

Monthly Economic Bulletin

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I. MONETARY DEVELOPMENTS

Money supply (M3) edged down by 0.3% in May 2026 to \$6,991 million, following a 0.5% gain in the previous month. The contraction in M3 reflected a 1% decline in narrow money (M1) to \$6,029 million. By contrast, other deposits (time and savings) increased by 3% to \$962 million.

Net foreign assets (NFA) of the banking sector expanded by 1% in May 2026 to \$6,102 million, reversing the 1% contraction recorded in April. The improvement was underpinned by a marked recovery in the NFA of other depository corporations (ODCs), which strengthened from minus \$67 million in April to minus \$9 million during the month. Additionally, the Central Bank's NFA rose modestly by 0.4% to \$6,110 million.

Credit to the private sector (PSC) fell by 4% in May to \$2,965 million, after climbing 5% in April. Net credit to government (NCG) declined further to minus \$542 million in May, from minus \$461 million in April, reflecting an accumulation in government deposits held within the banking system.

Free liquidity¹ in the banking system eased by 2% in May 2026 to \$3,245 million, following a 3% expansion in April. The drawdown was associated with lower call account balances held at CBSI. Meanwhile, required reserves stood at \$358 million during the month.

Domestic Market Operations

The stock of the CBSI's Bokolo Bills remained capped at \$430 million in May 2026. The weighted average yield (WAY) on the Bokolo Bills held steady at 0.40%, unchanged from the preceding month. Treasury Bill Statistics were not available at the time of publication.

II. EXTERNAL CONDITIONS

Trade in Goods

The trade in goods posted a surplus of \$177 million in May 2026, a significant improvement from the \$88 million deficit in April 2026. This positive outcome was primarily driven by an 18% increase in exports to \$594 million, led by logs, minerals, and agricultural products. Meanwhile, imports declined by 29% to \$416

million, largely due to reduced imports of machinery, fuel, and other imports despite an increase in imports of food and basic manufactures.

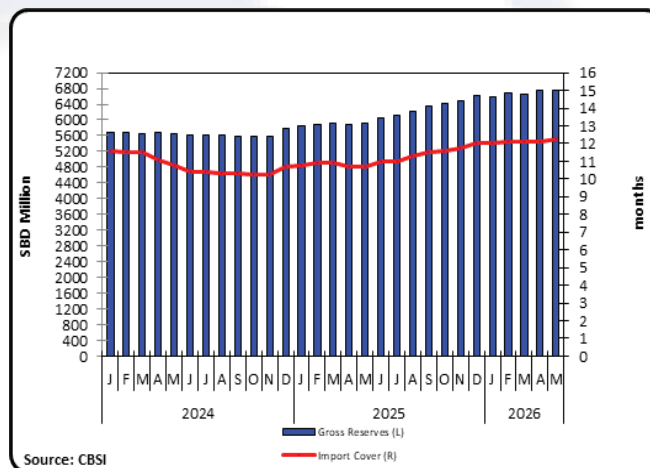
Remittances

In May 2026, inward remittances processed through money transfer operators increased by 29% to \$39 million. Outward remittances also rose, reaching \$22 million, up from \$15 million in the previous month. As a result, net remittances recorded a surplus of \$17 million, compared to \$15 million in April 2026.

Gross Foreign Reserves

Gross foreign reserves increased marginally by 0.01% to \$6,756 million in May 2026, supported by donor inflows. This level of reserves is adequate to cover 12.2 months of imports of goods and services.

Figure 1: Gross Foreign Reserve & Import Cover.



Exchange Rate

The Solomon Islands dollar (SBD) strengthened against the United States dollar (USD) by 0.21% to an average of \$8.04 per USD in May 2026. Conversely, the SBD depreciated against the Australian dollar by 1.13% to \$5.78 per AUD and against the New Zealand dollar by 0.56% to \$4.74 per NZD.

The SBD also weakened against the British pound and Japanese yen but appreciated against the Euro. Reflecting these mixed movements, the trade weighted index (TWI) edged up by 0.27% to 109.3 points during the month.

¹ Free Liquidity is the total liquidity excluding the minimum required reserves

III: GOVERNMENT FINANCE

The Government recorded an operating provisional surplus of \$40 million in May 2026, improving from the \$46 million deficit recorded in April. This positive outcome was driven by higher revenue collections, alongside a decline in total expenditure during the month. Total revenue rebounded by 16% to \$321 million, primarily reflecting improved collections in non-tax revenue, particularly administrative fees and grant receipts. Meanwhile, total expenditure fell by 13% to \$281 million, mainly due to lower payroll-related spending.

The Government’s total debt stock increased by 6% to \$4,548 million at the end of May 2026, mainly reflecting additional disbursements from the World Bank and a new infrastructure loan from the OPEC² Fund for International Development. Consequently, external debt rose by 9% to \$3,157 million, while domestic debt edged down by 1% to \$1,392 million due to debt servicing. During the month, total debt servicing amounted to \$64 million, comprising \$53 million in principal repayments and \$11 million in interest charges.

IV: DOMESTIC ECONOMY

In May, the preliminary Monthly Production Index increase to 101 points from 84 points in April. This rise was driven mainly by the agriculture sector (12 points) and the logging sector (6 points), while the mining sector declined by 1 point and the fishing sector remained unchanged. In terms of actual production, cocoa more than tripled to 1,018 tons, coconut oil increased by 48% to 381 tons, and round logs grew by 21% to 94 cubic meters. Conversely, fish catch declined slightly by 1% to 1,282 tons, while palm oil and mineral production each decreased by 4%, to 2,043 tons and 7,072 gold-equivalent ounces, respectively.

The CBSI Commodity Price Index declined marginally by 1.4 points to 121.4 points from the 122.7 points in April 2026, reflecting lower prices for several commodities. Coconut oil prices fell by 7% to US\$2,416 per ton, mineral prices dropped by 3% to US\$4,587 per ounce, and palm oil prices decreased slightly by 1% to US\$1,140 per ton. In contrast, cocoa prices increased by 22% to US\$4,160 per ton, fish prices rose by 2% to US\$1,673 per ton, and round log prices grew marginally by 1% to US\$188 per cubic meter, and timber prices edged up slightly by 0.4% to US\$735 per cubic meter.

Consumer Price Index, Inflation (MoM)

The National Consumer Price Index (NCPI) rose to 133.3 points in April from 131.0 points in March. The increase was driven by higher prices for narcotics (betel nut), household cooking fuels, transport services, fuels and lubricants, and vegetables.

Headline Inflation (Year-on-Year (YoY) -3mma)

Headline inflation (YoY) remained unchanged at 4.2% in April 2026, the same rate recorded in March. This outcome reflected a slight decline in domestic inflation to 5.9% from 6.0% which offset a rise in imported inflation to 0.2% from minus 0.4% in March. Meanwhile, core inflation eased further to 1.4% in April from 1.9% in March, indicating moderate underlying inflationary pressures.

Figure 2. Headline & Core Inflation

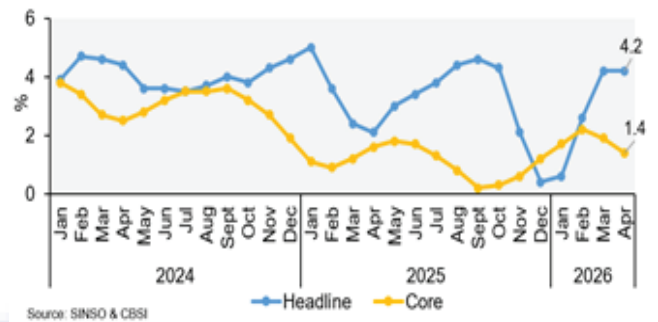
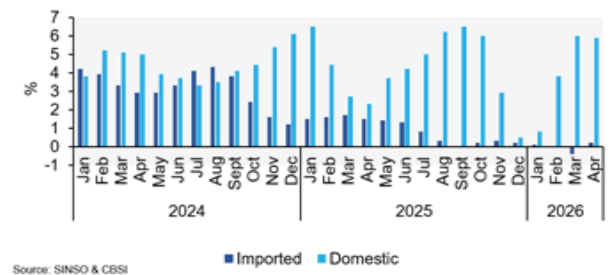


Figure 3. Domestic & Imported Inflation



CBSI Monthly Price Index (MPI)

The CBSI MPI for selected consumption items in May rose to 121.9 points from the revised 110.7 points recorded in the previous month of April 2026. Household electricity tariff prices increased by \$2.32 to \$8.53 per kilowatt-hour, while fuel prices surged by \$2.22 to \$12.98 per litre. Conversely, the price of betel nut declined by 46 cents to 56 cents per nut, and the price of a 40lb bag of Solrice decreased by 45 cents to \$157.30. Meanwhile, the price of liquefied petroleum gas remained unchanged at \$31.36 per kilogram.

² Organization of the Petroleum Exporting Countries.

Solomon Islands Key Economic Indicators

		Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	May 26
Consumer Price Index (%)	Headline inflation (3mma, YoY)	2.1	0.4	0.6	2.6	4.2	4.2	na
	Underlying inflation (3mma, YoY): core 3	0.6	1.2	1.7	2.2	1.9	1.4	na
	Headline inflation (MoM)	-1.6	0.0	5.1	0.0	-3.2	1.8	na
CBSI Monthly Price Index (MPI)	Weighted Index	107	108	119	110	108	111	122
Production Index	Index	113	139	122	91	129	84	101
Trade ¹	Exports (\$ millions)	522	745	272	437	446	501	594
	Imports (\$ millions)	433	356	507	314	537	589	416
	Trade Balance (\$ millions)	89	388	-235	123	-90	-88	177
Exchange Rates (Mid-rate, Monthly average)	SBD per USD	8.25	8.18	8.12	8.05	8.06	8.06	8.04
	SBD per AUD	5.37	5.42	5.49	5.68	5.68	5.72	5.78
	SBD per NZD	4.66	4.73	4.74	4.84	4.73	4.71	4.74
	SBD per GBP	10.84	10.93	10.98	10.95	10.78	10.84	10.86
	SBD per 100 JPY	5.32	5.25	5.18	5.20	5.09	5.06	5.08
	SBD per EUR	9.54	9.57	9.53	9.42	9.34	9.43	9.40
	SBD Currency Basket Index	112.38	110.82	110.40	109.47	109.64	109.68	109.28
Gross Foreign Reserves (eop)	\$ milions	6,469	6,620	6,595	6,678	6,684	6,685	6,756
Import Cover	Months	11.7	12.0	12.0	12.1	12.1	12.1	12.2
Liquidity ² (eop)	Free Liquidity (\$ millions)	3,469	3,881	3,440	3,307	3,188	3,298	3,245
Money and credit ² (eop)	Narrow Money, M1 (\$ millions)	5,864	6,224	5,953	6,082	6,039	6,075	6,029
	Broad Money, M3 (\$ millions)	6,817	7,179	6,896	7,022	6,980	7,013	6,991
	Private Sector credit (\$ millions)	2,910	2,949	2,914	2,962	2,950	3,090	2,965
Interest Rates (weighted average yield)	28-days Bokolo Bills rate (%)	0.40	0.40	0.40	0.40	0.40	0.40	0.40
	56-days Treasury Bills rate (%)	0.75	0.75	0.75	0.75	0.75	0.75	na
	91-days Treasury Bills rate (%)	1.16	1.16	1.16	1.16	1.16	1.16	na
	182-days Treasury Bills rate (%)	2.39	2.39	2.39	2.39	2.39	2.39	na
Government Finance	Revenue (\$ millions)	288	530	235	246	417	276	321
	Expenditure (\$ millions)	396	618	240	365	343	322	281
	Fiscal Balance (\$ millions)	-109	-89	-6	-119	74	-46	40
	SIG Debt stock (eop) (\$ millions)	4,308	4,274	4,269	4,290	4,292	4,289	4,548
Global Commodity Prices (monthly averages)	CBSI Commodity Price Index	113.2	116.3	122.4	126.3	126.2	122.7	121.4
	Round logs - (US\$/m3)	192	191	190	192	188	187	188
	Gold - (US\$/oz)	4,087	4,309	4,753	5,020	4,856	4,721	4,587
	Palm Oil - (US\$/tonne)	970	981	1,005	1,039	1,109	1,146	1,140
	Fish - (US\$/tonne)	1,583	1,457	1,487	1,550	1,962	1,646	1,673
	Coconut oil - (US\$/tonne)	2,469	2,323	2,197	2,259	2,574	2,606	2,416
	Cocoa - (US\$/tonne)	5,610	5,782	4,970	3,590	3,240	3,397	4,160
	Timber - (US\$/m3)	715	730	737	741	727	733	735

¹ Value in terms of free on Board (FOB)

² Based on weekly statistics provided by other depository corporations (ODCs).

Note:

na : not available at the time of publication.