

## Bangladesh lends USD 150m to Sri Lanka

A Monitor Report

Date: 16 September, 2021



Dhaka : While Sri Lanka is going through an economic emergency amid a serious scarcity of foreign reserves, the Bangladesh Bank has continued to provide the island nation with liquidity support under a currency swap deal.

The Bangladesh Bank has so far lent USD 150 million to debt-strapped Sri Lanka in two instalments. In the second instalment, USD 100 million was released on August 30 this year while another USD 50 million was transferred earlier the same month. The rest of the amount promised under the USD 250 million currency swap agreement will be released on demand of Sri Lanka, said a senior executive of the Bangla-desh Bank.

Currently, China along with Bangladesh are providing liquidity support through currency swap deals.

However, the foreign reserve of Sri Lanka continued to deteriorate, compelling the country to announce an economic emergency recently.

After meeting a USD 1 billion debt repayment in July from reserves, the Sri Lankan government had only enough dollars to cover less than two months of imports.