

## **Sri Lanka in talks for \$1 billion loan from China-led lender**

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***Sri Lanka has been beset by political infighting since President Maithripala Sirisena sacked Prime Minister Ranil Wickremesinghe in October last year, before reinstating him weeks later after a constitutional crisis that hit the economy. (AP File Photo)***

**Colombo:** Sri Lanka is in talks with the Beijing-backed Asian Infrastructure Investment Bank for a \$1 billion dollar loan, the finance ministry said, to help an economy that has been badly hit by a deadly terrorist attack and political turmoil.

“We have been discussing with the Asian Infrastructure Investment Bank to obtain nearly an additional \$1 billion for further development of the Power and Highway sectors,” the ministry said in a statement late on Thursday.

The ministry said that the bank also approved \$280 million for a renovations in the capital Colombo.

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Sri Lanka has been beset by political infighting since President Maithripala Sirisena sacked Prime Minister Ranil Wickremesinghe in October last year, before reinstating him weeks later after a constitutional crisis that hit the economy.

More recently, the lucrative tourism industry was badly hit after the Easter Sunday bomb attacks by Islamic militants that killed 250 people.

Sri Lanka’s economy grew at 3.7 per cent, its fastest pace in nearly a year from January to March, accelerating from a growth rate of 1.8 per cent the previous quarter – its slowest pace since early 2014, due to the political crisis.

But despite the recovery at the start of the year, growth will likely slump to a nearly two-decade low in 2019, a Reuters poll showed, as tourism, foreign investment and business activity eased sharply in the wake of the bombings.

Last month, central bank Governor Indrajit Coomaraswamy said he expected the economy to grow by 3 per cent or less this year, due to the impact of the bombings.

The bank had earlier projected 4 per cent growth.

- Reuters