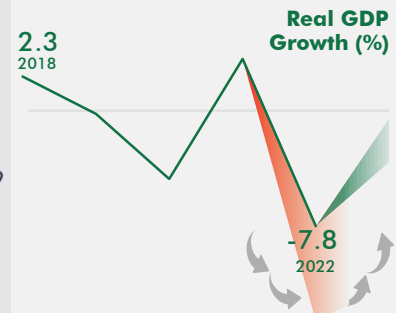
Headline Inflation (%)



Exchange Rate (Rs./US\$)



Real GDP Growth (%)



The outcomes of coordinated policy actions have eventuated since late 2022, and the country managed to transition to a workable equilibrium until the assistance from the international financial institutions begins to materialise.

