CENTRAL BANK OF SOLOMON ISLANDS

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I. MONETARY DEVELOPMENTS

Money supply (M3) grew by 4% in October 2026 to $7,402 million, reversing the 0.2% decline in September. The expansion was driven by a 4% increase in narrow money (M1) to $6,354 million. Other deposits (time and savings) also increased by 3% to $1,048 million.

Net foreign assets (NFA) of the banking sector strengthened by 6% to $7,048 million, accelerating from the 2% growth recorded in the preceding month. This outcome comes from the 4% improvement in the Central Bank's NFA to $6,942 million. Similarly, NFA of other depository corporations (ODCs) increased markedly, moving from minus $16 million to $106 million. Annually, NFA increased by 15%.

Credit to the private sector (PSC) expanded by 1% to $3,067 million, further from the 0.4% growth in the previous month. Conversely, net credit to government (NCG) increased to minus $1,047 million from minus $893 million in September reflecting a 17% increase of government deposits in the banking system especially CBSI.

Free liquidity[1] in the banking system contracted by 5% to $2,950 million, following the 4% reduction in September. The fall mirrored the accumulation of government deposits held with the banking system. Meanwhile, required reserves increased by 3% to $352 million.

Domestic Market Operations

The stock of CBSI's Bokolo Bills declined to $970 million in October 2026 from $1,030 million in September. Meanwhile, the weighted average yield (WAY) edged up to 0.42% from 0.40%. Treasury bills (T-Bills) tendered during the month totalled to $110 million, of which $58 million was accepted. The WAY for 91-day and 182-day maturities declined to 1.11% and 2.28%, respectively, from 1.13% and 2.33% in the preceding month.

II. EXTERNAL CONDITIONS

Trade in Goods

Trade in goods recorded a surplus of $28 million in October 2026, reversing the $363 million deficit in September 2026. This improvement was driven by a 22% increase in exports to $593 million, mainly driven by higher shipments of minerals and other exports. Meanwhile, imports declined by 33% to $565 million, reflecting lower payments of major import categories except for fuel.

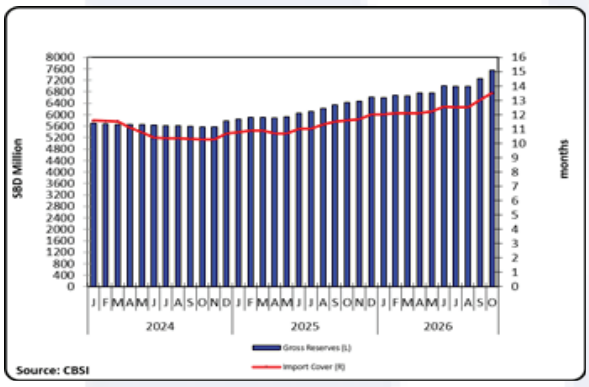
Remittances

In October 2026, remittance inflows processed through money transfer operators declined by 14% to $49 million, while outward remittances increased by 5% to $24 million. As a result, net remittances recorded a surplus of $25 million, down from $34 million in September 2026.

Gross Foreign Reserves

Gross foreign reserves rose by 1% to $7,542 million in October 2026, supported by donor inflows and fishing receipts. This level of reserves is adequate to cover 13.5 months of imports of goods and services.

Figure 1: Gross Foreign Reserve & Import Cover.



Exchange Rate

The Solomon Islands dollar (SBD) depreciated by 0.52% against the United States dollar to an average of $8.08 per USD during the month. In contrast, the SBD appreciated against both the Australian dollar and the New Zealand dollar by 1.53% to $5.65 per AUD and 2.01% to $4.56 per NZD, respectively. Similarly, SBD also strengthened against the British pound, the Euro, and the Japanese yen. As a result of these mixed movements, the trade-weighted index (TWI) weakened by 0.51% to 109.75 points during the month.

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

III: GOVERNMENT FINANCE

The government recorded a provisional operating deficit of $96 million in October 2026, reversing the $313 million surplus recorded in September. This outturn was primarily driven by a decline in revenue collections and higher expenditure during the month. Total revenue fell significantly by 48% to $390 million, attributable to lower tax and non-tax receipts. Meanwhile total expenditure rose by 11% to $486 million, reflecting higher spending on payroll and goods and services

The government's debt stock increased marginally by 0.3% to $4,562 million in October, mainly from Treasury Bills auctions. Domestic debt rose by 2% to $1,381 million, while external debt edged down by 0.3% to $3,180 million, largely reflecting exchange rate movements. Debt servicing totaled $66 million, made up of $57 million in principal repayments and $9 million in interest charges.

IV: DOMESTIC ECONOMY

The preliminary Monthly Production Index for October 2026 edged down by 0.3 points to 115.5 points, driven by weaker performance in agriculture, fishing, and logging.

In terms of production volumes, actual output declined across agricultural commodities, fisheries, and forestry. Cocoa production declined by 26% to 222 tonnes, and copra and coconut oil both fell by 13% to 1,173 tonnes and 380 tonnes, respectively. Fish catch dropped by 16% to 2,045 tonnes, and round log output decreased by 3% to 75,320 cubic metres. Meanwhile, mineral production increased by 21% to 13,944 gold equivalent ounces and palm oil output grew by 1% to 1,735 tonnes.

The CBSI Commodity Price Index recorded a decline of 4 points to 109.4 points in October 2026, reflecting lower prices across several key export commodities. Gold and crude palm oil prices each decreased by 5%, to US$4,105 per ounce and US$1,120 per tonne, respectively. Cocoa prices also fell by 3% to US$5,750 per tonne, while coconut oil prices edged down by 2% to US$2,029 per tonne. Likewise, round log and timber prices both eased by 1%, to US$189 and US$724 per cubic metre, respectively. In contrast, fish prices remained unchanged at US$2,077 per tonne.

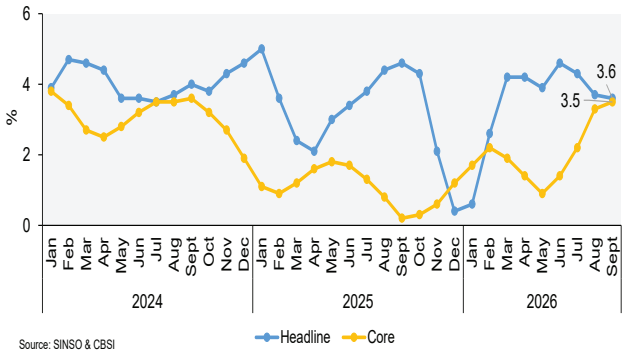
Consumer Price Index, Inflation (MoM)

The National Consumer Price Index (NCPI) increased to 137.8 points in September, from 136.6 points in August. The increase was mainly driven by higher prices in the Alcoholic Beverages, Tobacco and Narcotics (ABTN) category, predominantly betel nut, and the Food and Non-Alcoholic Beverages (FNAB) category, particularly fruits and vegetables. Additional upward pressures came from higher prices in the Transport category, mainly fuels and lubricants, and the Housing and Utilities category, especially gas and liquid fuels.

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

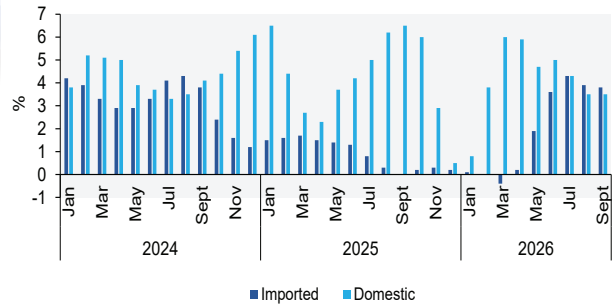
Headline inflation eased to 3.6% in September from 3.7% in August, reflecting a moderation in imported inflation. Imported inflation declined marginally to 3.8% from 3.9% in the previous month, while domestic inflation remained unchanged at 3.5%. In contrast, core inflation increased to 3.5% from 3.3%, indicating a modest pick-up in underlying price pressures.

Figure 2. Headline & Core Inflation



Source: SINSO & CBSI

Figure 3. Domestic & Imported Inflation



Source: SINSO & CBSI

CBSI Monthly Price Index (MPI)

The CBSI Monthly Price Index (MPI) for selected consumption items increased by 3% to 122.5 points in October 2026, up from 118.5 points in September. This upward movement was largely driven by higher prices for key household consumption items.

In particular, the average household electricity tariffs rose by 70 cents to $7.73 per kilowatt-hour, and fuel prices surged by 49 cents to $12.82 per litre. The average price of betel nut recorded a modest increase of 17 cents to 90 cents per nut.

These upward price movements were partly offset by a significant decline in the average retail price of a 40 lb. bag of rice, which dropped by $4.15 to $157.81. Meanwhile, the price of liquefied petroleum (LP) gas remained unchanged at $33.98 per kilogram.

Solomon Islands Key Economic Indicators

		Apr 26	May 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26
Consumer Price Index (%)	Headline inflation (3mma, YoY)	4.2	3.9	4.6	4.3	3.7	3.6	na
	Underlying inflation (3mma,YoY): core 3	1.4	0.9	1.4	2.2	3.3	3.5	na
	Headline inflation(MoM)	1.8	0.7	0.7	-0.2	1.3	0.9	ma
CBSI Monthly Price Index (MPI)	Weighted Index	111	116	125	122	115	119	122
Production Index	Index	99	119	111	120	122	116	116
Trade[1]	Exports ($ millions)	535	612	497	639	486	487	593
	Imports ($ millions)	589	416	540	585	447	849	565
	Trade Balance ($ millions)	-54	196	-43	54	38	-363	28
Exchange Rates (Mid-rate, Monthly average)	SBD per USD	8.06	8.04	8.07	8.09	8.04	8.03	8.08
	SBD per AUD	5.72	5.78	5.69	5.64	5.71	5.73	5.65
	SBD per NZD	4.71	4.74	4.68	4.67	4.75	4.65	4.56
	SBD per GBP	10.84	10.86	10.77	10.82	10.89	10.79	10.73
	SBD per 100 JPY	5.06	5.08	5.03	4.98	5.06	5.14	5.11
	SBD per EUR	9.43	9.40	9.31	9.24	9.32	9.26	9.06
	SBD Currency Basket Index	109.57	109.28	109.74	109.98	109.30	109.20	109.75
Gross Foreign Reserves(eop)	$ millions	6,755	6,756	6,951	6,989	7,138	7,454	7,542
Import Cover	Months	12.1	12.0	12.5	12.5	12.5	13.0	13.5
Liquidity[2] (eop)	Free Liquidity ($ millions)	3,298	3,245	3,079	3,133	3,241	3,100	2,950
Money and credit[2] (eop)	Narrow Money, M1 ($ millions)	6,075	6,029	5,834	6,000	6,147	6,121	6,354
	Broad Money, M3 ($ millions)	7,013	6,991	6,797	6,986	7,152	7,137	7,402
	Private Sector credit ($ millions)	3,090	2,965	2,952	3,003	3,010	3,022	3,067
Interest Rates (weighted average yield)	28-days Bokolo Bills rate (%)	0.40	0.40	0.40	0.40	0.40	0.40	0.42
	56-days Treasury Bills rate (%)	0.75	na	na	na	na	na	na
	91- days Treasury Bills rate (%)	1.16	1.16	1.16	1.16	na	1.13	1.11
	182-days Treasury Bills rate (%)	2.39	2.39	2.39	2.39	na	2.33	2.28
Government Finance	Revenue ($ millions)	276	321	428	485	294	749	390
	Expenditure ($ millions)	322	281	269	486	330	436	486
	Fiscal Balance ($ millions)	-46	40	159	-1	-37	313	-96
	SIG Debt stock (eop) ($ millions)	4,289	4,548	4,520	4,553	4,544	4,547	4,562
Global Commodity Prices (monthly averages)	CBSI Commodity Price Index	122.3	121.3	115.4	113.8	114.5	113.8	109.4
	Round logs - (US$/m3)	187	188	185	183	187	190	189
	Gold - (US$/oz)	4,721	4,587	4,228	4,073	4,411	4,319	4,105
	Palm Oil - (US$/tonne)	1,181	1,168	1,142	1,133	1,132	1,180	1,120
	Fish - (US$/tonne)	1,529	1,655	1,701	1,701	1,776	2,077	2,077
	Coconut oil - (US$/tonne)	2,332	2,172	1,979	1,924	1,981	2,079	2,029
	Cocoa - (US$/tonne)	3,397	4,160	4,400	5,610	5,950	5,920	5,750
	Timber - (US$/m3)	733	735	727	729	738	731	724

[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.