

## SriLankan completes LKR 91.3 bn debt restructuring

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**Dhaka: Sri Lanka's Minister of Ports and Civil Aviation Anura Karunathilaka has briefed the parliament on the restructuring of SriLankan Airlines, adding that the restructuring of LKR 91.3 billion in loans obtained from state banks has now been completed.**

The minister said an agreement has been reached between the Treasury, the Banking Directorate, and the airline on a structured repayment mechanism. Under the framework, the government injects capital into the airline twice annually, in April and October, to enable repayments.

Restructuring of a USD 175 million international sovereign bond guarantee is currently underway and is expected to be completed by the end of 2026.

The minister acknowledged observations by the Auditor General, who has questioned whether the national carrier can sustain profitability. In response, he noted that the Cabinet and the Treasury Secretary have provided written assurance that the government will continue supporting the airline's operations.

However, the minister stressed that the government does not intend to maintain the airline in its current form indefinitely. Discussions have already begun at ministerial and Treasury levels on a suitable future business model. Options under consideration include a public-private partnership, a management contract, or continued full state ownership.

SriLankan Airlines' total outstanding liabilities stand at USD 993.78 million. While some improvement has been achieved in its financial position, the airline has not yet reached a fully profitable level.

During the parliamentary exchange, one member of the parliament noted the airline is part of discussions with the International Monetary Fund and called for commercialization. The minister responded that there is currently no conflict between the restructuring process and the IMF program.

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