

Monthly Economic Bulletin

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I. MONETARY DEVELOPMENTS

Money supply (M3) rose by 2% in August 2026 to \$7,152 million, moderating from the 3% expansion recorded in July. The increase stemmed from growth in narrow money (M1) by 2% to \$6,147 million and other deposits (time and savings) by 2% to \$1,005 million.

Net foreign assets (NFA) of the banking system grew by 1% to \$6,471 million in August, consistent with the 1% increase in July. The Central Bank's NFA edged up by 0.1% to \$6,386 million, whilst NFA of other depository corporations (ODCs) expanded to \$85 million from \$59 million in the previous month. Year- on year, NFA increased by 5%.

Credit to the private sector (PSC) grew modestly by 0.2% in August to \$3,010 million, slowing from the 2% increase in July. Net credit to government (NCG) narrowed to minus \$803 million from minus \$869 million in July, reflecting lower government deposits in the banking system.

Free liquidity¹ in the banking system continued to build up by 3% to \$3,241 million in August, following a 2% rise in July. This was driven by the ongoing growth in NFA. Required reserves rose by 7% to \$355 million during the month.

Domestic Market Operations

The stock of the CBSI's Bokolo Bills remained capped at \$430 million in August 2026, whilst the weighted average yield (WAY) was unchanged at 0.40%.

Treasury Bills (T-Bills) auction data for August were not available at the time of publication.

II. EXTERNAL CONDITIONS

Trade in Goods

The trade in goods balance recorded a deficit of \$13 million in August 2026, compared with a surplus of \$0.5 million in July. The shift to a deficit reflected a 26% decline in exports to \$434 million, owing to lower shipments of minerals, fish, and agricultural products. Imports also fell by 24% to \$447 million, mainly due to

reduced imports of food, fuel, and machinery during the month.

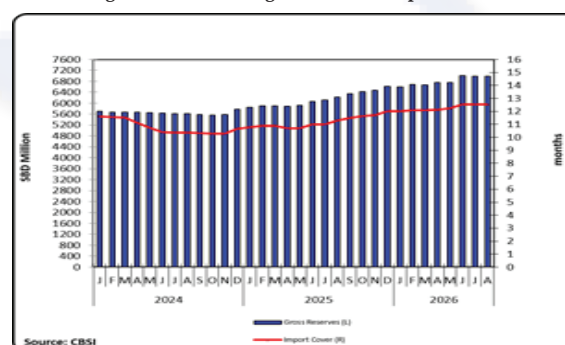
Remittances

In August 2026, inward remittances processed through money transfer operators declined marginally by 0.2% to \$52 million, while outward remittances fell by 46% to \$20 million. As a result, the surplus in net remittances widened to \$32 million from \$15 million in July.

Gross Foreign Reserves

Gross foreign reserves increased marginally by 0.1% to \$6,994 million in August 2026, supported by donor inflows. At this level, reserves were sufficient to cover 12.5 months of imports of goods and services.

Figure 1: Gross Foreign Reserve & Import Cover.



Exchange Rate

The Solomon Islands dollar (SBD) appreciated by 0.62% against the United States dollar, averaging \$8.04 per USD during the month. In contrast, it depreciated against both the Australian dollar and the New Zealand dollar by 1.23% to \$5.71 per AUD and 1.68% to \$4.75 per NZD, respectively. The SBD also weakened against the British pound, the euro, and the Japanese yen. Overall, the combined effects of these mixed movements saw the trade-weighted index (TWI) strengthened by 0.62% to 109.3 points during the month.

III: GOVERNMENT FINANCE

The government recorded a provisional operating deficit of \$37 million in August 2026, widening from the \$1 million deficit posted in July. The wider deficit stemmed from lower revenue collections during the month. Total revenue fell notably by 39% to \$294 million, due to lower tax and non-tax receipts. Meanwhile, total expenditure decreased by 32% to

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

\$330 million, mainly due to reduced spending on payroll and goods and services.

The government's debt stock declined marginally by 0.2% to \$4,499 million in August, largely due to exchange rate movements. External debt fell by 0.3% to \$3,136 million, while domestic debt edged up by 0.1% to \$1,362 million, reflecting additional Treasury Bills issuance. Debt service payments totaled \$71.4 million during the month, comprising \$66.7 million in principal repayments and \$4.7 million in interest charges.

IV: DOMESTIC ECONOMY

In August, the preliminary Monthly Production Index increased by 27 points to an index of 137. Gains in the logging and agriculture sectors, which contributed 24 points and 16 points, respectively, more than offset declines in the mining (11 points) and fishing (2 points) sectors.

In terms of actual production volumes, output increased across forestry and most agricultural commodities. Round log production more than doubled to 111,714 cubic meters from 42,711 cubic meters in the previous month. Copra production improved by 48% to 4,292 tonnes, cocoa output rose by 44% to 1,201 tonnes, and coconut oil production expanded by 41% to 569 tonnes. These gains were partly offset by a 27% decline in fish catch to 1,099 tonnes, a 25% fall in mineral production to 10,526 gold-equivalent ounces and an 8% decrease in palm oil production to 1,903 tonnes.

The CBSI Commodity Price Index rose marginally by 1 point to 114.4 points in August, reflecting higher prices for several major export commodities. Fish prices surged by 14% to US\$1,931 per tonne, gold prices increased by 8% to US\$4,411 per ounce, and cocoa prices rose by 6% to US\$5,950 per tonne. Palm oil and timber prices also edged up, each rising by 1% to US\$1,117 per tonne and US\$738 per cubic metre, respectively.

Consumer Price Index, Inflation (MoM)

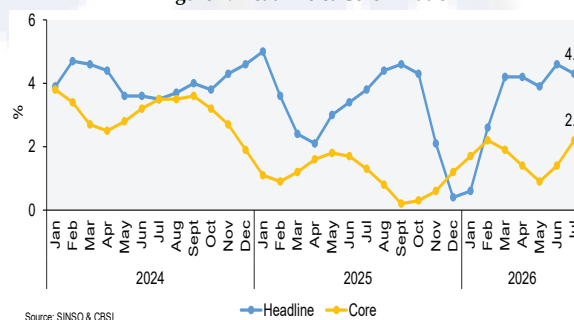
The National Consumer Price Index (NCPI) fell to 134.8 points in July, down from 135.1 points recorded in June. The decline was mainly attributed to lower prices in the food category, particularly vegetables, milk, cheese and eggs. Prices in the Alcoholic Beverages Tobacco and Narcotics (ABTN) category also fell, reflecting betel-nut price. These declines more than offset higher

prices in the housing and utilities category, especially for gas and solid fuels.

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

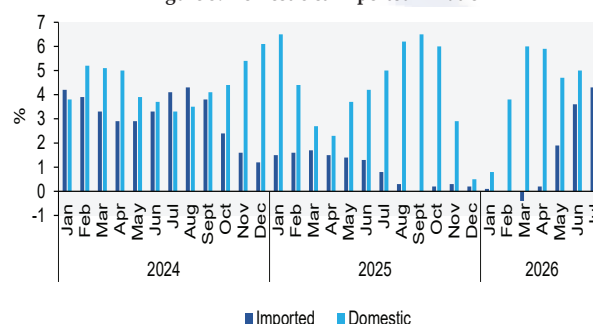
Headline inflation (YoY) fell to 4.3% in July from 4.6% in June. This outcome was driven by lower domestic inflation, which eased to 4.3% from 5% recorded in the previous month. This more than offset the increase in imported inflation, which rose to 4.3% from 3.6% in June, reflecting higher prices for electricity, gas and fuel. Core inflation also picked up to 2.2% from 1.4%, pointing to a pickup in underlying price pressures within the economy.

Figure 2. Headline & Core Inflation



Source: SINSO & CBSI

Figure 3. Domestic & Imported Inflation



Source: SINSO & CBSI

CBSI Monthly Price Index (MPI)

The CBSI MPI for selected consumption items in August declined by 4.3% to 117.2 points, amid lower prices of key consumer items. The price of liquefied petroleum (LP) gas fell by \$4.10 to \$29.88 per kilogram, while the household electricity tariff decreased by 65 cents to \$7.88 per kilowatt-hour. Similarly, fuel prices dropped by 47 cents to \$11.88 per litre, and the average price of betel nut also declined by 10 cents to 56 cents per nut. Meanwhile, the average price of a 40lb bag of rice increased by \$1.99 to \$163.20.

Solomon Islands Key Economic Indicators

		Feb 26	Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26
Consumer Price Index (%)	Headline inflation (3mma, YoY)	2.6	4.2	4.2	3.9	4.6	4.3	na
	Underlying inflation (3mma, YoY): core 3	2.2	1.9	1.4	0.9	1.4	2.2	na
	Headline inflation (MoM)	0.0	-3.2	1.8	0.7	0.7	-0.2	na
CBSI Monthly Price Index (MPI)	Weighted Index	110	108	111	116	125	120	117
Production Index	Index	111	133	89	110	109	110	137
Trade ¹	Exports (\$ millions)	437	446	501	594	461	586	434
	Imports (\$ millions)	314	537	589	416	540	585	447
	Trade Balance (\$ millions)	123	-90	-16	373	-43	0.5	-13.1
Exchange Rates (Mid-rate, Monthly average)	SBD per USD	8.05	8.06	8.06	8.04	8.07	8.09	8.04
	SBD per AUD	5.68	5.68	5.72	5.78	5.69	5.64	5.71
	SBD per NZD	4.84	4.73	4.71	4.74	4.68	4.67	4.75
	SBD per GBP	10.95	10.78	10.84	10.86	10.77	10.82	10.89
	SBD per 100 JPY	5.20	5.09	5.06	5.08	5.03	4.98	5.06
	SBD per EUR	9.42	9.34	9.43	9.40	9.31	9.24	9.32
	SBD Currency Basket Index	109.47	109.64	109.68	109.28	109.74	109.98	109.30
Gross Foreign Reserves(eop)	\$ millions	6,678	6,680	6,685	6,755	6,878	6,985	6,994
Import Cover	Months	12.1	12.1	12.1	12.2	12.5	12.5	12.5
Liquidity ² (eop)	Free Liquidity (\$ millions)	3,307	3,188	3,298	3,245	3,079	3,133	3,241
Money and credit ² (eop)	Narrow Money, M1 (\$ millions)	6,082	6,039	6,075	6,029	5,834	6,000	6,147
	Broad Money, M3 (\$ millions)	7,022	6,980	7,013	6,991	6,797	6,986	7,152
	Private Sector credit (\$ millions)	2,962	2,950	3,090	2,965	2,952	3,003	3,010
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	na	na	na	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)	246	417	276	321	428	485	294
	Expenditure (\$ millions)	365	343	322	281	269	486	330
	Fiscal Balance (\$ millions)	-119	74	-46	40	159	-1	-37
	SIG Debt stock (eop) (\$ millions)	4,290	4,292	4,289	4,548	4,520	4,506	4,499
Global Commodity Prices (monthly averages)	CBSI Commodity Price Index	126.1	123.2	122.1	121.1	114.7	113.6	114.4
	Round logs - (US\$/m3)	192	188	187	188	185	183	187.4
	Gold - (US\$/oz)	5,020	4,856	4,721	4,587	4,228	4,073	4,411
	Palm Oil - (US\$/tonne)	1,039	1,109	1,146	1,136	1,104	1,101	1,117
	Fish - (US\$/tonne)	1,506	1,428	1,529	1,655	1,626	1,701	1,931
	Coconut oil - (US\$/tonne)	2,259	2,574	2,606	2,416	2,166	2,441	2,264
	Cocoa - (US\$/tonne)	3,590	3,240	3,397	4,160	4,400	5,610	5,950
	Timber - (US\$/m3)	741	727	733	735	727	729	738

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.