

Sri Lanka, Australia Finalize Deal on Debt Restructuring Support



Published on October 27, 2025

Document Date: Fri, Apr 24 2026 04:46:14 am

Category: ,English,International - ,Snippets

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Colombo, October 27, 2025 — Sri Lanka and Australia have signed formal agreements on the restructuring of Sri Lanka's external debt, the Ministry of Finance announced on Monday.

The agreements follow a memorandum of understanding concluded earlier this year with the official creditor committee. Under the new terms, Australia will extend debt relief to Sri Lanka by rescheduling outstanding obligations valued at approximately 39 million US dollars.

According to the ministry, the agreements mark a significant milestone in Sri Lanka's ongoing economic recovery efforts and demonstrate the strong cooperation between Colombo and Canberra.

“The finalized arrangements will contribute to Sri Lanka's path toward sustainable economic stability while further strengthening bilateral relations between the two nations,” the statement said.

Australia's participation in Sri Lanka's debt restructuring process underscores its commitment to supporting the island nation's financial reforms and long-term development goals.

The ministry expressed appreciation for Australia's continued partnership and confidence in Sri Lanka's economic revival efforts.