



CENTRAL BANK OF
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QUARTERLY REVIEW December 2014

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The Quarterly Review is prepared by the Economics Research and Statistics Department of the Central Bank of Solomon Islands and published four times a year. All enquiries pertaining to the Review should be addressed to:

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GENERAL NOTE

p provisional

e estimate

- nil

n.a. not available

(i) The sum of the components may differ from the totals in some instances due to rounding.

(ii) Data are subject to periodic revision as more updated information becomes available.

GLOSSARY

The following terminologies are defined in the context of Solomon Islands.

Balance of Payments (BoP): records all payments and receipts relating to the movement of funds between a country and foreign countries.

Bank Liquidity: Total amount of cash held by banks and not used for investment or other transactions.

Capital account: records international transactions relating to the flow of capital between a country and foreign countries, such as investment, loans etc.

Current account: records international transactions relating to the flow of goods, services, income and gifts. A surplus indicates higher inflows than outflows and a deficit indicates the opposite.

Domestic credit: value of loans and advances obtained from within the country.

Excess Liquidity: The liquidity that banks possess that is greater than the minimum prescribed by the Central Bank.

Exchange rate: the price of foreign currencies stated in terms of the local currency or the vice versa.

Exports: goods that a country sells abroad.

External reserves: stock of foreign currency assets of the Central Bank. These assets are earned through exports, foreign aid and loans obtained from institutions abroad.

Gross Domestic Product (GDP): Total value of all final goods and services produced in an economy during the course of a year.

Honiara Retail Price Index (HRPI): a consumer price index which shows the price level and changes in price level of goods and services in Honiara over time. This information forms the basis for calculating inflation in the economy.

Imports: goods that a country buys from abroad.

Liquidity Asset Requirement: Usually defined as a percentage of deposit liabilities of a commercial bank that shall be held as cash or as balance with the Central Bank.

Money Supply: the total quantity of money in a country's economy at a particular time.

Narrow money: notes and coins in the hands of the public plus money held on demand deposits at the Central Bank.

Net Credit to Government: value of borrowings by Government less its deposits at the banks and the Central Bank.

Private sector credit: value of borrowings by private companies and individuals within the country.

Quasi money: Total of time deposits and savings deposits.

Trade balance: the difference between merchandise exports (goods sold overseas) and merchandise imports (goods purchased from overseas).

Trade surplus/deficit: a trade surplus is when the value of exports is higher than the value of imports, whilst a trade deficit is when receipts from exports are less than payments for imports.

I. ECONOMIC OVERVIEW, POLICY ISSUES & OUTLOOK

The Solomon Islands economy, after gaining some ground in 2013, weakened in 2014, dragged down by the floods in April that disrupted agricultural output, severely damaged key economic infrastructures and resulted in loss of lives. This was further aggravated by the closure of Gold Ridge Mining Limited as gold production ceased, causing unemployment and income losses. However, the speedy recovery of the disrupted agricultural commodities soon after the flood, including strong growth in forestry and fisheries sectors, cushioned the significant fall in the mining, manufacturing and transport sectors. Consistent with the recovery and monetary accommodation, trade exports and private sector lending accelerated in the second half of the year. On the flipside, gross foreign reserves plummeted on account of large revaluation losses and foreign outflows. Nevertheless, the Government despite the lower growth and large unbudgeted pressures was able to contain expenditure growth to achieve a fiscal surplus during the year.

Preliminary estimates showed that economic growth in 2014 expanded by 2.0% following the recovery in the second half of the year. Growth was below the pre-flood forecast of 3.7%, and the revised 2.8% growth in 2013. The upward revision, despite the drag down by the shutdown of the mining operations, was mainly driven by the rebound in the disrupted agricultural commodities and a surprisingly stronger logging outturn. Growth was also supported by significant improvement in fisheries, and communication sectors. Log production increased by 12% to 2128 million cubic meters, representing 1.7% of the overall 2.0% growth whilst non-forestry accounted for the remaining 0.3%. Agricultural commodities also showed notable increases, growing by 5.4% as compared to a negative 3.5% in 2013. Fish productions also exhibited a strong outcome, rising by 32% to 32,796 tons. Other key sectors including investments, construction and retail and wholesale activities showed modest growth while manufacturing, transport and tourism services decelerated during the year.

Domestic demand conditions pointed to a subdued performance in 2014 as manufacturing, construction, and wholesale and retail activities came in below expectations. The CBSI manufacturing index, a partial indicator for domestic demand conditions fell to 191 points on average in 2014 from 207 points in 2013. Compared to higher growths in 2013, wholesale and retail sales slowed to 2.3%, while construction slid to 1.2% in 2014. The flood related disruptions, compounded by the closure of the only gold mine, including loss of employment and income weighed heavily on consumption and demand. The cautious approach taken by most businesses and consumers during the election period also contributed to the lower manufacturing and wholesale and retail activities.

Conditions in the labour market improved over the year, with the number of active superannuation contributors rising by 11% to 53,098 in 2014. This follows from a 6%

increase in the total members with credit contribution balances with the Solomon Islands National Provident Fund during the year. Other partial indicators including the CBSI job advertisement survey, public service and private sector workforce showed similar trends. The ongoing seasonal worker schemes with Australia and New Zealand including the rapid employment programme in Honiara have also helped ease the high unemployment pressures in the country.

On external conditions, the trade balance position of the country narrowed to a deficit of \$38 million from the revised deficit of \$121 million in 2013. The improvement reflected a 3% increase in exports receipts relative to imports payments which almost levelled off during the year. Driving the higher exports were increased earnings in the primary export commodities namely logs, fish, cocoa, copra and palm oil. This was on an account of higher export volumes and better prices in the first three quarters of 2014. Conversely, mineral exports, the country's second largest export earner in the past three years since 2011 fell drastically in 2014 following the closure of the gold mine. On imports, underpinning the fall were the decline in mineral fuel, chemicals and miscellaneous goods. The fall in mineral fuel import was due to the exit of gold mining, which was the country's largest fuel user and lower demand associated with the general slowdown in the economy.

Despite the improvement in the trade balance, the current account balance in 2014 worsened to \$433 million deficit from \$320 million deficit in 2013. The deterioration accounting for 6% of the nominal gross domestic product (GDP) in 2014 was triggered by high deficits in the services and primary income accounts combined with a lower surplus in the secondary income account. The capital and financial accounts surplus also saw a significant reduction in 2014, on account of falling donor capital inflows and financial assets. Although donor inflows, both in cash and in kind, and capital projects spiked in the second quarter in response to the April flood, the drastic fall in the two latter quarters reduced the surpluses in the secondary income and capital accounts. Consequently, gross foreign reserves fell to \$3784 million in 2014 from \$3883 million in 2013, in spite of the \$4148 million peak registered in the second quarter. Large revaluation losses and foreign payments also contributed to the reduction in the gross foreign reserves during the year.

The CBSI in 2014 maintained a managed exchange rate policy pegged to a basket of currencies within approved exchange rate margins. In the last quarter of 2014, the CBSI removed the band and further widened the exchange rate spreads to increase foreign exchange trading activities. Consistent with the policy adjustments, the nominal bilateral exchange rate saw a slight depreciation of the Solomon Islands dollar (SBD) against the United States dollar (USD) at the end of December 2014. This benefited exporters from cheaper USD. However, the SBD registered a significant appreciation against the Australian dollar and the

Japanese Yen, thus benefiting importers trading in these currencies. Similarly, year-on-year averages saw the SBD depreciated against the USD by 1% but appreciated by 5.8% against the AUD. In real terms, the country's real effective exchange rate had appreciated by 6% in 2014, making Solomon Islands export less competitiveness during the year.

Monetary growth during 2014 remained weak similar to the slow pace observed in the preceding year. Year-on-year growth saw money supply expand by 5% to \$3634 million, with consecutive decelerations in the last three months of the year. The slowdown was aided by various factors including sterilisation activities in the form of Bokolo bills, accumulations of government deposits in the financial system, which cushioned increases in net foreign assets, and large overseas payments. This was reflected in the monetary base which declined by 10% in 2014, pushed down by an 18% fall in the balances of commercial banks call deposits. Consequently, total liquidity fell by 8% with excess liquidity dropping 18% over the year.

Lending to the private sector grew slowly in the first half of the year, but accelerated in the final two quarters. This resulted in year-on-year rise in lending by 16% to reach \$1,703 million at the end of December, with the fastest growth still being observed in credit to households and to a lesser degree to the agriculture and fisheries sectors. Contributing also to this boost in credit growth was competition brought by the establishment of the Pan Oceanic Bank in July. On interest rates, the commercial banks indicative weighted average interest rate margin increased by three basis points to 10.7% at the end of December. The increase was driven mainly by rises in both deposit and lending rates, particularly in the fourth quarter which outweighed the declines in the third quarter.

Excess liquidity, has fallen in recent months to \$824 million in December 2014 compared to a \$1222 million peak in September and \$954 million a year ago. The fall was due to large overseas payments, increased private sector lending, and the end of gold export receipts. CBSI open market operations also helped to mop up part of the high excess liquidity. The amount of Bokolo bills issued was ramped up to \$710 million in the first quarter of 2014 from \$600 million in December 2013 and was maintained at this level throughout the year. This siphoned off about \$610 million from the banking system by the end of the year.

The Government achieved an overall fiscal surplus of \$129 million in 2014, despite low growth and revenues from the cessation of the mining operations, and the large unbudgeted spending pressures from the flood and the national general elections. Driving this positive outturn was revenue collections that totalled \$3121 million relative to expenditures that were contained at \$2992 million. Annual revenue collections however was short by 5% against the budget and down by 6% relative to 2013 total revenue. Similarly, overall expenditure fell by 19% against the budget and below 2013 by just 0.3%. Underpinning the fall in expenditure was the under-execution in development spending funded by donors during the year.

Public debt stock maintained its downward trajectory, reaching \$859 million at the end of the year. This represented a 9% fall against 2013 levels and accounted for 12% of nominal gross domestic product compared to 15% a year ago. The fall reflected the debt repayments of both the external and domestic public debt stocks which fell by 8% and 16%, respectively during the year. Multilateral creditors accounted for the largest proportion of external debt share, whilst borrowing from the Central Bank made up 40% of the domestic debt share.

Inflationary pressures saw a moderate uptick from the low 3.0% inflation in December 2013. After spiking to 7.2% in June as a direct effect of the flood, headline inflation gradually reverted to 4.8% in December 2014, consistent with the Bank's forecast range of 4%-6%. The slowdown in December was driven by a decline in domestic inflation, owing mainly to falls in food prices and drinks and tobacco during the period. Compared to December 2013, the uptick in headline inflation originated from domestic inflation which rose to 8% in 2014. Conversely, imported inflation remained low at minus 0.2%. This was aided by the appreciation of the Solomon Islands dollar against the AUD and the Japanese Yen as the SBD depreciated against the USD during the year. Similarly, core inflation which excludes extreme price movements increased slightly to 3.1% in 2014 from 2.8% a year ago.

Policy Issues

In 2014, the country was confronted with policy challenges in the implementations of both the fiscal and monetary policies. The challenge came from the effects of the floods in Honiara and Guadalcanal and in parts of the country that undermined economic activity, caused damages to key infrastructure, closure of the only gold mine and other flood-related income losses. As a consequence of this natural disaster, policy decisions were made to support the economy and at the same time try to preserve fiscal stability.

In terms of fiscal policy impact of the floods and closure of the gold mine impacted the potential tax revenue for the government budget. The government had to make the choice to build fiscal buffers to enhance resilience to shocks from natural disasters and funding development spending. In the post flood period, the government availed additional spending not budgeted for to support the recovery through running down of its cash reserves and delaying some development projects.

The low economic growth arising from the flood had also challenged policy makers to choose between raising the country's level of capital investment and consumption. In 2014, preliminary estimates showed that only 17% of nominal GDP was devoted to gross fixed capital formation whilst 32% of the Government spending was on consumption. Annual growth also saw a sharp fall in gross fixed capital formation by 4% in 2014 compared to a higher 17% growth in 2013. Of the total gross fixed capital formation, only 6% of nominal GDP was invested in infrastructures in 2014 compared to 7% in 2013. This indicates

the weak growth had undermined the country's affordability to invest in infrastructures, and so it concentrated more on consumption spending during the year.

In terms of monetary policy, CBSI while upholding its priority mandate of maintaining price stability adjusted its monetary policy in support of economic growth. It changed its pre-flood monetary stance from a neutral and shifted to an accommodative stance to support growth recovery and boost confidence in the economy.

Supporting its monetary policy stance, CBSI reviewed its basket-peg exchange rate policy regime in May 2014 to ensure that the peg is followed more closely within a determined band. The decision however was made in the last quarter of 2014 to remove the exchange rate band; and let the dollar move with the currency basket. CBSI also widened the exchange rate spreads for the authorised foreign exchange dealers to encourage more trading activities with their customers. More broadly, the policy change has benefited both exporters and importers.

Given these challenges, diversifying of the economy remains critical. With the low economic growth even prior to the flood and declining donor inflows, raising productivity growth and developing new exports is crucial. Developing policies to support small medium enterprises financing is also important. The establishment of the new bank, in 2014 has helped renewed growth in private sector credit, after years of sluggishness. However, the fastest growth being observed is still credit to household and to a lesser degree, to the agriculture, fisheries sectors and other potential growth sectors.

With damage to key infrastructures, investment in modern infrastructures, including, telecommunication and internet networks can also spark greater development and growth. As new needs and technologies emerge, investing in infrastructure will better position the country to attract foreign direct investment, stimulate commerce, support local businesses and create jobs. More importantly, focusing on infrastructure development that supports and promotes trade is critical. For large infrastructure projects which can strain the country's finances, co-financing through public-private partnerships and multilateral institution is crucial.

Outlook for 2015

The Central Bank projects that the economy will continue its recovery with growth accelerating to 3.3% in 2015. Stronger growth will be driven primarily by fish and agricultural commodities on projected higher productions. Growth is also expected to come from a pickup in construction, manufacturing, transport and communication and large investment projects in the pipeline. Domestic demand should also pick up, benefiting from the expected fiscal expansionary. The fall in global fuel prices should also boost domestic demand and economic activities through lower production input, utility and services costs. Major industries and private businesses are optimistic of a better 2015 outlook as economic growth picks up. How-

ever, risks to growth remain high and include a reversal of global fuel prices, adverse changes in weather conditions and delays in investment projects.

Gross foreign reserves are expected to increase in 2015 but lower than the peak level witnessed in 2014. The increase is consistent with the expectation that additional donor inflow through loans to the Government will be received in 2015. On the other hand, the current account deficit is expected to widen to \$678 million from growing deficits in trade and services accounts combined with a fall in secondary income surplus from expected decline in donor inflows. The high trade deficit is projected to be driven by falling exports from forestry while imports are projected to remain flat in 2015 as fuel and food prices fall.

Money supply is projected to increase by 8% in 2015, stemming from a projected 4% increase in the monetary base. Growth in the monetary base is expected to come from an 11% increase in currency in circulation. Meanwhile, excess liquidity is expected to drop by a marginal 1% as private sector credit is anticipated to grow at 3%, slower than the 17% growth observed in 2014. Growth in private sector credit is expected to be driven by rising personal consumption and investment loans. Average weighted interest rate margins are expected to remain unchanged at around 10.9% in 2015.

The Central Bank forecasts the inflation rate to fall within a 3-5% range on anticipated deceleration of domestic prices. It is expected that the persistent fall in oil prices, if sustained, would cushion the overall inflation rate to the forecasted range. Domestic inflation is expected to slow-down in anticipation of the second round effects of low fuel prices across a wide range of sectors including transport and communication, housing and utilities and manufactured drinks and tobacco. Although the feed through effect on general electricity charges is lagging, lower fuel prices are already seen at several fuel stations in Honiara. Latest monthly average prices of petrol and diesel for February 2015 at the fuel stations fell against the previous month by \$1.44 cents and 98 cents to \$8.23 per litre and \$8.79 per litre, respectively. Conversely, a slight rebound in imported inflation is expected from reversal of prices in some food items and housing utilities in particular building materials in 2015. Core inflation is also projected to increase slightly by 2.8% in 2015.

The Government is anticipating a fiscal deficit of \$470 million in 2015. This will be financed mainly by domestic sources and to a lesser extent by development grants, although the latter is anticipated to increase in 2015. The increase in development grants is expected to come from general donor support channelled through the Government consolidated account, recurrent grants and capital grants. With an anticipated expenditure budget of \$4183 million, domestic sources will finance \$3411 million, 19% higher than in 2014 while the development budget the remaining balance. The high growth in domestic sources reflected in part the running down of reserve buffers accumulated over the years.

Public debt stock is expected to fall to \$758 million in 2015 with debt servicing projected at around \$112 million in 2015. However, this might not be achievable if pipeline debts materialise in 2015. Current borrowing proposals include the submarine cable project and the Tina River Hydropower Project.

With the backdrop of 2014, the country needs to build its macroeconomic buffers to enhance resilience to shocks and increasing competitiveness. Growth-oriented structural reforms are crucial to foster private sector development and attract foreign direct investment. Such reforms

will help restore investor confidence with more diverse and sustainable sources of growth. Similarly, infrastructure investments can also accelerate economic development through maintaining or improving the efficiency and productivity of the country's economy. In the current environment with the proposed fiscal expansion and expected decline in donor inflows which includes non-Government organisations, the country might use some of the reserve buffers accumulated over the past years. However, the reserve buffers should be used wisely to absorb some of the revenue losses as well as support reconstruction and development efforts.

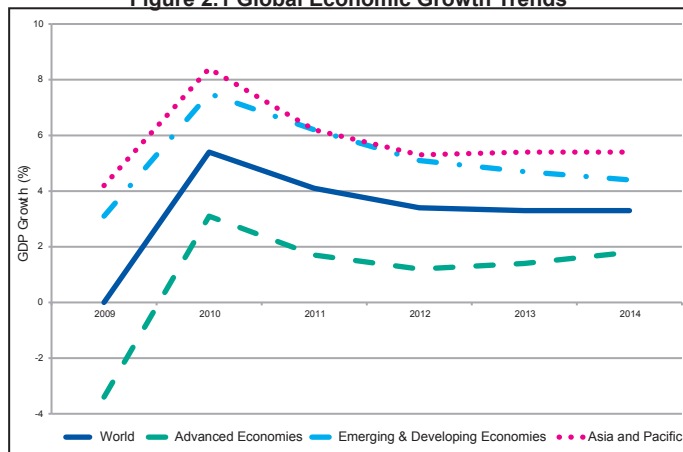
II. INTERNATIONAL ECONOMIC DEVELOPMENTS

The global economy grew at a moderate but uneven pace over 2014. Growth was slow and relatively weak during the first quarter but quick recovery in the United States (US) helped buoy growth for the rest of the year. The story for global growth was that of divergence as the US economy picked up further while China slowed down, Japan wavered, and Europe continued to slip. This moderate growth pointed to the prolonged recovery process from the global financial crisis, but was hindered by some new unexpected shocks and heightened geopolitical conflicts around the world.

Global Economic Growth

The global economy is estimated to have grown by 3.3% in 2014¹¹, the same as in 2013 but 0.4 percentage points lower than had been forecasted at the beginning of the year by the IMF in its January 2014 World Economic Outlook (WEO) Update. This shortfall in performance stemmed in part from the legacy of the global financial crisis, including economies having to deal with sustained debt and high unemployment. The first half of 2014 saw weaker-than-expected global activity and, amongst the developed economies, only the US was able to recover convincingly from this slow start. Meanwhile, emerging economies continued to grow, but at a slower rate compared to recent years. Even developing countries saw a reduction in their growth levels, partially owing to sharp declines in commodity prices.

Figure 2.1 Global Economic Growth Trends



*Includes Pacific Island Countries

Source: IMF World Economic Outlook, Jan 2015

Overall, advanced economies were estimated to have grown by 1.8% in 2014, almost half a percent lower than was forecasted at the beginning of the year. This was 0.5 percentage points higher than the growth rate of 1.3% recorded for 2013. Of the major advanced economies, the US was the quickest to recover from the contraction experienced in the first quarter of 2014. This recovery saw unemployment decline and inflation remain muted, even as the US dollar appreciated and oil prices declined. By the

end of 2014, the US had registered a growth rate of 2.4% over the year. Also contributing towards the shoring up of growth amongst advanced economies was the United Kingdom (UK) as the labour market recovered and accommodative monetary policy implemented. The country registered annualised growth of 2.6% over 2014.

In the euro area, growth was positive in 2014, compared to the negative 0.5% in 2013, it remained subdued throughout the year, closing at 0.8% at year end. This was primarily due to weak investment in the major economies, coupled with declining inflation and inflation expectations. Nonetheless, Germany and Spain were the two economies that helped bolster growth in the euro area, achieving rates of 1.5% and 1.4% respectively in 2014. Meanwhile, Japan faced an even more difficult year having fallen into recession in the third quarter of the year. Despite increased infrastructure spending, private domestic demand failed to accelerate as expected, particularly after the increase in the consumption tax rate was introduced in April. Annualised growth showed that the Japanese economy had grown at a mere 0.1% in 2014.

While growth in emerging and developing economies remained broadly stable in 2014 at 4.4%, this group of economies continued to grow at a slower pace. Contributing to this reduced pace was China which remained on the path of gradual deceleration. Following a decline in investment growth, China posted a growth rate of 7.4% which, although still considerably high, was 0.4 percentage points lower than a year ago. In India, growth projections for 2014 were broadly maintained at 5.8% as weaker external demand was offset by the boost to terms of trade from lower oil prices. Meanwhile, as evidenced by its growth of 0.6% by year end, Russia was plagued by the effects of geopolitical tensions, which were further compounded by the fall in oil prices. The impact of lower oil prices, as well as other commodity prices, has also been felt by several emerging and developing commodity exporters as these took their toll on terms of trade and real incomes.

Growth in the East Asia Pacific fell to 6.9% from 7.2%² in 2013, despite a sharp acceleration noted in the second quarter. Nonetheless, the region remained the fastest growing in the world. Aside from the deceleration in China, adding to this slowdown was a 0.5 percentage point contraction in growth for the ASEAN-5³ to 4.7%. Meanwhile, average annualised growth in the PICs remained relatively unchanged at 4.9%.

Growth in Solomon Islands' other major trading partners, Australia and New Zealand, remained solid⁴ throughout 2014. Despite sharp falls in mining investment, the Australian economy expanded at a rate of 2.7%, partially owing to a notable improvement in resource export volumes. The economy also saw a slight improvement in household

1 All statistics in this section obtained from IMF World Economic Outlook, Jan 2015 unless otherwise stated.

2 Source: The World Bank, East Asia Pacific Economic Update

3 The ASEAN-5 comprise Indonesia, Malaysia, the Philippines, Singapore and Thailand

4 Source: www.focus-economics.com/regions/asia-pacific - accessed Feb 2015

consumption, as well as a drop in the unemployment rate during the fourth quarter. Similarly, although indicators suggested that the New Zealand economy moderated in the final quarter of 2014, growth was still strong at 3.3% for 2014. The economy was buoyed by stronger private consumption and fixed investment, as well as an improving external sector.

World Economic Outlook

The global growth projection for 2015 was revised downward by 0.3 percentage points to 3.5%. Despite the boost in growth expected from reduced oil prices, downside risks persist. Not only will lower oil prices mean weaker activity in some of the major oil producing countries, there may be a weakening in investment as an adjustment to moderate growth expectations in many advanced and emerging market economies. This would be compounded by the expectation that soft commodity prices will persist and world trade will remain weak.

Growth in advanced economies is projected to pick up in 2015 to reach 2.4%. In the US, growth is projected to exceed 3% with domestic demand supported by lower oil prices; despite the appreciation of the dollar being expected to reduce net exports. Lower oil prices are also expected to support growth in the UK which is expected to remain above potential, despite reduced net exports resulting in part from weak demand in the euro area.

Growth in the euro area is expected to be lower than anticipated at 1.2%. While the economy faces weaker investment prospects, it will be supported by monetary and fiscal policies, as well as the depreciation of the euro. Meanwhile, policy responses in Japan are expected to strengthen growth to approximately 0.6% in 2015. These are likely to include additional quantitative and qualitative monetary easing, in addition to the 18 month delay of the second consumption tax hike originally planned for October 2015.

In emerging market and developing economies, growth is projected to be 0.7 percentage points lower than forecast in the October 2014 WEO at a stable 4.3% in 2015. Driving this will be the anticipated slowdown in China, as well as the adverse effects of the reduced oil price and ruble depreciation on Russia. The two countries are forecast to grow at 6.8% and negative 3%, respectively. On the other hand, growth in India is expected to increase to 6.3% in 2015. As a result of softer commodity prices, projected growth in many emerging and developing commodity exporters are also expected to be weaker or delayed.

Meanwhile, growth in developing East Asia Pacific is projected to ease further to 6.7%⁵ in 2015. This is expected to be supported by firming exports, improved political stability, and strengthening investment, even as adjustment to softer commodity prices tampers growth. In the PICs, growth will be buoyed by improved trade, tourism, and remittances. While Papua New Guinea (PNG) is expected

to benefit from increased liquefied natural gas (LNG) exports, and non-oil growth to remain constant in Timor-Leste, Fiji is expected to experience a growth slowdown.⁶

Turning to Australia and New Zealand, while the former is projected to maintain steady growth into 2015, the latter is expected to grow at a moderate pace. Growth in Australia is projected at 2.6%, supported by exports and fixed investment in natural resource projects. Meanwhile, the New Zealand economy is projected to grow at 2.8% in 2015, still supported by expansion of investment in fixed structures and increased migration.⁷

Inflation and Commodity Prices

Global inflation remained relatively steady in 2014 but it is expected that the lower oil prices observed in the latter half of 2014 will have a temporary, if modest, weighing down effect. However, the impact across countries will vary significantly depending on the importance of oil on consumer baskets, exchange rate developments, and other price regulations.⁸

In advanced economies, inflation⁹ generally remained below central bank policy targets. As the cost of energy fell, inflation fell well below the Federal Reserve Bank's inflation target of 2% to reach 0.8% in December 2014, its lowest level in six years. In the euro area, overall inflation and inflation expectations showed further declines with fears that the economy could enter into a sustained period of falling prices. While inflation is expected to pick up in the US to 1.3% in 2015, projections have been revised down to an average of 0.1% for the euro area.¹⁰ Similarly, inflation in Japan is expected to remain below the 2% target set in 2013, after failing to hit this target in 2014 (when the effects of the sales tax boost were removed) to instead hover around the 1% mark.

Lower oil prices are expected to alleviate inflation pressures in many emerging markets and developing economies. In Asia, weak economic activity and falling commodity prices led to a moderation in inflation in 2014. China saw annual average inflation reach 2% by December 2014, and appears likely to remain on the downward trend.

In the Asia-Pacific region, Australia's annual average inflation reached 2.5% by the fourth quarter of 2014 and is projected to remain relatively steady in 2015. The reduction in fourth quarter inflation reflected, among other things, lower prices for transport resulting from lower oil prices. In New Zealand, annual headline inflation reached 0.8% in the last quarter of 2014, falling below the Reserve Bank of New Zealand's 1%-3% target range. However, inflation is projected to increase in 2015 to reach an average of 1.8%.

⁶ Global Economic Prospects, January 2015, World Bank

⁷ Source: www.focus-economics.com/regions/asia-pacific - accessed Feb 2015

⁸ Global Economic Prospects, January 2015, World Bank

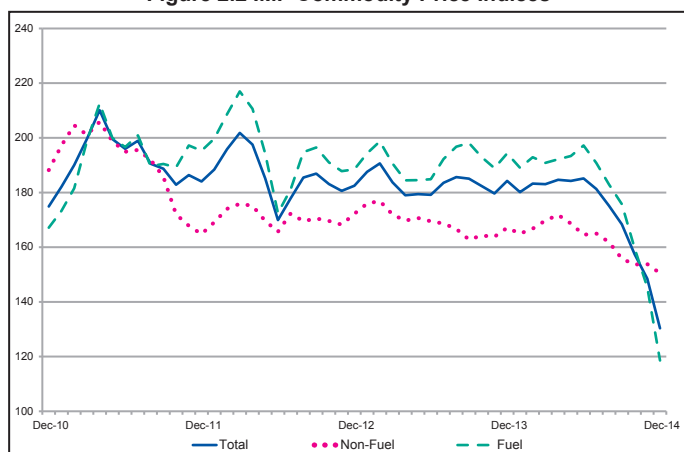
⁹ All inflation data in this section is obtained from: www.focus-economics.com/economic-indicator/inflation-rate - accessed Feb 2015

¹⁰ Source: www.focus-economics.com/regions/euro-area - accessed Feb 2015

⁵ Source: The World Bank, Global Economic Prospects, East Asia Pacific

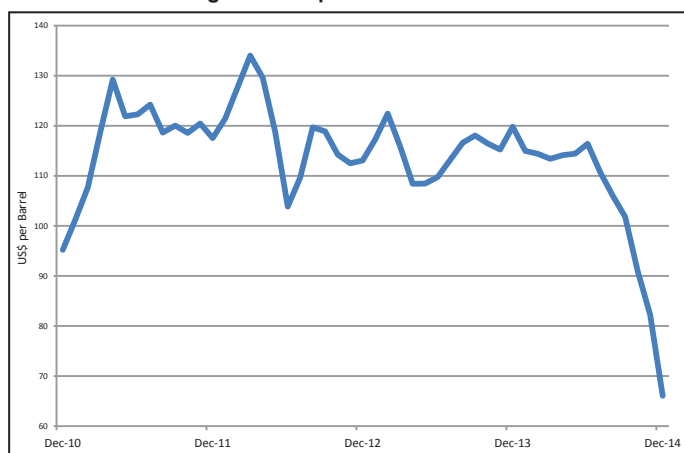
Global commodity prices, as indicated by the World Commodity Price Index,¹¹ had plunged 29% by December 2014 compared to a year prior to reach 130 on the index. This drastic fall was primarily driven by the drop in fuel prices whose index plummeted 39% over the same period to reach 119. Crude oil prices alone fell more than 50% between June and December of 2014 with the Brent crude oil price reaching a monthly average of US\$62 per barrel. While the non-fuel index also experienced a contraction, this was a more modest decline of 10% between 2013 and 2014. Looking forward, it is not clear how long these depressed fuel prices will persist. Nonetheless, fuel prices are projected to rise slightly but still remain subdued compared to those seen in recent years.

Figure 2.2 IMF Commodity Price Indices



Source: IMF Commodity Price Indices data

Figure 2.3 Tapis Crude Oil Price



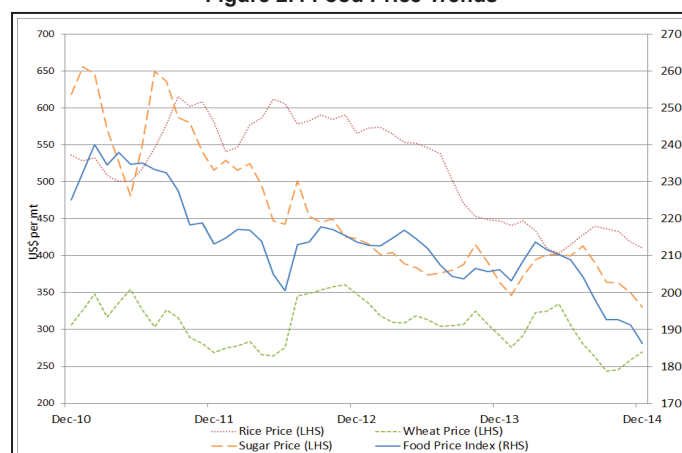
Source: Bloomberg Database, retrieved Feb 2015

Taking a look at the Tapis crude oil price, the most relevant fuel price for Solomon Islands, we note that its price also plummeted in the second half of 2014. Between June and December 2014, the Tapis oil price fell 43% to reach a monthly average of US\$66 per barrel. Going forward, the Tapis crude oil price is expected to follow the same trend as other crude oil prices on the world market and start to

rise, if only moderately.

International food prices, as indicated by the Food Price Index,¹² experienced an annual decline of 3.8% in 2014 to reach an average of 202 on the index. This fall was driven by declines in the price indices of cereals, dairy, vegetable oils, and sugar during the year. More importantly for Solomon Islands, while the prices for major food imports experienced some fluctuation during the year, they all closed slightly lower by year end. The annual average prices of rice¹³, wheat and sugar all fell on a year on year comparison by 18%, 9% and 3% respectively to reach US\$426 per ton, US\$285 per ton and US\$377 per ton. The market for these commodities is expected to remain relatively stable through 2015.

Figure 2.4 Food Price Trends



Source: FAO Food Price Index and GEM Commodities World Bank, retrieved Feb 2015

¹¹ IMF Commodity Prices Indices obtained at www.imf.org/external/np/res/commmod/index.aspx - accessed Feb 2015

¹² FAO Food Price Index obtained at www.fao.org/worldfoodsituation/foodpricesindex/en/ - accessed Feb 2015

¹³ Global Economic Monitor (GEM) Commodities prices, World Bank Group, retrieved Feb 2015

III. REAL ECONOMY

Gross Domestic Product

Preliminary estimates showed that the Solomon Islands economy grew by 2% in 2014 much lower than the 3.7% growth projected prior the April floods. In spite of the effects of the flash floods in early April 2014 and closure of the Gold Ridge Mine, growth came from the non-mineral sector.

After the floods the production index fell by 22 percentage points to 66 points in April, the lowest level since June 2013. Nevertheless, activities in the agriculture sector picked up after only one month of decline, boosted by full recovery in palm oil, copra and cocoa outputs. As a result, the economy as a whole grew by 2% in 2014 short of the revised 2.8% growth in 2013 (see Table 3.1). The commodities sectors, particularly agriculture, forestry and fisheries, accounted for the bulk of the growth gains contributing 1.1% to overall growth whilst services sectors made modest gains and contributed the remaining 0.9%. Manufacturing and utilities sectors were the only exceptions contracting by 16% and 8% respectively during the year.

Table 3.1: Real GDP Sectoral Growth Rates

Industry	2010	2011	2012	2013	2014
Agriculture	5.9	11.2	-4.6	-3.5	5.4
Forestry, Logging, Sawmilling	32.2	32.2	0.8	-1.7	11.0
Fishing	9.1	9.7	7.3	26.2	6.7
Mining & Exploration	0.0	857.0	64.5	-12.6	-63.6
Manufacturing	-0.3	3.8	16.9	19.3	-16.4
Electricity and Water	4.6	6.7	6.3	7.0	-8.0
Construction	0.4	5.6	19.3	11.4	1.2
Retail and Wholesale Trade	2.0	6.1	4.8	3.7	2.3
Transport and Communications	5.6	19.2	4.9	8.7	10.2
Overall Growth	7.9	10.6	3.3	2.8	2.0

Source: CBSI & SINSO

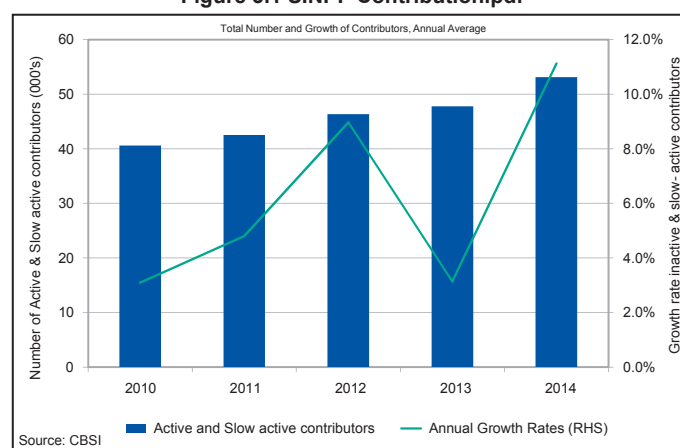
In nominal terms, gross domestic product (GDP) increased to \$7,198 million from \$6,722 million in 2013. This resulted in a 5% increase in nominal income per capita to \$12,454 from \$11,897 a year ago. However real income per capita which represents the average real output of the economy per person declined by 0.2% to \$871 (US\$119) from \$874 in 2013.

Employment

Leading indicators for labour market conditions showed employment levels in the country made gradual gains during the year despite major disruptions to the domestic economy in the second quarter. The average number of contributors¹⁴ to the Solomon Islands National Provident Fund registered an annual increase of 11% to 53,796 contributors by the end of the final quarter. Similarly, the Ministry of Public Service recorded an increase in the Govern-

ment workforce by 5% to 16,167 filled positions from the revised 15,357 filled positions recorded a year ago.

Figure 3.1 SINPF Contribution.pdf



On the same note, the CBSI survey on job vacancies showed another increase in advertised positions by 8% to 1,881 vacancies compared to 1,747 in the previous year. Education sector accounted for the highest with 23% (425 vacancies), followed by private administrative and support services at 21% (398 vacancies), public administration recorded 17% (312 vacancies), professional services represented 15% (286 vacancies) whilst the remaining 23% (460 vacancies) was accounted for by 13 other categories. Industry consultations showed employment conditions were mixed in the private sector. Of the fifty four private sector companies CBSI consulted, 46% retained the same number of workers in 2014 as in 2013, 33% reported increases while 21% recorded declines. Most of the companies that recorded falls in their workforces were predominantly in the tourism and mineral sector. However excluding Gold Ridge Mining Limited, the total workforce of the other fifty three surveyed companies recorded a net increase of 9% over 2013.

Job opportunities provided under the seasonal workers scheme Solomon Islands have with New Zealand mainly and Australia to some extent showed diverging trends in 2014. The number of seasonal workers sent to New Zealand rose to 505 employees from 458 in 2013 while seasonal workers sent to Australia fell to only 3 workers from 42 workers a year ago. To date, New Zealand has 10 recruiting agents while Australia has 7 agents. Ongoing support from donor partners in the Rapid Employment Project also boosted employment opportunities in Honiara. The number of jobs created under the Rapid Employment Scheme increased by 18% to 140,510 person-days with a total of 3,122 individuals engaged over the course of the year. This was an average of 45 days per person in a year and more than 50% of the employees were women and youths.

¹⁴ This includes contributors that SINPF categorised as active and slow active. These two categories have made contributions in the most recent twelve months to the current period.

Investment

The Foreign Investment Division (FID) of the Ministry of Commerce, Employment and Industries received 190 investment applications in 2014 at the value of \$1.74 billion in comparison to 173 applications valued at \$1.16 billion in 2013. The rise in investment applications came on the back of greater investor confidence as well as improved investment procedures during the year. Of the total applications in 2014, proposed investments in the other services category represented the highest with 22%. This was followed by wholesale & retail sector at 21%, forestry sector at 18%, mining fetched 12%, tourism 6%. Transport, consultancy, fisheries, construction, and agriculture received applications equal to or lower than 5%.

Nearly all prospective FDI applicants planned to conduct businesses in multiple provinces. Around 140 applications indicated Honiara as an investment destination followed by Western province with 75 applications and Guadalcanal province at 72 applications. Malaita, Central & Isabel provinces each attracted 58 applications, Makira province with 57 applications, Rennell and Bellona 55 applications leaving Choiseul and Temotu provinces at 54 applications each. A good majority of the investment proposals originated from Malaysia and China with some from Australia, New Zealand and the Oceania region.

Nonetheless, stakeholders and businesses revealed that major impediments to investment still existed and these include; very high taxes, interest rates and electricity costs; unreliable transport services and poor infrastructures; weak law enforcement; and limited government support in terms of incentives¹⁵. Despite substantial progress in recent years especially in relation to the World Bank's cost of doing business index, the country still needs to drive more reforms to eradicate impediments and problems that prevented Solomon Islands from becoming a competitive and attractive destination for foreign investments.

Production

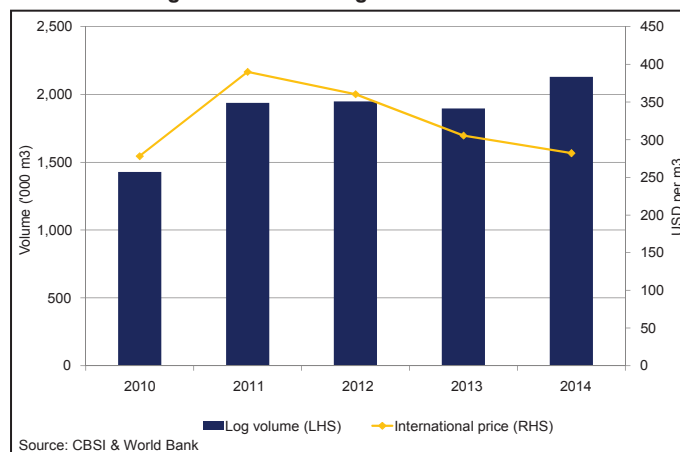
The annual production index slipped by 4% to 87 points compared to 91 points a year ago. The contraction was dictated by gold production that plummeted by 71% to outstrip positive performances from non-mineral commodities in the second half of the year. However, the quarterly production index finished the year strongly with a slight improvement in the fourth quarter to 92 points compared to 75 points in June quarter and 91 points in the third quarter. The slight uptick in the fourth quarter was driven by the combined output gains in palm oil products and fish, which surpassed falls in copra, cocoa and round logs in the previous quarter.

Forestry

Annual log production outperformed the previous year by 231,412 cubic meters to 2.128 million cubic meters despite a 4% fall in the fourth quarter. According to the Ministry of Forestry, Environment and Conservation (MFEC),

about 1.064 million cubic meters (50%) were extracted from clear felling logging licenses and the rest from natural forest. The surge in log production over the year was a result of approved agro-forestry activities involving clear felling for agriculture, land development and reforestation. MFEC recorded a total of 228 logging licenses were issued in 2014, of which 20 licenses were new entrants into the market. Meanwhile only 60 licenses utilized their licenses in 2014.

Figure 3.2 Round Logs Volume & Prices



In terms of production by province, Western province still accounted for the highest with 787,587 cubic meters (37%), followed by Isabel province with 659,870 cubic meters (31%), Choiseul province with 234,148 cubic meters (11%), Makira contributed 149,003 cubic meters (7%), Rennell and Bellona and Guadalcanal each produced 106,431 cubic meters (5%), whilst Malaita accounted for 85,145 cubic meters (4%).

According to the commodity price data from the World Bank, the price of round logs weakened for the third consecutive year since reaching a record high of US\$390 per cubic meter in 2011. The international price of logs averaged at US\$282 per cubic meter in 2014 compared to US\$305 per cubic meter a year prior. The persistent fall in log prices was driven by easing Asian demand and higher log supply on the international market during the second half of 2014.

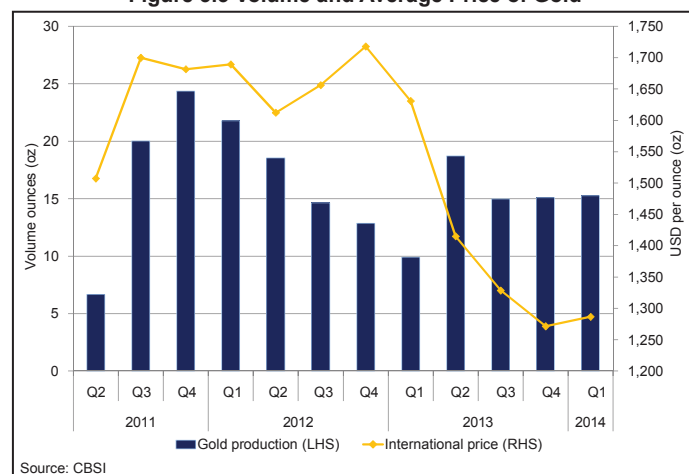
Minerals

Commercial mining activities declined sharply after the closure of Gold Ridge Mining Limited in April 2014. While the closure of the mine may have been triggered by the April flood, the decision to close the mine was driven by the economics of the mine as the world prices for gold fell below the unit cost of production resulting in substantial financial losses to the company. The international price for gold showed steady deterioration over the years with a notable decline of 10% to US\$1,264 per ounce in 2014 from US\$1,412 per ounce in 2013.

Gold production for the year plunged by 67% against 2013 to 19,384 ounces. In a similar tone, silver production fell by 32% against 2013 to 8,987 ounces. As the result of the closure of the company, 840 workers were made redun-

dant in 2014, 720 of which were locals. The closure of the mine not only affected the mineral output and employment but impacted the income of other businesses and households that were supplying the mine with goods and services. Nevertheless, alluvial panning and illegal mining by smallholders were happening in and around the mine site throughout the year.

Figure 3.3 Volume and Average Price of Gold

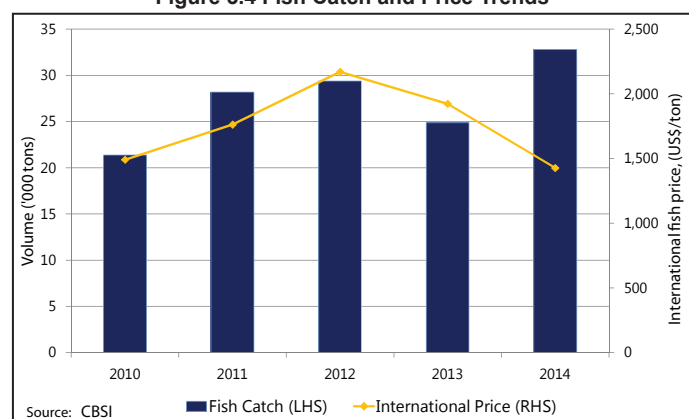


Two new mining licenses were also issued in 2014 to Asia Pacific Investment Development (APID) and Bintan Mining (SI) Limited for bauxite mining on Rennell and Belona province. Two shipments of verified unprocessed ore had already been made in the fourth quarter of 2014. On the nickel project, Sumitomo Metal Mining Solomon Limited (SMM) and Axiom KB Limited conducted further exploration activities in 2014 across Isabel, Guadalcanal and Choiseul provinces.

Fishing

Annual fish catch buoyed strongly in 2014, reversing the low catches in 2013. The exceptionally strong outcome was attributed to catch of 10,487 tons in the final quarter of the year, which took the total catch for the year to 34,322 tons from 26,334 tons in 2013. The positive outturn resulted from an increase in fishing days together with fewer days for repairs and maintenance allowing the efficient utilization of fishing vessels.

Figure 3.4 Fish Catch and Price Trends



On the downside, the average international price for fish recorded another decline, down by 26% to US\$1,427 per ton from US\$1,923 per ton a year ago. The average quarterly price picked-up briefly in the third quarter to above US\$1500 but was short lived as the final quarter price slumped again to US\$1,344 per ton.

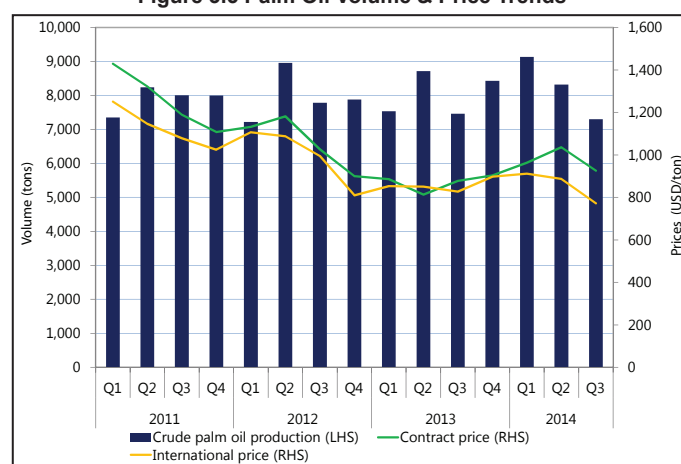
Following a 51% surge in 2013, canned tuna production plunged 37% to a total yearly production of 3,525 tons (437,159 cartons) in 2014. The slowdown was associated with machine downtimes and the marked shift to producing fish loin products in response to market signals particularly export markets in Europe and the United States. Fish meal on the other hand fell by 75% year-on-year to 73,964 cartons against 298,453 cartons in 2013. This reflected slowing demand from markets in Indonesia, Taiwan and Sri Lanka.

Despite the positive developments during the year, the industry confronted several challenges both on the policy and operational fronts. On policy issues work to review the Fisheries Act to conform to international standards is still dragging. On the operational front, the issues of limited boat capacity to meet required raw materials coupled with other environmental issues that may impact quality of products are some of the many issues hampering developments in the industry and may need concerted efforts from all stakeholders to address and resolve.

Palm oil

Activities in the palm oil sector improved against 2013 despite floods related disruptions in April. Yearly outputs for palm oil and palm kernel oil grew 5% each to 33,752 tons and 3,347 tons respectively. The growths were attributed to exceptionally strong harvests in the first and fourth quarters supported by improved productivity at the milling plant over the year. Immediately after the April floods, there were sequential declines in the second and third quarters of the year. Nevertheless, the palm oil industry rebounded significantly in the fourth quarter, with palm oil output for the quarter rising by 23% to 8,984 tons and kernel oil up by 13% to 857 tons respectively (see Figure 3.5).

Figure 3.5 Palm Oil Volume & Price Trends



In terms of price developments, export prices for both palm oil and palm kernel oil increased during the year. Contract prices for palm oil rose 7% to average at US\$935 per ton in 2014 from US\$870 per ton in 2013 whilst contract prices for palm kernel oil rose considerably by 23% from US\$1,136 per ton in 2013 to US\$1,396 per ton in 2014. The major markets for the local palm oil exports are United Kingdom, Netherlands and recently Switzerland.

Guadalcanal Plains Palm Oil Limited (GPPOL) planted 400 hectares during the year, though they had intended to plant more and this was owed mainly to the floods in the beginning of the year. GPPOL is one of the biggest employers in the country employing about 1,420 employees in 2014.

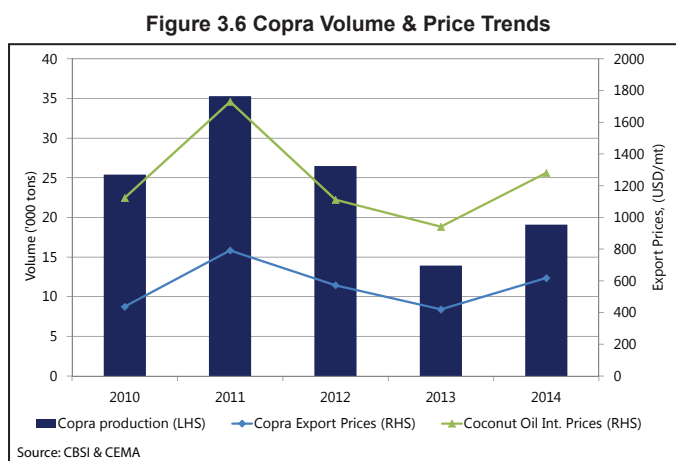
Efforts by landowners and the Democratic Coalition for Change (DCC) Government to revisit the palm oil projects in other provinces is a positive step forward for this industry. With the anticipated slowdown in logging activities over the coming years and so much uncertainty over the resumption of the Gold Ridge mine, palm oil sector can become an important source of growth for the country if plans to expand this industry to Malaita and Choiseul provinces materialize soon.

Copra & Coconut Oil

Copra output was better in 2014 reversing the declining trends over the past two years. Annual production surged by 37% against the previous year to 19,101 tons. The positive output was driven by improved international prices, which was also boosted by the favorable movement in the local currency against the USD. The strong output reflected a general increase in output across all provinces. Guadalcanal accounted for the highest share of 26% (4,963 tons), followed by Central province with 25% (4,735 tons), Western 22% (4,222 tons), Malaita at 10% (1,913 tons), Makira producing 7% (1,365 tons), Temotu and Isabel each accounted for 4% of production, and 2% from Choiseul province.

The annual average contracted export price rebounded for the first time since 2011; it went up by 47% to US\$618 per ton from \$420 per ton in 2013. As a result, domestic price received by local farmers increased by 58% to \$3.72 per kilogram compared to \$2.35 per kilogram a year ago. The favorable price came about as a result of supply disruptions in major copra producing countries such as Philippines during the year.

Maintaining high production levels remains a challenge for the copra industry when faced with volatile prices, high transportation costs and low yielding plantations. Nevertheless, downstream processing of copra into coconut oil is a growing alternative for farmers. Better price incentives drove outputs of coconut and virgin oils upward to a collective volume of 662 tons, a record high against past years. In addition to better prices, farmers also received some form of assistance from the industry and the Ministry of Agriculture and Livestock. The assistance included issuance of new direct macro expellers and hold-

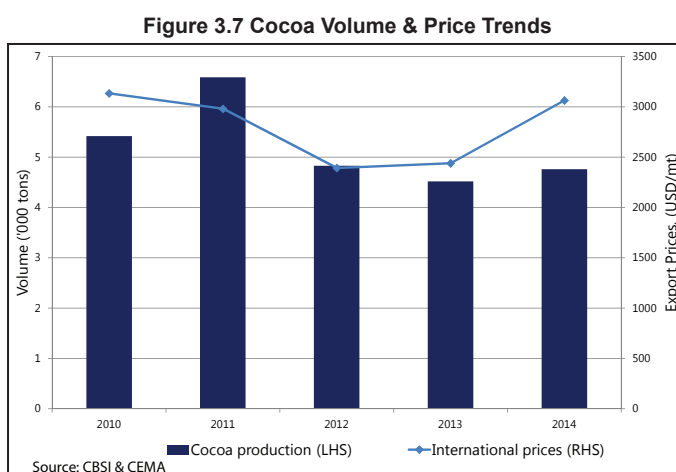


ing workshops to educate farmers on coconut oil processing. Most coconut oil farmers were from Guadalcanal and Malaita provinces.

The average international price of coconut oil increased by 36% to US\$1,280 per ton compared to \$941 per ton in 2013. This was achieved due to higher prices in the beginning of the year at US\$1,343 per ton as coconut oil prices started to weaken in the second half of 2014, registering US\$1,184 per ton in the final quarter of 2014.

Cocoa

Cocoa production declined significantly in the fourth quarter of 2014 to 750 tons; 50% below production volumes in the previous quarter. The quarter on quarter fall was due mainly to low cropping period in the fourth quarter. Nonetheless, total cocoa production for the year showed a 5% increase to 4,758 tons over 2013 annual production of 4,519 tons (see Figure 3.7). This annual growth was attributed to exceptionally high yield in the second quarter of the year coupled with sustained increases in both international and domestic cocoa prices over the year. In terms of production by province, Guadalcanal remained the largest contributor with 2,662 tons, followed by Malaita accounting for 1,102 tons, Makira 840 tons, Central 94 tons and the remaining 60 tons was contributed by Temotu (29 tons), Western (22 tons), Isabel (7 tons) and Choiseul (2 tons).



Contracted export prices received by exporters surged 20% to average at GBP 1,605 per ton in 2014 following a 3% growth posted in 2013. Domestic prices also showed a similar trend by improving from an average of \$14.85 per kilo in the first half of the year to an average of \$16.41 per kilo in the second half of the year reaching levels not seen since Q3 2011.

A positive development for the cocoa industry in 2014 was the completion of a new national cocoa quality testing laboratory. The lab will boost the quality of cocoa beans and raise the profile of exported local cocoa beans at the international market.

Other Commodities

Coffee production rose substantially by 86% to 4.9 tons, driven by sustained higher demand from overseas buyers. The number of suppliers also increased as a result of a farmers intensive training on techniques to producing quality coffee beans. Guadalcanal supplied 82% of coffee beans with Isabel and Malaita accounted for the remainder.

Kava production was good in 2014, ended the year with 12% above previous year recording 11 tons from 9.8 tons. Solomon Islands kava attracted higher and sustained demand from overseas buyers. Kiribati has been the main buyer of kava so far, with other interested buyers still in the pipeline. Meanwhile, incoming visitors buy kava in small quantities for sale in their country of destination. In terms of supply, Isabel province dominated the market whilst other provinces have started planting the crop. Local farm gate price for kava chips went up to \$70 per kilogram against \$40 per kilogram in 2013. The price for kava roots also rose to \$65 per kilogram from \$60 per kilogram a year ago.

Seaweed production showed good yield in 2014. The Ministry of Fisheries and Marine Resources (MFMR) issued seaweed licenses to seven companies in 2014 with total annual production reaching 1,419 tons against 859 tons in the previous year. The positive outturn stemmed from improved farming techniques gained through training and use of proper material in harvesting. Seaweed farming had slowly expanded to Malaita and Isabel provinces. In terms of support, MFMR worked in collaboration with the New Zealand Aid Program in Mekem Strong Solomon Islands Fisheries (MSSIF) program piloting twin objectives of offshore fisheries development and institutional developments.

Energy

Total energy generated by Solomon Islands Electricity Authority (SIEA) increased by 4% in 2014 to 83,930 megawatt hours (MWh) on the back of better trading conditions during the year. Against this pick up in business activity, total units sold rose 6% to 65,403 MWh due to demand particularly from commercial users. Sales to commercial users increased by 20% to 45,329 MWh, following a 2% contraction in the previous year.

In contrast, sales to domestic, government and other users fell during the year. Units sold to domestic users fell 2% to 13,912 MWh after recording a 71% increase a year ago. Government power consumption decreased by 35% to 5,717 MWh and for other users, consumption was down 45% to 446 MWh.

In terms of prices, the price of electricity for domestic users increased 5% during the year from \$6.10 per kilowatt hour (kWh) in 2013 to \$6.43 per kWh in 2014. The average price for commercial and industrial users went up by 6% to \$6.92 per kWh and 5% to \$6.74 per kWh at the end of 2014. The cost of electricity contradicts global fuel prices that fell since mid-2014 and this could be due to how the tariff is designed.

The price of electricity in the Solomon Islands remains one of the highest in the Pacific region. In this regard, reducing the country's heavy reliance on imported fuel by investing in renewable energy projects is a positive policy step going forward. The progress of the Tina Hydro Project (THP) with the awarding of a contract to Korea Water Resources Corporation and Hyundai Engineering Company Ltd Consortium in the second half of the year is a positive step forward for this sector. THP is anticipated to come on line in 2017.

Retail and Wholesale

Activities in the retail and wholesale sector slowed in 2014, partly reflecting slow growth in the economy and the 'wait and see' approach retailers had in the lead up to the national general elections in November. There was a one off spike in sales however during the year mainly reflecting the impact of the April floods and the national general elections. However commercial banks' lending to the distribution sector, a partial indicator of retail and wholesale activity showed an 18% growth for the year as a whole, driven mostly by loans issued to retailers which grew 34% during the year.

Tourism

Despite the fall in visitor arrivals by air, Solomon Islands recorded the highest numbers of cruise liners visiting the country in 2014. According to data received from various stakeholders, visitor arrivals for the year by air were 20,700 a fall of 18% from visitors in 2013. The two contributing factors behind the decline were; the prolonged impasse between Solomon Islands Government and Fiji Government regarding the air services between the two countries and secondly the negative media publicity following the April floods. In terms of countries of origin of the visitors, Australian tourists comprised 46% of the total visitors, Asian countries accounted for 12%, New Zealand with 7%, United States, Hong Kong, Papua New Guinea and Fiji, each represented 6% whilst 'other countries' added 17% of total arrivals.

The year however recorded the highest number of cruise vessels visiting various parts of the country. A total of 29 boats visited the country in 2014 compared to less than

5 in past years. This comprised of 18 cruise ships and 11 yachts. The total number of visitors that arrived by cruise boats totaled 3,688 passengers. The boats berthed for an average of one cruise day at each port. In terms of local ports of entry, Honiara received 15 cruise ships, followed by Gizo with 5 ships, Lata and Nendo each received 2 boats, while the rest like, Santa Ana, Vanikoro, Choiseul Bay, Njari Island and Marovo each received 1 cruise ship as local ports of entry. The number of cruise ships coming to the Solomon Islands is expected to increase in 2015.

On the down side, the number of operators monitored by the Solomon Island Visitor's Bureau (SIVB) dropped from 159 to 142 operators. Occupancy rates varied from 50% to 80% across the major provinces. Malaita tourist operators experienced the lowest occupancy rates at 50%, while Western province was about 60% and Honiara at 80% occupancy rate.

Major impediments in the tourism sector include inadequate and poor quality of support infrastructures, land related issues, high transport costs and lack of budget for marketing purposes. These were examples of some of the many issues highlighted at the National Tourism Stakeholders forum that SIVB organized in 2014. Tourism is one of the potential industries that can bring economic benefits to country but in order to reap the potential benefits of this sector the government needs to increase capital investments in support infrastructures for the sector.

Transportation

Activities in the transport sector expanded at a slower pace in 2014 on the back of mild trading activities. The volume of cargo handled by the Solomon Islands Ports Authority (SIPA) at both the Honiara and Noro ports recorded a mere 2% growth in 2014, compared to a 5% growth in 2013. On travel, total domestic and international airline passenger numbers dropped 2% to 124,673 passengers compared to 126,916 passengers a year ago. The fall was mainly due to the impasse between Fiji and Solomon Islands that started in mid-2014 over code-sharing arrangements combined with the April floods and the closure of Gold Ridge Mine. During 2014, the Inland Revenue Division introduced a new Transport Management System. This is a positive step away from the manual system the department has been using over the years.

Communication

The telecommunication sector registered strong growth resulting from both improved general operations and consumer service delivery in 2014. The partnership between Bemobile and Vodafone was a major positive development that could bring a lot of useful international experience into the local telecommunication sector. The United Kingdom based partnership focused on boosting market share through strategic marketing.

Indicators of growth in the sector showed that the total number of mobile subscribers increased by 10% to 355,835 in 2014 with mobile penetration surging further to 62%

from 58% in 2013. Mobile coverage reached 85% from 83% in the year prior. The main mobile and internet usage indicators were on increasing trends by 15% and 35% respectively. These positive results were achieved with the two players in this sector conducting intensive promotions and expanding into other products such as mobile network support in 2G and 3G, boosting sales and network technology over the year.

Both operators remain committed to rolling out their network coverage into the provinces as well as upgrading their networks to 3G technologies. Solomon Telekom Limited rolled out 26 new towers to increase its coverage to about 70%. Bemobile/Vodafone on the other hand invested more on improving marketing, network conditions and in 3G technologies. The introduction of improved technologies by both operators boosted productivity in the telecommunication sector. The proposed fibre optic undersea cable project Solomon Oceanic Cable Company (SOCC) planned for 2015 is expected to further boost telecommunication activities and the wider benefits to the economy. Currently, SOCC has two options on either to connect through Sydney or Vanuatu through interchange cable with Papua New Guinea. The Government is keen on pursuing whichever option is viable to ensure that the country benefits from cheaper and efficient telecommunication services sooner.

Manufacturing

The manufacturing index fell by 9% to an average of 189 points in 2014 from 207 points in 2013. The fall came on the back of sluggish economic activities in 2014. In particular, all locally manufactured products (particularly food, alcohol and tobacco products) except Solbrew recorded contractions in the fourth quarter, reversing growths posted in the third quarter. A similar downward trend was also portrayed in the annual manufacturing index numbers for all locally manufactured items. For the year as a whole, canned fish production fell 37%, alcohol and soft drinks production decreased by 1%, tobacco output dropped 3% and biscuits production down 5%. For canned fish production, the switch to loin production was a major factor behind the decline in 2014. Loin produced for exports on the other hand increased by more than four-fold in 2014. Meanwhile, sluggish demands that resulted from the April floods and uncertainties relating to the election period also contributed to the weak performance in the manufacturing sector.

Construction

The construction sector showed a further improvement in 2014. The number of approved building permits issued by the Honiara City Council recorded a significant increase of 66% to 213 permits in 2014. Residential permits accounted for 56% of the total approved permits. Commercial and 'other' categories accounted for 22% each. In terms of value, the total value of approved permits issued was significantly above that of 2013 to \$269 million. Commercial properties represented 73% of the total, reflecting

large pipeline projects such as the proposed expansion to the Honiara wharf and few other large commercial buildings approved during the year.

This was supported by lending to private sector which surged by 16% against the previous year. Housing loans, a major component of the personal loans category, showed an increase against the previous year to contribute to the overall credit growth. Government funded projects, some of which were post flood rehabilitation related also aided activities in this sector, albeit not all approved government projects eventuated in 2014. Other leading indicators such as imports of building materials increased year-on-year to indicate buoyant construction activities throughout the year.

Inflation

Headline inflation rose from 3% in 2013 to 4.8% at the end of 2014, largely driven by the domestic component of inflation which surged from 5.7% to 8% in 2014 (See Figure 3.7). The increase in the domestic index was fuelled by several categories. In particular, the index of clothing & footwear recorded the largest increase, rising from 4.7% to 11.3% at the end of 2014. This was followed by the food index which surged from 3.7% to 8.6%, reflecting mostly supply disruptions from the April floods in the first half of 2014 and then recreation, health & other services, accelerating from minus 4.9% to 8.5% by year end. Imported inflation on the other hand, remained in the negative zone, moving from minus 0.9% to minus 0.2% at the end of 2014. The weak imported inflation reflected notable price drops in the food, clothing & footwear, household operations and the recreation, health & other services categories during the year.

Figure 3.8 Headline inflation by component

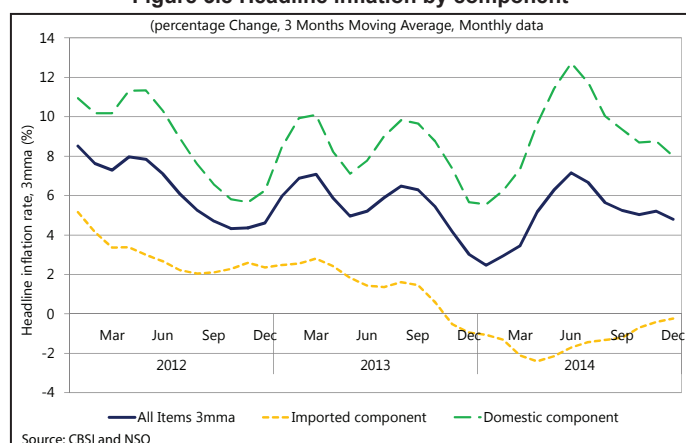
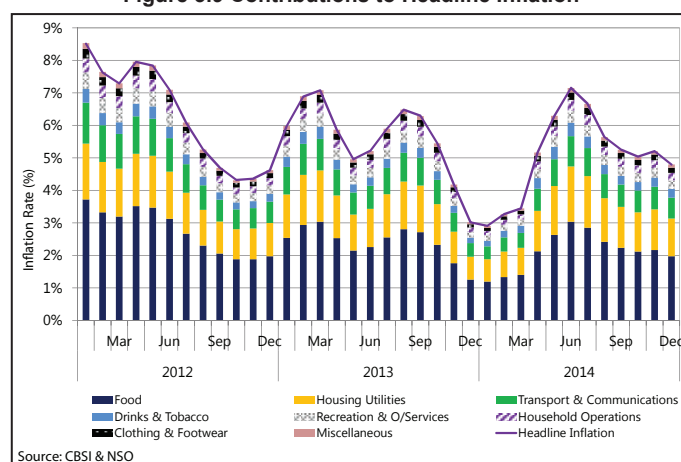
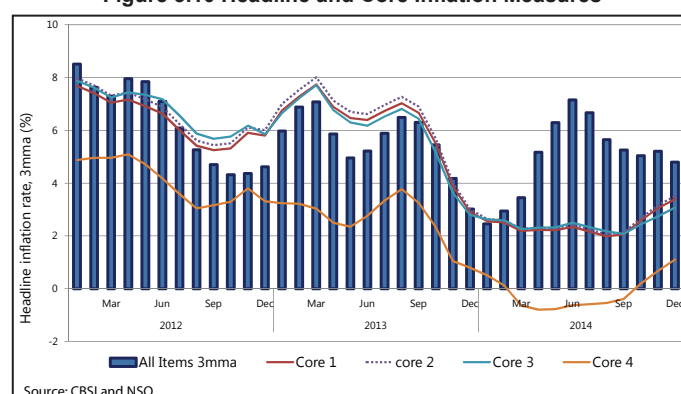


Figure 3.9 Contributions to Headline Inflation



In terms of contributions to the overall inflation of 4.8%, food was still the single largest contributor with 1.98% reflecting high food prices in the economy. Housing and utilities accounted for 1.16%, 0.6% came from transport &

Figure 3.10 Headline and Core Inflation Measures



communications, drinks & tobacco and recreation, health & services both shared 0.27% each, and household operations contributed 0.23% (See figure 3.9).

Core inflation in 2014 was much lower than headline inflation, at 3.1%, suggesting that the excluded items had extreme price movements compared to the rest of the items in the CPI basket. However, core inflation rose slightly from 2.8% in 2013 (see Figure 3.10).

IV. BALANCE OF PAYMENTS

The balance of payments in 2014 registered a current account deficit of \$418 million from \$320 million in 2013. The larger current account deficit was driven by a shrinking surplus in the secondary income account combined with high deficits in the primary income and services accounts although the latter showed an improvement against 2013. Despite recording an improvement against the previous year, trade in goods account also contributed to the negative current account position with a smaller deficit.

Table 4 1: Balance of Payments Summary (\$M)

	2012	2013	2014
A. Current Account	102	-320	-418
Goods	483	-121	-38
Exports	3,675	2,272	3,354
Imports	(3,193)	(3,392)	(3,393)
Services	-618	-911	-860
Primary Income	-521	-2	-129
Secondary Income	759	715	610
B. Capital & Financial Account	988	668	481
Capital	722	633	500
Financial account (excl. reserve asset) 1/	266	35	-18
C. Reserve Assets (Gross foreign reserves, +ve = increase)	581	431	1
D. Net errors and omissions	-509	82	-62
Position of gross foreign reserves at end	3,668	3,883	3,784
Import cover of goods and services (unit in months)	10.4	11.1	9.5

1/ The financial account in BOP analytical presentation shows reserve asset separately in item C. Under BPM6, the financial account includes reserve assets.

Source: CBSI

The capital and financial account (excluding reserve assets) also dropped from \$668 million to \$481 million but was just adequate to finance the current account deficit. As a result, gross foreign reserve transactions only accumulated by an additional \$1 million during the year in comparison to \$431 million in 2013. Moreover, accumulated revaluation losses, reduction in donor inflows and large overseas payments over the year eroded gross foreign reserves from \$3,883 million to \$3,784 million. This level of reserves is equivalent to 9.5 months cover for goods and services imports.

Trade in Goods

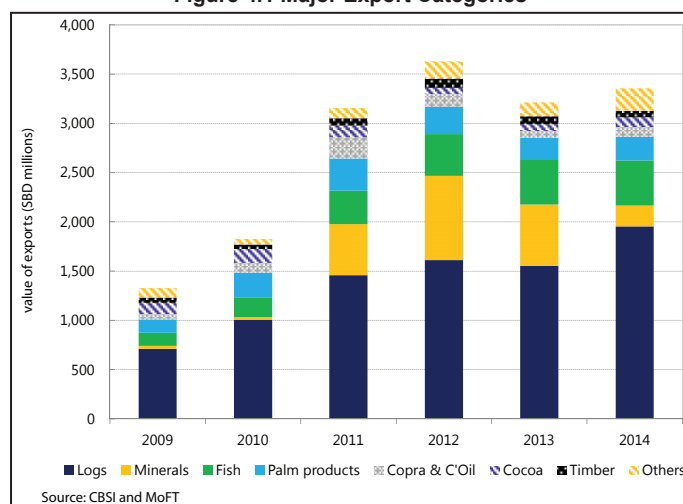
The balance on trade in goods recorded a deficit of \$38 million in 2014, narrowing from \$121 million deficit in 2013. This outcome reflected the 3% increase in exports to \$3,354 million (f.o.b) and imports (f.o.b) sustained at almost the same level of the year prior at \$3,393 million.

Exports

The increase in exports was driven by higher export volumes across all major export commodities except for minerals. Exports also benefited from favourable international commodity prices during the first three quarters in 2014 before prices slipped in the December quarter.

Round log exports receipts increased by 26% to \$1,954

Figure 4.1 Major Export Categories



million during the year as a result of unprecedentedly high export volumes, particularly during the third and fourth quarters. This was aided by favourable weather conditions and strong demand from People's Republic of China. With this outturn, the export share of round logs rose dramatically by 11 percentage points to 58% to temporarily fill the gap left by mineral receipts. Around 97% of total log exports were shipped to the People's Republic of China.

Fish exports increased slightly by 1% to \$459 million in 2014 owing to higher tuna loin exports to Europe following favourable fishing conditions during the second half of the year. Loin exports increased by 5% to \$314 million and accounted for almost 70% of total fish exports in 2014. Canned tuna exports also increased by 22% to \$24 million due to higher demand from other Pacific Island countries. The increased production capacity by the largest fish processing company, Soltuna Limited, during the year contributed to this outcome. Overall, fish exports accounted for 14% of total exports in 2014.

Export receipts from agricultural commodities jumped by 32% against 2013 to \$439 million. Palm oil exports which dominated the agricultural exports increased by 14% to \$239 million driven by an increase in export contract prices and higher export volume in crude palm oil during the first half of 2014. Total palm oil exports volumes rose slightly by 1% to 35,136 tons despite the fall in export volumes during the second half of the year. Crude palm oil export volumes represented 91% of total volumes and palm kernel oil accounted for the remaining 9%. Copra and coconut oil export receipts increased significantly by 76% to \$100 million and cocoa exports grew by 49% to \$100 million on the back of higher export prices combined with increased production during the year.

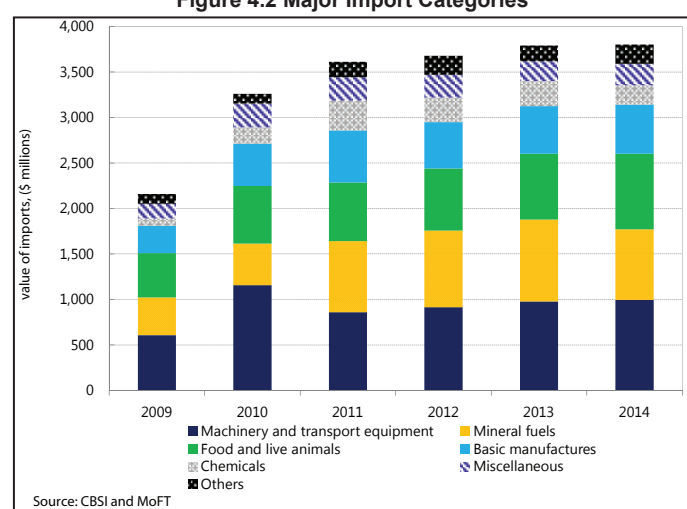
The closure of the gold mining company in the June quarter led to a one off increase in re-export receipts from \$18 million to \$99 million for the repatriation of mining related machineries. On the other hand, mineral exports re-

ceipts plunged by 66% to \$210 million due to the closure of the mining company. Timber exports dropped 13% to \$62 million and other export receipts plummeted to \$28 million from \$146 million in 2013. This was largely contributed by the zero exports of beche-de-mer during the year following the imposed ban on harvesting which was only lifted in December.

Imports

Total imports in 2014 remained at almost the same level as in 2013 due to a mix results in the import categories. The increased imports on food, machineries and transport equipment, and basic manufactures were almost equally offset by the drop on mineral fuel, chemicals, and miscellaneous items imports.

Figure 4.2 Major Import Categories



Machinery and transport equipment increased by 7% to \$993 million to account for 29% of total imports. This was due to higher imports of vehicles and specialized machineries for the bauxite mining, logging and power generating industries. Food import payments, which represented 22% of total imports, also increased by 7% to \$831 million owing to increased payments for rice, meat and sugar products. Basic manufactures grew by 10% to \$539 million, beverage and tobacco by 11% to \$68 million and crude materials increased from \$12 million to \$46 million during the year. Conversely, fuel imports fell by 14% to \$778 million due to lower demand following the closure of the gold mining company and the significant drop in fuel prices during the second half of the year. Chemical imports fell by 21% to \$212 million and miscellaneous items dropped 14% to \$235 million during the year.

Trade in Services

The services account in 2014 although recorded a reduced deficit of \$860 million from \$911 million in 2013 is still very high compared to the other key current account components. The fall was mainly driven by other services (excluding transport and travel) which dropped from \$611 million deficit to \$457 million deficit associated with the fall in service payments for telecommunications,

government and other business services largely in the second half of the year. The closing of the gold mine was a contributing factor reducing the demand for professional business services from non-residents. Meanwhile deficits on both transport and travel services rose by 30% to \$321 million and 56% to \$82 million respectively. The increased deficit in transport services was attributed to higher payments on maintenance and commissions to non-residents offsetting the increased receipts on passenger fares. On the other hand, the growing deficit on travel services was attributed to the decline in travel receipts on the back of 18% drop in visitors arriving by air in the country, particularly during the first half of the year.

Primary Income

The primary income account posted a deficit of \$129 million in 2014, a much weaker position than the revised \$2 million deficit recorded in 2013. This was driven mainly by higher outflows in investment income and compensation of employees. Investment income rose significantly to \$262 million deficit from \$58 million deficit owing to foreign direct investments (FDI) higher retained earnings by businesses. Compensation of employees widened from \$47 million deficit to \$73 million deficit reflecting higher repatriation of salary and wages during the year. Meanwhile, other primary income, which represented fishing licenses almost doubled to \$205 million surplus from \$103 million surplus. This was due to higher fee receipts from distant water fishing vessels to fish in the country's exclusive economic zone (EEZ) particularly during the December quarter.

Secondary Income

The secondary income in 2014 recorded a surplus of \$610 million, falling from \$715 million surplus in 2013. This came mainly from a significant fall in general government transfers from \$766 million to \$647 million due to a fall in official development assistance (ODA) on both aid in cash and technical assistance. The fall in aid in cash was attributed to a decline in donor inflows for budget support, notably during the second half of the year as the bulk of cash transfers were made during the first half of the year.

The decline in technical assistance reflected the winding down of technical assistant activities. Although ODA have eased, the level was still significant and had been an integral driver of the economy covering wide range of sectors such as public governance, economic management, law and justice, essential services on health and education, environment, and relief support to victims of the April flash floods. Meanwhile, the deficit in private sector transfers decreased from \$51 million to \$37 million. This was attributed to higher transfer receipts from Non-Governmental Organisations and lower payments for personal transfers during the year.

Capital Account

The surplus in the capital account in 2014 fell from \$633 million to \$500 million which came entirely from devel-

opment partners' official development aid receipts to the general government for infrastructure projects. The fall reflected the completion of higher cost capital projects including the sealed airports and road in Western Province. The additional capital projects for rehabilitations during the April flooding could not offset that fall.

Financial Account

The financial account in 2014 registered a net lending of \$19 million reducing from a net lending of \$395 million in 2013. This reflected a sizeable fall in financial assets by 76% to \$137 million against a 34% drop in financial liabilities to \$118 million at the end of the year. The fall in financial assets was largely driven by a decline in reserves asset transactions falling from \$431 million to \$1 million. Direct investments also dropped from \$22 million to \$5 million due to a reduction in receivables by foreign investors from their parent companies. Portfolio investments continued the draw down from \$16 million to \$3 million. Other investment assets dropped slightly from \$138 million to \$134 million which largely represented currency and deposits held by banks abroad.

The fall in financial liabilities came from FDI and reducing drawdown in other investments. FDI dropped from \$311 million to \$175 million stemming from an ease in borrowing by FDIs from their parent companies and partly contributed by the closure of the gold mining company. The sale of foreign owned equity shares to a local investor in the communication sector also contributed to the reduction despite new foreign investments in the financial and mining sector. Other investments dropped from a draw-down of \$132 million to \$57 million reflecting settlements of external loans, trade credits and other accounts payable during the year.

International Investment Position (IIP)

The net IIP registered a \$2,118 million deficit at the end of 2014, widening by 5% from \$2,015 million deficit a year prior. This was driven by a higher increase in stock of financial liabilities which increased by 2% to \$6,931 million compared to a 1% increase in the stock of financial assets to \$4,813 million.

The slight increase in the stock of financial assets came largely from direct investment and other investment assets. Direct investment assets rose by 2% to \$355 million reflecting the position of FDIs lending back to their parent companies. Other investment assets increased by 27% to \$560 million, largely representing the increased amount of cash and deposits held by banks abroad. On the other hand, stock of reserve assets, also known as gross foreign reserves, fell by 3% to \$3,784 million and portfolio investments dropped slightly by 2% to \$115 million.

The increase in the stock of financial liabilities mainly resulted from FDI stocks rising by 4% to \$5,726 million. More than half of the 4% increase was attributed to the new investments in the financial and bauxite mining sector. Meanwhile, stock of other investments liabilities fell

by 7% to \$1,205 million reflecting repayments on external loans and draw down in cash and deposits held abroad.

Table 4 2: Gross External Debt (\$M)

	2012	2013	2014
Gross External Debt Position	3,791	4,147	4,261
(i) General Government	784	743	685
(ii) Central Bank	254	257	236
(iii) Deposit-Taking Corporations, except the Central Bank	113	98	77
(iv) Other Sectors 1/	310	181	207
(v) Direct Investment: Intercompany Lending 1/	2,330	2,867	3,056
1/ Provisional			

Source: CBSI

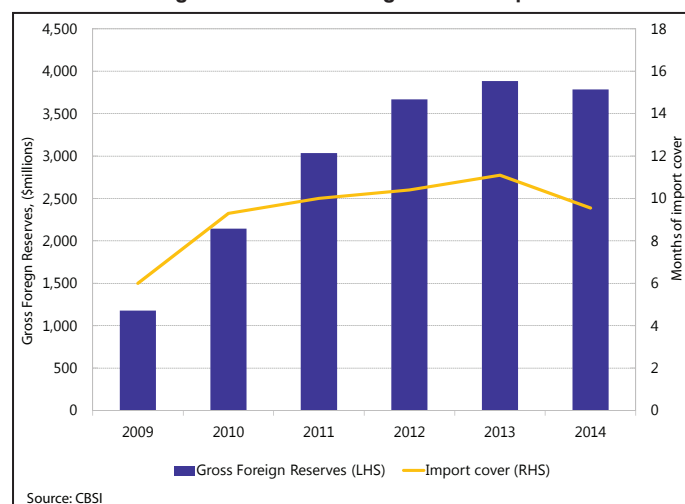
The total external debt position for both public and private sector debts at the end of 2014 stood at provisional \$4,261 million, rising from \$4,147 million in 2013. This came mainly from increased external borrowings by the private sector, particularly from FDIs and other sectors which represented the financial and non-financial corporations. FDI debt position went up to \$3,056 million from \$2,867 million due to additional borrowing from their parent companies. External borrowing by other sectors increased to \$207 million from \$181 million mainly driven by increasing liabilities to non-residents other than their parent companies.

On the other hand, general government external debt dropped from \$743 million to \$685 million due to external loan repayments of \$50 million. Deposit-taking corporations' debt also dropped from \$98 million to \$77 million representing the liabilities of commercial banks to non-residents. Similarly, central bank debt, which represents the liabilities to the IMF, decreased from \$257 million to \$236 million. This stemmed from an initial \$10 million repayment on the IMF loans and credits and the reduced value of the position of SDR allocation of Solomon Islands in IMF.

Gross Foreign Reserves

The country's gross foreign reserve position fell by 3% to \$3,784 million (US\$505 million) at the end of 2014 from

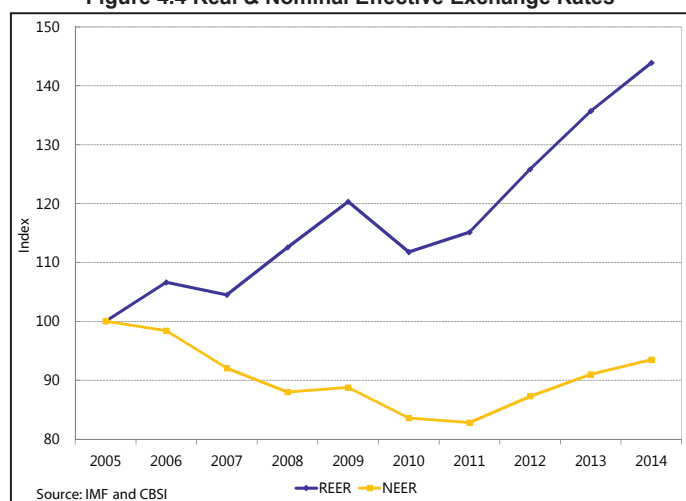
Figure 4.3 Gross Foreign Reserves.pdf



\$3,883 million in 2013. This was driven mainly by revaluation loss from the appreciation of the SBD against Australian dollar (AUD), Euro (EUR), British Pound (STG), and New Zealand dollar (NZD). Also contributing to the loss, was the decline in gold price affecting the monetary gold component, decline in donor inflows and large over-sea payments. The depreciation of the SBD against United States dollar (USD) partly helped cushion these losses.

The gross foreign reserves had been building up by \$300 million over the first three quarters of the year to sustain above \$4 billion in the June and September quarters. However, that changed during the December quarter when the bulk of the current account deficit was financed largely by foreign reserves in the tune of \$299 million; almost the entire accumulation over the first three quarters. These developments led to a fall in import cover to 9.5 months of imports of goods and services compared to 11.1 months at the end of 2013.

Figure 4.4 Real & Nominal Effective Exchange Rates

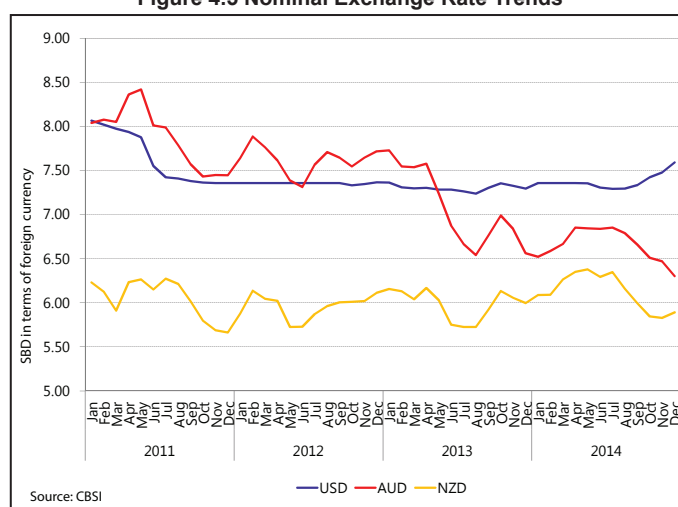


Exchange Rate

The Solomon Islands real effective exchange rate (REER) appreciated by 6% in 2014 from an index of 135 to 144. This was driven by two factors, first, the appreciation of the Solomon Islands nominal effective exchange rate (NEER) by 3% from an index of 91 to 93. Secondly, it was driven by the persisting higher inflation rate in Solomon

Islands over the last eight years compared to the trading partner countries. This suggested that Solomon Islands exports were less competitive in 2014.

Figure 4.5 Nominal Exchange Rate Trends



The appreciation of the Solomon Islands NEER indicated that Solomon Islands dollar strengthened against the trade-weighted basket of currencies. This was largely due to the strengthening of the SBD against the AUD.

On annual average, the SBD depreciated against the US dollar by 1% to \$7.38 per USD which reflected the weakening of the SBD against the USD in the December quarter. On monthly movement (see Figure IV-5), the SBD remained relatively stable against the USD at \$7.36 per USD from January to May. The SBD then strengthened modestly by 0.81% to \$7.30 per USD from June to August before it depreciated to reach \$7.63 per USD at the end of December. Against the other trading partner currencies, the SBD, however, on average appreciated against the Australian dollar by 5.9% to \$6.66 per AUD attributed to the weakening of the AUD against the USD. The SBD also appreciated against the Japanese Yen by 6.9% to \$6.99 per 100JPY but depreciated against the British Pound by 6.3% to \$12.14 per GBP, 2.4% against the New Zealand dollar to \$6.13 per NZD and against the Euro by 1.1% to \$9.81 per EUR during the year.

V. MONETARY DEVELOPMENTS

Developments in monetary aggregates in 2014 were similar to that of 2013. Money supply grew further, albeit at a slower pace while reserve money and total liquidity in the banking system declined in 2014. The expansion in credit to the private sector together with the larger external payments that occurred during the year eased liquidity in the banking system. Likewise, the issuing of Bokolo bills during the year helped mop up part of the excess liquidity in the banking system. This resulted in excess liquidity being considerably lower than the previous year.

The other depository corporations' (ODCs) weighted average interest rate margin remained at 10.7% in 2014 slightly higher than in 2013. This was driven mainly by an increase in lending rates to some sectors in the fourth quarter that outweighed the increase in deposit rates for the longer-term maturities.

In terms of the monetary policy stance in 2014, CBSI had implemented a neutral monetary policy in the first half of the year but later moved to an accommodative monetary policy in the second half of 2014 following the flash flood in April. The shift was purposely to promote investment and growth in the economy. Meanwhile, the volume of Bokolo bills tendered to the ODCs remained at the same level as in 2013. In addition, there was no change to the cash reserve requirement, which remained at 7.5% of the ODCs deposits liabilities.

Reserve Money

Reserve money (M0) declined markedly by 10% to \$1,828 million in December 2014 compared to the 1% fall in 2013. In terms of the components of reserve money, ODCs' call deposits with CBSI fell significantly by 18% to \$1,165 million. This outweighed the 9% growth to \$658 million in currency in circulation. The ODCs call account balances recorded sharp declines in the first and fourth quarters of 2014 due to the significant jump in the volume of Bokolo bills commercial banks purchased in the first quarter while the fall in the fourth quarter was due mainly to large external payments.

The falls counteracted growth in the second and third quarters of 2014. Similarly, currency in circulation also reported 19% and 11% growth in the second and the final quarters, which offset the fall witnessed in the first and the third quarters of 2014.

The decline in reserve money was due to the fall in both the CBSI's net foreign assets (NFA), which went down by 2% to \$3,540 million and net domestic assets (NDA) that further widened by 8% to net liability of \$1,708 million respectively. The decrease in the NFA position of CBSI was largely led by a decline in gross foreign reserves by 3% to \$3,784 million. The deterioration of CBSI's NDA was attributed to the increase in net domestic credit emanating from a rise in the claims of the Central Government on CBSI, together with ODCs holdings of CBSI Bokolo bills.

Narrow Money

Narrow money (M1) declined by 2% to \$2,653 million, following a 13% increase a year ago. This was due to decline in transferable deposits of ODCs by 4% to \$2,078 million in spite of an increase in currency in active circulation by 8% to \$575 million by end 2014. The reduction in ODCs' transferable deposits was due to falls in transferable deposits of other financial corporations by 44%, public nonfinancial corporations by 38%, other nonfinancial corporations by 13% and state and local government by 3% respectively. Despite the fall in transferable deposits of these corporations, other resident sectors' (households and individuals) transferable deposits grew significantly by 55% from the previous year.

Broad Money

Broad money (M3) went up by 6% to \$3,634 million in December 2014 compared to a 12% rise a year ago. The growth was driven by an increase in other deposits (savings and time) by 32% to \$981 million outweighing the fall in M1 by end 2014. The source of growth in M3 was attributed to the increase in both the NFA and the NDA of the banking system. NFA held by the depository corporations (DCs) grew by 2% to \$3,827 million, on account of higher growth in other foreign assets of the ODCs. As for the NDA of banking system, it narrowed to net liability of \$183 million by end 2014 from net liability of \$301 million in 2013. The improvement in NDA position was driven by rising credit to private sector that outstripped the increase in Central government deposits.

Liquidity

Total liquidity in the banking system fell for the second consecutive year by 8% to \$1,174 million in December 2014 (see Figure 5.3). Despite the overall decline in liquidity, growth was observed in the second and third quarters at 5% and 18%, resulting from an increase in CBSI's NFA respectively. Regardless of liquidity growth during those quarters, excess liquidity fell by 11% to \$844 million in December 2014 compared to \$954 million in the same period of 2013. The increase in private sector credit combined with larger external payments by ODCs particularly in the fourth quarter and purchase of CBSI Bokolo bills, all contributed to the fall in excess liquidity.

Domestic Credit

Total net domestic credit (NDC) of the banking system increased to \$318 million in December from \$160 million from the previous year. This rise in NDC was driven by the increase in private sector credit by 16% to \$1,703 million in 2014, following a 15% increase in 2013. The establishment of a new ODC in the second half of the year also contributed to the overall growth in private sector credit. This upsurge in private sector credit outweighed the 6% increase in government deposits over the same period. On quarterly growth, private sector credit trended upward in

the first quarter, decreased slightly in the second quarter before seeing a pickup in lending for the remaining period.

Of the total outstanding credit, ODCs' accounted for \$1,689 million, a rise of 5% from the previous quarter and 17% increase from December 2013. Long-term credit (loans), which accounted for 90% of the total credit portfolio, grew by 17% to \$1,515 million in December from \$1,293 million a year ago. Overdrafts recorded increases in two consecutive quarters to \$172 million before dropping to \$167 in the third quarter and further down to \$165 million in the fourth quarter; a 20% increase compared to the prior year. Lease financing fell in the first quarter but picked-up in the second and third quarters to reach \$10 million before dropping to \$9 million in December (see Table 5.1).

Table 5.1: Private Sector Credit (\$M)

Table 5.1 Private Sector Credit (ODCs) SBD Millions					
Type	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Trade Bills	4	3	-	-	-
Over drafts	137	162	172	167	165
Loans	1,293	1,300	1,296	1,436	1,515
Lease financing	6	5	7	10	9
Total	1,440	1,470	1,475	1,613	1,689
Total credit (excluding trade bills)	1,436	1,467	1,475	1,613	1,689

Meanwhile, most sectors that showed increases in their loan balances compared to the previous year were personal, which increased by \$124 million to \$596 million, communications that went up by \$49 million to \$189 million, distribution by \$38 million to \$249 million, professional and other services increased by \$39 million to \$106 million, manufacturing up by \$27 million to \$81 million and transportation, which increased by \$18 million to \$90 million.

Table 5.2: Private Sector Credit by Sectors

SBD\$millions	2013			2014				Percentage Change (Year-on-Year)		
Sectors	Q2 A	Q3 B	Q4 C	Q1 D	Q2 E	Q3 F	Q4 G	Q4-13 C/B	Q3-14 F/E	Q4-14 G/C
Personal	416.0	434	472	497	482	543	596	9%	13%	26%
Construction	192.0	185	181	159	162	164	151	-2%	1%	-17%
Distribution	199.0	211	211	235	240	243	249	0%	1%	18%
Communications	159.0	149	140	138	177	192	189	-6%	8%	35%
Tourism	74.0	97	103	102	101	109	107	6%	8%	4%
Prof. & Other Services	68.0	71	67	97	85	98	106	-6%	15%	58%
Transport	68.0	62	72	68	75	77	90	16%	3%	25%
Manufacturing	56.0	53	54	53	50	73	81	2%	46%	50%
Forestry	42.0	44	40	25	22	33	29	-9%	50%	-28%
Agriculture	33.0	40	42	43	35	36	34	5%	3%	-19%
Entert & Catering	16.0	13.0	12.0	1.0	8.0	6.0	6.0	-8%	25%	-50%
Bills Receivables	22.0	6.0	4.0	2.0	0.1	0.	1.0	-33%	0%	-100%
Mining & Quarrying	0.2	0.2	0.1	2.0	1.0	1.0	3.0	-50%	0%	2900%
Fisheries	4.0	3.0	3.0	3.0	4.0	4.0	3.0	0%	0%	0%
Statutory Corporations	38.0	36.0	32.0	32.0	31.0	30.0	40.0	-11%	-3%	25%
Total	1387.2	1404.2	1433.1	1457.0	1473.1	1609.1	1684.0			

Note: Figure includes only the commercial banks and credit Corporation of Solomon Islands. Excluding credit unions and accrued interest on loans and advances

Interest rate

The indicative weighted average deposit interest rate of the ODCs increased from 0.21% in 2013 to 0.35% in 2014. This came from a rise in time deposit rates for longer-term maturities such as 6 months to 1 year, 2 to 3 years and 3 to 5 years. Meanwhile, the indicative weighted average interest rates on lending moved from 10.6% in 2013 to 11.1% in 2014. This resulted from the upward movement of lending rates to forestry that went up by 11.3% to 19.0%, non-residents up by 16.4% to 20.8%, agriculture by 10.9% to 14.4% and distribution that went up from 10.8% to 12.7%. As a result, the weighted average interest rate margin widened to 10.7% compared to 10.4% in 2013.

Other Financial Corporations

The NFA of other financial corporations (OFCs) recorded another fall by 2% to \$257 million in December 2014. The fall was driven by reductions in foreign currency transferable deposits held with non-residents that went down significantly from \$8 million in 2013 to \$0.04 million and investment of shares, which dropped by 6% to \$115 million. This came despite the increase in other deposits by 8% to \$159 million. To a lesser extent, the increase in foreign liabilities by 3% also contributed to the fall in OFCs' NFA.

Meanwhile, the OFCs NDA grew notably by 22% to \$1,887 million in 2014, following a 31% in 2013. Contributing to this was a 6% rise to \$2,170 million in OFCs' NDC. The growth in NDC was led by the 9% rise in credit to private sector combined with the 4% increase in net credit to financial corporations. Other items (net) also contributed 17% following 38% in 2013.

Net credit to financial corporations picked up by 5% to \$622 million, reversing the 6% decline to \$592 million in the previous year. This was driven by an increase in both the net credit to CBSI by 1% and net credit to ODCs by 4% respectively. Driving the 1% increase to \$17 million in net credit to CBSI were holdings of transferable deposits with CBSI together with an increase holdings of securities issued by CBSI. Likewise, the 5% rise to \$605 million in net credit to ODCs reflected an increase in deposits of OFCs held with ODCs. The rise in net credit to ODCs was due mainly to long-term deposits held with ODCs, which increased notably by 46% to \$513 million.

Private sector credit provided by the OFCs increased further by 9% to \$1,409 million by end year compared to \$1,289 million in 2013. Although there was some growth in the third quarter, much of the growth in overall PSC was driven by developments in the fourth quarter. These developments include the significant increase in loans to other nonfinancial corporations by 12% to \$122 million as well as increase in credit associated with shares to other nonfinancial corporations by \$104 million to \$1,219 million.

Monetary Policy

While domestic price stability remains the overarching

objective of the Central Bank, CBSI also review its monetary policy in response to macroeconomic developments during the year. In March 2014, the CBSI issued a neutral monetary policy stance (MPS) with the intention of maintaining the same level of Bokolo bills at \$710 million. The stance however was changed with the intention of stimulating economic activity following the flash floods and closure of Gold Ridge mine in April. In September, the Bank announced an accommodative monetary policy stance over the next six months. This means the Bank supports Government spending in post flood rehabilitation projects and encourages commercial banks to issue more credit to private sector to revamp the economy. The CBSI however maintained the volume of issued Bokolo bills at \$710 million as in the March MPS.

In 2014, CBSI's estimate for inflation was between 4%-6%. However, by end June 2014, inflation had risen notably to 7.2% from 3% in December 2013. The increase was a direct result of the April floods, which was viewed as a short-term shock to the economy. Driving this increase were domestic prices. Nonetheless, by December 2014 inflation had receded to 4.8%, well within the forecasted range. This was due to slower growth in food, drinks and tobacco, clothing and footwear and transport and communications.

Furthermore, the gross foreign reserves averaged around 9.5 months of imports at the end of 2014, well comfortably above the three months benchmark for CBSI. However, it

was lower than 11.1 months of imports recorded in 2013.

In terms of influencing economic conditions, CBSI was limited to two monetary policy instruments; the cash reserve requirement and Bokolo bill auctions. The cash reserve requirement was maintained at 7.5% of ODCs' deposits liabilities the same level as in 2013. The CBSI Bokolo bills were increased from \$640 million in 2013 to \$710 million by end 2014 and contributed partially to the absorption of excess liquidity from the banking system.

Similarly, in terms of the exchange rate policy, in the first half of 2014, CBSI maintained the exchange rate policy by pegging the SI dollar to a basket of currencies within approved margins to minimise exchange rate misalignments. Later in the fourth quarter, in view of an appreciating US dollar, the exchange rate policy was reviewed to allow the Solomon Islands dollar to move in tandem with the basket of currencies within slightly wider margins to lessen exchange rate misalignments.

In addition, CBSI continued to administer Government Treasury bills in 2014. The volume of Treasury bills remained at \$40 million, as in the previous year. The high demand for treasury bills during the year caused interest rates to fluctuate for different maturities. By the end of December, the weighted average yield (WAY) for 56-days stood at 0.30%. For 90-days and 182-days, the WAY increased to 0.48% and 1.16% respectively from 0.29% and 1.22% in 2013.

VI. GOVERNMENT FINANCES

Government fiscal operations came under severe strain in 2014 resulting in major fiscal adjustments during the year. On the revenue front, collection efforts were dampened by the April flooding with the subsequent closure of Gold Ridge Mining Limited (GRML) creating a revenue gap in the 2014 budget. This resulted in a downward revision of \$150 million from the 2014 original budget. Despite being confronted with large unbudgeted spending pressures, which resulted in the legalization of two supplementary appropriation budgets worth \$262 million during the year, total expenditure was contained comfortably within the budget. Consequently, the fiscal outturn for 2014 resulted in a preliminary surplus of \$129 million, albeit well below the \$318 million surplus recorded in 2013. This outcome reflected higher revenue collections relative to declining expenditure, particularly within the capital budget. Meanwhile, the total public debt stock maintained its downward trajectory to \$859 million by year end. However, the trend is set to reverse in the near term if planned borrowings for infrastructure projects the Government approved under the Debt Management Strategy framework materialises.

Revenue

Revenue collections subdued in the first and third quarters of 2014 and dampened overall revenue collections for the year. Consequently, year-to-date revenue collection fell short by 5% against the budget and was 6% lower than the outcome for 2013 to reach \$3,121 million. However, this was still 5% higher than revenue collection in 2012. The negative outcome reflected declines in grant and non-tax revenue, which offset the small growth in tax receipts.

Table 6.1: Government Revenue Summary (\$M)

	2011	2012	2013	2014
CASH RECEIPTS	2,579.6	2,966.6	3,318.4	3,120.7
Taxes	2,047.4	2,292.4	2,507.8	2,52.3
Taxes on income, profits, and capital gains	994.6	1,108.5	1,266.8	1,198.8
Taxes on payroll and workforce	0	0	0	0
Taxes on property	17.08	22.78	24.96	21.16
Taxes on goods and services	451.2	505.5	550.7	573.6
Taxes on international trade and transactions	566.29	646.60	654.49	717.15
Other taxes	18.2	9.0	10.8	13.6
Grants	348.27	430.98	497.17	309.44
From foreign governments	305.02	378.27	454.25	296.83
From international organizations	43.25	52.71	42.91	12.61
From other general government units	0.00	0.00	0.00	0.00
Other receipts	183.93	243.27	313.46	283.94
Property income	65.33	152.11	172.13	195.86
Sales of goods and services	48.65	77.39	131.55	64.14
Fines, penalties, and forfeits	0.7	0.5	2.7	3.1
Voluntary transfers other than grants	0.00	0.00	0.00	0.00
Miscellaneous and unidentified revenue	69.2	13.2	7.0	20.8

Tax Revenue

Tax receipts, which constituted 81% of fiscal revenue, were up by 0.8% to \$2,527 million in 2014 against the previous

year. The movement against the previous year mirrored the offsetting increases in taxes on international trade, goods and services and 'other taxes' against the declines in income and profit, and property taxes.

Tax on international trade, which made up 28% of tax revenue, increased to \$717 million by 10% compared to the previous year and was 15% above budget. The positive outcome against 2013 was attributed to a 17% growth in export tax to \$497 million underpinned by a 19% upturn in log export duty to \$487 million. Mineral duty, on the other hand, fell by 46% to \$6 million due to the closure of Gold Ridge Mining Limited. Import duties also fell by 4% to \$221 million on the back of declines in excise duties on imported cigarettes and alcohol.

Goods and services tax which accounted for 23% of tax revenue grew by 4% to \$574 million against the previous year but fell short by 1% against the budget. The outcome against the previous year was boosted by a 15% rise in excise tax collections to \$158 million owing to increases in the rate of excise duty during the year. A 1% increase to \$389 million in sales tax also contributed to the positive outcome. Licensing fees and specific tax, on the other hand, fell by 7% to \$24 million and 5% to \$2 million respectively during the review period.

Following a 14% growth registered in 2013, tax on income, profit and capital gains which accounted for 47% of tax receipts fell by 5% to \$1,199 million against the outcome in 2013. This was on the back of an 8% drop in tax payable by corporations and other enterprises to \$791 million. This could be in part related to the closure of GRML and subsequent knock on effects on other businesses. Similarly, tax payable by individuals dropped by 1% to \$408 million, due to lower collection on private sector PAYE which offset gains in government PAYE including other personal taxes compared to 2013.

Property tax and other taxes remained negligibly low with the former declining by 3% to \$24 million whilst the latter increasing to \$14 million on the back of an increase in stamp duty.

Non Tax Revenue

Driven by subdued collections in administrative fees, nontax revenue fell by 9% year-on-year to \$284 million. However, this outcome exceeded the budget by 21%. Income generated from government properties, however, rose by 14% to \$196 million owing to an increase in rental income. An increase of \$14 million was also noted for miscellaneous revenue to \$21 million whilst penalties, fines and forfeiture remained relatively flat during the year.

Grants

Donor grants channelled through the government's consolidated account recorded its lowest level since 2011 at \$309 million. This was just over half of the budgeted

grants for 2014 but 38% and 28% lower than the amounts received in 2013 and 2012 respectively. Of the total, foreign governments funded \$297 million and international organisations contributed \$13 million. By functional classification, \$210 million came in as recurrent grants and \$99 million as development grants.

The reduction in donor funding was observed across the broad sectors particularly on governance and services and education sector which registered the largest fall. Funding to the former fell by 83% to \$19 million whilst the latter reduced by more than half at 55% to \$61 million compared to 2013. The health sector, which was funded largely by the Australian government, fell by 14% to \$106 million whilst the productive sector funding contracted by 25% to \$93 million. However, public order & safety and other sectors funding increased to \$15 from \$4 million and \$16 million from \$1 million respectively compared to 2013.

Expenditure

Government expenditure waned marginally by 0.3% in 2014 to \$2,991 million. However, this was 19% below the yearly projection. Compared to 2013, the fall was attributed to a 17% drop in acquisition of nonfinancial assets to \$454 million, owing primarily to a decline in purchase of machineries and equipment. Recurrent expenses, on the other hand, rose by 3% to \$2,538 million reflecting notable increases in purchase of good and services and compensation of employees.

Table 6.2: Government Expenditure Summary (\$M)

	2011	2012	2013	2014
Expense	1907.9	2305.2	2458.7	2538.2
Compensation of employees	648.1	689.9	765.8	820.4
Wages and salaries	606.2	646.2	716.7	767.5
Social contributions	41.8	43.7	49.1	52.9
Actual social contributions	41.8	43.7	49.1	52.9
Purchases of goods and services	759.4	1069.0	1107.5	1182.3
Interest	22.6	18.3	16.7	15.2
To nonresidents	13.0	11.2	10.4	3.7
To residents other than general government	9.6	7.2	6.3	11.5
Subsidies	0.0	0.0	1.8	0.1
To private enterprise	0.0	0.0	1.8	0.1
Grants	113.3	155.1	222.3	199.9
To other general government units	113.3	155.1	222.3	199.9
Current	113.3	155.1	222.3	199.9
Capital	0.0	0.0	0.0	0.0
Social benefits	8.9	15.0	19.1	40.1
Employer social benefits	8.9	15.0	19.1	40.1
Other payments	355.7	357.8	325.5	280.2
Miscellaneous other expense	355.7	357.8	325.5	280.2
Current	37.4	104.2	162.5	175.3
Capital	318.2	253.6	163.0	104.9
Purchases of Non Financial Assets	306.0	280.0	542.1	453.5
TOTAL EXPENDITURE	2,213.94	2,585.21	3,000.75	2,991.67

Compensation of Employees

Compensation of employees increased further in 2014, rising by 7% to \$820 million as a result of a 7% rise in public servants wages and salaries to \$767 million and the 8% increase to \$53 million in employer's contribution towards the SINPF. By payroll categories, public servant salaries which accounted for 71% of the total payroll cost surged by 9% to \$579 million. Employer's contribution to SINPF rose by 8% to \$53 million from \$49 million. Housing and special duty allowances went up in 2014 by 6% to \$23 million and by 10% to \$33 million respectively. In contrast, other allowances registered a minor fall of 1% to \$118 million whilst overtime allowances declined by 4% to \$14 million compared to the previous year.

Purchase of Goods and Services

Spending on consumption rose by 7% in 2014 to \$1182 million, but was contained within the budget by 24%. The marginal increase against the previous year was observed across all the major consumption expenditure items with voters' registration increasing from \$17 million to \$54 million in the previous year, house rental from \$84 million to \$94 million, electricity from \$71 million to \$75 million and election related expenditures from \$5 million to \$42 million. In contrast, training costs shrunk to \$197 million from \$203 million, despite accounting for the bulk of purchases of goods and services costs during the year.

Grants

Total transfers to other general government units fell to \$200 million in 2014 from \$222 million posted a year prior, and was 6% lower than was expected. The shortfall against 2013 was driven by a notable drop in grants extended to the provincial government, by 87% to \$7 million. Health grants, however, went up to \$101 million from \$79 million in 2013. Fixed service grants and community service obligations both rose by 5% and 2% to \$52 million and \$40 million respectively in 2014.

Social Benefit

Social benefit payments more than doubled the \$19 million recorded in 2013 to reach \$40 million. The upsurge included the one-off terminal grants paid to the members of parliament in October 2014. Growths were also observed for long service benefits and gratuities under contract agreements with both rising to \$11 million and \$5 million respectively from \$10 million and \$3 million in 2013.

Other Payments

Other payments declined by 14% to reach \$280 million and fell short of the budget by 6%. The drop against 2013 was seen in the capital component of 'miscellaneous' whilst the recurrent expenses increased during the year. The decline in the former by 36% to \$105 million was due to decreases in transfer payments to the extra-budgetary units. The \$13 million rise in the latter to \$175 million was attributed to a notable increase in the basic education

grants to all the schools in the country.

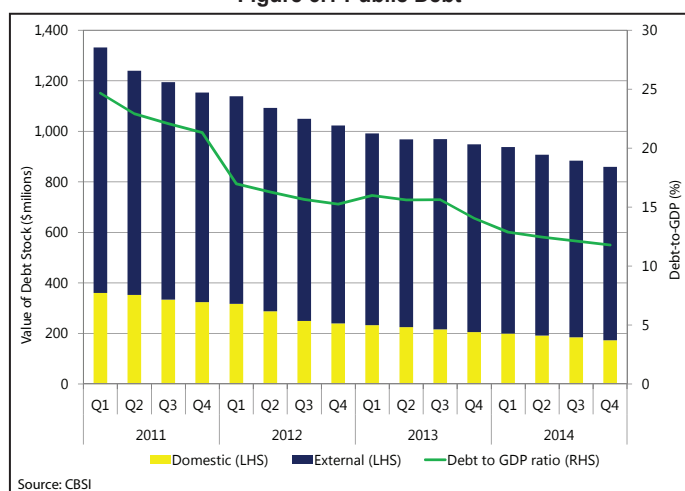
Acquisition of Nonfinancial Assets

Nonfinancial assets, which mainly came from development expenditure, fell by 16% to \$453 million and were 38% lower than the 2014 budget. Compared to 2013, the decline in nonfinancial came mainly from a 17% fall in fixed assets to \$444 million, in particular a 46% drop in machineries and equipment to \$113 million. Other fixed assets, on the other hand, rose by 5% to \$32 million, whilst non-produced assets remained flat during the year.

Debt stock and Servicing

Despite the establishment of the Debt Management Strategy to allow for external borrowing to resume, the government has not incurred new external debt in 2014 due to delays in some pipeline projects. Thus, the total stock of public debt declined further reflecting the government's commitment in servicing its debt obligations. Outstanding public debt in 2014 fell by 9% year on year to \$859 million, reflecting debt servicing of around \$92 million last year, although this was lower than the \$104 million expected in the repayment schedule. This led to the fall in the debt to GDP ratio from 15% at the end of 2013 to 12% in 2014. Meanwhile, Government contingent liabilities dropped to \$61 million at the end of 2014 from \$70 million at the end of 2013.

Figure 6.1 Public Debt



External Public Debt Stock and Servicing

External public sector debt declined by 8% to \$685 million from 2013. The decline reflected total principal repayments of \$50 million and an interest payment of \$10 million against their respective repayment schedules of \$43 million and \$9 million. By creditors profile of the external debt stock, multilateral creditor's still maintained the largest share with 85% at \$586 million, which was 8% lower than the \$635 million held in 2013. Bilateral creditors which accounted for the remaining 15% of the total external debt stock fell by 7% in 2014 to \$100 million. In terms of foreign currency composition, 80% of the external stock was in SDR, followed by USD with 17% and EUR with the

remaining 3%.

Domestic Public Debt Stock and Servicing

Domestic public debt was down 16% in 2014 to \$174 million and 27% lower than a year ago. The fall mirrored principal repayments of \$29 million and interest payments of \$4 million. This in contrast, was lower when compared with their respective repayment schedules of \$47 million and \$5 million. Categorizing the domestic public debt stock by holders, Central Bank made-up the bulk of the domestic debt holding at \$69 million, 7% lower than in 2013. Other Financial Corporations, the second highest holder of domestic debt fell by 24% to \$41 million, while 'Other Holders' went down to \$37 million from \$42 million. The remaining \$27 million was held by other depository corporations and it too shrunk by 25% during the reviewed period (see Table 6.3).

Table 6.3: Domestic Public Debt by Holders

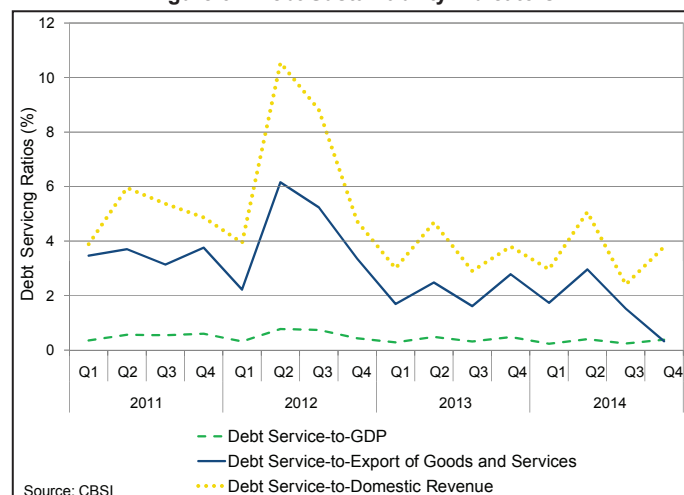
Category	2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A. Banking System	123.0	118.6	114.4	109.6	106.1	102.2	98.8	95.7
Central Bank of Solomon Islands	80.1	78.1	76.4	74.0	73.0	71.6	70.3	68.9
Other Depository Corporations	42.9	40.5	38.0	35.6	33.1	30.6	28.6	26.8
B. Nonbank Sector	110.4	106.0	101.9	95.6	93.8	89.4	85.6	77.8
Other Financial Corporations	63.7	60.5	57.2	53.9	50.5	47.2	44.0	41.1
Other Holders	46.6	45.6	44.8	41.8	43.3	42.3	41.6	36.8
TOTAL (A+B)	233.4	224.6	216.3	205.2	199.8	191.6	184.5	173.6

Source: CBSI & MoFT

Public Debt Stock and Debt Service indicators

Relative to 2013, liquidity indicators, showed that debt-to-export of goods and services declined to 0.3% from 3%, whilst debt-to-domestic revenue remained at 4% and debt service-to-GDP slipped to 0.4% from 0.5% in 2013. These indicators imply that, the country does not face any debt distress but it must maintain the debt at sustainable levels with actions on multiple fronts.

Figure 6.2 Debt Sustainability Indicators



2015 Budget Outlook

The Government projects a budget deficit of \$470 million for the 2015¹⁶ fiscal year. This outcome is expected on the back of higher expenditure outturn relative to revenue. Total revenue and expenditure are anticipated to grow on the 2014 preliminary actuals at the pace of 15% to \$3,714 million and 32% to \$4,183 million respectively.

The growth in revenue is largely underpinned by a \$553 million increase in donor funding to \$863 million against the actuals in 2014. Domestic revenue, however, is anticipated to decline by 2% against the outcome in 2014 to \$2,850 million reflecting the cessation of GRML and the broader implication of the April flooding on the economy. The negative outcome for domestic revenue reflects the 32% decline to \$271 million in non-tax revenue whilst Customs and Excise Division receipts anticipated a marginal fall of 1% to \$873 million. Meanwhile, Inland Rev-

enue Division forecasts a 4% growth to \$1,707 million.

Recurrent expenditure is expected to rise by 17% to \$3,042 million and capital spending by 100% to \$1,141 million against the actual spending in 2014. The rise in the recurrent expenditure stems from the forecasted upturn in payroll by 7% to \$903 million and the 30% upsurge in other charges to \$2,034 million. Meanwhile, the increase in capital spending is expected to be financed largely by the Solomon Islands government whilst \$105 million is expected to come from the Republic of China.

The government has committed \$106 million for debt servicing in 2015, increasing by 22% from \$92 million in 2014. With this, the public debt stock is expected to fall to \$759 million by year end, 12% lower than it was in December 2014. As a percentage of GDP, the stock position will fall to 10% from 12% in 2014. However, the debt-to-GDP ratio is expected to rise if the pipeline loans materialize.

¹⁶ The budget balance includes donor grants. Excluding donor grant, the government expects a budget deficit of the same amount.

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TABLE 1.1a DEPOSITORY CORPORATIONS SURVEY *

SBD' million)

Period	Net Foreign Assets			Domestic Claims								
	Claims on Non Residents		Total	Net Claims on Central Gov't			Claims on Other Sector					
	Residents	Liabilities to Non Residents		Claims on Central Gov't	Liabilities to Central Gov't	Total	Claims on Financial Corp.	Claims on State and Local Gov't	Claims on Public non Financial Corp.	Claims on Private Sector	Total	Total Domestic Claims
2012	3,790	-365	3,425	148	-1,190	-1,041	13	0.4	36	1,271	1,320	278
2013	4,139	-355	3,784	124	-1,451	-1,327	13	0.00	32	1,465	1,510	183
2014	4,149	-322	3,825	113	-1,539	-1,426	14	0.01	41	1,703	1,757	331
2012												
Mar	3,444	-355	3,089	198	-1,209	-1,011	13	0.0	0.0	1,209	1,222	211
Jun	3,723	-366	3,358	175	-1,304	-1,129	13	0.1	0.0	1,209	1,222	93
Sep	3,846	-353	3,493	151	-1,264	-1,113	12	0.0	3	1,230	1,245	133
Dec	3,790	-365	3,425	148	-1,190	-1,043	13	0.4	36	1,271	1,320	278
2013												
Mar	3,869	-346	3,523	141	-1,298	-1,157	13	0.4	39	1,361	1,414	257
Jun	3,986	-334	3,652	131	-1,552	-1,422	13	0.03	38	1,398	1,449	27
Sep	4,072	-354	3,718	133	-1,450	-1,317	13	0.41	37	1,421	1,470	21
Dec	4,139	-355	3,784	124	-1,451	-1,327	13	0.00	32	1,465	1,510	183
2014												
Jan	4,087	-377	3,710	117	-1,419	-1,302	13	0.04	35	1,463	1,512	210
Feb	4,077	-343	3,735	118	-1,392	-1,274	13	0.04	32	1,485	1,530	256
Mar	4,190	-339	3,851	117	-1,493	-1,376	13	0.31	32	1,494	1,539	163
Apr	4,182	-348	3,834	119	-1,393	-1,274	13	0.03	33	1,496	1,541	267
May	4,264	-398	3,866	118	-1,415	-1,296	13	0.03	33	1,499	1,545	249
Jun	4,502	-317	4,185	119	-1,545	-1,425	12	0.03	31	1,506	1,550	125
Jul	4,518	-326	4,192	119	-1,581	-1,462	12	0.02	32	1,534	1,578	116
Aug	4,500	-330	4,170	121	-1,561	-1,440	12	0.02	31	1,586	1,629	189
Sep	4,351	-343	4,008	121	-1,558	-1,437	12	0.01	30	1,645	1,687	250
Oct	4,127	-345	3,783	119	-1,470	-1,351	13	0.02	30	1,658	1,701	350
Nov	4,044	-350	3,694	117	-1,466	-1,349	13	0.01	27	1,663	1,703	355
Dec	4,149	-322	3,825	113	-1,539	-1,426	14	0.01	41	1,703	1,757	331

*Part of this table is continued on the next page.
Source: Central Bank of Solomon Islands

TABLE 1.1b DEPOSITORY CORPORATIONS SURVEY (Cont.)

TABLE 1.13 DEPOSITORY CORPORATIONS SURVEY										(SBD*million)
Period	Currency Outside Depository Corp.	Broad Money Liabilities				Total	Deposits excluded from M3	Securities other than shares excluded from M3	Shares and other equity	Other Items (Net)
		Transferable Deposits	Other Deposits	Securities other than shares						
2011	481	1,392	737	0	2,610	0.26	42	750	-168	
2012	533	1,863	668	0	3,064	0.39	12	840	-214	
2013	531	2,167	746	0	3,445	0.55	12	748	-238	
2014	575	2,078	981	0	3,634	0.46	12	728	-216	
2011	418	1,124	675	0	2,217	0.26	45	889	-147	
Mar	439	1,239	687	0	2,365	0.26	44	785	-124	
Jun	434	1,340	662	0	2,435	0.26	44	690	-116	
Sep	481	1,392	737	0	2,610	0.26	42	749	-168	
Dec										
2012	480	1,428	723	0	2,631	0.38	24	793	-149	
Mar	503	1,723	697	0	2,923	0.39	12	713	-199	
Jun	489	1,811	678	0	2,978	0.39	12	794	-159	
Sep	533	1,863	668	0	3,064	0.39	12	840	-214	
Dec										
2013	511	1,941	661	0	3,113	0.54	12	834	-181	
Mar	493	1,920	743	0	3,156	0.55	12	704	-195	
Jun	474	2,066	726	0	3,266	0.55	12	754	-160	
Sep	531	2,167	746	0	3,445	0.55	12	748	-238	
Dec										
2014	513	2,157	729	0	3,399	0.45	12	705	-197	
Jan	510	2,138	723	0	3,371	0.45	12	757	-150	
Feb	457	2,097	845	0	3,399	0.45	12	813	-210	
Mar	513	2,128	849	0	3,489	0.45	12	799	-200	
Apr	537	2,141	862	0	3,540	0.45	12	764	-201	
May	548	2,128	981	0	3,657	0.45	12	786	-146	
Jun	525	2,165	1,004	0	3,695	0.45	12	769	-168	
Jul	529	2,128	1,077	0	3,734	0.45	12	767	-155	
Aug	523	2,113	1,079	0	3,715	0.45	12	713	-183	
Sep	558	2,040	1,024	0	3,621	0.46	12	714	-216	
Oct	569	2,015	1,016	0	3,600	0.46	12	717	-281	
Nov	575	2,078	981	0	3,634	0.46	12	728	-216	
Dec										

Source: Central Bank of Solomon Islands

TABLE 1.2a CENTRAL BANK SURVEY *

TABLE 1.2a CENTRAL BANK GOVERNMENT															(SBD'million)
Period	Net Foreign Assets			Claims on Other Depository Corp	Net Claims on Central Gov't			Claims on other Sectors					Total		
	Claims on Non residents	Liabilities to Non residents	Total		Claims on Central Gov't	Liabilities to Central Gov't	Total	Claims on Other Financial Corp	Claims on State and local Gov't	Claims on Public Financial Corp	Claims on Private Sector				
2012															
Mar	3,668	-255	3,413	45			82	-1,028	-946	12	3	0	6	21	
2013	3,909	-257	3,651	98			75	-1,239	-1,165	12	0	0	7	19	
2014	3,784	-244	3,540	37			69	-1,349	-1,280	12	0	0	6	19	
2012															
Mar	3,280	-256	3,024	1			101	-1,026	-925	12	0	0	5	17	
2013	3,507	-251	3,256	32			91	-1,092	-1,001	12	0	0	5	17	
Jun	3,656	-253	3,403	21			84	-1,091	-1,007	12	0	0	5	17	
Sep	3,668	-255	3,413	45			82	-1,028	-946	12	3	0	6	21	
2013															
Mar	3,649	-249	3,400	10			80	-1,161	-1,080	12	0	0	6	18	
2014	3,742	-249	3,494	30			79	-1,346	-1,267	12	0	0	6	18	
Jun	3,781	-257	3,524	0			78	-1,275	-1,197	12	0	0	7	19	
Sep	3,909	-257	3,651	98			75	-1,239	-1,165	12	0	0	7	19	
2014															
Jan	3,875	-260	3,614	8			74	-1,228	-1,154	12	0	0	7	19	
2015	3,881	-261	3,620	5			74	-1,225	-1,151	12	0	0	7	19	
Feb	3,957	-261	3,696	5			73	-1,306	-1,233	12	0	0	7	19	
Mar	3,920	-261	3,659	23			73	-1,209	-1,137	12	0	0	7	19	
2016	4,024	-258	3,766	7			72	-1,228	-1,155	12	0	0	7	19	
Jun	4,148	-256	3,892	3			72	-1,368	-1,296	12	0	0	7	19	
2017	4,148	-254	3,895	0			71	-1,389	-1,317	12	0	0	7	19	
Jul	4,164	-252	3,912	10			71	-1,377	-1,306	12	0	0	7	19	
Aug	4,071	-251	3,820	21			70	-1,381	-1,311	12	0	0	7	19	
2018	3,847	-250	3,597	51			70	-1,303	-1,233	12	0	0	7	19	
Sep	3,763	-246	3,518	4			69	-1,222	-1,153	12	0	0	6	19	
2019	3,784	-244	3,540	37			69	-1,349	-1,280	12	0	0	6	19	

*Part of this table is continued on the next page
Source: Central Bank of Solomon Islands

TABLE 1.2b CENTRAL BANK SURVEY (Cont.)

Period	Monetary Base				Other Liabilities to Other Depository Corp	Deposits and Securities Excluded from Monetray Base					Shares and Other Equity	Other Items (Net)
	Currency in Circulation	Liabilities to Other Depository Corp				Deposits included in Broad Money	Securities Other Than Shares Excluded from Broad Money			Total		
		Liabilities to Other Depository Corp	Liabilities to Other Sectors	Total			Securities Included in Broad Money	Other Than Shares Excluded from Broad Money	Deposits Excluded from Broad Money			
2011	526	1,126	7	1,660	201	25	0	0.3	42	43	153	-76
2012	599	1,447	9	2,054	357	0.3	0	0.3	12	37	228	-123
2013	603	1,424	7	2,034	602	4	0	0.5	12	16	80	-129
2014	658	1,165	5	1,828	612	3.9	0	0.5	12	17	-6	-135
2011	449	908	4	1,360	41	0.3	0	0.3	44	45	385	-65
Mar	475	928	8	1,410	151	0.3	0	0.3	42	43	258	-67
Jun	470	1,002	3	1,475	241	0.2	0	0.3	44	45	136	-71
Sep	526	1,126	7	1,660	201	25	0	0.3	42	43	153	-76
Dec												
2012	515	1,213	8	1,737	241	25	0	0.3	24	24	178	-87
Mar	543	1,398	12	1,953	273	25	0	0.3	13	37	123	-82
Jun	537	1,443	6	1,987	321	25	0	0.3	12	37	173	-84
Sep	599	1,447	9	2,054	357	0.3	0	0.3	12	37	228	-123
Dec												
2013	553	1,204	6	1,763	501	0.3	0	0.4	12	13	198	-128
Mar	540	1,259	8	1,807	537	3	0	0.4	12	15	44	-128
Jun	530	1,299	8	1,836	527	3	0	0.4	12	15	101	-134
Sep	603	1,424	7	2,034	602	4	0	0.5	12	16	80	-129
Dec												
2014	563	1,336	7	1,906	667	5.3	0	0.5	12	18	31	-135
Jan	564	1,277	5	1,846	707	4.5	0	0.5	12	17	53	-131
Feb	513	1,263	9	1,785	707	4.5	0	0.5	12	17	126	-148
Mar	575	1,294	7	1,876	712	4.2	0	0.5	12	17	104	-145
Apr	585	1,382	8	1,973	712	4.2	0	0.5	12	17	77	-143
May	611	1,326	6	1,943	702	4.2	0	0.5	12	17	98	-142
Jun	605	1,336	5	1,945	702	4.2	0	0.5	12	17	67	-134
Jul	594	1,584	6	2,184	502	4.6	0	0.5	12	17	58	-126
Aug	593	1,456	6	2,054	602	4.6	0	0.5	12	17	8	-133
Sep	621	1,324	8	1,953	602	4.6	0	0.5	12	17	-3	-135
Oct	642	1,248	7	1,896	612	3.9	0	0.5	12	16	-8	-129
Nov	658	1,165	5	1,828	612	3.9	0	0.5	12	17	-6	-135
Dec												

Source: Central Bank of Solomon Islands

TABLE 1.3a OTHER DEPOSITORY CORPORATIONS *

Period	Net Foreign Assets			Claims on Central Bank			Net Claims on Central Gov't			Claims on Other Financial Corp.	(SBD 'million)	
	Claims on Non residents	Liabilities to Non residents	Total	Currency	Reserve deposits & securities other than shares	Other Claims on Central Bank	Total	Claims on Central Gov't	Liabilities to Central Gov't			Total
2012	122	-110	12	66	1,446	357	1,870	66	-163	-97	1	
2013	231	-98	133	71	1,423	602	2,097	50	-212	162	0	
2014	365	-78	287	83	1,164	612	1,859	44	-191	-146	0	
2012												
Mar	164	-99	65	35	1,215	241	1,491	96	-182	-86	1	
Jun	216	-115	102	40	1,400	273	1,712	84	-212	-128	1	
Sep	190	-101	90	48	1,443	321	1,813	67	-172	-106	0	
Dec	122	-110	12	66	1,446	357	1,870	66	-163	-97	1	
2013												
Mar	220	-97	123	42	1,202	501	1,745	60	-137	-77	1	
Jun	244	-86	159	47	1,273	536	1,856	52	-207	-155	1	
Sep	292	97	195	55	1,299	527	1,881	55	-175	-120	1	
Dec	231	-98	133	71	1,423	602	2,097	50	-212	162	0	
2014												
Jan	212	-117	96	50	1,336	667	2,053	44	-191	-148	1	
Feb	196	-82	114	54	1,277	707	2,039	44	-167	-123	1	
Mar	233	-78	155	56	1,264	707	2,027	44	-187	-143	1	
Apr	262	-87	175	63	1,286	712	2,061	46	-184	-137	0	
May	240	-140	100	47	1,376	712	2,136	46	-187	-141	0	
Jun	354	-61	293	63	1,322	702	2,087	47	-177	-129	0	
Jul	370	-73	298	80	1,335	702	2,117	48	-193	-145	0	
Aug	336	-78	258	65	1,585	502	2,152	50	-184	-134	0	
Sep	280	-92	188	70	1,456	602	2,128	51	-177	-127	0	
Oct	280	-94	186	63	1,333	602	1,998	49	-167	-118	0	
Nov	280	-104	176	73	1,340	602	2,015	48	-245	-197	0	
Dec	365	-78	287	83	1,164	612	1,859	44	-191	-146	0	

* Part of this table is continued on the next page
Source: Central Bank of Solomon Islands

TABLE 1.3b OTHER DEPOSITORY CORPORATIONS (Cont.)

Period	Claims on Other Sectors				Liabilities to Central Bank	Transferable Deposits Included in Broad Money	Other Deposits Included in Broad Money	Securities other than Shares Included in Broad Money	Deposits Excluded from Broad Money	Shares and other Equity	(SBD'million) Other Items (Net)
	Claims on State and Local Gov't	Claims on Public Non Financial Corp	Claims on Private Sector	Total							
2011											
2011	0	0	1,216	1,217	46	1,360	737	0	0.0	597	-93
2012	0	36	1,266	1,303	45	1,854	668	0	0.0	612	-91
2013	0	32	1,458	1,491	98	2,156	746	0	0.0	667	-109
2014	0	41	1,696	1,698	38	2,070	981	0	0.0	733	-83
2011											
2011	0	0.0	1,124	1,125	18	1,119	675	0	0.0	504	-81
2012	0	0.1	1,167	1,167	13	1,231	687	0	0.0	529	-57
2013	0	0.2	1,133	1,133	5	1,336	662	0	0.0	554	-46
2014	0	0.0	1,216	1,217	46	1,360	737	0	0.0	597	-93
2012											
2012	0	0.0	1,204	1,205	1	1,395	723	0	0.1	615	-60
2013	0	0.0	1,204	1,205	32	1,686	697	0	0.1	591	-116
2014	0	3	1,225	1,228	21	1,780	678	0	0.1	622	-75
2013											
2013	0	36	1,266	1,303	45	1,854	668	0	0.1	612	-91
2014											
2014	0	39	1,356	1,396	8	1,935	661	0	0.1	637	-54
2015	0	38	1,392	1,431	30	1,909	743	0	0.1	660	-53
2016	0	37	1,414	1,452	0	2,055	726	0	0.1	653	-27
2017	0	32	1,458	1,491	98	2,156	746	0	0.1	667	-109
2014											
2014	0	35	1,456	1,493	9	2,145	729	0	0.0	674	-62
2015	0	32	1,479	1,512	5	2,128	723	0	0.0	704	-19
2016	0	32	1,487	1,520	5	2,083	845	0	0.0	688	-62
2017	0	33	1,489	1,522	23	2,116	849	0	0.0	695	-64
2018	0	33	1,492	1,526	7	2,130	862	0	0.0	687	-8
2019	0	31	1,499	1,531	3	2,118	981	0	0.0	688	-8
2020	0	32	1,527	1,558	0	2,156	1,005	0	0.0	702	-35
2021	0	31	1,579	1,609	11	2,118	1,077	0	0.0	709	-30
2022	0	30	1,638	1,667	22	2,102	1,079	0	0.0	705	-51
2023	0	30	1,651	1,680	60	2,027	1,024	0	0.0	717	-81
2024	0	27	1,657	1,699	36	2,005	1,016	0	0.0	725	-101
2025	0	41	1,696	1,698	38	2,070	981	0	0.0	733	-83

Source: Central Bank of Solomon Islands

TABLE 1.4a - SECTORAL DISTRIBUTION OF COMMERCIAL BANK CREDIT OUTSTANDING *

Period	Agriculture	Forestry	Fisheries	Mining & Quarrying	Manufacturing	Construction	Transport	Telecommunications	Distribution	(SBD'000)	
										Tourism	
2012	27,204	48,049	3,818	5,119	57,055	189,722	62,509	107,372	165,600	80,149	
2013	41,652	39,880	2,950	106	54,056	181,934	72,267	139,640	211,883	103,360	
2014	33,977	23,331	3,560	3,263	81,261	151,719	90,546	189,291	249,903	107,210	
2012											
Mar	15,377	47,312	500	8,099	62,484	165,470	89,352	100,197	206,068	78,937	
Jun	19,884	46,981	1,637	6,488	58,013	173,760	64,219	89,705	181,115	72,872	
Sep	22,149	47,619	4,168	5,311	58,707	179,297	61,631	111,732	159,322	74,087	
Dec	27,204	48,049	3,818	5,119	57,055	189,722	62,509	107,372	165,600	80,149	
2013											
Mar	27,720	45,423	3,835	2,844	67,000	193,421	65,374	144,595	172,895	82,200	
Jun	32,974	25,931	3,670	174	55,500	191,773	67,806	158,848	199,812	73,732	
Sep	39,693	41,877	3,319	163	52,501	184,961	62,157	148,949	210,834	96,775	
Dec	41,652	39,880	2,950	106	54,056	181,934	72,267	139,640	211,883	103,360	
2014											
Jan	42,089	30,842	2,814	200	51,604	180,315	69,641	138,905	217,350	102,494	
Feb	42,216	24,829	2,682	3,065	51,503	178,599	70,946	145,519	228,068	102,563	
Mar	43,100	25,343	2,549	2,171	53,274	159,030	68,152	137,774	234,975	102,064	
Apr	35,210	23,638	4,529	1,333	54,020	138,437	73,308	170,355	235,867	99,866	
May	34,701	23,050	4,192	1,309	57,378	156,019	72,648	166,946	233,571	103,511	
Jun	34,768	21,666	4,049	1,286	49,767	162,410	75,263	177,430	240,153	101,482	
Jul	34,219	22,295	3,898	2,024	57,052	160,916	73,766	184,901	234,824	106,580	
Aug	35,324	21,721	3,718	1,923	71,934	163,579	77,614	189,143	238,203	108,089	
Sep	35,881	32,919	4,286	1,910	73,260	163,878	77,161	192,345	243,063	109,442	
Oct	34,068	23,295	7,421	2,269	78,378	165,818	81,726	190,194	238,822	110,723	
Nov	33,652	22,802	3,785	1,827	81,949	163,022	84,489	185,154	238,592	108,143	
Dec	33,977	23,331	3,560	3,263	81,261	151,719	90,546	189,291	249,903	107,210	

* Part of this table is continued on the next page
Source: Central Bank of Solomon Islands

TABLE 1.4b - SECTORAL DISTRIBUTION OF COMMERCIAL BANK CREDIT OUTSTANDING (Cont.)

Period	Entertainment and Catering	Central Government	Provincial Assemblies & Local government	Statutory Corporations	Private Financial Institutions	Professional & Other Services	Personal	Non Resident	Grand TOTAL
									(SBD'000)
2011	13,469	2	-	98	151	63,466	310,280	151	1,089,391
2012	16,090	3	433	35,763	99	68,783	374,710	202	1,242,680
2013	12,165	-	0	32,275	4,730	67,063	471,918	137	1,436,016
2014	5,650	0	0	40,956	99	106,342	596,046	144	1,683,304
2011	8,816	168	194	182	76	67,278	304,413	211	1,056,386
Mar	8,700	1	8	269	2,493	63,848	306,929	220	1,065,541
Jun	14,246	0	-	108	154	59,330	310,110	140	1,061,861
Sep	13,469	2	-	98	151	63,466	310,280	151	1,089,391
Dec									
2012	12,659	0	0	424	79	63,521	312,252	89	1,170,179
Mar	16,561	0	0	370	191	67,591	332,389	152	1,131,928
Jun	16,051	8	0	2,926	99	69,117	358,022	320	1,171,133
Sep	16,090	3	433	35,763	99	68,783	374,710	202	1,242,680
Dec									
2013	15,963	0	392	38,799	97	65,974	403,395	222	1,330,149
Mar	16,058	2	1	38,090	94	67,865	416,057	269	1,348,657
Jun	12,958	3,128	400	36,671	89	70,543	434,480	362	1,399,860
Sep	12,165	-	0	32,275	4,730	67,063	471,918	137	1,436,016
Dec									
2014	11,880	4	0	34,384	97	89,176	466,243	134	1,438,172
Jan	12,019	1	0	32,130	87	83,293	480,732	130	1,458,382
Feb	11,534	0	284	32,311	95	97,252	496,792	304	1,467,004
Mar	7,944	0	0	33,200	100	89,208	480,028	121	1,467,164
Apr	7,585	0	0	33,217	89	87,550	478,984	106	1,460,856
May	7,542	0	0	31,162	68	84,679	482,179	713	1,474,617
Jun	7,143	0	0	31,560	100	89,372	493,045	103	1,501,798
Jul	6,839	0	0	30,869	98	92,855	512,865	100	1,554,874
Aug	5,784	0	0	30,239	101	98,383	543,432	100	1,612,184
Sep	5,710	0	0	29,644	89	103,199	558,366	88	1,629,810
Oct	5,547	0	0	27,420	98	102,811	575,408	92	1,634,791
Nov	5,650	6	0	40,956	99	106,342	596,046	144	1,683,304
Dec									

Source: Central Bank of Solomon Islands

TABLE 1.5. - OTHER DEPOSITORY CORPORATIONS LIQUID ASSETS POSITION

Period	ELIGIBLE RESERVE ASSETS			Total	REQUIRED RESERVE ASSETS	OTHER LIQUID ASSETS	SURPLUS/DEFECIT)
	Till Cash	Balance with CBSI	Government Securities				
					Required Liquidity	CBSI Securities	
2011							
2012							
2013							
2014							
	45,287	1,125,909	-	1,125,909	159,355	199,853	962,086
	65,908	1,446,449	-	1,446,449	198,622	355,873	1,250,687
	71,017	1,423,681	-	1,423,681	217,611	599,817	1,206,070
	82,809	1,163,802	-	1,163,802	228,370	609,831	935,432
2011							
2012							
2013							
2014							
	30,446	907,775	-	907,775	138,863	39,969	768,912
	35,337	927,606	-	927,606	151,329	149,885	776,277
	36,566	1,001,749	-	1,001,749	157,533	239,816	844,216
	45,287	1,125,909	-	1,125,909	163,823	199,853	962,086
2012							
2013							
2014							
	34,499	1,213,354	-	1,213,354	170,533	240,094	1,040,446
	39,601	1,398,291	-	1,398,291	186,213	239,985	1,211,532
	48,029	1,445,543	-	1,445,543	194,174	319,859	1,248,899
	65,908	1,446,449	-	1,446,449	198,622	355,873	1,250,687
2013							
2014							
	41,100	1,204,330	-	1,204,330	202,337	499,832	1,001,992
	46,298	1,258,565	-	1,258,565	209,570	534,784	1,048,996
	55,289	1,298,608	-	1,298,608	208,632	524,783	1,089,977
	71,017	1,423,681	-	1,423,681	217,611	599,817	1,206,070
2014							
2015							
	49,694	1,336,310	-	1,336,310	227,974	664,747	1,108,336
	53,849	1,250,041	-	1,250,041	219,660	704,726	1,030,381
	55,658	1,263,651	-	1,263,651	226,899	704,829	1,036,752
	62,170	1,285,656	-	1,285,656	229,223	709,821	1,056,433
	46,783	1,376,073	-	1,376,073	231,805	709,814	1,144,268
	62,156	1,322,289	-	1,322,289	226,927	699,813	1,095,362
	78,961	1,334,748	-	1,334,748	233,743	699,811	1,101,005
	64,438	1,584,482	-	1,584,482	236,622	499,813	1,347,860
	69,716	1,455,580	-	1,455,580	217,168	599,813	1,238,412
	62,809	1,323,422	-	1,323,422	233,019	599,813	1,090,403
	72,206	1,340,072	-	1,340,072	230,533	599,813	1,109,539
	82,809	1,163,802	-	1,163,802	228,370	609,831	935,432

Note: As of November 2008, till cash no longer considered as liquid asset.
Source: Central Bank of Solomon Islands

TABLE 1.6 - OTHER DEPOSITORY CORPORATIONS CLEARING

Period	(SBD million)											
	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
2007												
Value	390.08	284.84	349.43	300.38	367.52	315.32	311.17	469.476	98.4	399.0	416.3	469.0
Daily Average	17.73	14.24	15.88	16.69	15.98	15.77	14.14	20.412	4.92	17.3	18.1	22.3
2008												
Value	453.42	308.4	351.6	351.6	405.4	426.04	475.6	641.2	463.6	375.86	474.1	499.58
Daily Average	20.61	15.42	17.58	17.58	20.27	21.30	23.78	32.06	23.18	18.79	23.7	24.98
2009												
Value	543.90	352.00	422.00	373.76	498.76	402.21	495.77	412.93	474.00	576.52	404.33	553.81
Daily Average	25.9	17.6	21.1	19.7	20.0	20.3	21.2	20.51	20.6	23.6	16.7	30.0
2010												
Value	453.10	435.33	488.14	496.52	511.37	471.5	602.82	445.06	681.72	649.03	485.38	680.83
Daily Average	26.55	20.93	24.01	23.91	26.06	23.75	24.23	23.66	36.96	25.52	23.83	32.9
2011												
Value	493.37	496.78	524.21	672.13	545.74	650.54	589.39	660.31	743.77	596.73	585.61	841.81
Daily Average	27.13	25.21	27.18	22.84	20.39	37.73	28.7	32.8	29.11	29.27	28.78	34.11
2012												
Value	576.01	481.12	457.87	580.17	657.48	898.72	749.46	833.07	731.78	714.08	811.74	780.58
Daily Average	34.08	22.03	27.04	28.94	31.77	40.24	38.20	32.74	35.57	35.17	35.59	20.74
2013												
Value	670.65	704.11	841.03	689.33	1001.90	1110.47	736.10	997.10	779.63	913.33	815.83	923.61
Daily Average	40.75	36.59	32.18	33.03	39.81	53.5	35.8	37.31	36.31	35.60	37.20	45.29
2014												
Value	897.78	830.84	1034.48	786.78	969.69	943.24	788.62	1180.71	903.06	1227.95	895.24	1062.89
Daily Average	47.11	32.76	37.24	39.77	37.06	46.32	38.56	46.40	43.66	44.71	45.94	52.76

Source: Central Bank of Solomon Islands.

TABLE 1.7 - DETAILS OF CURRENCY IN CIRCULATION

Period	(1) Total Currency in Circulation Outside CBSI	(2) Currency held in ODCs	(3) Currency in active Circulation (1-2)	(SBD'000)
2012	599,212	66,382	533,830	
2013	602,516	71,017	531,499	
2014	658,257	82,809	575,448	
2012				
Mar	515,441	34,977	480,463	
Jun	542,967	39,601	503,366	
Sep	537,150	48,029	489,122	
Dec	599,212	66,382	532,830	
2013				
Mar	552,828	41,574	511,254	
Jun	540,246	46,772	493,474	
Sep	529,500	55,289	474,211	
Dec	602,516	71,017	531,499	
2014				
Jan	562,948	49,694	513,254	
Feb	564,093	53,849	510,244	
Mar	513,329	55,658	457,671	
Apr	575,259	62,170	513,089	
May	584,468	46,783	537,685	
Jun	610,870	62,156	548,714	
Jul	604,922	78,961	525,961	
Aug	628,834	64,438	564,396	
Sep	626,505	69,716	556,789	
Oct	621,297	62,809	558,488	
Nov	641,618	72,206	569,412	
Dec	658,257	82,809	575,448	

Note : ODCs includes Credit Unions
Source: Central Bank of Solomon Islands

TABLE 1.8 - VALUE OF CURRENCY IN CIRCULATION BY DENOMINATION ISSUED BY CENTRAL BANK

TABLE 1.3 - VALUE OF CURRENCY IN CIRCULATION BY DENOMINATION ISSUED BY CENTRAL BANK																	(SBD'000)
Period	NOTES								COINS							TOTAL NOTES & COINS	
	\$100	\$50	\$20	\$10	\$5	\$2	TOTAL	\$ 2	\$1	50c	20c	10c	5c	2c	1c		TOTAL
2011	416929	53661	15760	12988	7103	7674	514115		4791	3056	2323	1650	477	75	58	12430	526545
2012	489770	53195	15187	12908	7300	6733	585093	1594	4430	2815	2008	1613	473	75	58	11472	596565
2013	506727	47027	16640	13684	7588	4792	596458	6584	3996	2184	711	373	0	0	0	13848	610306
2014	503272	119316	19039	15057	8469	4146	669299	8755	5000	2601	882	458	0	0	0	17796	687095
2011																	
Mar	348559	49505	14092	11859	6129	7524	437668		4352	2655	2198	1589	474	75	58	11401	449069
Jun	370314	51816	14870	12464	6510	7332	463306		4489	2774	2241	1614	475	75	58	11726	475032
Sep	367541	48791	15073	12566	6796	7523	458290		4648	2930	2284	1629	476	75	58	12100	470390
Dec	416929	53661	15760	12988	7103	7674	514115		4791	3056	2323	1650	477	75	58	12430	526545
2012																	
Mar	410158	51234	14759	12244	6918	7696	503009		4884	3149	2340	1659	477	75	58	12642	515651
Jun	431438	53558	15891	12800	7227	8060	528974		4946	3199	2351	1664	477	75	58	12770	541744
Sep	430867	50675	15368	12624	7149	7530	524213		6240	4880	3234	1711	476	76	58	16675	540888
Dec	489770	53195	15187	12908	7300	6733	585093	1594	4430	2815	2008	1613	473	75	58	11472	596565
2013																	
Mar	453361	46388	15053	12715	7223	6032	540772	3013	2006	1288	454	256	0	0	0	7017	547790
Jun	441162	40524	16321	13551	7683	5599	524840	4503	2928	1743	574	316	0	0	0	10064	534904
Sep	447305	35692	16718	13541	7625	5150	526031	5754	3601	2037	660	355	0	0	0	12407	538438
Dec	506727	47027	16640	13684	7588	4792	596458	6584	3996	2184	711	373	0	0	0	13848	610306
2014																	
Jan	469579	44961	16397	13547	7539	4692	556715	6696	4052	2192	717	374	0	0	0	14031	570746
Feb	473955	41386	16637	13485	7529	4610	557602	6844	4118	2215	721	375	0	0	0	14273	571875
Mar	491848	40229	17200	13700	7710	4487	575174	7054	4202	2238	742	389	0	0	0	14625	589799
Apr	503429	45829	17729	13832	7762	4406	592987	7303	4346	2281	752	393	0	0	0	15075	608062
May	502928	54588	18248	13953	7840	4361	601918	7479	4431	2320	771	402	0	0	0	15403	617321
Jun	512366	65139	18618	13997	7940	4312	622372	7669	4521	2348	782	409	0	0	0	15729	638101
Jul	506889	67447	18192	13954	7964	4275	618721	7917	4665	2431	812	424	0	0	0	16249	634970
Aug	491792	74328	18583	14018	8001	4247	610969	8062	4755	2467	821	427	0	0	0	16532	627501
Sep	494099	73212	18551	14223	8090	4218	612393	8215	4835	2503	838	435	0	0	0	16826	629219
Oct	493839	97842	18982	14653	8235	4190	637740	8427	4928	2532	848	440	0	0	0	17174	654914
Nov	497787	107194	18775	14857	8338	4166	651118	8574	5008	2556	852	444	0	0	0	17435	668553
Dec	503272	119316	19039	15057	8469	4146	669299	8755	5000	2601	882	458	0	0	0	17796	687095

Source: Central Bank of Solomon Islands

TABLE 1.9 - OTHER DEPOSITORY CORPORATIONS INTEREST RATES ON DEPOSITS

T I M E D E P O S I T S															(%)
Period	SAVINGS DEPOSITS		Up to 3 months		3 months to 6 months		6 months to 1 year		1 year to 2 years		2 years to 3 years		3 years to 5 years		Weighted Ave. rate of Interest on Deposits
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	
2012															
Mar	0.01	2.50	0.25	4.50	0.25	9.00	0.25	10.00	0.25	9.50	0.25	3.50	0.00	0.00	1.34
Jun	0.01	2.50	0.20	9.00	0.25	10.00	0.25	9.00	0.25	9.50	0.25	3.50	0.00	0.00	1.13
Sep	0.20	2.50	0.05	10.00	0.05	9.00	0.25	9.00	0.25	9.50	0.25	1.50	0.00	0.00	0.69
Dec	0.01	2.50	0.05	9.00	0.05	9.00	0.05	9.00	0.25	9.50	0.05	9.00	0.00	0.00	0.65
2013															
Mar	0.01	2.5	0.05	5.00	0.05	9.00	0.05	9.50	0.10	9.00	0.25	2.25	0.00	0.00	0.28
Jun	0.20	3.00	0.05	9.00	0.05	9.50	0.05	8.00	0.10	9.00	0.25	1.00	0.00	0.00	0.20
Sep	0.20	2.50	0.05	5.00	0.05	3.00	0.05	3.50	0.10	3.00	0.25	1.00	0.00	0.00	0.20
Dec	0.20	2.50	0.05	3.00	0.05	3.00	0.05	3.50	0.10	3.00	0.25	1.00	0.00	0.00	0.21
2014															
Jan	0.01	2.50	0.01	3.00	0.05	3.00	0.05	5.00	0.10	3.00	0.10	3.00	1.00	1.00	0.21
Feb	0.01	2.50	0.05	3.00	0.05	3.00	0.05	3.50	0.15	5.00	0.25	2.25	1.00	1.00	0.20
Mar	0.01	2.50	0.01	3.00	0.01	3.50	0.05	3.00	0.20	5.00	0.25	3.00	1.00	1.00	0.18
Apr	0.01	2.50	0.05	3.00	0.01	3.50	0.15	3.00	0.20	5.00	0.25	0.75	1.00	1.00	0.19
May	0.01	2.50	0.05	3.00	0.01	3.50	0.15	3.00	0.20	5.00	0.25	3.00	1.00	2.25	0.19
Jun	0.01	2.50	0.01	4.05	0.01	5.00	0.01	3.00	0.10	3.00	0.25	3.00	1.00	1.00	0.21
Jul	0.01	2.50	0.01	4.05	0.01	5.00	0.01	3.00	0.10	3.00	0.25	3.00	1.00	1.00	0.19
Aug	0.01	2.50	0.01	4.05	0.01	5.00	0.01	3.00	0.10	3.00	0.25	3.00	1.00	1.00	0.24
Sep	0.01	2.50	0.01	4.05	0.01	3.00	0.01	3.00	0.10	3.00	0.25	2.25	0.75	2.50	0.33
Oct	0.01	2.50	0.01	5.00	0.01	3.00	0.01	2.50	0.25	3.00	0.01	2.25	0.75	2.50	0.33
Nov	0.01	2.50	0.01	5.00	0.01	3.00	0.01	3.00	0.25	3.00	0.01	2.25	0.75	2.50	0.34
Dec	0.01	2.50	0.01	5.00	0.01	2.25	0.01	3.00	0.10	3.00	0.01	2.25	0.75	2.50	0.35

Source: Central Bank of Solomon Islands

TABLE 1.10 a - OTHER DEPOSITORY CORPORATIONS INTEREST RATES ON LOANS AND OVERDRAFTS *

Period	Manufacturing		Agriculture		Forestry		Fisheries		Mining & Quarrying		Construction		Distribution		Tourism		Total (%)
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	
2011	8.00	23.00	9.00	23.00	0.00	n.a	10.5	22.00	n.a	n.a	n.a	n.a	5.70	n.a	n.a	n.a	2011
	8.75	23.00	4.05	23.00	8.50	22.00	14.50	22.00	8.50	14.50	7.00	23.00	4.05	23.00	7.25	23.00	
	8.00	23.00	3.6	23.00	8.50	22.00	14.50	23.00	7.00	22.00	6.75	26.00	4.05	23.00	7.25	23.00	
	7.50	27.00	4.05	27.00	7.50	22.00	22.00	23.00	8.50	22.00	6.63	22.00	4.05	27.00	7.25	22.00	
2011	4.00	24.50	11.00	24.50	n.a	n.a	0.25	22.00	n.a	n.a	n.a	n.a	7.75	n.a	n.a	n.a	2011
	9.00	24.50	11.00	24.50	n.a	n.a	4.00	24.50	n.a	n.a	n.a	n.a	7.75	n.a	n.a	n.a	
	10.25	24.50	9.00	24.50	n.a	n.a	16.00	22.00	n.a	n.a	n.a	n.a	7.75	n.a	n.a	n.a	
	8.00	23.00	9.00	23.00	n.a	n.a	10.50	22.00	n.a	n.a	n.a	n.a	5.70	n.a	n.a	n.a	
2012	4.50	23.00	9.00	23.00	4.50	23.00	0.00	0.00	8.50	17.00	7.00	23.00	5.70	23.00	8.25	23.00	2012
	8.75	22.00	9.00	23.00	8.50	22.00	22.00	22.00	8.50	22.00	7.00	23.00	6.00	29.00	8.25	23.00	
	8.75	23.00	9.00	20.50	8.50	22.00	14.50	23.00	8.50	22.00	5.95	23.00	4.50	23.00	8.25	23.00	
	8.75	23.00	4.05	23.00	8.50	22.00	14.50	22.00	8.50	19.50	7.00	23.00	4.05	23.00	7.25	23.00	
2013	8.75	23.00	4.05	23.00	9.00	22.00	14.50	23.00	8.50	19.50	7.00	23.00	4.05	23.00	7.25	23.00	2013
	8.75	23.00	4.05	23.00	9.00	22.00	14.50	23.00	12.25	22.00	7.00	23.00	4.05	23.00	7.25	23.00	
	8.75	23.00	4.05	23.00	7.50	22.00	14.50	23.00	7.00	22.00	7.00	23.00	4.05	23.00	7.25	23.00	
	8.00	23.00	3.6	23.00	9.00	22.00	14.50	23.00	7.00	17.50	6.75	23.00	4.05	23.00	7.25	23.00	
2014	8.00	23.00	4.05	27.00	7.50	22.00	14.50	23.00	7.00	22.00	6.75	23.00	4.05	27.00	7.25	25.50	2014
	8.00	23.00	4.05	27.00	7.50	22.00	14.50	23.00	9.50	27.00	6.75	23.00	4.05	27.00	7.25	25.50	
	6.50	23.00	4.05	27.00	7.50	22.00	14.50	23.00	9.50	27.00	6.75	23.00	4.05	27.00	7.25	22.00	
	6.50	27.00	4.05	27.00	7.50	22.00	10.00	23.00	9.50	27.00	6.75	25.50	4.05	27.00	7.25	22.00	
	6.50	27.00	4.05	27.00	7.50	22.00	10.00	23.00	9.50	27.00	6.75	25.50	4.05	27.00	7.25	22.00	
	6.50	27.00	4.05	27.00	7.50	22.00	10.00	23.00	9.50	27.00	6.75	25.50	4.05	27.00	7.25	22.00	
	6.50	27.00	4.05	27.00	7.50	22.00	10.00	23.00	6.00	27.00	6.75	25.50	4.05	27.00	7.25	22.00	
	6.50	27.00	4.05	27.00	7.50	22.00	14.50	23.00	6.00	27.00	6.75	25.50	4.05	27.00	7.25	22.00	
	6.50	27.00	4.05	27.00	7.50	22.00	22.00	23.00	6.00	27.00	6.75	25.50	4.05	27.00	7.25	22.00	
	6.50	27.00	4.05	27.00	7.50	22.00	22.00	23.00	8.50	22.00	6.75	22.00	4.05	27.00	7.25	22.00	
	7.50	27.00	4.05	27.00	7.50	22.00	22.00	23.00	8.50	22.00	6.75	22.00	4.05	27.00	7.25	22.00	
	7.50	27.00	4.05	27.00	7.50	22.00	22.00	23.00	8.50	22.00	6.63	22.00	4.05	27.00	7.25	22.00	

* Part of this table is continued on the next page.
Source: Central Bank of Solomon Islands

TABLE 1.10 b - OTHER DEPOSITORY CORPORATIONS INTEREST RATES ON LOANS AND OVERDRAFTS (cont.)

Period	Transportation		Communication		Entertainment & Catering		Private Financial Institution		Professional & other Services		Personal		Non-residents		Weighted Average IRs on all Loans & Advances (%)
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	
2012															
Mar	6.00	23.00	7.00	16.50	9.00	22.00	8.00	10.50	7.00	23.00	3.60	23.00	n.a	Max	11.17
2013															
Jun	6.00	23.00	6.85	20.50	6.00	22.00	11.50	22.00	4.05	23.00	4.05	23.00	n.a	17.50	12.36
2014															
Dec	7.50	22.00	6.75	22.00	4.05	25.50	13.50	22.00	4.05	23.00	4.05	27.00	15.00	22.00	11.06
2012															
Mar	6.00	23.00	8.50	20.50	9.75	23.00	17.00	22.00	7.00	23.00	3.60	23.00	n.a	n.a	10.20
Jun	6.00	23.00	8.50	22.00	9.75	22.00	10.00	19.75	7.00	23.00	3.60	23.00	n.a	n.a	11.38
2013															
Sep	6.00	22.00	7.00	22.00	9.75	22.00	10.50	10.50	7.00	23.00	3.60	23.00	n.a	n.a	11.25
Dec	6.00	23.00	7.00	16.50	9.00	22.00	8.00	10.50	7.00	23.00	3.60	23.00	n.a	n.a	11.17
2013															
Mar	8.00	22.00	7.00	16.50	9.00	23.00	11.50	22.00	7.00	29.00	3.60	23.00	6.20	19.50	10.96
Jun	8.00	22.00	7.00	16.50	9.00	22.00	11.50	22.00	7.00	23.00	3.60	23.00	6.20	19.75	11.20
2014															
Sep	8.00	22.00	7.00	19.50	9.00	22.00	11.50	11.50	4.05	23.00	3.60	27.50	9.95	19.50	10.44
Dec	4.05	22.00	6.85	20.50	4.05	22.00	11.50	22.00	4.05	23.00	4.05	34.00	15.00	17.50	12.36
2014															
Jan	8.00	23.00	6.85	20.50	4.05	22.00	11.50	22.00	4.05	23.00	4.05	34.00	15.00	22.00	10.98
Feb	8.00	22.00	6.85	20.50	4.05	22.00	11.50	22.00	4.05	23.00	4.05	33.50	15.00	22.00	10.95
2013															
Mar	8.00	22.00	6.85	20.50	4.05	27.00	11.50	22.00	4.05	23.00	4.05	33.50	15.00	22.00	10.35
Apr	8.00	23.00	6.85	17.22	4.05	27.00	11.50	11.50	4.05	25.00	4.05	33.50	15.00	22.00	10.94
2014															
May	4.05	23.00	6.85	20.50	4.05	27.00	13.50	22.00	4.05	25.00	4.05	32.00	15.00	22.00	10.92
Jun	4.05	23.00	6.85	20.50	4.05	27.00	13.50	22.00	4.05	25.00	4.05	32.00	15.00	22.00	10.85
2013															
Jul	8.00	23.00	6.75	20.50	4.05	27.00	13.50	22.00	4.05	25.00	4.05	32.00	15.00	22.00	10.77
Aug	8.00	23.00	6.75	20.50	4.05	27.00	13.50	22.00	4.05	25.00	4.05	32.00	15.00	22.00	10.75
2014															
Sep	8.00	23.00	6.75	20.50	4.05	27.00	13.50	22.00	4.05	25.00	4.05	32.00	15.00	22.00	10.78
Oct	7.50	22.00	6.75	22.00	9.75	27.00	13.50	22.00	6.63	23.00	3.60	36.25	15.00	22.00	11.12
2013															
Nov	7.50	22.00	6.75	22.00	4.05	25.50	13.50	22.00	4.05	23.00	4.05	32.00	15.00	22.00	11.08
Dec	7.50	22.00	6.75	22.00	4.05	25.50	13.50	22.00	4.05	23.00	4.05	27.00	15.00	22.00	11.06

Source: Central Bank of Solomon Islands

TABLE 1.11 - COMPARATIVE TREASURY BILL RATES

Period	Solomon Islands	Fiji	Papua New Guinea	Australia	New Zealand	(Percent)	
						U.S.A	United Kingdom
2011	2.42	n.a	3.87	4.01	n.a	0.02	0.30
2012	0.66	n.a	1.95	n.a	2.46	0.08	0.25
2013	0.34	0.10	2.52	n.a	2.49	0.07	0.28
2014	0.48	2.47	4.66	n.a	3.50	0.04	0.41
2011							
Mar	2.59	3.50	4.27	4.75	2.50	0.11	0.56
Jun	2.60	2.43	4.31	4.74	2.50	0.04	0.52
Sep	2.54	n.a	4.23	4.36	2.40	0.02	0.46
Dec	2.42	n.a	3.87	4.01	n.a	0.02	0.30
2012							
Mar	2.19	0.80	2.90	4.18	2.43	0.09	0.43
Jun	1.50	n.a	0.00	3.20	2.47	0.09	0.34
Sep	1.00	0.43	2.75	3.35	2.51	0.10	0.25
Dec	0.66	0.28	1.95	2.96	2.46	0.08	0.25
2013							
Mar	0.40	0.20	1.90	2.93	2.35	0.09	0.34
Jun	0.48	0.15	2.16	n.a	2.27	0.05	0.31
Sep	0.39	0.09	2.14	n.a	2.49	0.02	0.29
Dec	0.34	0.10	2.52	n.a	2.49	0.07	0.29
2014							
Jan	0.18	0.34	2.77	n.a	2.68	0.05	0.33
Feb	0.46	0.30	2.95	n.a	2.68	0.06	0.36
Mar	0.19	0.39	3.33	n.a	2.86	0.05	0.39
Apr	0.16	0.35	3.53	n.a	3.16	0.04	0.37
May	0.15	0.30	3.81	n.a	3.20	0.03	0.28
Jun	0.13	0.30	4.10	n.a	3.39	0.03	0.36
Jul	0.11	2.02	4.28	n.a	3.45	0.03	0.43
Aug	0.10	1.20	4.49	n.a	3.45	0.03	0.40
Sep	0.10	1.20	4.27	n.a	3.46	0.02	0.44
Oct	0.20	1.72	4.55	n.a	3.48	0.02	0.40
Nov	0.49	2.04	4.60	n.a	3.51	0.02	0.41
Dec	0.48	2.47	4.66	n.a	3.50	0.04	0.41

Source: International Financial Statistics, IMF.

TABLE 1.12 - ASSETS AND LIABILITIES OF CREDIT CORPORATION OF SOLOMON ISLANDS

TABLE III ASSETS AND LIABILITIES OF CREDIT CO-OPERATION OF CO-OPERATIVE BANKS													(SBD'000)
End of Period	SI Cash	A S S E T S					L I A B I L I T I E S					TOTAL ASSETS= TOTAL LIABILITIES	
		Treasury Bills	Due from Com. Banks	Loans and Advances	Other Domestic Assets	Foreign Assets	Time Deposits	Due to Com. Bank	Capital and Reserves	Other Liabilities	Foreign Liabilities		
2012	2	-	2,262	80,741	4,122	-	50,445	-	30,686	5,996	-	87,127	
2013	5	-	9,299	102,401	4,680	-	72,302	-	33,788	10,295	-	116,385	
2014	5	-	7,551	121,605	5,334	-	88,272	-	38,141	8,082	-	134,495	
2012													
Mar	2	-	12,740	52,811	3,747	-	39,037	-	26,076	4,187	-	69,300	
Jun	2	-	887	69,671	4,779	-	38,428	-	31,297	5,614	-	75,339	
Sep	2	-	3,830	78,014	4,219	-	44,845	-	34,053	7,167	-	86,065	
Dec	2	-	2,262	80,741	4,122	-	50,445	-	30,686	5,996	-	87,127	
2013													
Mar	2	-	7,193	87,610	4,162	-	55,274	-	33,464	10,229	-	98,967	
Jun	2	-	7,935	91,590	3,738	-	60,100	-	35,565	7,809	-	103,474	
Sep	5	-	4,961	96,328	4,103	-	60,931	-	37,774	7,092	-	105,797	
Dec	5	-	9,299	102,401	4,680	-	72,302	-	33,788	10,295	-	116,385	
2014													
Jan	5	-	10,048	103,042	4,910	-	75,434	-	34,313	8,258	-	118,005	
Feb	5	-	10,265	104,529	4,839	-	75,948	-	36,812	6,878	-	119,638	
Mar	5	-	7,796	107,923	4,867	-	76,298	-	37,345	6,948	-	120,591	
Apr	5	-	9,596	108,392	4,687	-	77,018	-	38,090	7,572	-	122,680	
May	5	-	15,543	107,351	4,759	-	81,183	-	38,317	8,158	-	127,658	
Jun	5	-	15,059	109,215	5,110	-	82,380	-	38,946	8,063	-	129,389	
Jul	5	-	15,951	108,554	5,033	-	80,799	-	39,937	8,807	-	129,543	
Aug	5	-	15,419	111,979	5,116	-	83,597	-	40,762	8,160	-	132,519	
Sep	5	-	13,227	113,440	4,860	-	81,685	-	41,869	7,978	-	131,532	
Oct	5	-	7,577	120,952	5,169	-	77,998	-	42,683	13,022	-	133,703	
Nov	5	-	16,533	120,365	5,262	-	85,259	-	43,469	13,437	-	142,165	
Dec	5	-	7,551	121,605	5,334	-	88,272	-	38,141	8,082	-	134,495	

Source: Central Bank of Solomon Islands

TABLE 1.13 - ASSETS AND LIABILITIES OF THE SOLOMON ISLANDS NATIONAL PROVIDENT FUND

TABLE 11.0 - ASSETS AND LIABILITIES OF THE JOSEPHSON ISLANDS NATIONAL PROVIDENT FUND																				(SBD'000)
End of Period	A S S E T S							L I A B I L I T I E S												
	Banks			S.I.G		Other Loans				Other Liabilities						Total Liabl.				
	Cash	Term Deposit	Treas. Bills	Treas. Bonds	Restruct. Bonds	Other Bonds	Total	Members	Provin. Govt.	Statut. Author.	Staff Loans	Equity Shares	Fixed Assets	Other Assets	Total Assets		Members Contr. Ac.	General Reserve Funds	Accum. Liabl.	
2011	2,800	548,716	14,754	48,635	30,606	10,292	104,287	14,377	-	4,089	2,767	300,648	187,155	56,339	1,324,913	1,213,608	49,578	39,647	22,080	1,324,913
2012	940	674,956	13,810	26,040	26,040	6,040	71,930	11,493	-	74,305	11,493	333,685	265,364	99,474	1,555,401	1,402,397	110,739	21,796	20,469	1,555,401
2013	113	641,584	21,557	31,500	53,545	-	106,602	9,845	-	74,528	9,845	1,182,885	314,509	116,932	2,467,065	1,763,086	658,578	16,622	28,779	2,467,065
2014	199	681,963	13,654	31,500	40,825	-	85,979	8,614	-	108,052	8,614	1,285,346	365,782	147,733	2,683,668	2,099,437	515,529	23,548	45,154	2,683,668
2011	2,895	481,755	10,262	50,990	34,569	11,710	107,531	16,432	-	100,353	3,567	314,047	141,635	34,292	1,198,940	1,061,871	40,639	75,162	21,268	1,198,940
Mar	2,800	509,003	5,860	50,009	33,944	11,226	101,039	15,841	-	100,432	3,449	299,840	148,982	84,614	1,262,551	1,150,935	40,297	50,430	20,889	1,262,551
Jun	2,800	539,421	8,859	49,845	31,795	10,790	101,289	15,152	-	100,510	3,129	287,563	169,498	68,211	1,284,444	1,180,360	49,556	32,811	21,717	1,284,444
Sep	2,800	548,716	14,754	48,635	30,606	10,292	104,287	14,377	-	110,591	2,767	300,648	187,155	56,339	1,324,913	1,213,608	49,578	39,647	22,080	1,324,913
Dec	280	584,022	15,248	46,906	29,401	9,784	101,339	13,624	-	127,482	2,551	306,364	195,258	44,694	1,373,063	1,252,208	49,601	48,935	22,319	1,373,063
2012	280	607,318	21,358	20,000	79,459	6,040	126,857	12,910	-	97,374	2,361	322,286	242,142	85,829	1,494,996	1,337,230	116,763	20,768	31,817	1,494,996
Jun	990	642,743	13,887	20,000	69,735	6,040	109,662	12,231	-	97,512	12,231	331,897	256,780	75,687	1,527,502	1,369,083	117,903	20,598	19,918	1,527,502
Sep	940	674,956	13,810	26,040	26,040	6,040	71,930	11,493	-	97,559	11,493	333,685	265,364	99,474	1,555,401	1,402,397	110,739	21,796	20,469	1,555,401
Dec	3,549	694,483	17,396	26,040	63,332	-	106,768	10,983	-	97,043	10,983	362,930	269,804	37,444	1,583,004	1,437,766	103,809	23,045	18,384	1,583,004
2013	1,321	547,008	23,509	51,500	60,442	-	135,451	10,582	-	96,636	10,582	1,184,212	303,744	135,894	2,414,848	1,699,395	673,515	14,407	27,531	2,414,848
Mar	4,416	608,760	20,216	31,500	57,173	-	108,889	10,261	-	96,336	10,261	1,183,530	308,072	123,500	2,443,764	1,731,948	668,164	14,920	28,732	2,452,951
Sep	113	641,584	21,557	31,500	53,545	-	106,602	9,845	-	94,595	9,845	1,182,885	314,509	116,932	2,467,065	1,763,086	658,578	16,622	28,779	2,467,065
Dec	3	659,597	21,836	31,500	52,440	-	105,776	9,707	-	94,092	9,707	1,179,767	314,492	110,466	2,473,900	1,780,915	646,354	17,205	29,426	2,473,900
2014	520	662,350	23,067	31,500	51,339	-	105,906	9,588	-	93,576	9,588	1,181,906	314,839	106,987	2,475,672	1,784,569	643,053	17,786	30,264	2,475,672
Feb	3	679,052	25,808	31,500	50,572	-	107,880	9,447	-	93,021	9,447	1,178,571	317,155	157,667	2,542,796	1,800,401	692,208	18,373	31,814	2,542,796
Mar	408	696,497	22,521	31,500	49,136	-	103,157	9,223	-	92,502	9,223	1,177,186	317,565	159,425	2,555,963	1,815,538	691,077	18,959	30,389	2,555,963
Apr	613	730,763	20,372	31,500	48,017	-	99,889	9,200	-	91,493	9,200	1,175,057	319,488	147,643	2,574,146	1,832,636	691,969	19,547	29,994	2,574,146
May	1,328	759,266	19,593	31,500	46,907	-	98,000	9,097	-	90,891	9,097	1,183,102	352,831	165,666	2,660,181	2,053,867	530,744	19,888	55,682	2,660,181
Jun	3	774,528	17,354	31,500	45,790	-	94,644	9,008	-	90,296	9,008	1,188,655	352,603	163,304	2,673,041	2,064,133	527,737	20,480	60,691	2,673,041
Jul	1,177	791,083	15,801	31,500	44,774	-	92,075	8,962	-	89,742	8,962	1,186,162	353,969	152,355	2,675,525	2,073,783	535,206	22,294	44,242	2,675,525
Aug	3,459	794,907	15,633	31,500	43,756	-	90,889	8,934	-	89,181	8,934	1,184,639	354,386	151,114	2,677,509	2,083,319	527,809	21,729	44,652	2,677,509
Sep	227	678,763	17,265	31,500	42,975	-	91,740	8,772	-	88,582	8,772	1,285,008	355,245	167,246	2,675,583	2,082,175	525,180	22,339	45,889	2,675,583
Oct	2,256	686,422	14,019	31,500	42,191	-	87,710	8,586	-	88,284	8,586	1,285,079	359,221	156,763	2,674,321	2,088,524	520,229	22,944	42,624	2,674,321
Nov	199	681,963	13,654	31,500	40,825	-	85,979	8,614	-	108,052	8,614	1,285,346	365,782	147,733	2,683,668	2,099,437	515,529	23,548	45,154	2,683,668
Dec																				

Source: Solomon Islands National Provident Fund

TABLE 1.14 - BALANCE OF PAYMENTS & INTERNATIONAL POSITION STATISTICS SUMMARY

	2010	2011	2012 [r]	2013 [r]	2014 [p]	Q114 [p]	Q214 [p]	Q314 [p]	Q414 [p]
(SBD' million)									
BALANCE OF PAYMENTS SUMMARY									
CURRENT ACCOUNT									
Balance on Trade to Goods	(1,100)	(36)	483	(121)	(38)	(139)	(24)	66	60
Exports f.o.b	1,806	3,184	3,675	3,272	3,354	759	754	942	899
Imports f.o.b	2,906	3,220	3,193	3,392	3,393	899	778	876	839
Balance on Trade in Service	(771)	(529)	(618)	(911)	(860)	(235)	(271)	(182)	(173)
Services credit	741	893	876	911	823	185	211	226	202
Services debit	1,512	1,422	1,495	1,823	1,684	419	482	408	375
Balance on Primary Income	(1,008)	(1,031)	(521)	(2)	(129)	7	(23)	(74)	(39)
Primary income credit	141	198	220	199	303	50	68	64	120
Primary income debit	1,149	1,230	741	201	432	44	91	138	159
Balance on Secondary Income	1,068	985	759	715	610	157	303	56	94
Secondary income credit	1,543	1,458	1,102	1,028	949	239	389	154	168
Secondary income debit	475	472	343	313	340	82	86	98	74
Balance on Current Account	(1,810)	(611)	102	(320)	(418)	(211)	(15)	(134)	(59)
CAPITAL ACCOUNT									
Capital account credit	406	539	722	633	500	77	228	88	107
Capital account debit	4	-	-	-	-	-	-	-	-
Balance on Capital Account	401	539	722	633	500	77	228	88	107
Net Lending(+) / Borrowing(-) from Current & Capital Accounts	(1,409)	(72)	824	313	81	(134)	213	(46)	49
FINANCIAL ACCOUNT									
Financial assets	1,004	1,472	627	574	137	43	303	(28)	(181)
Financial liabilities	2,449	1,747	311	179	118	219	(35)	51	(117)
Net Lending(+) / Borrowing(-) from Financial Account	(1,445)	(275)	315	395	19	(176)	339	(79)	(65)
Net errors & omissions	(36)	(203)	(509)	82	(62)	(42)	126	(32)	(113)
Level of Official Reserves at end of period	2,144	3,034	3,668	3,883	3,784	3,957	4,148	4,071	3,784
INTERNATIONAL INVESTMENT POSITION									
Net Position	(5,134)	(5,983)	(2,242)	(2,015)	(2,118)	(2,211)	(1,842)	(2,016)	(2,118)
Financial Assets	3,272	4,337	4,445	4,789	4,813	4,820	5,139	5,008	4,813
Direct Investment	216	245	264	348	355	339	339	351	355
Portfolio Investment	117	113	132	118	115	113	119	114	115
Financial derivatives (other than reserves) and employee stock options	-	-	-	-	-	-	-	-	-
Other Investments	795	946	381	440	560	410	534	472	560
Reserve Assets	2,144	3,034	3,668	3,883	3,784	3,957	4,148	4,071	3,784
Financial Liabilities	8,407	10,320	6,687	6,804	6,931	7,031	6,980	7,024	6,931
Direct Investment	5,275	6,394	5,210	5,514	5,726	5,692	5,720	5,776	5,726
Portfolio Investment	-	-	-	-	-	-	-	-	-
Financial derivatives and employee stock options	-	-	-	-	-	-	-	-	-
Other Investment	3,100	3,894	1,477	1,290	1,205	1,339	1,260	1,248	1,205

Source: Central Bank of Solomon Islands

TABLE 1.15 - GOODS AND SERVICES ACCOUNTS

	2010	2011	2012 [f]	2013 [f]	2014 [p]	Q114 [p]	Q214 [p]	Q314 [p]	Q414 [p]
									(SBD'million)
GOODS ACCOUNT									
Balance on Trade in Goods	(1,100)	(36)	483	(121)	(38)	(139)	(24)	66	60
Exports FOB	1,806	3,184	3,675	3,272	3,354	759	754	942	899
General merchandise	1,780	2,666	2,820	2,648	3,144	614	724	913	893
Net exports under merchandising	-	-	-	-	-	-	-	-	-
Nonmonetary gold	26	518	855	624	210	145	31	28	6
Imports FOB	2,906	3,220	3,193	3,392	3,393	899	778	876	839
General merchandise	2,906	3,220	3,193	3,392	3,393	899	778	876	839
Nonmonetary gold	-	-	-	-	-	-	-	-	-
SERVICES ACCOUNT									
Balance on Trade in Services	(771)	(529)	(618)	(911)	(860)	(235)	(271)	(182)	(173)
Services Credit	741	893	876	911	823	185	211	226	202
Manufacturing services on physical imports owned by others	-	-	-	-	-	-	-	-	-
Maintenance and repair services n.i.e	-	-	-	-	-	-	-	-	-
Transport	259	154	201	209	162	36	41	42	44
Travel	351	435	398	443	408	87	94	122	106
Telecommunication, computer and information services	22	23	25	26	20	7	6	3	3
Construction	3	10	6	17	5	1	1	1	1
Insurance and pension services	0	-	0	0	0	0	0	0	0
Financial services	66	73	63	3	0	0	0	0	0
Charges for the use of intellectual property	0	1	2	9	11	10	0	0	0
Other business services	18	37	0	183	192	38	61	51	42
Personal, cultural, and recreational services	2	92	148	3	4	0	1	1	1
Government goods and services n.i.e	21	68	33	18	21	5	6	5	5
Services Debit	1,512	1,422	1,495	1,823	1,684	419	482	408	375
Manufacturing services on physical inputs owned by residents	-	-	-	-	-	-	-	-	-
Maintenance and repair services n.i.e	7	12	13	92	98	42	26	24	6
Transport	362	382	368	457	484	123	113	124	123
Travel	381	494	500	495	489	105	115	115	154
Telecommunication, computer and infor. serv.	25	28	122	90	61	14	27	14	6
Construction	317	34	11	15	17	6	8	2	1
Insurance and pension services	54	59	59	52	54	17	14	11	11
Financial services	33	26	10	2	11	2	5	2	2
Charges for the use of intellectual property	6	10	9	11	38	4	14	10	10
Other business services	241	340	287	509	375	103	121	96	56
Personal, cultural and recreational services	22	9	5	8	9	2	2	2	2
Government goods and services n.i.e	64	26	110	92	48	1	35	8	4

Source: Central Bank of Solomon Islands.

TABLE 1.16 - PRIMARY AND SECONDARY INCOME ACCOUNTS

	2010	2011	2012 [f]	2013 [f]	2014 [p]	Q114 [p]	Q214 [p]	Q314 [p]	Q414 [p]	(SBD*million)
PRIMARY INCOME ACCOUNT										
Balance on Primary Income	(1,008)	(1,031)	(521)	(2)	(129)	7	(23)	(74)	(39)	
Primary Income Credits										
Compensation of Employees	141	198	220	199	303	50	68	64	120	
Investment income	10	8	11	9	9	2	2	2	2	
Direct investment	49	80	116	86	88	8	8	8	8	
Portfolio investment	21	31	25	28	32	1	1	1	1	
Other investment	3	4	32	11	5	0	0	1	1	
Reserve assets	0	4	1	1	2					
Other primary income	24	42	58	45	49	9	11	14	15	
Primary Income Debits										
Compensation of Employees	83	111	93	103	205	29	45	39	93	
Investment income	1,149	1,230	741	201	432	44	91	138	159	
Direct investment	28	39	44	56	82	10	16	38	17	
Portfolio investment	1,122	1,191	697	145	350	33	74	100	142	
Other investment	1,025	1,027	548	75	335	30	70	97	138	
Other primary income	97	164	149	70	15	3	5	3	4	
SECONDARY INCOME ACCOUNT										
Balance on Secondary Income	1,068	985	759	715	610	157	303	56	94	
Secondary Income Credits										
General government	1,543	1,458	1,102	1,028	949	239	389	154	168	
Deposit-corporations and other securities	1,364	1,258	847	808	733	207	311	93	123	
Personal transfers	179	200	254	220	216	33	78	61	45	
Other current transfers	92	101	115	111	76	16	21	22	17	
	87	99	139	109	140	16	57	39	28	
Secondary Income Debits										
General government	475	472	343	313	340	82	86	98	74	
Deposit-corporations and other securities	5	2	44	42	86	1	14	43	28	
Personal transfers	470	471	298	271	254	81	72	55	45	
Other current transfers	470	471	298	271	254	81	72	55	45	
	-	-	-	-	-	-	-	-	-	

Source: Central Bank of Solomon Islands

TABLE 1.17 - CAPITAL ACCOUNT

	2010	2011	2012 [r]	2013 [r]	2014 [p]	Q114 [p]	Q214 [p]	Q314 [p]	Q414 [p]	(SBD million)
Balance on Capital Account	401	539	722	633	500	77	228	88	107	
Capital Account Credits	406	539	722	633	500	77	228	88	107	
Gross disposals of nonproduced nonfinancial assets	-	-	-	-	-	-	-	-	-	
Capital transfers	406	539	722	633	500	77	228	88	107	
General government	322	539	722	633	500	77	228	88	107	
Debit forgiveness	-	-	-	-	-	-	-	-	-	
Other capital transfers	322	539	722	633	500	77	228	88	107	
Deposit-taking corporations and other sectors	84	-	-	-	-	-	-	-	-	
Debt forgiveness	-	-	-	-	-	-	-	-	-	
Other Capital transfers	84	-	-	-	-	-	-	-	-	
Capital Account Debits	4	-	-	-	-	-	-	-	-	

Note: A negative in the sub-components of the Financial Account (Asset/Liabilities) signifies a reduction or withdrawal
Source: Central Bank of Solomon Islands

TABLE 1.18 - FINANCIAL ACCOUNT

	2010	2011	2012 [r]	2013 [r]	2014 [p]	Q114 [p]	Q214 [p]	Q314 [p]	Q414 [p]
									(SBD million)
Net lending (+)/ Borrowing (-)	(1,445)	(275)	315	395	19	(176)	339	(79)	(65)
Financial Assets	1,004	1,472	627	574	137	43	303	(28)	(181)
Direct investment	18	29	19	22	5	(9)	(1)	11	4
Portfolio investment	21	(4)	24	(16)	(3)	(5)	6	(4)	(1)
Financial derivatives (other than reserves) and employee stock options	-	-	-	-	-	-	-	-	-
Other investment	58	310	3	138	134	(25)	121	(56)	95
Reserve assets	907	1,138	581	431	1	82	177	21	(279)
<i>Of which:</i>	-	-	-	-	-	-	-	-	-
Equity and investment fund shares	40	24	43	(4)	8	(2)	9	(1)	2
Debt instruments	964	1,448	584	578	129	45	294	(27)	(183)
Other financial assets	-	-	-	-	-	-	-	-	-
Financial Liabilities	2,449	1,747	311	179	118	219	(35)	51	(117)
Direct investment	1,919	1,119	592	311	175	176	29	55	(85)
Portfolio investment	-	-	-	-	-	-	-	-	-
Financial derivatives and employee stock options	-	-	-	-	-	-	-	-	-
Other investment	531	628	(280)	(132)	(57)	43	(64)	(4)	(31)
<i>Of which:</i>	-	-	-	-	-	-	-	-	-
Equity and investment fund shares	1,850	1,107	387	(230)	35	26	(11)	99	(80)
Debt instruments	600	640	(76)	409	83	193	(25)	(48)	(37)
Other financial liabilities	-	-	-	-	-	-	-	-	-

Note: A negative in the sub-components of the Financial Account (Assets/Liabilities) signifies a reduction or withdrawal.
Source: Central Bank of Solomon Islands

TABLE 1.19 - VALUE OF EXPORTS BY EXPORT CATEGORY

Period	TOTAL EXPORTS (fob)	Copra & Coconut Oil	Fish	Logs	Cocoa	Timber	Palm Oil and Kernels	Minerals	Other Exports	Re-exports & coverage adjustment
										(SBD'000)
2010	1,804,387	98,164	196,805	1,005,692	118,234	46,846	256,246	25,729	25,912	30,758
2011	3,173,476	231,533	341,074	1,457,399	119,378	74,294	326,250	518,002	35,666	69,880
2012	3,677,001	128,368	422,975	1,612,141	65,511	81,523	308,526	855,111	95,606	107,239
2013	3,272,088	57,050	452,268	1,551,793	67,181	71,456	209,271	623,640	145,662	93,769
2014P	3,354,361	100,367	458,675	1,954,497	99,946	62,416	239,133	210,267	28,010	201,050
2010										
Q1	356,994	7,926	49,390	190,891	20,827	11,170	58,699	7,740	7,197	3,153
Q2	424,398	26,652	42,659	228,565	35,301	13,781	61,531	7,126	5,418	3,364
Q3	468,165	11,168	38,623	285,360	34,743	13,325	66,537	6,046	6,574	2,790
Q4	554,831	52,418	66,134	297,876	27,363	8,571	69,479	4,817	6,723	21,451
2011										
Q1	551,679	60,084	41,775	313,450	13,875	18,660	75,297	5,243	11,024	12,272
Q2	820,522	85,946	74,422	386,676	43,716	16,084	108,288	82,584	6,493	16,314
Q3	937,367	48,002	123,032	372,766	41,155	15,721	49,714	262,651	4,970	19,355
Q4	863,907	37,501	101,847	384,507	20,632	23,828	92,952	167,524	13,179	21,938
2012										
Q1	993,799	43,477	84,291	412,181	11,745	16,950	69,169	278,112	45,495	32,378
Q2	864,709	39,333	40,463	354,366	25,962	23,945	78,738	225,220	43,078	33,605
Q3	936,951	31,207	169,704	431,190	12,090	24,199	60,314	183,976	4,986	19,286
Q4	881,542	14,351	128,517	414,404	15,714	16,429	100,305	167,803	2,048	21,971
2013										
Q1	711,908	8,457	84,918	368,775	12,281	18,443	31,673	123,430	32,776	31,155
Q2	823,554	23,146	66,124	361,173	17,799	17,638	63,164	202,150	54,637	17,722
Q3	836,200	12,890	142,187	385,624	23,917	15,590	63,454	145,755	26,324	20,459
Q4	900,426	12,557	159,038	436,219	13,184	19,786	50,980	152,305	31,925	24,433
2014										
Q1P	759,393	26,048	66,273	381,610	11,023	22,277	63,171	145,426	5,577	37,989
Q2P	754,355	32,305	106,148	410,684	29,568	15,360	85,607	30,592	7,459	36,632
Q3P	941,657	22,738	126,416	580,245	34,040	15,539	37,802	28,494	7,165	89,219
Q4P	898,955	19,277	159,838	581,958	25,314	9,240	52,554	5,755	7,809	37,210

P = Provisional data

Source: National Statistics Office and Customs & Excise Division, Ministry of Finance, & Central Bank of Solomon Islands

TABLE 1.20 - VALUE OF IMPORTS BY IMPORT CATEGORY

Period	TOTAL IMPORTS (fob)	Food and Live Animals	Beverages & Tobacco	Crude mat'l excl. fuels	Mineral Fuels	Animal, veges. & Oil Fats	Chemicals	Basic Manufactures	Machinery & Transport equip.	Miscellaneous	Goods not Specified	Re-imports & coverage	(SBD'000)	
													Freights and Insurance	
2012	3,192,816	695,672	65,972	12,415	842,563	15,579	268,616	477,084	819,079	294,897	29,402	58,878	-387,341	
2013	3,392,342	774,042	61,378	11,805	900,232	18,471	266,964	488,001	924,612	272,702	8,230	75,814	-409,008	
2014p	3,392,687	831,201	68,094	46,127	778,321	17,193	212,233	539,216	993,414	235,253	5,571	75,992	-409,929	
2010														
Q1	535,296	115,227	10,291	1,704	108,897	4,040	38,749	67,175	192,459	54,921	370	6,785	-65,522	
Q2	820,770	138,825	9,684	2,149	148,124	2,787	41,218	112,824	391,306	65,812	734	7,787	-100,481	
Q3	672,585	163,092	11,545	6,400	90,733	3,541	52,396	154,956	202,520	62,410	0	7,227	-8,223	
Q4	877,239	216,126	8,996	6,693	109,261	5,134	48,443	129,738	370,040	77,754	0	11,994	-106,940	
2011														
Q1	689,139	107,222	10,357	10,343	156,712	3,787	68,591	140,321	211,665	56,468	-	7,874	-84,201	
Q2	816,912	122,744	15,471	11,068	226,645	5,995	105,171	143,275	206,761	68,916	2	10,529	-99,665	
Q3	886,697	188,632	16,849	10,645	194,146	7,397	99,576	152,721	248,054	60,879	2	15,476	-107,679	
Q4	826,863	224,612	14,282	10,763	204,006	5,502	52,832	137,947	193,765	70,996	-	12,777	-100,617	
2012														
Q1	739,684	140,161	15,931	6,578	204,302	2,674	64,270	112,673	200,918	68,668	707	12,659	-89,857	
Q2	750,912	154,345	15,995	8,117	193,640	3,111	49,702	118,192	184,693	73,226	27,739	13,315	-91,164	
Q3	914,255	201,967	9,785	12,488	221,535	4,367	96,487	136,875	260,070	51,937	13,670	16,084	-111,010	
Q4	876,259	186,992	13,140	10,119	223,085	5,901	59,966	141,099	268,679	56,680	-	16,820	-106,223	
2013														
Q1	833,064	195,210	12,832	2,025	227,341	5,702	69,025	104,092	231,671	64,743	990	19,933	-100,499	
Q2	868,139	197,922	17,698	3,886	235,888	2,807	74,479	126,484	210,708	83,899	1,128	18,279	-105,039	
Q3	841,883	194,959	9,606	3,761	231,974	3,625	65,481	119,070	228,930	67,380	234	18,616	-101,752	
Q4	849,256	185,950	21,243	2,134	205,029	6,337	57,979	138,356	253,302	56,680	5,878	18,987	-102,618	
2014														
Q1P	898,855	196,857	17,280	13,206	289,992	2,860	53,246	125,257	231,699	56,714	-	20,326	-108,582	
Q2P	778,475	201,605	14,212	10,552	134,891	4,419	50,689	133,251	242,887	59,742	-	19,974	-93,747	
Q3P	875,944	185,977	17,093	12,594	196,062	4,095	53,976	142,595	287,540	55,174	5,571	20,942	-105,674	
Q4P	839,414	246,763	19,509	9,775	157,376	5,819	54,323	138,112	231,289	63,623	-	14,750	-101,925	

P = Provisional data

Source: National Statistics Office and Customs & Excise Division, Ministry of Finance & Treasury

TABLE 1.21 - FOREIGN EXCHANGE RECEIPTS (Quarter Ended)

	(SBD'000)											
	2012				2013				2014			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Current Receipts												
Exports												
Copra	9,736	11,433	14,028	18,358	9,544	13,804	19,420	16,079	17,073			
Fish	83,158	81,748	93,398	151,048	169,388	109,651	47,388	12,355	36,288			
Loys	350,532	442,894	538,031	416,621	400,596	347,235	472,358	486,047	436,805			
Palm Oil & Kernels	39,961	27,322	34,865	11,891	38,565	75,044	38,565	42,682	56,532			
Cocoa	17,745	15,121	15,121	21,815	23,952	22,546	43,331	30,817	19,093			
Mineral	2,274	3,171	5,940	63,976	9,038	90,777	27,200	10,756	2,183			
All Other	23,571	2,278	3,285	6,027	9,038	8,855	4,373	5,916	3,439			
Total Exports	526,977	576,917	680,750	668,384	688,384	667,912	652,835	604,651	571,414			
Services												
Transportation	6,641	4,982	11,158	8,603	8,256	5,528	5,927	7,887	11,970			
Travel	5,795	9,877	5,391	6,408	5,168	4,500	4,692	4,479	4,750			
Insurance	388	124	420	468	46	436	158	603	586			
Communication	654	1,160	1,132	2,862	2,691	2,924	9,358	1,705	3,649			
Financial Services	1,328	1,106	939	4,067	1,278	45	317	6,056	28,745			
Royalties & License Fees	1,174	3,314	1,648	2,915	4,351	10,102	433	328	3,757			
Others	145,280	166,427	255,521	280,844	257,676	246,380	454,618	407,730	340,090			
Total Services	161,260	186,990	351,131	280,844	257,676	269,915	475,503	428,788	393,547			
Income												
Wages & Others	11,621	9,521	8,093	10,181	9,586	6,770	8,955	8,737	8,702			
Interest, Dividends and Profits	245	-	-	-	-	-	-	-	-			
Official Interest	12,078	10,630	14,051	10,419	10,487	11,778	11,261	15,514	15,243			
Other Income	38,793	23,197	30,438	37,946	53,300	29,061	44,869	38,540	92,825			
Total Income	62,736	43,347	52,582	37,946	73,374	47,609	65,085	62,791	116,770			
Transfers												
Official												
Cash Aid	598	3,433	13,742	195	781	46,605	87	135	550			
Other Official	598	3,433	13,799	195	781	46,889	87	135	550			
Total Official	1,196	6,866	27,541	390	1,562	93,494	174	270	1,100			
Private												
Gifts and Donations	30,143	23,759	38,678	25,272	22,230	16,421	20,785	21,952	16,199			
Transfers by Temporary Residence and Immigrations	114	91	52	135	130	44	72	225	562			
Churches and Charitable Institutions	19,427	17,209	16,257	26,143	13,307	12,316	24,508	15,248	20,410			
Foreign Governments	22,541	16,821	18,036	32,373	8,366	13,803	54,348	15,116	15,174			
International Organizations	98,570	76,187	57,574	81,154	80,054	56,738	67,752	74,542	46,684			
Other Transfers	503	408	239	476	550	228	440	538	259			
Total Private Transfers	171,298	134,474	130,835	165,554	124,638	99,549	167,906	127,621	99,288			
Total Transfers	171,896	137,907	144,634	165,748	125,419	146,438	167,993	127,756	99,838			
Total Current Receipts	922,870	945,162	1,229,097	1,152,923	1,144,853	1,131,874	1,361,416	1,223,986	1,181,568			
Capital Receipts												
Private												
Investment grants	14,103	23,702	15,906	17,330	10,557	12,217	4,800	19,068	12,819			
Direct Investment	-	648	3,229	13,338	14,497	11,069	6,107	-	111			
Loans	2,573	101	-	1,053	-	-	24,124	7,858	1,813			
Other Foreign Investment	365	24,450	19,135	31,722	25,055	23,286	35,032	26,926	14,743			
Total Private Inflows	17,042	24,450	19,135	31,722	25,055	23,286	35,032	26,926	14,743			
Official												
Investment Grants	67,909	63,023	283,510	25,342	79,540	43,573	70,157	55,406	54,648			
Central Bank	-	-	-	-	-	-	-	-	-			
IMF Transactions	1,678	63,023	283,510	25,342	79,540	1,680	4,015	-	-			
Total Official Inflows	69,587	63,023	283,510	25,342	79,540	45,252	74,172	55,406	54,648			
Total Capital Receipts	86,628	87,473	302,645	57,064	104,595	68,538	109,204	82,333	69,390			
TOTAL RECEIPTS	1,009,499	1,032,634	1,531,742	1,428,635	1,249,448	1,200,412	1,470,621	1,306,319	1,250,958			

Source: Central Bank of Solomon Islands.

TABLE 1-22 - FOREIGN EXCHANGE RECEIPTS*

	2008	2009	2010	2011	2012	2013	2014
(SBD'000)							
Current Receipts							
Exports							
Copra	177,421	30,778	31,349	104,615	79,808	53,363	66,376
Fish	188,489	132,598	48,773	56,689	162,285	495,582	205,881
Logs	982,114	773,307	1,153,149	1,555,257	1,529,656	1,798,142	1,742,444
Palm Oil & Kernels	173,095	80,176	104,534	198,316	172,251	85,025	212,823
Cocoa	69,599	116,212	157,441	217,502	111,722	68,959	115,786
Mineral	28,883	13,451	18,722	13,852	4,255	92,737	130,917
All Other	18,521	20,383	30,298	60,586	47,501	20,628	22,583
Total Exports	1,638,123	1,166,905	1,544,267	2,206,798	2,107,478	2,614,436	2,496,811
Services							
Transportation	12,365	13,728	13,842	11,805	14,551	32,999	31,312
Travel	27,295	32,690	28,114	62,653	25,820	26,844	18,421
Insurance	2,624	1,753	20,766	5,608	5,462	1,059	1,783
Royalties and License Fees	11,615	15,098	25,076	9,685	3,652	7,846	17,635
Communication	30,762	21,816	5,790	11,623	92,083	7,389	35,164
Financial Services	7,687	8,440	142	1,511	11,374	12,228	14,621
Others	560,051	653,795	772,182	1,013,338	948,716	988,277	1,448,818
Total Services	652,398	747,321	865,913	1,116,224	1,101,658	1,076,641	1,567,753
Income Account							
Wages and Others	27,531	31,531	35,971	39,652	43,245	37,380	33,164
Interest, Dividends and Profits	540	3,120	5,333	11,219	245	-	-
Official Interest	45,976	16,581	26,710	43,419	57,851	45,587	53,796
Other Income	16,066	239	47,596	108,777	108,865	124,281	205,295
Total Income	90,113	51,471	115,609	203,067	210,206	207,249	292,255
Transfers: Official							
Cash Aid	10,507	28,571	1	10,305	1,164	13,742	46,605
Other Official	42,859	75,334	59,348	32,015	17,663	4,466	1,057
Total Official Transfers	53,366	103,905	59,349	42,319	18,827	18,208	47,662
Transfers: Private							
Gifts and Donations	57,514	77,854	85,477	94,598	105,640	109,939	75,357
Transfers by Temporary Residence and Immigrants	3,842	1,926	3,677	6,548	983	408	903
Churches and Charitable Institutions	60,294	66,291	58,808	61,720	60,700	72,916	72,481
Foreign Governments	45,445	56,572	72,345	85,779	56,033	75,595	98,441
International Organisations	139,895	192,618	203,778	217,085	299,755	294,969	245,716
Other Transfers	491	629	273	217	821	1,674	1,465
Total Private Transfers	307,482	395,870	424,359	465,947	523,933	555,502	494,363
Total Current Receipts	2,741,481	2,465,472	3,009,496	4,034,355	3,962,101	4,472,035	4,898,844
Capital and Financial Receipts							
Private							
Investment Grants	112,712	62,548	115,107	200,133	103,065	67,494	48,905
Direct Investment	2,898	160	-	2,026	-	364	6,218
Loans	756	100,063	5,409	1,015	17,573	19,730	44,864
Other Foreign Investment	0	104	-	-	365	790	-
Total Private Inflows	116,365	162,875	281,311	203,175	121,003	88,379	99,987
Official							
Investment Grants	116,447	99,794	475,362	325,430	245,385	463,398	223,783
Loans	9,654	42,037	-	-	-	-	-
Central Bank	0	0	-	-	-	-	-
IMF Transactions	0	116,061	76,181	72,759	1,678	-	5,695
Total Official Inflows	126,101	257,892	551,543	398,189	247,063	463,398	229,479
Total Capital Receipts	242,466	420,767	832,854	601,364	368,066	551,776	329,466
TOTAL RECEIPTS	2,983,947	2,886,239	3,842,350	4,635,719	4,330,168	5,242,459	5,228,310

Source: Central Bank of Solomon Islands

TABLE 1.23 - FOREIGN EXCHANGE PAYMENTS

	2012				2013				2014			
	Q3	Q4	Q1	Q2	Q3	Q2	Q1	Q2	Q3	Q2	Q1	Q3
(SBD'000)												
Current Payments												
Imports												
Oil Imports	147,686	221,137	211,815	251,555	230,345	188,719	289,992	126,030	181,274	157,376		
Food Imports	185,601	147,398	151,375	118,170	167,846	132,593	174,113	160,120	168,974	198,956		
Beverages and Tobacco	12,048	12,671	21,846	6,114	8,999	10,109	5,556	8,990	11,532	7,014		
Plants, Vehicles and Transport Equipment	107,536	116,892	70,664	61,970	71,172	73,364	77,598	72,367	86,554	84,803		
Building and Construction Materials	50,927	45,840	29,868	38,592	48,017	51,109	59,973	62,445	57,791	62,263		
Chemical	24,928	14,708	26,503	23,018	25,860	19,498	14,526	19,668	18,474	18,809		
Other Imports	317,631	246,262	209,452	229,249	204,723	239,326	148,909	225,239	241,847	241,847		
Total Imports	846,357	804,908	721,524	728,668	756,962	714,718	770,666	674,859	766,445	770,470		
Services												
Transportation	3,941.5	46,941	49,500	37,749	30,526	46,632	41,509	39,269	52,664	65,664		
Travel	2,092.3	23,076	16,270	15,306	16,016	11,674	11,160	10,123	10,513	12,935		
Insurance	7,625	8,196	8,110	10,053	8,545	9,507	1,420	8,215	14,803	31,337		
Communication	17,095	29,902	28,795	25,905	28,926	23,473	25,175	37,101	36,934	30,355		
Financial	351.1	12,919	7,222	2,430	2,791	4,314	6,121	19,350	23,614	24,993		
Royalties and License Fee	91,937	132	15	420	8,368	7,960	206	9,821	5,769	3,431		
Others	22,053.1	128,118	117,627	289,578	180,461	231,327	101,406	268,739	243,110	249,970		
Total Services	220,531	249,284	227,540	361,440	275,634	334,886	186,996	392,819	367,406	418,684		
Income												
Wages and Others	11,695	15,214	13,080	13,172	14,757	14,648	10,194	16,404	37,815	17,377		
Interest Dividends & Profits	24,520	89,749	9,734	125,708	104,877	113,408	3,824	53,748	45,446	147,815		
Official Interest	3,118	1	1,190	3,502	2,156	1,229	1,354	3,842	1,556	3,322		
Other Income	68,511	7,702	200	983	324	2,643	174	138	-	-		
Total Income Payments	68,511	112,666	24,204	143,366	122,115	131,928	15,545	74,133	84,817	168,513		
Transfers												
SI Government Foreign Offices	1,395	11,697	7,112	5,280	1,801	6,684	898	4,851	3,530	1,938		
SI Government Current Payments	1,684.2	24,168	39,609	25,011	62,189	4,217	8,583	28,280	48,138	32,676		
Gifts and Donation	42,368	63,507	50,837	41,399	49,905	47,788	53,231	66,548	49,964	47,876		
Transfers by Temporary Residents	2,151	1,849	2,440	3,219	1,953	5,038	6,133	1,686	10,764	14,448		
Other Transfers	615	303	188	29	351	3,173	206	31	100	196		
Total Transfers	63,372	101,526	100,186	74,938	116,199	66,901	69,051	101,395	112,495	97,135		
Total Current Payments	119,872	1,268,384	1,073,454	1,328,412	1,270,910	1,248,433	1,042,259	1,243,207	1,351,164	1,454,801		
Capital Payments												
Private												
Loan Repayments	11,532	8,526	11,425	7,416	14,531	2,606	22,820	9,887	8,069	14,358		
Capital Repatriation	-	-	-	-	-	-	-	-	-	-		
Emigrant Transfers	-	779	-	400	2,164	2,668	76	-	60	6,827		
Other Payments	61	5,389	740	-	2,000	1,124	14	1,844	823	133,341		
Total Private Outflows	11,593	14,695	12,165	7,816	18,696	6,398	22,911	11,731	8,952	154,525		
Official												
Government Loans	7,150	19,109	7,003	15,903	56,397	48,932	8,184	22,954	7,887	21,425		
Central Bank	-	-	-	-	-	-	-	-	-	-		
IMF Transactions	-	-	-	-	-	-	-	-	-	-		
Total Official Outflows	7,150	19,109	7,003	15,903	56,397	48,932	8,184	22,954	7,887	21,425		
Total Capital Payments	18,743	33,804	19,168	23,719	75,093	55,330	31,095	34,686	16,839	175,950		
TOTAL PAYMENTS	121,715	1,302,188	1,092,622	1,352,131	1,439,060	1,303,763	1,073,353	1,277,892	1,368,003	1,630,751		

Source: Central Bank of Solomon Islands

TABLE 1-24 - EXCHANGE RATES
(SBD per foreign currency)

Period Average	USD	AUD	POUND (sterling)	YEN (per 100)	NZD	EURO	SDR
2011	7.64	7.89	12.26	9.59	6.05	10.66	12.06
2012	7.36	7.62	11.65	9.23	5.96	9.46	11.30
2013	7.30	7.07	11.42	7.52	5.99	9.70	11.11
2014	7.38	6.66	12.14	6.99	6.13	9.81	11.22
2011							
Mar	8.02	8.06	12.84	9.76	6.09	11.03	12.58
Jun	7.79	8.26	12.70	9.54	6.22	11.20	12.44
Sep	7.40	7.78	11.92	9.52	6.17	10.47	11.79
Dec	7.36	7.44	11.57	9.52	5.72	9.93	11.41
2012							
Mar	7.36	7.76	11.55	9.29	6.02	9.64	11.30
Jun	7.36	7.44	11.65	9.18	5.83	9.46	11.30
Sep	7.36	7.64	11.62	9.36	5.95	9.21	11.31
Dec	7.35	7.64	11.80	9.07	6.05	9.53	11.30
2013							
Mar	7.32	7.60	11.37	8.02	6.11	9.67	11.16
Jun	7.29	7.23	11.20	7.39	5.98	9.52	10.98
Sep	7.27	6.66	11.27	7.35	5.79	9.63	11.02
Dec	7.33	6.80	11.85	7.31	6.06	9.96	11.27
2014							
Mar	7.36	6.59	12.16	7.16	6.15	10.09	11.35
Jun	7.34	6.84	12.35	7.19	6.34	10.06	11.37
Sep	7.31	6.77	12.19	7.04	6.17	9.70	11.13
Dec	7.50	6.43	11.86	6.59	5.85	9.37	11.03
2014							
Jan	7.36	6.52	12.12	7.08	6.09	10.03	11.30
Feb	7.36	6.59	12.17	7.21	6.09	10.04	11.33
Mar	7.36	6.67	12.19	7.20	6.26	10.21	11.41
Apr	7.36	6.85	12.31	7.18	6.35	10.16	11.39
May	7.35	6.84	12.39	7.22	6.38	10.11	11.47
Jun	7.31	6.84	12.35	7.16	6.29	9.93	11.27
Jul	7.29	6.85	12.40	7.17	6.35	9.88	11.24
Aug	7.30	6.79	12.19	7.09	6.16	9.72	11.14
Sep	7.33	6.66	11.97	6.85	5.99	9.48	11.01
Oct	7.42	6.51	11.94	6.88	5.84	9.41	11.03
Nov	7.48	6.47	11.80	6.50	5.83	9.32	10.97
Dec	7.59	6.30	11.86	6.41	5.89	9.38	11.07

Source: Central Bank of Solomon Islands

TABLE 1-25 - GOVERNMENT SECURITIES BY HOLDER AND INSTRUMENT

End of Period	DEVELOPMENT & TREASURY BONDS AMORTIZED										AUCTION TREASURY BILLS				(SBD'000)	
	ODCs					Public					Statut. Corpn.					OTHER
	ODCs	CBSI	OFCs	Statut. Corpn.	Total Bonds	ODCs	CBSI	OFCs	Statut. Corpn.	Public	Total T'Bills	CBSI	OFCs	Statut. Corpn.	Public	
2011																
Mar	81,878	88,057	89,532	0	12,410	271,877	16,856	38	14,754	0	7,004	38,652	4,940	0	7,004	315,468
Jun	44,798	74,718	66,553	0	16,659	202,728	17,706	40	13,810	0	6,107	37,663	4,936	0	6,107	245,326
Sep	35,856	69,131	53,545	0	5,353	163,885	11,697	48	21,629	0	5,283	38,657	4,936	0	5,283	207,478
Dec	27,107	63,997	40,825	0	9,691	141,620	17,124	10	13,654	0	5,459	36,246	4,936	0	5,459	182,802
2010																
Mar	100,415	102,081	104,992	0	1,011	308,499	8,885	30	13,070	0	7,755	29,739	4,940	0	7,755	343,179
Jun	98,411	100,653	102,898	0	1,672	303,634	13,675	30	9,240	0	5,834	28,779	4,940	0	5,834	337,353
Sep	96,848	99,216	101,307	0	1,587	298,958	17,773	30	9,893	0	7,243	34,940	4,941	0	7,243	338,839
Dec	95,164	97,772	99,315	0	1,585	293,837	23,520	37	8,992	0	6,990	39,539	4,940	0	6,990	338,315
2011																
Mar	94,851	96,319	97,269	0	1,500	289,939	21,557	38	10,262	0	6,100	37,957	4,940	0	6,100	332,836
Jun	93,093	94,858	95,179	0	14,164	297,294	22,639	39	5,860	0	1,030	29,568	4,940	0	1,030	331,802
Sep	86,058	89,470	92,432	0	13,270	281,230	19,913	38	8,859	0	8,464	37,274	4,940	0	8,464	323,444
Dec	81,878	88,057	89,532	0	12,410	271,877	16,856	38	14,754	0	7,004	38,652	4,940	0	7,004	315,468
2012																
Mar	78,713	86,635	86,092	0	11,750	263,190	14,822	35	15,248	0	7,461	37,566	4,940	0	7,461	305,697
Jun	67,039	77,324	79,459	0	10,615	234,436	17,535	39	18,058	0	5,755	41,388	4,936	0	5,755	280,760
Sep	47,169	76,024	69,735	0	17,550	210,479	19,188	40	13,887	0	6,843	39,958	4,936	0	6,843	255,373
Dec	44,798	74,718	66,553	0	16,659	202,728	17,706	40	13,810	0	6,107	37,663	4,936	0	6,107	245,326
2013																
Mar	43,256	73,404	63,332	0	7,918	187,910	13,669	39	17,422	0	6,732	37,862	4,936	0	6,732	230,708
Jun	40,802	72,082	60,437	0	6,236	179,557	9,518	40	23,509	0	8,734	41,801	4,936	0	8,734	226,294
Sep	38,306	70,754	57,173	0	6,209	172,442	11,675	30	20,216	0	6,209	38,130	4,936	0	6,209	215,508
Dec	35,856	69,131	53,545	0	5,353	163,885	11,697	33	21,629	0	5,283	38,642	4,936	0	5,283	207,463
2014																
Mar	33,171	68,074	50,572	0	12,043	163,860	10,412	35	25,808	0	6,125	42,380	4,936	0	6,125	211,175
Jun	30,852	66,722	46,907	0	11,099	155,580	16,209	35	19,593	0	5,567	41,404	4,936	0	5,567	201,920
Sep	28,864	65,363	43,755	0	10,348	148,330	21,343	25	15,672	0	4,597	41,637	4,936	0	4,597	194,903
Dec	27,107	63,997	40,825	0	9,691	141,620	17,124	10	13,654	0	5,459	36,246	4,936	0	5,459	182,802

Note: -OFCs, Public and Statutory Corporations use data for the last Wednesday of the month. ODCs and Central Bank use end month data.

-As of *Qtr1/03 Commercial Bank SIG Bonds included Restructured only

*Qtr4/04 OFCs SIG Bonds include Restructured & Armoitised

*Qtr1/06 Central Bank SIG Bonds include Restructured & Armoitised

Source : Central Bank of Solomon Islands

TABLE 1-26 - GROSS AND NET GOVERNMENT DOMESTIC DEBT BY INSTRUMENT AND HOLDER

End of Period	CBSI					ODC*					OFC*			OTHER		PUBLIC		TOTAL GROSS	TOTAL NET	(SBD'000)
	T-Bills D-Bonds	Other Loans	Gross Debt	SIG Dep.	Net Debt	T-Bill D-Bond	Other Loans	Gross Debt	SIG Dep.	Net Debt	T-Bill D-Bond	Other Loans	Gross Debt	T-Bill D-Bond	T-Bill D-Bond					
2011	88,094	15,134	103,228	941,116	-837,888	98,734	0	98,734	118,701	-19,967	50,307	20,000	124,286	0	19,414	345,662	-714,155			
2012	74,758	7,292	82,050	1,027,267	-945,217	62,504	0	62,504	143,842	-81,338	34,366	20,000	100,363	0	22,766	267,683	-903,426			
2013	69,179	4,936	74,115	1,239,240	-1,165,126	47,553	0	47,553	21,175	263,781	37,383	20,000	95,174	0	10,636	227,478	-1,032,938			
2014	64,006	4,936	68,942	1,348,545	-1,279,603	44,231	0	44,231	190,472	-146,241	24,954	0	544,79	0	15,150	182,802	-13,562,150			
2011	96,357	19,108	115,465	490,671	-375,206	116,408	0	116,408	125,283	-8,875	50,569	20,000	127,531	0	7,600	367,004	-248,950			
Mar	94,897	16,178	111,076	750,317	-639,242	115,732	0	115,732	169,036	-53,304	45,291	20,000	121,039	0	15,194	363,041	-556,313			
Jun	89,508	15,656	105,164	780,682	-675,518	105,971	0	105,971	164,848	-58,877	45,862	20,000	121,291	0	21,734	354,160	-591,370			
Sep	88,094	15,134	103,228	941,116	-837,888	98,734	0	98,734	118,701	-19,967	50,307	20,000	124,286	0	19,414	345,662	-714,155			
Dec	86,670	14,425	101,095	1,026,168	-925,073	93,535	0	93,535	141,188	-47,653	49,334	20,000	121,340	0	19,211	335,181	-832,175			
2012	77,363	13,787	91,150	1,092,321	-1,001,171	84,574	0	84,574	180,856	-96,282	47,500	20,000	117,517	0	16,370	309,611	-963,565			
Mar	76,065	7,891	83,955	1,091,327	-1,007,372	66,357	0	66,357	153,853	-114,499	35,605	20,000	103,622	0	24,393	278,328	-993,855			
Sep	74,758	7,292	82,050	1,027,267	-945,217	62,504	0	62,504	143,842	-81,338	34,366	20,000	100,363	0	22,766	267,683	-903,426			
Dec	73,443	6,720	80,163	1,160,905	-1,080,742	56,925	0	56,925	129,775	-72,850	36,810	0	80,754	0	14,650	232,492	-1,058,188			
2013	72,122	6,078	78,200	1,345,736	-1,267,536	50,320	0	50,320	155,250	-104,930	42,034	0	83,946	0	14,970	227,436	-1,273,549			
Mar	70,784	5,619	76,403	1,274,937	-1,198,533	49,981	0	49,981	144,818	-94,837	37,528	0	77,389	0	12,418	216,191	-1,203,564			
Jun	69,164	4,936	74,100	1,239,240	-1,165,141	47,553	0	47,553	145,047	-97,494	37,383	0	75,174	0	10,636	207,463	-1,176,825			
Dec	68,108	4,936	73,044	1,302,522	-1,229,478	43,583	0	43,583	148,965	-105,382	40,672	0	76,380	0	18,168	211,175	-1,240,312			
2014	66,758	4,936	71,693	1,367,911	-1,296,218	47,061	0	47,061	154,458	-107,397	32,887	0	66,500	0	16,666	201,920	-1,320,449			
Mar	65,388	4,936	70,324	1,381,198	-1,310,875	50,207	0	50,207	176,971	-126,764	27,920	0	59,427	0	14,945	194,903	-1,363,267			
Sep	64,006	4,936	68,942	1,348,545	-1,279,603	44,231	0	44,231	190,472	-146,241	24,954	0	54,479	0	15,150	182,802	-13,562,15			
Dec																				

Note: OFCs, Public & Stat. Corp. use data for the last Wednesday of the month, while ODCs & CBSI use end of month data. Bonds include - Development Bond, Restructured Bonds, Armotised Bonds.

Source: Central Bank of Solomon Islands.
Bonds include - Development Bonds

TABLE 1-27 GOVERNMENT REVENUE

End of period	Total cash Receipts from operation	Total Tax Revenue	Taxes on income, profits, & capital gains	Taxes on payroll & workforce	Taxes on Property	Taxes on goods & services	Taxes on International Trade & Transactions	Other taxes	Grants	(SBD'000)	
										Other Receipts	
2010	2,506,508	1,958,012	618,975	0	68,581	889,430	372,985	8,041	441,745	106,750	
2011	2,407,878	2,078,494	678,398	0	18,599	783,438	579,813	18,246	263,502	65,883	
2012	2,590,433	2,371,769	761,600	0	24,072	931,608	645,462	9,028	136,377	82,286	
2013	3,106,320	2,659,340	907,969	0	24,472	1,050,768	665,772	10,359	347,096	99,884	
2014	3,109,178	2,709,651	834,641	3	24,170	1,121,001	716,274	13,565	306,648	92,878	
2010											
Q1	575,879	468,278	118,997	0	21,950	240,503	84,953	1,875	75,409	32,192	
Q2	496,678	421,615	144,243	0	4,737	196,526	74,278	1,831	66,157	8,906	
Q3	518,282	468,319	165,500	0	18,304	190,297	91,726	2,491	23,171	26,792	
Q4	915,668	599,800	190,235	0	23,590	262,104	122,027	1,844	277,008	38,861	
2011											
Q1	406,734	373,296	128,424	0	3,010	137,347	102,080	2,435	18,000	15,438	
Q2	661,082	521,242	164,304	0	4,930	193,615	149,641	8,752	122,882	16,958	
Q3	518,341	477,086	129,653	0	4,051	197,553	144,126	1,703	24,166	17,088	
Q4	821,721	706,870	256,018	0	6,608	254,923	183,965	5,355	98,453	16,398	
2012											
Q1	659,648	622,357	166,669	0	5,342	254,257	193,659	2,429	23,793	13,498	
Q2	631,856	580,723	202,708	0	7,114	239,901	128,717	2,283	35,052	16,081	
Q3	588,571	536,408	167,073	0	5,370	203,323	158,608	2,034	29,696	22,467	
Q4	710,358	632,281	225,150	0	6,246	234,127	164,477	2,281	47,837	30,240	
2013											
Q1	583,961	568,465	179,513	0	5,153	211,019	169,851	2,929	0	15,496	
Q2	717,044	633,470	229,764	0	5,966	230,570	164,944	2,226	71,713	11,860	
Q3	775,589	621,745	211,249	0	5,928	250,576	151,735	2,256	134,438	19,406	
Q4	1,029,726	835,660	287,443	0	7,425	358,603	179,242	2,948	140,945	53,121	
2014											
Q1	636,009	557,681	174,107	0	5,127	226,538	149,429	2,480	61,003	17,324	
Q2	798,999	636,138	207,571	0	8,025	258,145	160,076	2,322	145,535	17,327	
Q3	756,475	717,615	207,182	0	5,965	295,382	205,346	3,739	19,719	19,140	
Q4	917,695	798,216	245,781	0	5,053	340,935	201,423	5,024	80,91	39,087	

Source: Central Bank of Solomon Islands

TABLE 1-28 GOVERNMENT EXPENDITURE

End of period	Total Expenditure	Cash Payments for Operating Activities	Compensation of Employees	Purchases of Goods and Services	Interest	Subsidies	Grants	Social Benefits	Other Payments	Non-Financial Assets
										(SBD'000)
2010	1,615,287	1,459,232	586,799	689,646	27,566	-11	20,061	68	135,103	156,055
2011	21,112,63	1,956,472	719,590	744,729	24,648	8,777	128,410	1,468	328,850	154,791
2012	2,540,385	2,357,200	648,128	1,159,053	121,185	0	145,766	672	282,396	183,185
2013	2,837,542	2,419,709	746,356	1,162,796	54,311	0	272,841	11,302	172,104	417,833
2014	2,992,608	2,532,120	843,499	1,208,757	17,237	142	305,532	16,949	140,006	440,487
2010										
Q1	341,817	323,218	130,832	138,106	4715	0	3527	21	46,017	18,599
Q2	379,270	346,922	145,607	154,933	11,345	0	6,013	6	29,018	32,349
Q3	401,585	370,184	159,955	169,431	42,79	-11	6,635	18	33,877	31,400
Q4	492,615	418,907	154,405	227,175	72,28	0	3,885	23	26,191	73,708
2011										
Q1	406,092	387,911	148,808	140,143	6,830	4,399	36,872	0	50,858	18,181
Q2	6,533,34	6,209,16	2,182,12	1,885,31	70,25	4,377	29,487	976	172,308	32,418
Q3	465,757	429,310	170,324	161,575	42,83	0	31,938	3	61,186	36,448
Q4	586,080	518,335	182,245	254,480	6,510	0	30,113	489	44,498	67,745
2012										
Q1	570,596	542,173	175,156	237,240	3,967	0	44,064	392	81,354	28,422
Q2	725,601	682,103	168,349	339,369	40,281	0	46,547	175	87,381	43,498
Q3	647,674	594,708	167,978	278,034	53,879	0	40,868	55	53,893	52,966
Q4	596,515	538,216	136,644	304,410	23,058	0	14,287	50	59,768	58,299
2013										
Q1	578,358	547,180	192,306	204,488	21,544	0	91,441	567	36,834	31,178
Q2	693,176	590,472	163,860	279,676	25,755	0	64,433	858	55,890	102,705
Q3	646,306	584,096	182,458	294,527	25,73	0	64,436	4934	35,169	62,210
Q4	919,702	697,962	207,732	384,105	44,40	0	52,531	4,942	44,211	221,740
2014										
Q1	662,866	582,588	210,335	262,744	24,66	0	83,432	2,243	21,368	80,278
Q2	683,640	586,044	185,594	311,315	42,81	142	53,638	2,794	28,280	97,596
Q3	849,670	720,942	216,221	311,077	17,29	0	107,160	4,660	80,094	128,728
Q4	796,432	642,546	231,348	323,619	8,761	0	61,302	7,252	102,64	153,886

Source: Central Bank of Solomon Islands

TABLE 1-29 GOVERNMENT EXPENDITURE ON NONFINANCIAL ASSETS (NFAS)

TABLE 1.23 GOVERNMENT EXPENDITURE ON NONFINANCIAL ASSETS (NTA) (SBD'000)											
End of Period	Net cash outflow: Investments in NFAs	Purchases of nonfinancial assets				Sales of nonfinancial assets				(SBD'000)	
		Purchases of nonfinancial assets	Fixed assets	Inventories	Valuables	Nonproduced assets	Sales of nonfinancial assets	Fixed assets	Inventories		Valuables
2010	156,055	156,055	138,715	8,680	0	8,660	0	0	0	0	0
2011	154,791	154,791	143,021	9,011	0	2,760	0	0	0	0	0
2012	183,185	183,185	166,787	9,885	0	6,513	0	0	0	0	0
2013	417,833	417,890	399,070	14,007	0	4,699	57	0	0	0	0
2014	460,487	460,487	435,393	15,888	0	9,206	0	0	0	0	0
2010	18,599	18,599	18,389	150	0	59	0.0	0.0	0.0	0.0	0.0
Q1	32,349	32,349	29,468	166	0	2,715	0.0	0.0	0.0	0.0	0.0
Q2	31,400	31,400	29,011	1,049	0	1,340	0.0	0.0	0.0	0.0	0.0
Q3	73,708	73,708	61,847	7,315	0	4,545	0.0	0.0	0.0	0.0	0.0
2011	18,181	18,181	14,855	2,188	0	1,138	0.0	0.0	0.0	0.0	0.0
Q1	32,418	32,418	29,487	2,349	0	582	0.0	0.0	0.0	0.0	0.0
Q2	36,448	36,448	33,109	2,585	0	753	0.0	0.0	0.0	0.0	0.0
Q3	67,745	67,745	65,570	1,888	0	286	0.0	0.0	0.0	0.0	0.0
2012	28,422	28,422	23,025	3,245	0	2,153	0.0	0.0	0.0	0.0	0.0
Q1	43,498	43,498	41,503	1,893	0	102	0.0	0.0	0.0	0.0	0.0
Q2	52,966	52,966	47,881	2,920	0	2,166	0.0	0.0	0.0	0.0	0.0
Q3	58,299	58,299	54,378	1,827	0	2,093	0.0	0.0	0.0	0.0	0.0
2013	31,178	31,178	27,466	3,474	0	237	0.0	0.0	0.0	0.0	0.0
Q1	102,705	102,705	99,823	2,862	0	20	0.0	0.0	0.0	0.0	0.0
Q2	62,210	62,210	57,451	4,422	0	337	0.0	0.0	0.0	0.0	0.0
Q3	221,740	221,797	214,330	3,249	0	4,104	57.2	57.2	0.0	0.0	0.0
2014	80,278	80,278	73,571	4,090	0	2,617	0.0	0.0	0.0	0.0	0.0
Q1	97,596	97,596	92,054	4,035	0	1,507	0.0	0.0	0.0	0.0	0.0
Q2	128,728	128,728	123,668	3,139	0	1,921	0.0	0.0	0.0	0.0	0.0
Q3	153,886	153,886	146,099	4,624	0	3,162	0.0	0.0	0.0	0.0	0.0
Q4											

Source: Statistics Division, Ministry of Finance

TABLE 1-30 HONIARA RETAIL PRICE INDEX
(2005 Q4 = 100)

End of Period	Food	Drink & Tobacco	Clothing & Footwear	Housing & Utilities	Household Operations	Transport & Commun.	Recreation & Others	Miscell	Local Items	Imported Items	All Items	Headline Inflation (% Change)	Core Inflation (% Change)
Weight	429	47	38	181	47	164	76	18	602	398	1000		
Annual Average (12mma)													
2011													
Mar	162.8	169.4	141.6	176.0	166.8	144.0	122.8	177.5	153.5	166.9	158.9	7.4	5.5
Jun	169.9	176.3	143.9	203.2	169.7	143.3	130.0	185.1	166.3	171.3	168.3	5.9	6.7
2012													
Mar	174.7	197.6	156.3	231.0	176.5	146.0	127.7	197.4	180.0	173.3	177.3	5.4	6.0
2013													
Mar	179.7	243.1	162.7	251.0	180.3	147.7	132.9	198.0	196.9	171.0	186.5	4.8	2.5
Quarterly Average (3mma)													
2011													
Mar	157.37	157.60	141.73	165.47	165.53	142.93	122.57	177.33	147.43	163.87	154.00	3.4	3.1
Jun	163.73	174.50	141.23	169.83	165.77	146.03	122.90	176.80	153.20	167.27	158.80	7.3	6.4
Sep	165.00	172.57	141.27	176.43	167.30	144.30	122.90	176.27	154.97	168.23	160.23	8.9	6.7
Dec	164.97	173.07	142.27	192.20	168.50	142.70	122.80	179.53	158.53	168.33	162.47	10.1	8.3
2012													
Mar	168.83	176.70	143.57	190.93	169.90	141.87	129.70	187.33	162.43	169.39	165.23	7.3	7.2
Jun	174.13	173.67	143.80	202.73	171.97	144.47	129.70	190.70	168.97	171.73	170.07	7.1	7.2
Sep	170.03	169.20	143.73	203.13	17	141.80	129.70	166.20	165.13	171.77	167.77	4.7	5.7
Dec	166.77	185.43	144.47	216.00	0.33	145.10	130.90	196.00	168.47	172.30	169.97	4.6	5.8
2013													
Mar	172.83	206.83	155.60	230.90	176.17	145.37	127.70	196.97	178.83	174.13	176.93	7.1	7.7
Jun	178.20	190.30	155.63	232.50	177.07	146.10	127.70	197.90	182.10	174.20	178.93	5.2	6.2
Sep	177.77	188.03	156.50	231.80	176.67	145.03	127.70	197.87	181.07	174.27	178.33	6.3	6.4
Dec	168.70	205.27	157.50	228.77	176.20	147.30	127.70	196.83	178.00	170.67	175.10	3.0	2.8
2014													
Jan	166.6	285.5	162.6	235.5	176.1	147.4	130.8	196.9	189.5	170.5	179.6	2.5	2.6
Feb	170.1	286.9	162.6	253.2	178.0	147.6	130.8	196.9	192.5	170.9	184.5	2.9	2.6
Mar	170.6	289.7	162.6	253.3	178.0	148.2	130.8	196.5	193.9	170.0	185.0	3.4	2.3
Apr	186.9	290.3	162.6	254.5	178.0	148.7	130.8	196.5	206.6	170.7	192.3	5.2	2.3
May	188.7	260.4	162.6	255.8	177.8	148.2	130.8	196.5	205.3	171.3	191.8	6.3	2.3
Jun	190.2	219.9	162.6	255.8	180.6	148.8	134.4	198.6	203.9	171.7	191.1	7.2	2.5
Jul	191.0	201.7	162.6	251.8	183.4	148.6	134.4	199.2	201.9	172.0	190.0	6.7	2.3
Aug	182.7	195.3	162.6	251.6	183.4	149.2	134.4	199.9	195.3	172.3	186.1	5.6	2.2
Sep	182.5	223.1	162.6	251.5	181.8	147.6	134.4	199.9	196.8	172.2	187.0	5.3	2.1
Oct	180.2	223.5	162.7	250.3	182.4	146.6	134.4	199.8	195.4	171.0	185.7	5.0	2.4
Nov	174.8	220.8	163.1	249.9	182.2	146.2	134.4	197.4	191.5	170.3	183.1	5.2	2.7
Dec	172.4	220.1	163.1	249.2	182.2	144.9	134.4	197.4	189.8	169.5	181.7	4.8	3.1

Source: Statistics Division, Ministry of Finance

TABLE 1-31 - INTERNATIONAL COMMODITY PRICES

End of Period	Copra (US\$/m.t)	Coconut Oil (US\$/m.t)	Palm Oil (US\$/m.t)	Palm Kernel Oil (US\$/m.t)	Fish # (US\$/m.t)	Cocoa (US\$/m.t)	Logs (US\$/M3)	Gold (US\$/toz)	Silver (cents/ton)	Nickle b/(US\$/m.t)	Crude Oil (US\$/bbl)
2011	1,157	1,731	1,125	1,648	1,763	2,980	390	1,568	3,526	22,910	111
2012	741	1,111	1,000	1,111	2,170	2,392	360	1,669	3,115	17,548	112
2013	627	941	857	898	1,923	2,439	305	1,412	2,386	15,032	109
2014	854	1,280	821	1,121	1,427	3,063	282	1,264	1,907	16,893	99
2011											
Mar	1,379	2,073	1,251	2,131	1,509	3,343	326	1,384	3,179	26,869	105
Jun	1,342	1,996	1,147	1,874	1,709	3,074	380	1,507	3,857	24,355	117
Sep	991	1,476	1,079	1,338	1,889	3,035	445	1,700	3,885	22,024	112
Dec	917	1,378	1,025	1,250	1,943	2,468	409	1,682	3,182	18,393	109
2012											
Mar	933	1,400	1,107	1,366	2,089	2,341	373	1,689	3,262	19,637	119
Jun	793	1,187	1,088	1,242	2,111	2,282	361	1,612	2,941	17,186	109
Sep	672	1,013	995	1,021	2,347	2,494	355	1,656	2,995	16,384	110
Dec	565	844	809	813	2,132	2,451	353	1,718	3,261	16,984	110
2013											
Mar	553	837	853	824	1,750	2,209	323	1,631	3,006	17,296	113
Jun	560	839	851	837	2,093	2,307	302	1,415	2,317	14,967	103
Sep	603	912	827	871	2,069	2,470	301	1,329	2,139	13,955	110
Dec	791	1,175	897	1,060	1,780	2,770	296	1,272	2,084	13,909	109
2014											
Mar	896	1,343	911	1,277	1,463	2,950	290	1,287	2,047	14,661	108
Jun	923	1,387	887	1,262	1,338	3,083	292	1,289	1,963	18,468	110
Sep	805	1,206	772	988	1,563	3,230	287	1,281	1,967	18,584	102
Dec	792	1,184	713	955	1,344	2,990	260	1,199	1,650	15,860	76
2014											
Jan	848	1,270	865	1,159	1,560	2,820	287	1,224	1,990	14,101	107
Feb	915	1,365	908	1,292	1,417	2,990	292	1,300	2,080	14,204	109
Mar	926	1,394	961	1,381	1,411	3,040	291	1,336	2,070	15,678	107
Apr	905	1,356	911	1,299	1,225	3,050	290	1,298	1,970	17,374	108
May	930	1,404	893	1,254	1,213	3,030	293	1,289	1,930	19,401	110
Jun	934	1,402	858	1,234	1,575	3,170	292	1,279	1,990	18,629	112
Jul	861	1,260	841	1,116	1,327	3,200	293	1,311	2,090	19,118	107
Aug	770	1,177	766	943	1,775	3,270	289	1,295	1,970	18,600	102
Sep	785	1,181	709	904	1,588	3,220	278	1,237	1,840	18,035	97
Oct	769	1,144	722	935	1,445	3,110	276	1,222	1,720	15,812	87
Nov	795	1,194	731	971	1,367	2,910	256	1,175	1,600	15,807	78
Dec	812	1,215	685	960	1,222	2,950	249	1,201	1,630	15,962	62

Thailand Market prices. (C+F Bankgkok)
Source: World Bank and Intofish.

TABLE 1-32 - REAL GROSS DOMESTIC PRODUCT

(1985 = 100)

Industry	2009	2010	2011	2012	2013	2014
Agriculture	167.7	177.7	197.7	188.6	182.1	192.0
Forestry, Logging, Sawmilling	287.0	379.5	501.9	506.1	497.5	552.4
Fishing	117.4	128.0	140.4	150.7	191.3	192.6
Mining & Exploration	55.7	55.7	533.4	877.5	766.8	279.4
Manufacturing	141.8	141.3	146.7	171.5	205.1	171.0
Electricity and Water	283.0	296.1	316.1	335.9	360.2	329.2
Construction	115.3	115.7	122.2	145.7	162.4	164.4
Retail and Wholesale Trade etc	167.8	171.2	181.6	190.3	197.3	201.9
Transport and Communications	260.5	275	327.9	344.1	374.0	412.2
Finance	267.5	272.5	284.0	296.5	309.5	323.3
Other Services	184.4	198.9	202.8	207.9	212.6	214.7
Index of Monetary GDP Production Annual % movement	187.8 -3.3	205.2 9.2	225.1 9.7	227.3 1.0	236.7 4.1	251.0 6.1
Index of Primary Production Annual % movement	181.8 -12.0	209.5 15.2	249.5 19.1	247.6 -0.8	251.2 1.4	268.4 7.1
Non-Monetary: Food	189.4	193.8	188.9	193.3	202.2	203.7
Non-Monetary: Construction	182.7	186.9	182.3	186.5	190.8	196.5
Non-Monetary GDP Index	188.9	193.2	188.4	192.7	201.3	203.1
Index of Total GDP Production Annual % movement	187.9 -1.9	202.7 7.9	224.2 10.6	231.7 3.3	239.1 3.2	242.9 2.0

Source: Central Bank of Solomon Islands

TABLE 1-33 - PRODUCTION BY MAJOR COMMODITY

Period	Copra (m.t)	Coconut Oil (m.t)	Palm Oil (m.t)	Palm Kernel oil (mt)	Fish Catch (mt)	Cocoa (mt)	Timber & Log (000m3)	Gold (ounce)	Silver (ounce)
2011	35,280	470	31,592	3,537	28,195	6,496	1,937	51,054	19,043
2012	26,610	189	31,846	3,387	29,377	4,838	1,948	67,819	28,993
2013	13,922	196	32,261	3,201	25,846	5,054	1,895	58,690	22,021
2014	15,361	-	24,768	2,490	22,309	3,906	1,527	17,057	8,715
2011									
Mar	10,670	56	7,353	774	4,430	952	416	-	-
Jun	9,367	27	8,240	929	5,716	2,159	509	6,660	3,672
Sep	6,810	200	8,003	934	10,094	2,012	514	20,028	8,532
Dec	8,433	188	7,996	900	7,955	1,371	499	24,366	6,840
2012									
Mar	8,953	44	7,221	771	5,446	782	523	21,775	12,559
Jun	6,615	55	8,961	1,004	6,112	1,829	442	18,556	6,104
Sep	7,796	44	7,783	816	8,768	903	510	14,627	4,964
Dec	3,247	45	7,882	796	9,051	1,312	473	12,861	5,366
2013									
Mar	3,317	43	7,538	705	4,157	750	440	9,905	4,174
Jun	2,971	48	8,720	891	3,893	1,304	437	18,717	6,949
Sep	3,593	48	7,464	734	8,972	1,506	479	14,981	5,670
Dec	4,041	53	8,433	842	7,854	878	541	15,086	5,228
2014									
Jan	844	n.a	3,093	289	2,846	293	174	5,216	2,235
Feb	2,095	n.a	3,076	316	1,742	228	116	6,354	3,588
Mar	2,168	n.a	2,970	278	1,828	234	154	3,676	2,156
Apr	2,026	n.a	1,563	157	2,297	465	141	0	0
May	2,077	n.a	3,906	406	2,478	642	170	0	0
Jun	1,869	n.a	2,856	287	2,216	652	145	1,812	737
Jul	1,977	n.a	2,533	255	2,408	668	175	2,327	272
Aug	1,074	n.a	2,605	272	3,052	531	218	-	-
Sep	1,232	n.a	2,166	230	3,442	295	233	-	-
Oct	1,199	n.a	2,616	247	3,547	220	150	-	-
Nov	754	n.a	2,782	259	3,274	284	206	-	-
Dec	1,786	n.a	3,585	351	3,666	246	246	-	-

Source: Central Bank of Solomon Islands

TABLE 1.34 - NUMBER, VALUE AND AVERAGE VALUE OF BUILDING PERMITS ISSUED, HONIARA

Period	NUMBER			VALUE (\$'000)			AVERAGE VALUE (\$'000)		
	Residential	Commercial /Industry	Other	TOTAL	Residential	Commercial /Industry	Other	TOTAL	TOTAL
2010	109	83	37	229	48,025	87,721	11,563	147,310	441
2011	102	65	34	201	64,255	91,549	3,061	158,866	630
2012	49	40	24	113	30,338	97,341	2,635	130,314	619
2013	67	35	26	128	54,595	60,091	1,986	116,672	815
2014	120	46	47	213	68,775	195,318	5,284	269,377	573
2010	36	21	12	69	18,620	17,483	1,238	37,342	517
Mar	23	24	14	61	9,629	17,200	7,778	34,607	419
Jun	23	18	7	48	7,651	14,457	1,880	23,988	333
Sep	27	20	4	51	12,125	38,581	667	51,373	449
2011	43	25	9	77	20,298	22,900	354	43,552	472
Mar	5	7	6	18	3,550	20,277	435	24,262	710
Jun	31	18	9	58	21,960	26,984	880	49,824	708
Sep	23	15	10	48	18,448	21,388	1,392	41,229	802
2012	11	6	5	22	9,576	42,746	990	53,312	871
Mar	13	8	6	27	6,756	12,783	620	20,159	520
Jun	9	13	1	23	4,738	9,050	45	13,833	555
Sep	12	10	10	32	6,740	24,650	760	29,900	562
2013	12	6	5	23	11,600	3,700	324	15,624	967
Mar	8	9	4	21	6,500	11,504	270	18,274	813
Jun	17	8	8	33	17,150	12,240	640	30,030	1,009
Sep	30	12	9	51	19,345	32,647	752	52,744	645
2014	6	3	1	10	6,540	4,000	250	10,790	1,090
Jan	5	4	4	13	4,500	4,475	350	9,325	900
Feb	2	4	2	8	1,504	3,450	200	5,154	752
Mar	10	3	3	16	5,145	5,600	400	11,145	515
Apr	11	3	2	16	4,285	2,875	180	7,340	390
May	5	3	6	14	1,825	2,372	450	4,647	365
Jun	6	4	2	12	2,651	3,950	200	6,801	442
Jul	28	4	4	36	14,198	14,689	250	29,137	507
Aug	9	5	2	16	4,550	124,475	150	129,175	506
Sep	12	4	10	26	5,000	9,546	875	15,421	417
Oct	12	4	5	21	8,877	6,370	999	16,246	740
Nov	14	5	6	25	9,700	13,516	980	24,196	693
Dec									
2014	6	3	1	10	6,540	4,000	250	10,790	1,090
Jan	5	4	4	13	4,500	4,475	350	9,325	900
Feb	2	4	2	8	1,504	3,450	200	5,154	752
Mar	10	3	3	16	5,145	5,600	400	11,145	515
Apr	11	3	2	16	4,285	2,875	180	7,340	390
May	5	3	6	14	1,825	2,372	450	4,647	365
Jun	6	4	2	12	2,651	3,950	200	6,801	442
Jul	28	4	4	36	14,198	14,689	250	29,137	507
Aug	9	5	2	16	4,550	124,475	150	129,175	506
Sep	12	4	10	26	5,000	9,546	875	15,421	417
Oct	12	4	5	21	8,877	6,370	999	16,246	740
Nov	14	5	6	25	9,700	13,516	980	24,196	693
Dec									

Source: Honiara City Council

TABLE 1.35 - TOTAL VISITORS ARRIVALS

Period	Air	Sea	Total	Average length of stay (days) of Tourists
2011	22,941	n.a	22,941	16
2012	23,918	n.a	23,918	15
2013	24,431	n.a	24,431	15
2014	20,070	3,701	23,771	15
2011				
Mar	5,119	0	5,119	16
Jun	5,505	0	5,505	15
Sep	6,244	0	6,244	16
Dec	6,073	0	6,073	15
2012				
Mar	4,651	0	4,651	13
Jun	6,926	0	6,929	14
Sep	7,303	0	7,303	13
Dec	5,038	0	5,038	16
2013				
Mar	5,318	0	5,318	14
Jun	6,195	0	6,195	13
Sep	6,887	n.a	6,887	13
Dec	6,031	n.a	6,031	21
2014				
Jan	1415	92	1507	15
Feb	1523	0	1523	14
Mar	1816	216	2032	13
Apr	1514	100	1614	14
May	1462	31	1493	13
Jun	1949	475	2424	14
Jul	2114	0	2114	14
Aug	1639	316	1955	14
Sep	1730	1999	3729	14
Oct	1798	237	2035	14
Nov	1515	188	1703	14
Dec	1595	47	1642	14

Source: Statistics Division, Ministry of Finance
Central Bank of Solomon Islands

Note: Average length of stay (days) of tourists is on quarters and Annual only.

TABLE 1.36 - GENERATION AND SALES OF ELECTRICITY

(All Stations)

Period	Units Generated	Units Sold ('000 KWH)				Total
		Domestic	Commercial and Industrial	Government	Other	
2011	74,669	12,297	39,078	7,884	1,660	60,918
2012	75,313	8,277	38,673	7,370	860	55,181
2013	81,083	14,161	37,727	8,761	814	61,463
2014	83,930	13,912	45,329	5,717	446	65,403
2011						
Mar	18,218	2,401	9,444	2,150	475	14,470
Jun	18,618	2,400	10,049	1,947	533	14,930
Sep	18,788	3,234	9,227	1,860	389	14,711
Dec	19,045	4,262	10,356	1,927	262	16,808
2012						
Mar	18,412	3,149	9,861	1,439	361	14,811
Jun	18,284	1,735	9,812	2,076	111	13,735
Sep	19,200	1,558	9,281	1,907	199	12,945
Dec	19,417	1,835	6,719	1,947	189	13,690
2013						
Mar	20,309	3,987	9,501	1,763	221	15,473
Jun	19,105	3,570	9,129	2,417	224	15,339
Sep	20,378	3,237	9,559	2,406	184	15,386
Dec	21,290	3,367	9,538	2,175	184	15,264
2014						
Jan	6,611	1,012	3,948	645	48	5,654
Feb	6,483	1,072	3,581	580	60	5,293
Mar	8,114	1,090	3,413	533	64	5,100
Apr	6,312	1,029	3,501	524	62	5,116
May	7,296	1,121	3,404	583	50	5,158
Jun	6,867	1,143	4,489	125	-	5,756
Jul	7,223	1,455	4,268	24	-	5,747
Aug	7,036	1,267	4,109	80	-	5,457
Sep	6,697	1,314	3,227	583	50	5,174
Oct	7,230	1,188	4,605	25	-	5,818
Nov	6,943	1,064	3,396	1,016	70	5,546
Dec	7,117	1,158	3,387	998	42	5,585

Source : Solomon Islands Electricity Authority

TABLE 1.37 - SELECTED ECONOMIC INDICATORS

	Unit	2012				2013				2014			
		Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2
A. External Trade	SBD'000												
(i) Exports (fob)		936,639	881,084	711,696	823,264	836,028	900,525	759,393	754,393	941,657	898,955	898,955	898,955
(ii) Imports (fob)		838,336	869,867	833,064	868,139	841,883	849,256	898,555	778,475	854,995	839,414	839,414	839,414
B. Gross External Reserves	SBD'000	3,655,625	3,667,806	3,648,637	3,742,173	3,780,640	3,908,643	3,95,845	4,147,697	4,070,819	3,784,137	3,784,137	3,784,137
C. Money Supply	SBD'000												
(i) Currency in active Circulation		503,368	481,159	480,463	503,368	511,254	474,240	457,304	548,159	522,507	574,890	574,890	574,890
(ii) M2		2,383,553	2,484,465	2,541,066	2,355,941	2,678,158	2,836,328	2,685,038	2,812,671	2,793,368	2,798,979	2,798,979	2,798,979
(iii) M3		2,977,788	3,063,677	3,113,304	3,156,413	3,264,033	3,443,110	3,410,893	3,657,024	3,713,422	3,633,881	3,633,881	3,633,881
D. Domestic Credit	SBD'000												
(i) Government (net)		-1,001,115	-588,895	-820,237	-1,001,115	-1,421,719	-1,318,238	-1,372,730	-1,425,422	-1,437,271	-1,425,843	-1,425,843	-1,425,843
(ii) Statutory Corporations		2,926	35,762	38,798	38,091	36,667	32,275	32,086	31,161	30,240	40,740	40,740	40,740
(iii) Private Sector Credit		1,209,253	1,230,049	1,271,153	1,361,302	1,397,887	1,417,489	1,494,106	1,506,437	1,644,811	1,702,530	1,702,530	1,702,530
E. Interest Rates (average)	%												
(i) Savings Deposits		0.32	0.29	0.30	0.32	0.32	0.31	0.33	0.33	0.35	0.30	0.35	0.30
(ii) Time Deposits (6-12 months)		1.96	3.34	2.76	1.96	0.510	0.43	0.47	0.30	1.21	1.73	1.21	1.73
(iii) Lending		11.38	13.99	10.20	11.38	10.73	10.44	10.35	10.85	10.75	11.06	10.75	11.06
(iv) Bank Deposits with CBSI		0	0	0	0	0	0	0	0	0	0	0	0
F. Exchange Rates (Quarterly average)													
(i) US\$1.00 = S\$		7.36	7.35	7.32	7.29	7.27	7.33	7.36	7.34	7.31	7.50	7.36	7.34
(ii) AU\$1.00 = S\$		7.44	7.64	7.60	7.23	6.66	6.80	6.59	6.84	6.77	6.43	6.59	6.84
G. Inflation rate (%)		4.7	4.6	7.1	5.2	6.3	3.0	3.4	7.2	5.3	4.8	3.4	7.2
H. Tourists Arrivals		7,307	5,038	5,318	6,195	6,887	6,031	4,754	4,925	5,483	5,380	4,754	4,925
I. Electricity Consumption	'000 KwH	12,945	13,690	15,473	15,339	15,386	15,264	16,047	16,030	16,378	16,949	16,047	16,030
J. International Commodity Prices USD/ton													
(i) Copra		672	565	553	560	603	791	896	923	805	792	896	923
(ii) Cocoa		2,494	2,451	2,209	2,307	2,470	2,770	2,950	3,083	3,230	2,990	2,950	3,083
(iii) Palm Oil		995	809	853	851	827	897	911	887	772	715	911	887
(iv) Fish		2,347	2,132	1,750	2,093	2,069	1,780	1,463	1,338	1,563	1,344	1,463	1,338
(v) Logs (USD/m ³)		355	353	323	302	301	296	290	292	287	260	290	292

Source: Central Bank of Solomon Islands

NOTES TO STATISTICAL TABLES

Table 1.1a & 1.1b Depository Corporations Survey

The Depository Corporations Survey (DCs) is derived from the Central Bank Survey (Table 1.2) and Other Depository Corporation Survey (ODCs) – (Table 1.3).

Table 1.2a & 1.2b Central Bank Survey

The Central Bank Survey is derived from the assets and liabilities of the Central Bank of Solomon Islands (CBSI) which is based on the CBSI's monthly trial balance.

Table 1.3a & 1.3b Other Depository Corporations Survey

Deposits of banks

Following the introduction of a monthly reporting system in January 1989, all figures shown are for end of period. Some caution should be exercised, therefore, when making comparisons with past years which are period averages.

Shares and other equity

Included here are: Funds contributed by owners; Retained Earning and General Special Reserves.

Table 1.4a & 1.4b Sectoral Distributions of Other Depository Corporation Credit Outstanding

Loans and advances are classified by sector according to the main economic activity of the borrower and are compiled from the monthly returns submitted by commercial banks.

ODCs Credit Outstanding includes credit issued from the commercial banks, credit corporations and credit unions to private sector excluding lending to non-financial public sector.

Table 1.5 Other Depository Corporations Liquid Assets Position

The data are derived from the balance sheets of the banks. Effective January 1989, all figures are reported on end month basis.

Commercial banks are required to hold a percentage of total deposit liabilities in the form of liquid assets, as determined by the Central Bank. The surplus/deficit position shows the excess shortfall of liquid assets holdings over/below the statutory required level.

Table 1.6 Other Depository Corporations Clearing

This table presents data on the total number and average value of cheques cleared by commercial banks at CBSI on a monthly basis.

Table 1.8 Value of Currency in Circulation by Denomination

This includes notes and coins by denomination.

Table 1.12 Assets and Liabilities of Credit Corporation of Solomon Islands

All lending is in motor vehicles for both private and businesses. The term deposits, most by NPF, are for terms 6 months and 4 years.

Table 1.13 Assets and Liabilities of the Solomon Islands National Provident Fund

The major components of the assets is in commercial banks term deposits.

Table 1.14 Balance of Payments & International Position Statistics Summary

The format of this table is broadly consistent with the International Monetary Fund (IMF) standard analytical presentation. The major sources of data are the statistics Division of the Ministry of Finance, the commercial banks, the government accounts and the diplomatic offices.

In BOP concept, the surplus/deficit position in the current and capital accounts should also reflect a surplus deficit in the financial account. Opposite positions between the current and capital accounts and the financial account reflected imperfections in available data at that time of reporting.

Table 1.20 Value of Imports by Import Category

The table is based on the Standard International Trade Classification (SITC) system.

Table 1.21 - 1.23 Foreign Exchange Transactions (FET)

The quarterly and annual tables of foreign exchange transactions receipts and payments originate from foreign currency flows through the banking system. The commercial banks report all daily foreign currency transactions on tickets which are submitted to the International Department for collation and compilation.

Table 1.25 Government Securities by holder and Instrument

The table is based on the Government Finance Statistics Framework of 2001.

Table 1.26 Gross and Net Government Domestic Debt by Instrument and Holder

The Government's Fiscal Operations for the first quarter of 2014 presented below was based on the 2001 IMF Government Finance Statistics (GFS) Frame work.

Table 1.27 Government Revenue

Tax Revenue:	This comprises tax revenue from the Revenue Division (IRD) and Customs & Excise Division (CED) & Non-Tax Revenue.
<i>Taxes on income, profit & capital gains:</i>	This comprises company tax, Government PAYE Tax and Withholding tax.
<i>Taxes on property:</i>	Lease of property withholding tax
<i>Taxes on good & services:</i>	This includes sales tax and goods tax from IRD & CED
<i>Taxes on International Trade & Transactions:</i>	Total of both import duties & export duties from CED
<i>Other Taxes:</i>	Stamp Duty
Other Receipts:	The total of Non-tax Revenue by various government ministries

Table 1.28 Government Expenses

Compensation of Employees:	Total of payroll payment plus Employers National Provident Fund (NPF) 15% contributions.
Interest Payments:	This includes interest payment on both domestic and external loans but excludes the principal repayments entcomponents.
Social benefits:	This includes gratuities under agreements, employee compensaton claims and long term service benefits.
Other Payments:	This includes payments that are not classified above.

Table 1.29 Government Expenditure onNonfinancial Assets (NFAs)

Purchase and sale of all government assets such as residential and nonresidential buildings, land, machines, furniture and so forth.

Table 1.30 Honiara Retail Price Index

Measure consumer prices in Honiara only.

Table 1.31 International Commodity Prices

All prices quoted are period averages. Prices quoted for fish are average prices for Yellow fin and Skipjack frozen tuna from INFOFISH Trade News bulleting published by the Food and Agriculture Organization (FAO). Price quoted for logs are from the Malaysia market.

Table 1.33 Production by Major Commodity

Value of major commodities classified based on the Standard International Trade Classification (SITC) system.

Table 1.34 Number, Value of Building Permits Issued, Honiara

The data over permits issued by the Honiara Town Council for construction of buildings in Honiara only.

Table 1.35 Total Visitor Arrivals

Visitors include tourist, business clients and others.

Table 1.37 Selected Economic Indicators

This table brings together some of the key data reported in various tables in the Review. See notes to relevant table (s).



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