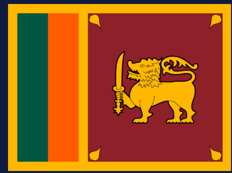
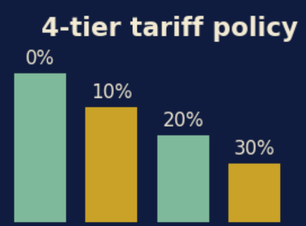


SRI LANKA WEEKLY

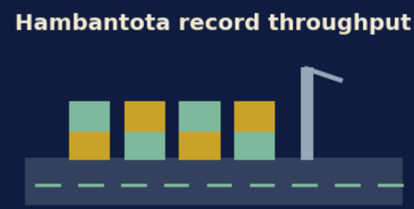
05 July – 11 July 2026

BY Shrishti Chauhan



Parliament enacts 4-tier tariff regime

Stocks slide as Mideast war escalates



Hambantota posts record June volumes

POLITICS

- Parliament enacts a sweeping four-tier National Tariff Policy (0/10/20/30%) via Customs Ordinance and Export Development Act orders, restructuring duties across 8,225 HS codes.
- An IMF team holds special talks on revenue reforms; the government pushes new scrap-metal export/import rules and animal-welfare and railway-electrification bills.
- The Deputy Minister reports import-duty revenue rising to Rs 39 bn (Apr 1-May 15) from Rs 24 bn a year earlier under the new tariff regime.

ECONOMY

- The rupee weakens through the week from 334.75 to 336.60/USD as bond yields drift up.
- The ASPI slides on Middle East escalation — 22,208 (July 6) to 21,828 (July 8) and 21,697 (July 9), with dealers citing 'really bad' sentiment.
- Hambantota International Port posts its highest-ever June throughput (90,219 vehicles; 80,325 TEUs) on regional shipping disruptions.
- CCPI inflation hit a three-year high of 6.8% in June; T-bill auctions clear the full Rs 100 bn offered.

FOREIGN AFFAIRS

- Engagement stays anchored to the IMF programme and revenue reforms; a JICA-backed Kebithigollewa-Horowpothana water project targets CKDu-hit regions.
- The revived Cey Laya development (~$595.69 m) signals returning foreign-investor appetite.
- Commercial Bank's LKR 20 bn Basel III debentures draw a Fitch A(lka) rating amid renewed capital-market activity.

INTERNAL SECURITY

- Hela Apparel's Egyptian unit signs a management-services deal with Emerald Investments amid working-capital strain.
- Regulators press digital-asset declaration rules and continue post-fraud oversight tightening.

DEFENCE

- Post-Ditwah reconstruction stays a standing security-services priority; no major new operations reported.
- India defence-training cooperation under the USD 7 m programme continues in the background.

HEALTH

- The JICA-backed water project aims to combat Chronic Kidney Disease of unknown origin (CKDu) via safe surface water for 50,000 families.
- Fuel-driven inflation at a three-year high keeps cost-of-living and household-health pressure elevated.

EDUCATION

- The four-tier tariff cut to 0% on 3,056 codes (medicines, machinery) supports skills-linked industrial inputs.
- Education and skills remain core themes ahead of the October Economic and Investment Summit.

SOCIETY

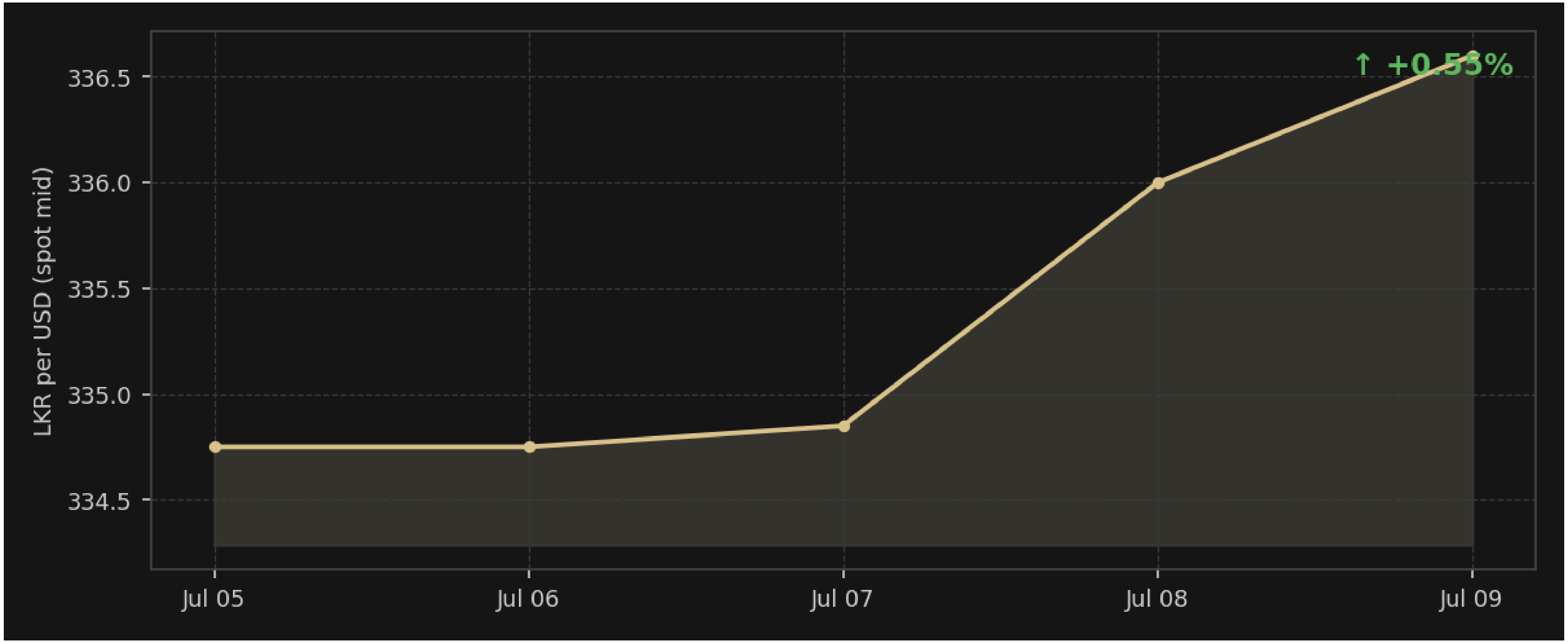
- Galadari Hotel Colombo's refurbishment reopening is set for early Q4 2026 as hospitality activity picks up.
- Cabinet approves electrifying three high-density rail corridors (Maradana-Ragama, Kelani Valley, coastal) to cut diesel reliance.
- Cabinet clears a long-awaited animal-welfare bill for parliament.
- Rain continues to disrupt Sri Lanka's white-ball tour of the West Indies.

Sr No	Date	Sector	News Headlines	Source
1	6 Jul 2026	Economy	Rupee at 334.75/85 to the dollar as bond yields stay broadly steady	EconomyNext
2	7 Jul 2026	Politics	IMF holds special talks with Sri Lankan officials on revenue reforms	EconomyNext
3	7 Jul 2026	Economy	ASPI closes at 22,208.58 as import-tax coordination between agencies advances	EconomyNext
4	8 Jul 2026	Politics	Sri Lanka to seek parliament nod for new scrap-metal export and import rules	EconomyNext
5	8 Jul 2026	Economy	Rupee weakens to 336.00/30 to the dollar; ASPI down 0.61% to 21,828.50	EconomyNext
6	8 Jul 2026	Internal Security	Hela Apparel's Egyptian unit signs a management deal with Emerald Investments	EconomyNext
7	8 Jul 2026	Health	Government to lay the foundation for a JICA-backed water project targeting CKDu regions	EconomyNext
8	9 Jul 2026	Politics	Parliament enacts a four-tier National Tariff Policy to liberalise trade and boost exports	EconomyNext

Sr No	Date	Sector	News Headlines	Source
9	9 Jul 2026	Economy	ASPI falls 0.60% to 21,697.72 as Middle East escalation sours sentiment	EconomyNext
10	9 Jul 2026	Economy	Hambantota port records its highest-ever monthly RoRo and container throughput	EconomyNext
11	9 Jul 2026	Economy	Import-duty revenue rises to Rs 39 bn under the new tariff regime, deputy minister says	EconomyNext
12	9 Jul 2026	Economy	Rupee at 336.65/75 to the dollar; capital goods lead a subdued turnover	EconomyNext
13	10 Jul 2026	Society	Cabinet approves electrifying three high-density rail corridors to cut diesel reliance	EconomyNext
14	10 Jul 2026	Society	Cabinet clears a long-awaited animal-welfare bill for parliament	EconomyNext
15	11 Jul 2026	Foreign Affairs	Revived Cey Laya development (~$595.69 m) signals returning foreign-investor appetite	EconomyNext
16	11 Jul 2026	Economy	Commercial Bank's LKR 20 bn Basel III debentures draw a Fitch A(lka) rating	EconomyNext

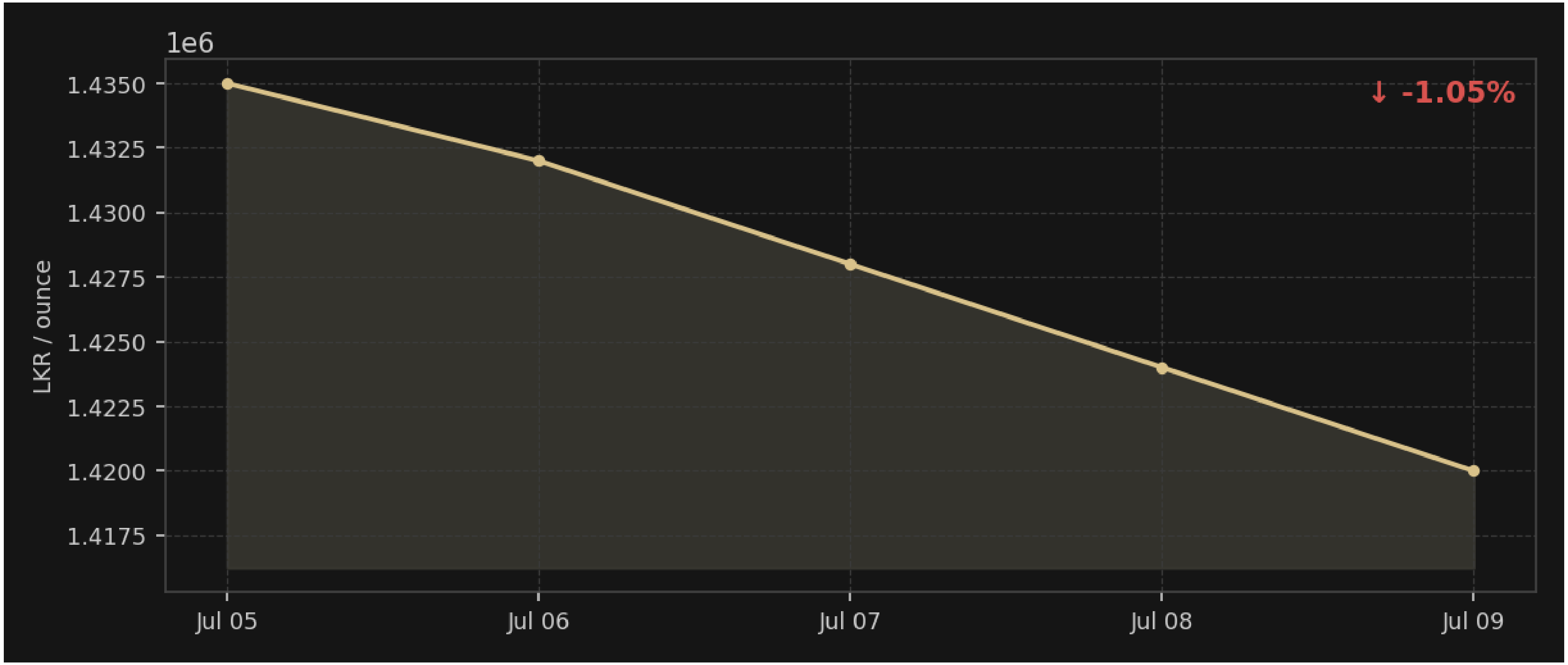
Sr No	Date	Sector	News Headlines	Source
17	11 Jul 2026	Society	Rain continues to disrupt Sri Lanka's white-ball tour of the West Indies	Ada Derana

USD/LKR Exchange Rate (Spot Mid)



The rupee weakened from 334.75 to 336.60/USD through the week as bond yields drifted up.
Indicative weekly series compiled from reported market data; interim points are approximations where official daily closes were unavailable.

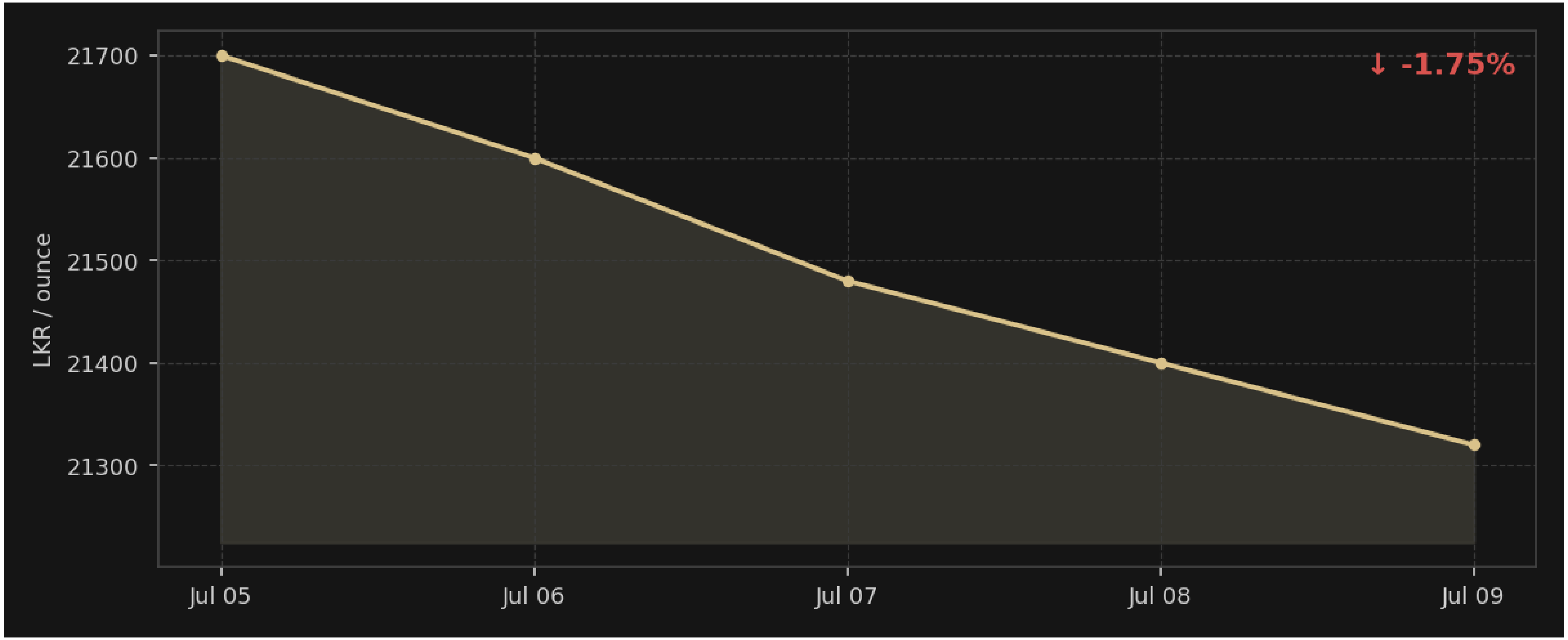
Gold Prices (in Sri Lankan Rupees/Ounce)



Rupee gold eased with the global pullback.

Indicative weekly series compiled from reported market data; interim points are approximations where official daily closes were unavailable.

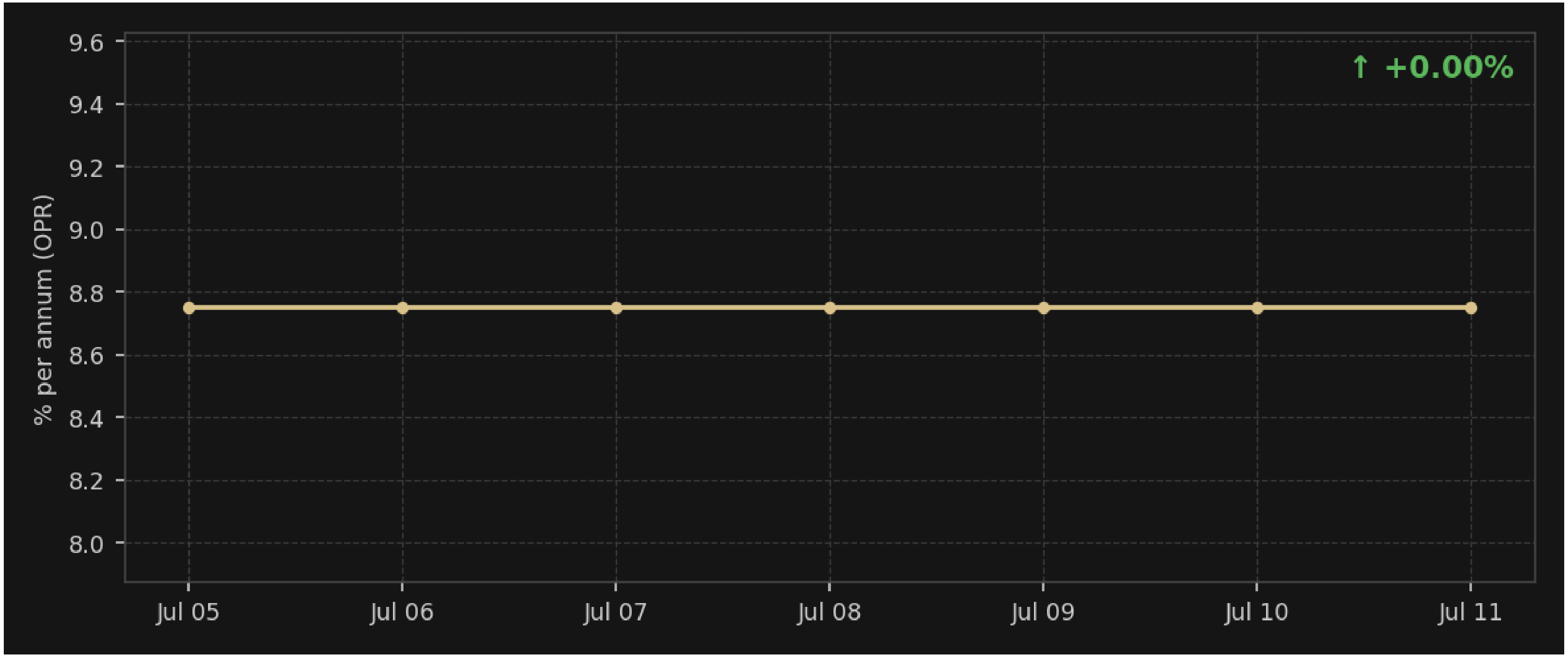
Silver Prices (in Sri Lankan Rupees/Ounce)



Silver slipped in rupee terms, tracking world prices.

Indicative weekly series compiled from reported market data; interim points are approximations where official daily closes were unavailable.

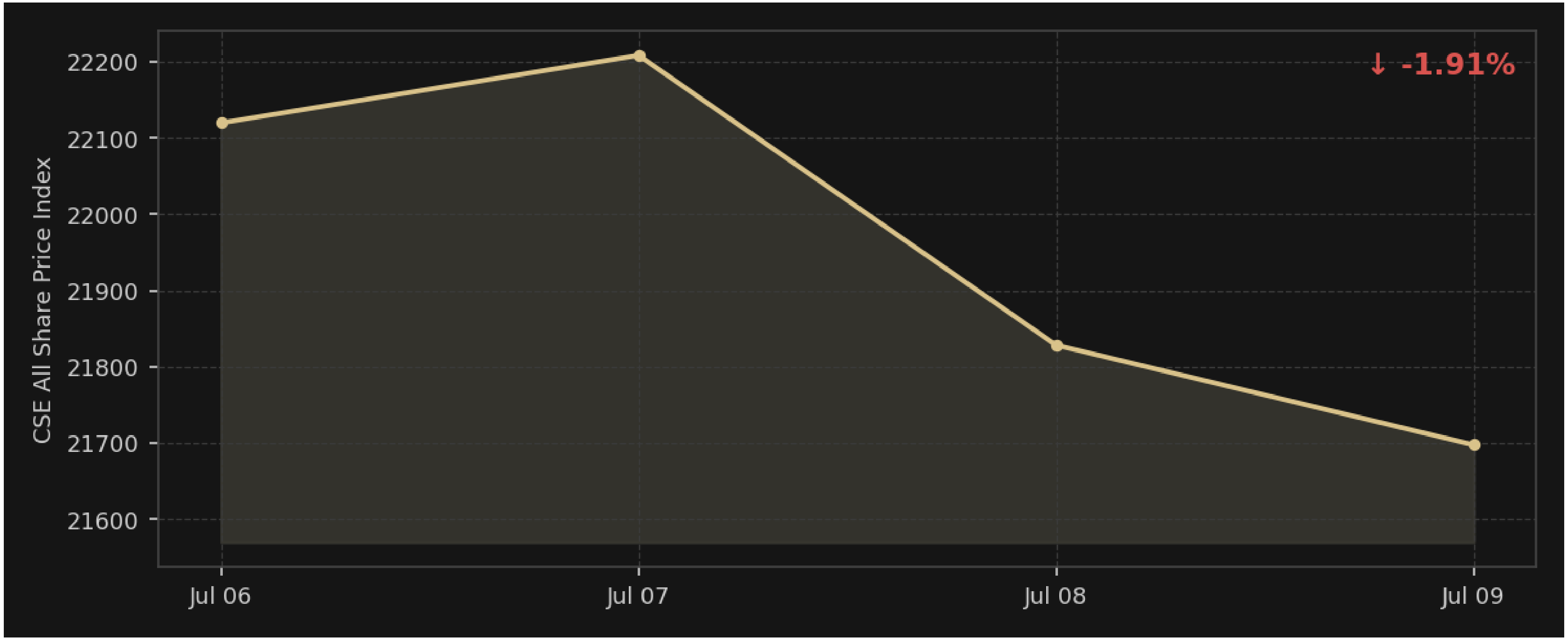
Central Bank of Sri Lanka — Overnight Policy Rate



The OPR held at 8.75% all week; June CCPI inflation stood at a three-year high of 6.8%.

Indicative weekly series compiled from reported market data; interim points are approximations where official daily closes were unavailable.

CSE All Share Price Index (ASPI)



The ASPI slid from 22,208 (July 6) to 21,697.72 (July 9) as Middle East escalation soured sentiment.

Indicative weekly series compiled from reported market data; interim points are approximations where official daily closes were unavailable.