

Monthly Economic Bulletin

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I. MONETARY DEVELOPMENTS

Money supply (M3) edged down by 0.2% in September 2026 to \$7,137 million, after a 2% expansion recorded in August. The decline stemmed from a 0.4% fall in narrow money (M1) to \$6,121 million. This more than offset a 1% increase in other deposits (time and savings) to \$1,016 million.

Net foreign assets (NFA) of the banking sector strengthened by 2% to \$6,630 million, following on a 1% gain in August. This was driven by a 4% rise in the Central Bank's NFA to \$6,646 million. In contrast, the NFA position of other depository corporations (ODCs) dropped to minus \$16 million in September from \$85 million in August. NFA grew by 8% year on year.

Credit to the private sector (PSC) grew by 0.4% to \$3,022 million. Meanwhile, net credit to government (NCG) widened by 11% to minus \$893 million, reflecting rise in government deposits held within the banking system.

Free liquidity¹ in the banking system declined by 4% to \$3,100 million in September, after a 3% increase in August. Likewise required reserves fell to \$340 million from \$355 million in the previous month.

Domestic Market Operations

The stock of the CBSI's Bokolo Bills increased to \$1,030 million in September, from \$430 million in August, in line with the Central Bank's liquidity management operations. Meanwhile, the weighted average yield (WAY) remained unchanged at 0.40%. Total Treasury bills (T-Bills) tendered in September totalled \$118 million, of which \$57 million was accepted. The WAY for the 91-day and 182-day maturities declined marginally to 1.13% and 2.33%, from 1.15% and 2.36%, respectively.

II. EXTERNAL CONDITIONS

Trade in Goods

The balance on trade in goods remained in deficit at \$14.6 million in September 2026, compared with a deficit of \$13.3 million in the previous month. Trade activity strengthened during the month, with both

exports and imports nearly doubling to \$864 million and \$879 million, respectively. Higher export receipts were driven by minerals, fish and agricultural products, while imports payments rose mainly on account of food, fuel, machinery and miscellaneous goods.

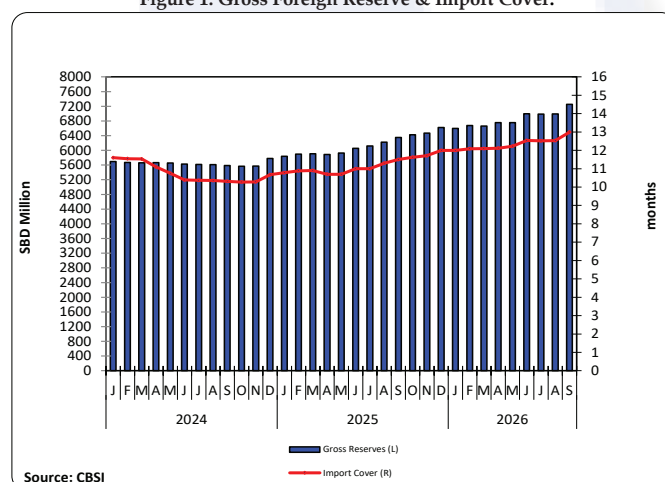
Remittances

In September 2026, inward remittances processed through money transfer operators increased by 9% to \$57 million, largely reflecting higher inflows from seasonal workers in Australia and New Zealand. Outward remittances also rose to \$23 million, up from \$20 million in the previous month. As a result, net remittances recorded a surplus of \$34 million.

Gross Foreign Reserves

Gross foreign reserves rose by 4% to \$7,254 million in September 2026, supported by donor receipts. This level of reserves is adequate to cover 13 months of imports of goods and services.

Figure 1: Gross Foreign Reserve & Import Cover.



Source: CBSI

Exchange Rate

The Solomon Islands dollar (SBD) appreciated against the United States dollar to \$8.03 per USD during the month. In contrast, the SBD depreciated by 0.43% against the Australian dollar to \$5.73 per AUD. It also strengthened against the New Zealand dollar by 2.24% to \$4.65 per NZD. Against other major currencies, the SBD appreciated against the British pound and Euro but weakened against the Japanese yen. As a result

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

of these mixed movements, the trade-weighted index (TWI) strengthened by 0.09% to 109.2 points during the month.

III: GOVERNMENT FINANCE

The Government recorded a provisional operating surplus of \$313 million in September 2026, following a deficit of \$37 million in August. The turnaround was largely driven by strong revenue collections of \$749 million, with mineral export-related taxes accounting for around half of total revenue. Higher non-tax receipts and donor grant also supported the outcome. Meanwhile, total expenditure also increased by 32% to \$436 million, reflecting higher spending on payroll and the provision of goods and services.

The government's debt stock grew slightly by 0.05% to \$4,501 million at the end of September, driven mainly by exchange rate movements. External debt rose by 0.3% to \$3,145 million, while domestic debt fell by 0.5% to \$1,356 million following debt repayments. Debt servicing in September amounted to \$78 million, comprising \$66 million in principal repayments and \$12 million on interest payments.

IV: DOMESTIC ECONOMY

The preliminary Monthly Production Index for September 2026 rose significantly to 149 points from 137 points in August, driven by stronger production activity across key sectors of the economy.

On actual production volumes, output increased across fisheries, minerals, and most agricultural commodities. Fish catch surged by 121% to 2,430 tonnes, mineral production grew by 10% to 11,555 gold-equivalent ounces, and coconut oil production, up by 10% to 626 tonnes. Palm oil production also rose by 4% to 1,988 tonnes. Meanwhile, copra production declined by 9% to 3,922 tonnes, round log output fell by 5% to 106,100 cubic meters, and cocoa output down by 1% to 1,193 tonnes.

The CBSI Commodity Price Index eased by 1 point to 113.7 points in September 2026, reflecting lower prices for several key export commodities. Gold prices fell by 2% to US\$4,319 per ounce, while cocoa and timber prices both declined by 1% to US\$5,920 per tonne and US\$731 per cubic meter, respectively. Offsetting these declines, fish prices increased by 8% to US\$1,924 per tonne, while crude palm oil and coconut oil prices rose by 4% to US\$1,180 per tonne and US\$2,355 per tonne, respectively. Round log prices also grew by 2% to US\$190 per cubic meter.

Consumer Price Index, Inflation (MoM)

The National Consumer Price Index (NCPI) rose to 136.6 points in August, from 134.8 points in July. The

rise was mainly driven by higher prices in the Alcoholic Beverages, Tobacco and Narcotics (ABTN) category, particularly betel-nut, and increases in the Housing and Utilities category, especially gas and solid fuels.

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

Headline inflation (YoY) eased to 3.7% in August from 4.3% in July, reflecting declines in domestic and imported inflation. Domestic inflation declined to 3.5% from 4.3%, while imported inflation fell to 3.9% from 4.3% in the previous month. In contrast, core inflation rose to 3.3% from 2.2%, indicating stronger underlying price pressures in the economy.

Figure 2. Headline & Core Inflation

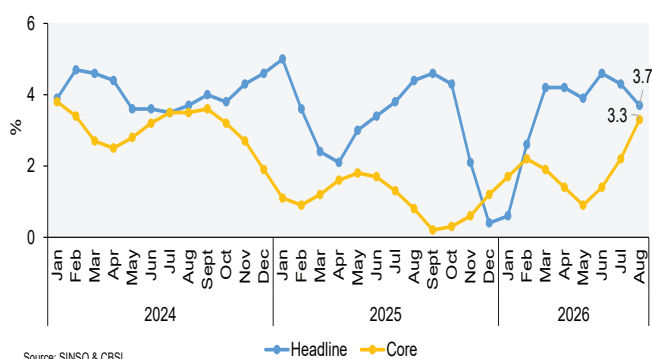
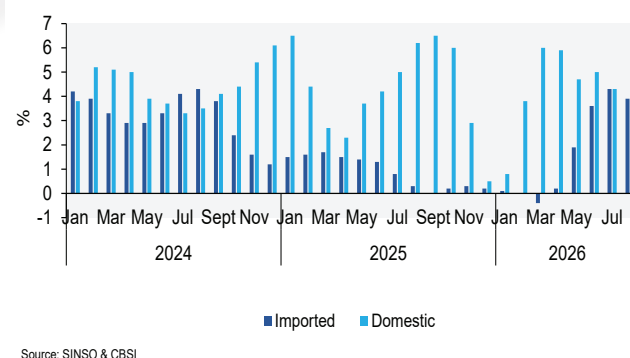


Figure 3. Domestic & Imported Inflation



CBSI Monthly Price Index (MPI)

In September 2026, the CBSI MPI for selected consumption items increased marginally by 1.0% to 118.5 points, driven by higher prices for key consumer items. The price of liquefied petroleum (LP) gas moved up by \$4.10 to \$33.98 per kilogram, fuel prices by 45 cents to \$12.33 per litre, and the average price of betel nut edged up by 16 cents to 72 cents per nut. This growth was partly offset by a decline in the average price of a 40lb bag of rice by \$1.24 to \$161.96, and household electricity tariffs by 85 cents to \$7.03 per kilowatt-hour.

Solomon Islands Key Economic Indicators

		Mar 26	Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26
Consumer Price Index (%)	Headline inflation (3mma, YoY)	4.2	4.2	3.9	4.6	4.3	na	na
	Underlying inflation (3mma, YoY): core 3	1.9	1.4	0.9	1.4	2.2	na	na
	Headline inflation (MoM)	-3.2	1.8	0.7	0.7	-0.2	na	na
CBSI Monthly Price Index (MPI)	Weighted Index	108	111	116	125	120	117	118
Production Index	Index	133	89	110	109	110	137	149
Trade ¹	Exports (\$ millions)	446	501	594	461	586	434	864
	Imports (\$ millions)	537	589	416	540	585	447	879
	Trade Balance (\$ millions)	-90	-16	373	-43	0.5	-13.3	-14.6
Exchange Rates (Mid-rate, Monthly average)	SBD per USD	8.06	8.06	8.04	8.07	8.09	8.04	8.03
	SBD per AUD	5.68	5.72	5.78	5.69	5.64	5.71	5.73
	SBD per NZD	4.73	4.71	4.74	4.68	4.67	4.75	4.65
	SBD per GBP	10.78	10.84	10.86	10.77	10.82	10.89	10.79
	SBD per 100 JPY	5.09	5.06	5.08	5.03	4.98	5.06	5.14
	SBD per EUR	9.34	9.43	9.40	9.31	9.24	9.32	9.26
	SBD Currency Basket Index	109.64	109.68	109.28	109.74	109.98	109.30	109.20
Gross Foreign Reserves(eop)	\$ millions	6,680	6,685	6,755	6,878	6,985	6,994	7,254
Import Cover	Months	12.1	12.1	12.2	12.5	12.5	12.5	13.0
Liquidity ² (eop)	Free Liquidity (\$ millions)	3,188	3,298	3,245	3,079	3,133	3,241	3,100
Money and credit ² (eop)	Narrow Money, M1 (\$ millions)	6,039	6,075	6,029	5,834	6,000	6,147	6,121
	Broad Money, M3 (\$ millions)	6,980	7,013	6,991	6,797	6,986	7,152	7,137
	Private Sector credit (\$ millions)	2,950	3,090	2,965	2,952	3,003	3,010	3,022
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	na	na	na	na	na
	91- days Treasury Bills rate (%)	1.16	1.16	1.16	1.16	1.16	na	1.13
	182-days Treasury Bills rate (%)	2.39	2.39	2.39	2.39	2.39	na	2.33
Government Finance	Revenue (\$ millions)	417	276	321	428	485	294	749
	Expenditure (\$ millions)	343	322	281	269	486	330	436
	Fiscal Balance (\$ millions)	74	-46	40	159	-1	-37	313
	SIG Debt stock (eop) (\$ millions)	4,292	4,289	4,548	4,520	4,506	4,499	4,501
Global Commodity Prices (monthly averages)	CBSI Commodity Price Index	123.6	122.3	121.3	115.8	113.8	114.5	113.7
	Round logs - (US\$/m3)	188	187	188	185	183	187	190
	Gold - (US\$/oz)	4,856	4,721	4,587	4,228	4,073	4,411	4,319
	Palm Oil - (US\$/tonne)	1,109	1,146	1,136	1,142	1,133	1,132	1,180
	Fish - (US\$/tonne)	1,428	1,529	1,655	1,702	1,701	1,776	1,924
	Coconut oil - (US\$/tonne)	2,574	2,606	2,416	2,166	2,413	2,264	2,355
	Cocoa - (US\$/tonne)	3,240	3,397	4,160	4,400	5,610	5,950	5,920
	Timber - (US\$/m3)	727	733	735	727	729	738	731

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.