



CENTRAL BANK of SOLOMON ISLANDS
P.O. BOX 634, Honiara, Solomon Islands

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FOR IMMEDIATE RELEASE

Impact of COVID 19 on the Solomon Islands Economy – REVISED

The speed and extent of the Coronavirus (Covid-19) pandemic around the world has necessitated a revision to the Central Bank of Solomon Islands' near-term growth outlook for the Solomon Islands economy. The downward movement in the global economy, as well as ensuing public health measures and business closures could see a significant *decline in real GDP of between minus 3% to minus 5% in 2020*. The current information at hand indicates that the economy is moving into a recession starting in second quarter of 2020.

The impact of Covid-19 will affect almost all sectors of the Solomon Islands economy. On the supply side, travel has been limited, some supply chains have been affected and there has been disruption to business activity. While on the demand side of the economy, there has been uncertainties on global demand for the country's exports, along with a significant restraint in consumer spending in the domestic market. Furthermore, industrial sectors most impacted include tourism, transport, manufacturing, distribution, government services and forestry.

The Central Bank of Solomon Islands is closely monitoring the situation and is working closely with the government to mitigate the impact of Covid-19 on the country. The Bank notes that at this current stage, containment is important to limit and prevent any incidence of the pandemic. Moreover, planning for the recovery period to kick-start and resume economic activities is also important to bring back jobs, economic activity and growth.

In a related matter, the Bank would like to assure the public that all of its re-issued currency for circulation have undergone appropriate quarantine procedures, including seclusion of currency under high temperature conditions. However, it is also important that the public ensure notes already in circulation are clean, and if in doubt can opt to use the digital payment platforms available.

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