

Monthly Economic Bulletin

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I. MONETARY DEVELOPMENTS

Money supply (M3) contracted marginally by 0.3%, reaching \$6,161 million in April 2025, following a decline of 0.8% in the previous month. The reduction was primarily due to a 0.7% drop in narrow money (M1), which fell to \$5,214 million from \$5,252 in the previous month. Other deposit (time and savings), however, increased by 2% to \$947 million during the month.

Net foreign assets (NFA) of the banking system increased by 3% in April 2025 to \$5,478 million, reversing the 3% decline in March 2025. This was due to a 1% rise in the Central Bank's NFA to \$5,444 million, coupled with an improvement in the NFA position of other depository corporations (ODCs) from minus \$56 million to \$33 million. NFA expanded by 3% on an annual basis¹.

Credit to private sector (PSC) contracted by 0.7% to \$2,805 million in April, following a 0.4% decline in the previous month. Net credit to government (NCG) fell by 10% to minus \$628 million, reflecting the drawdown of government deposits from the banking system during the month. On an annual basis, PSC and NCG both declined by 1% and 4%, respectively.

Free liquidity² in the banking system fell by 4% to \$2,665 million in April 2025. The decline was due to the reduction in call account deposits held at the CBSI. Meanwhile, the minimum required reserve reached \$322 million in April.

Domestic Market Operations

The stock of the CBSI's Bokolo bills remained capped at \$430 million in April 2025. The weighted average yield (WAY) for Bokolo bills increased to 0.36% from 0.34% in the previous month. Meanwhile, in the Treasury bills (T-Bills) market, total bids submitted during the month amounted to \$60 million, of which only \$39 million was accepted by CBSI. The T-bills WAY for 91, 182 and 365 days remained unchanged from the previous month at 1.15%, 2.40% and 2.60% respectively.

¹ The annual growth is a comparison against December 2024

² Free liquidity is total liquidity excluding the minimum required reserves

II. EXTERNAL CONDITIONS

Trade in goods

The balance of trade in goods deficit widened to \$301 million in April 2025, from \$74 million deficit in March. This negative outcome stemmed from a 15% reduction in exports to \$327 million, combined with a 36% increase in imports to \$628 million during the month. The decline in exports was largely driven by the fall in fish and agricultural commodities. Meanwhile, the surge in imports reflected higher import payments for fuel, machineries and basic manufactures during the period.

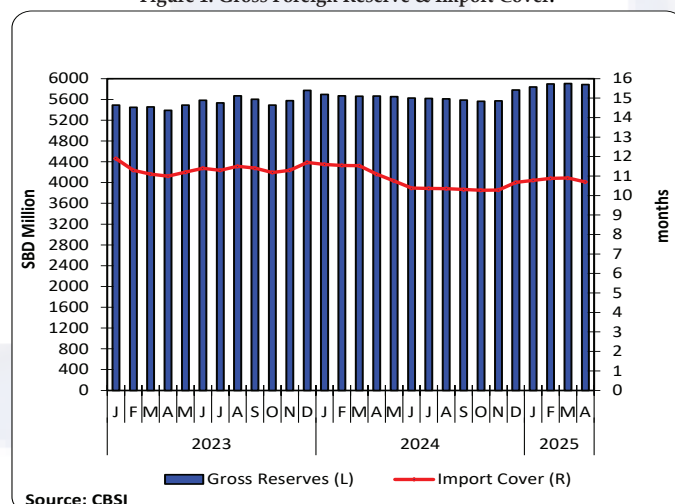
Remittances

In April 2025, the total inward remittances processed through money transfer operators amounted to \$35 million, while total outward payments stood at \$23 million. Consequently, the net remittance position recorded a surplus of \$12 million, compared to a revised surplus of \$28 million registered in March.

Gross Foreign Reserves

Gross foreign reserves declined slightly by 0.4% to \$5,885 million, reflecting higher trade payments during the month. This level of reserves is sufficient to cover 10.7 months of imports of goods and services.

Figure 1: Gross Foreign Reserve & Import Cover.



Source: CBSI

Exchange Rate

In April 2025, the Solomon Islands dollar (SBD) appreciated by 0.9% against the United States dollar to an average of \$8.35 per USD. The SBD also appreciated

against the Australian dollar by 1.2% to \$5.25 per AUD, but depreciated against the New Zealand dollar by 0.8% to \$4.86 per NZD. In addition, the SBD weakened against the British pound and the Euro, however, strengthened against the Japanese Yen. Due to the mixed movements within the currency basket, the trade-weighted index (TWI) went up slightly by 0.1% to 115.0 during the month.

II: GOVERNMENT FINANCE

The Central Government recorded a provisional operating deficit of \$30 million in April 2025, a reversal from the \$35 million surplus recorded in the previous month. The deficit was driven by a significant increase in government expenditure, despite an improvement in revenue collections during the month. Total expenditure surged by 40% to \$349 million, largely reflecting higher payroll costs and increased spending on goods and services. Total revenue increased by 13% to \$319 million, supported by stronger collections from trade-related taxes and non-tax revenue.

The Central Government's total debt stock rose by 3% to \$3,273 million by the end of April 2025, reflecting increases in both external and domestic debt. External debt grew by 5% to \$2,122 million, driven by additional loan disbursements. Domestic debt increased marginally by 0.3% to \$1,151 million, attributed to additional issuance of treasury bills. Debt servicing in April totalled \$46 million, comprising \$39 million in principal repayments and \$7 million in interest payments.

V: DOMESTIC ECONOMY

The monthly production index fell by 3 points to a preliminary index of 103 in April, mainly due to a sharp decline in agriculture cash crops, particularly palm oil and coconut oil, which dropped by 20 points. This downturn more than offset gains in other sectors, including forestry (+11 points), mining (+5 points), and fishing (+1 point). Palm oil production dropped by 26% to 1,862 tons, while coconut oil plunged by 43% to 334 tons. In contrast, round log production surged by 41% to 104,854 cubic meters, mineral output increased by 27% to 8,498 equivalent ounces of gold, and fish catch rose by 8% to 1,786 tons. Additionally, copra production climbed by 41% to 409 tons, while cocoa output tripled to 187 tons.

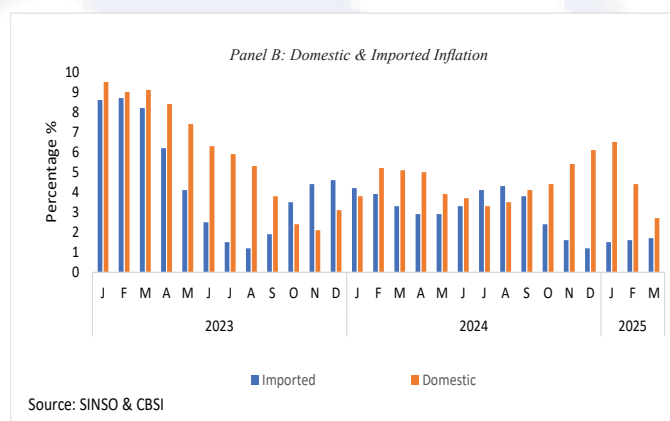
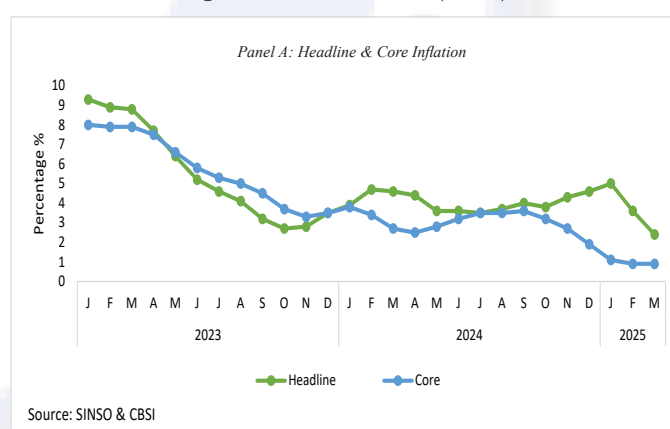
The commodity price index rose by 4 points to 105.5 in April, driven by higher prices for key export commodities. Gold recorded a notable increase of 8%, reaching US\$3,218 per ounce. Coconut oil increased by 5% to US\$2,483 per ton, round logs increased by 4% to US\$207 per cubic meter, timber rose by 2% to US\$717 per cubic meter, and cocoa increased by 1% to US\$8,150 per ton. Meanwhile, fish prices remained unchanged at US\$1,649 per ton in April 2025.

Consumer Price Index, Inflation (YoY - 3mma)

The Consumer Price Index (CPI) dropped further to 127.1 points in March 2025, from 128.3 points recorded in February. The decline was driven by lower prices for vegetables, betel-nut, tobacco, and non-alcohol beverages, which more than offset increases in the prices of fruits, electricity, gas and solid fuels.

Headline inflation eased to 2.4% in March 2025, down from 3.6% in February. The deceleration was mainly due to a decline in domestic inflation, which fell by 1.7 percentage points (pp) to 2.7%. In contrast, imported inflation edged up slightly by 0.1 pp to 1.7% in March. Core inflation remained at 0.9%, indicating subdued underlying inflationary pressures.

Figure 2: National Inflation (3mma)



CBSI Monthly Price Index (MPI)

The CBSI Monthly Price Index (MPI) for selected consumption items rose from 114.5 points in March to 116.4 points in April, driven by higher prices for rice, electricity tariffs, and betelnut. The price of a 40lb bag of Solrice increased by 85 cents to \$155.25, while household electricity tariffs rose by 53 cents to \$7.09 per kWh. The average price of a betelnut also climbed by 13 cents to \$1.88 per nut. In contrast, fuel prices declined by 20 cents to \$10.08 per litre, while the price of LP gas remained unchanged at \$31.86 per kilogram during the month.

Solomon Islands Key Economic Indicators

		Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25
Consumer price index (%)	Headline inflation (3mma)	4.3	4.6	5.0	3.6	2.4	n.a
	Underlying inflation (3mma): core 3	2.7	1.9	1.1	0.9	0.9	n.a
	Headline inflation(MoM)	2.5	0.6	-0.2	-1.4	-0.9	n.a
CBSI Monthly Price Index	Weighted Index	118	130	128	119	114	116
Production Index	Index	142	121	144	98	107	103
Trade ¹	Exports (\$ millions)	513	394	498	426	357	327
	Imports (\$ millions)	513	433	338	295	461	628
	Trade Balance (\$ millions)	0	-39	160	131	-104	-301
Exchange Rates (Mid-rate, Monthly average)	SBD per USD	8.40	8.46	8.50	8.47	8.43	8.35
	SBD per AUD	5.49	5.37	5.29	5.34	5.31	5.25
	SBD per NZD	4.97	4.88	4.78	4.81	4.82	4.86
	SBD per GBP	10.72	10.70	10.63	10.61	10.87	10.89
	SBD per 100 JPY	5.47	5.52	5.43	5.58	5.65	5.51
	SBD per EUR	8.95	8.87	8.80	8.82	9.08	9.19
	SBD Currency Basket Index	114.1	114.9	115.4	115.2	115.1	115.0
Gross Foreign Reserves(eop)	\$ milions	5,572	5,781	5,840	5,898	5,906	5,885
Liquidity ² (eop)	Free Liquidity (\$ millions)	2,582	2,673	2,534	2,782	2,773	2,665
Money and credit ² (eop)	Narrow Money, M1 (\$ millions)	5,039	5,067	5,075	5,283	5,252	5,214
	Broad Money, M3 (\$ millions)	6,011	6,067	6,054	6,227	6,177	6,161
	Private Sector credit (\$ millions)	2,865	2,846	2,839	2,836	2,824	2,805
Interest Rates (weighted average yield)	28-days Bokolo Bills rate (%)	0.34	0.35	0.32	0.35	0.34	0.36
	91- days Treasury Bills rate (%)	1.15	1.15	1.15	1.15	1.15	1.15
	182-days Treasury Bills rate (%)	2.41	2.41	2.41	2.40	2.40	2.40
	365-days Treasury Bills rate (%)	2.60	2.61	2.61	2.60	2.60	2.60
Government Finance	Revenue (\$ millions)	278	431	295	248	283	319
	Expenditure (\$ millions)	289	568	217	268	249	349
	Fiscal Balance (\$ millions)	-11	-138	78	-20	35	-30
	SIG Debt stock (eop) (\$ millions)	3,150	3,225	3,215	3,203	3,171	3,273
Global Commodity Prices (monthly averages)	CBSI Commodity Price Index	93.1	97.6	96.1	100.6	101.3	105.5
	Round logs - (US\$/m3)	194	193	190	196	200	207
	Gold - (US\$/oz)	2,651	2,648	2,710	2,895	2,983	3,218
	Palm Oil - (US\$/tonne)	1,169	1,190	1,070	1,067	1,068	994
	Fish - (US\$/tonne)	1,355	1,346	1,346	1,711	1,649	1,649
	Coconut oil - (US\$/tonne)	1,879	1,973	1,978	1,990	2,356	2,483
	Cocoa - (US\$/tonne)	7,890	10,320	10,750	9,860	8,080	8,150
	Timber - (US\$/m3)	694	689	673	683	704	717

¹ Value in terms of free on Board (FOB)

² Based on weekly statistics provided by other depository corporations (ODCs).

Note;
na : not available at the time of publication.