

Monthly Economic Bulletin

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Content	Page
I. Monetary Developments	1
II. External Conditions	1
III. Government Finances	2
IV. Domestic Production	2
V. Key Economic Indicators	3

I. MONETARY DEVELOPMENTS

Money supply (M3) rose marginally by 0.2% to \$6,547 million in July 2025, a slower pace from the 2% growth in the previous month. The growth was due to a 1% expansion in narrow money (M1), which increased to \$5,621 million from \$5,577 million in June. Other deposits (time and savings), however, fell by 3% to \$926 million during the month.

Net foreign assets (NFA) of the banking system increased by 1% in July 2025 to \$5,739 million, a slight growth from \$5,700 million in June. The uptick was due to a 1% rise in the Central Bank's NFA to \$5,686 million. NFA of other depository corporations (ODCs), however, reduced from \$82 million in July to \$53 million. On an annual basis¹, NFA increased by 8%.

Credit to private sector (PSC) expanded by 2% to \$2,895 million in July, rebounding from a 0.3% decline in the previous month. Net credit to government (NCG) is maintained at \$548 million as in the preceding month. On an annual basis, PSC increased by 2% while NCG declined by 16%.

Free liquidity² in the banking system grew by 2% to \$2,829 million in July 2025. The upturn was due to the expansion in call account deposits held at CBSI. Meanwhile, the minimum required reserve expanded to \$330 million in July, a 2% growth from the previous month.

Domestic Market Operations

The stock of the CBSI's Bokolo Bills remained capped at \$430 million in July 2025. The weighted average yield (WAY) for Bokolo bills increased to 0.39% compared to 0.38% in the previous month. Meanwhile, in the Treasury bills (T-Bills) market, total bids submitted during the month amounted to \$94 million, of which only \$50 million was accepted by CBSI. The T-bills WAY for 91 and 182 days remained unchanged at 1.15% and 2.39%, respectively, whilst the WAY for 365 days dropped to 2.59% from 2.60% in June.

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 on trade in goods recorded a deficit of \$30 million in July 2025, compared to a \$2 million surplus witnessed in previous month. This negative outcome was driven by a 58% surge in imports to \$621 million, despite a 50% increase in exports to \$591 million. The sharp increase in imports was broad based, reflecting higher imports across all categories including food, minerals, machinery and basic manufactures during the month. Similarly, the increase in exports was due to upturns across all export commodities.

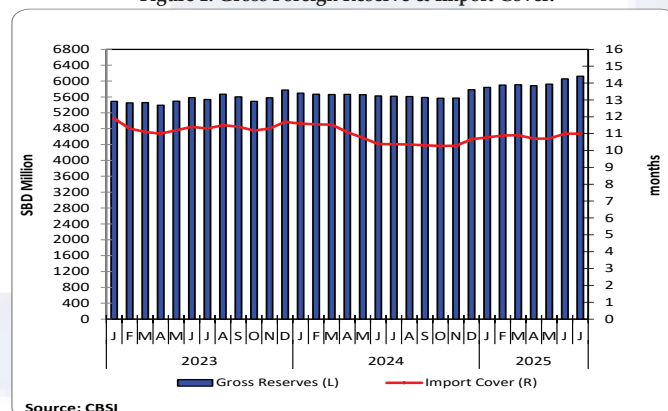
Remittances

Total remittances processed through money transfer operators posted a total inward receipt of \$32 million in July against outward payments of \$24 million. Accordingly, net remittance in July recorded a surplus of \$8 million, compared to the \$7 million surplus in the previous month.

Gross Foreign Reserves

Gross foreign reserves rose slightly by 1% to \$6,120 million in July, from \$6,054 million in June, reflecting higher inflows than outflows during the period. This is sufficient to cover 11 months of imports of goods and services, indicating a strong external position.

Figure 1: Gross Foreign Reserve & Import Cover.



Exchange Rate

The Solomon Islands dollar (SBD) slightly strengthened against the United States dollar (USD) by 0.61% to an average of \$8.30 per USD in July. In contrast, the SBD weakened against the Australian dollar by 0.18% to an average of \$5.43 per AUD but appreciated against the

New Zealand dollar by 0.88% to an average of \$4.98 per NZD. The SBD also appreciated against the British pound, Japanese Yen, and the Euro during the month. In line with the strong performance of the SBD in the currency basket, the trade-weighted index (TWI) strengthened by 1.7% to 112.3 points.

II: GOVERNMENT FINANCE

The government recorded an operational deficit of \$82 million in July 2025, compared to a \$1 million surplus in the preceding month. This negative outturn stemmed from elevated government expenditure along with lower revenue collection during the month. Total expenditure surged by 22% to \$395 million in July, driven by higher spending on goods and services. Meanwhile, total revenue fell by 3% to \$313 million due to lower tax on goods and services.

Meanwhile, the central government's debt balance dropped slightly by 0.1% to \$3,749 million in July, owing to debt repayments and exchange rate movements. Consequently, external debt fell by 4% to \$2,467 million. In contrast, domestic debt rose by 7% to \$1,282 million due to additional bonds issued by the government to the Solomon Islands National Provident Fund (SINPF) and the Pan Oceanic Bank (POB) during the month. Debt servicing totaled \$42 million in July, consisting of \$40 million in principal repayments and \$2 million in interest charges.

V: DOMESTIC ECONOMY

The preliminary Monthly Production Index recorded a sharp increase in July, rising from 74 points to 122 points. This strong performance reflected favorable outturns in forestry (25 points), agriculture (16 points), fishing (5 points) and mining (1 point) sectors. In terms of actual production, round log output jumped to 90,064 cubic meters, from 18,000 cubic meters produced in June, fish catch surged by 66% to 2,259 tons, while minerals rose by 5% to 8,971 gold equivalent ounces. Similarly, palm oil output increased by 9% to 2,219 tons, coconut oil surged by 59% to 559 tons, while cocoa production went up by 21% to 475 tons. Meanwhile, copra production declined by 1% to 397 tons during the month.

The commodity price index declined to 105.3 points in July from 106 points in June, reflecting weaker prices for several major commodities. Cocoa prices dropped by 12% to US\$7,370 per ton, while round log prices fell by 2% to US\$203 per cubic meter. Prices for gold and timber also eased slightly, down by 0.4% and 0.3% to US\$3,340 per ounce and US\$736 per cubic meter, respectively. Conversely, palm oil prices increased by 4% to US\$975 per ton, coconut oil price rose by 3% to US\$2,771 per ton, and fish prices edged up by 1% to US\$1,422 per ton.

National Consumer Price Index, Inflation (MoM)

The National Consumer Price Index (NCPI) increased

to 129.5 points in June, up slightly from 128.4 points in May. This uptick was mainly driven by continued increase in the food and non-alcoholic beverages category – particularly fruits and vegetables. Notably, this category was also the primary contributor to the NCPI increase in May. In contrast, the index for housing and utilities category declined compared to the previous month, largely due to fall in prices for electricity, gas, and liquid fuels, and the transport category, mainly from solid fuels and lubricants.

Headline Inflation (YoY - 3mma)

Headline inflation rose to 3.7% in June from 3.0% recorded in May. This increase was due to the rise in domestic inflation which rose to 4.4% from 3.7% in the previous month. Meanwhile, imported inflation continued to ease, falling from 1.4% to 1.3% in June. Similarly, core inflation edged lower to 1.7%, compared to 1.8% in the previous month, reflecting subdued domestic demand.

Figure 1: Headline and Core inflation

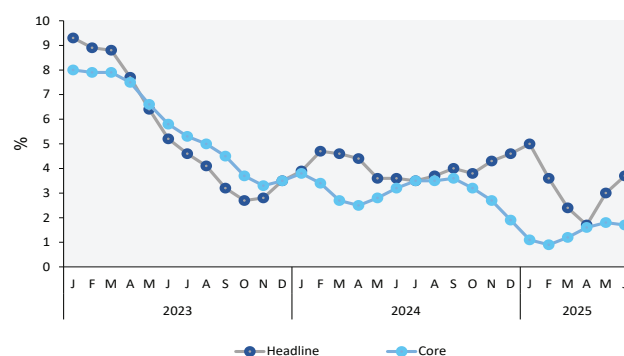
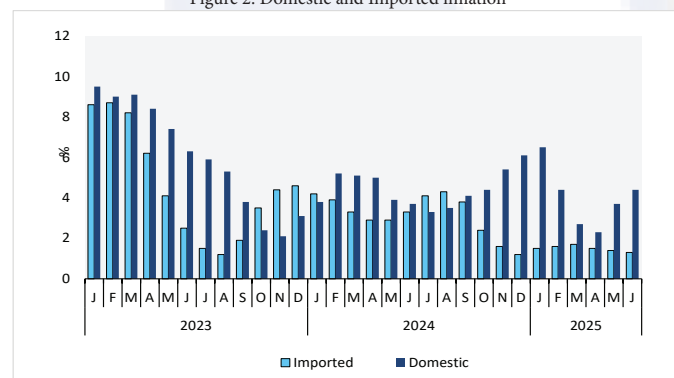


Figure 2: Domestic and Imported inflation



CBSI Monthly Price Index (MPI)

The CBSI Monthly Price Index (MPI) for selected consumption items rose from 103 points in June to 104 points in July, largely driven by higher betel-nut prices, the most volatile item. The average price of betel-nut increased by 41 cents to \$1.14 per nut. In contrast, household electricity tariffs fell by 40 cents to \$6.10 per kilowatt-hour, fuel prices declined by 9 cents to \$9.27 per litre, and liquefied petroleum (LP) gas edged down by 1 cent to \$31.50 per kilogram. Meanwhile, the price of a 40lb bag of Solrice remained unchanged at \$148.60.

Solomon Islands Key Economic Indicators

		Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25
Consumer price index (%)	Headline inflation (3mma, YoY)	3.6	2.4	2.1	3.0	3.7	n.a
	Underlying inflation (3mma, YoY): core 3	0.9	1.2	1.6	1.8	1.7	n.a
	Headline inflation (MoM)	-1.4	-0.9	0.7	0.3	0.9	n.a
CBSI Monthly Price Index	Weighted Index	119	114	116	111	103	104
Production Index	Index	111	98	106	150	74	122
Trade ¹	Exports (\$ millions)	426	357	327	572	395	591
	Imports (\$ millions)	295	461	628	436	393	621
	Trade Balance (\$ millions)	131	-104	-301	135	2	-30
Exchange Rates (Mid-rate, Monthly average)	SBD per USD	8.47	8.43	8.35	8.35	8.35	8.30
	SBD per AUD	5.34	5.31	5.25	5.38	5.42	5.43
	SBD per NZD	4.81	4.82	4.86	4.96	5.03	4.98
	SBD per GBP	10.61	10.87	10.89	11.16	11.32	10.76
	SBD per 100 JPY	5.58	5.65	5.51	5.78	5.78	5.66
	SBD per EUR	8.82	9.08	9.19	9.42	9.38	8.92
	SBD Currency Basket Index	115.2	115.1	115.0	114.4	114.2	112.3
Gross Foreign Reserves(eop)	\$ milions	5,898	5,906	5,885	5,925	6,054	6,120
Import Cover	Months	10.9	10.9	10.7	10.7	11.0	11.0
Liquidity ² (eop)	Free Liquidity (\$ millions)	2,782	2,773	2,665	2,750	2,788	2,829
Money and credit ² (eop)	Narrow Money, M1 (\$ millions)	5,283	5,252	5,214	5,425	5,577	5,621
	Broad Money, M3 (\$ millions)	6,227	6,177	6,161	6,373	6,531	6,547
	Private Sector credit (\$ millions)	2,836	2,824	2,805	2,849	2,842	2,895
Interest Rates (weighted average yield)	28-days Bokolo Bills rate (%)	0.35	0.34	0.36	0.39	0.38	0.39
	91- days Treasury Bills rate (%)	1.15	1.15	1.15	1.15	1.15	1.15
	182-days Treasury Bills rate (%)	2.40	2.40	2.40	2.39	2.39	2.39
	365-days Treasury Bills rate (%)	2.60	2.60	2.60	2.60	2.60	2.59
Government Finance	Revenue (\$ millions)	248	283	319	254	324	313
	Expenditure (\$ millions)	268	249	349	341	323	395
	Fiscal Balance (\$ millions)	-20	35	-30	-87	1.	-82
	SIG Debt stock (eop) (\$ millions)	3,203	3,171	3,273	3,362	3,753	3,749
Global Commodity Prices (monthly averages)	CBSI Commodity Price Index	100.6	101.3	105.5	106.2	106.0	105.3
	Round logs - (US\$/m3)	196	200	207	206	206	203
	Gold - (US\$/oz)	2,895	2,983	3,218	3,309	3,353	3,340
	Palm Oil - (US\$/tonne)	1,067	1,068	994	908	935	975
	Fish - (US\$/tonne)	1,711	1,649	1,649	1,469	1,403	1,422
	Coconut oil - (US\$/tonne)	1,990	2,356	2,483	2,767	2,699	2,771
	Cocoa - (US\$/tonne)	9,860	8,080	8,150	8,990	8,400	7,370
	Timber - (US\$/m3)	683	704	717	728	739	736

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.