



CENTRAL BANK of SOLOMON ISLANDS

P.O. BOX 634, Honiara, Solomon Islands

Press Release: 10/2023

Thursday 31st August 2023

Press release: Monetary Policy Stance for September 2023

The Central Bank of Solomon Islands Board following its meeting on 29th August 2023, decided to maintain a tight monetary policy stance for the next six months as part of its on-going effort to keep price stability in the economy.

Economic conditions in the first half of 2023 were mixed reflecting weaker-than-expected production outturns in most agricultural commodities, offsetting stronger activity in other sectors like mining, arrivals and employment. As a consequence, growth projection for 2023 was revised downward to 2.4% from a stronger growth of 2.7% forecasted in the March Monetary Policy Statement.

Inflation dropped from its peak of 9.5% in December 2022 to 5.5% in May driven mainly by falling global energy prices and to a lesser extent food price. Nonetheless, inflation remained elevated on a year-on-year basis, suggesting risks and uncertainties are high and they remain on the horizon.

Moreover, the bank expects inflation to remain high at 4.2% in June before easing to 1.3% in December, in line with the anticipated falling global energy prices.

In such an environment where inflation risks remain robust, CBSI will be attentive to incoming inflation and macroeconomic data and act accordingly should associated risks emerge.

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