

Monthly Economic Bulletin

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I. MONETARY DEVELOPMENTS

Money supply (M3) rose by 5% in October 2025 to \$6,886 million, up from a 1% contraction in September. The expansion reflected a 5% growth in narrow money (M1), which increased to \$5,936 million from \$5,637 million in the preceding month. In addition, other deposits (time and savings) edged up by 0.5% to \$950 million during the month.

Net foreign assets (NFA) of the banking system rose by 6% in October 2025 to \$6,097 million, after a 1% decline recorded in September. The growth was due to a 4% gain in the Central Bank's NFA to \$6,007 million. Similarly, NFA of other depository corporations (ODCs) has improved to \$91 million in October from minus \$33 million in the prior month. On an annual basis, NFA increased by 14%.

Credit to private sector (PSC) continued to expand in October, rising by 1% to \$2,901 million, and sustaining the month-on-month growth observed in September. Net credit to government (NCG) contracted by 23% to \$503 million, driven by the fall in government deposits in the banking system during the month. On an annual basis, PSC grew by 2% whilst NCG declined by 23%.

Free liquidity in the banking system grew by 23% to \$3,541 million in October 2025. The uptick mirrored the increase in NFA, and the Commercial Banks' call account deposits held at CBSI. Meanwhile, the minimum required reserve stood at \$333 million in October, 0.4% lower than the previous month.

Domestic Market Operations

The stock of CBSI's Bokolo Bills remained capped at \$430 million during the month. The weighted average yield (WAY) for Bokolo Bills slid to 0.40%, from 0.41% in the previous month. The Treasury Bills (T-bills) tendered during the month amounted to \$26 million, of which only \$18 million was accepted by the CBSI. In October, the Government introduced the 56 days T-bills tenor, while discontinuing the 365 days maturity. The T-bills WAY for 56 days was 0.74%, WAY for 91 days increased to 1.16%, up from 1.15% in September while the WAY for 182 days remained unchanged at 2.39%, as in the previous month.

¹The annual growth is a comparison against December 2024

²Free liquidity is the total liquidity excluding the minimum required reserves

II. EXTERNAL CONDITIONS

Trade in goods

The balance of trade in goods recorded a significant improvement in October 2025, posting a surplus of \$81 million, up from \$30 million surplus in September. This positive outcome reflected a modest increase in exports by 0.4% to \$490 million, alongside a 11% decline in imports to \$409 million during the month. The rise in export was driven mainly by higher shipments of minerals and round logs. Meanwhile, the contraction in imports was associated with reduced payments for fuel, machinery, basic manufactures and other imports during the month.

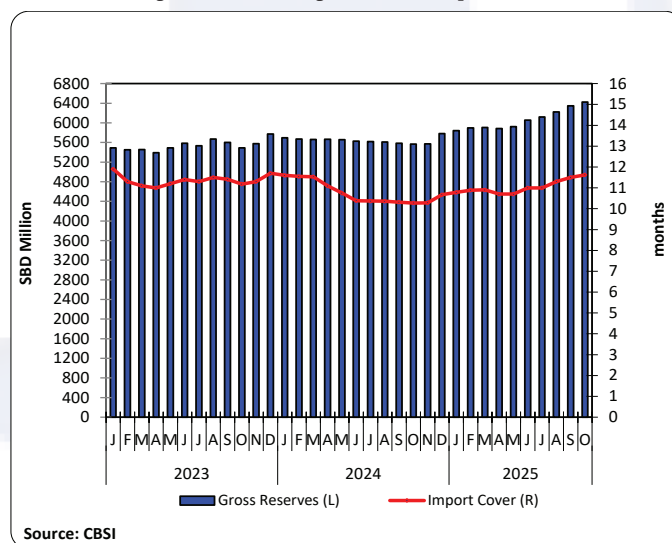
Remittances

In October, total inward remittance processed through money transfer operators amounted to \$30 million, compared to an outflow of \$22 million. As a result, net remittance recorded a surplus of \$8 million, down from \$11 million surplus recorded in the previous month.

Gross Foreign Reserves

Gross foreign reserves increased slightly by 1% to \$6,422 million, owing to higher inflows during the month. This level of reserves is sufficient to cover 11.6 months of imports of goods and services.

Figure 1: Gross Foreign Reserve & Import Cover.



Exchange Rate

In October, the Solomon Islands dollar (SBD) weakened

against the United States dollar by 0.17%, averaging \$8.25 per USD. Conversely, the SBD appreciated against the Australian dollar by 0.52% to \$5.40 per AUD and against the New Zealand dollar by 2.03% to \$4.75 per NZD. The SBD also strengthened against the British pound, Japanese Yen, and the Euro during the month. As a result of the mixed performance of the SBD within the currency basket, the trade-weighted index (TWI) weakened by 0.11% to 112 points.

II: GOVERNMENT FINANCE

The government posted an operating deficit of \$107 million in October 2025, reversing the \$63 million surplus recorded the previous month. The shortfall was primarily the result of a sharp rise in expenditure. Total spending climbed 54% to \$510 million, driven by higher payroll costs and increased outlays on goods and services. On the revenue side, collections edged up 2% to \$403 million, supported by stronger inflows from customs and excise duties as well as non-tax revenue.

The government’s total debt declined marginally by 0.4% in October 2025, reaching \$4,027 million, mainly driven by debt servicing activities. Domestic debt dropped by 2% to \$1,328 million, whereas external debt inched up 0.3% to \$2,700 million, largely influenced by currency fluctuations. Overall debt servicing during the month amounted to \$69 million, consisting of \$57 million in principal repayments and \$12 million in interest payments.

V: DOMESTIC ECONOMY

The preliminary Monthly Production Index for October 2025 recorded a strong increase, rising to 136 points, up from a revised 96 points in September. This growth was underpinned by favorable performances across major commodity sectors, with contributions from agriculture and mining both at (14 points), logging (8 points) and fishing (4 points). In terms of actual output, mineral production surged by 84% to 9,925 gold-equivalent ounces, round log production increased by 38% to 89 cubic meters, while fish catch rose by 33% to 2,731 tons. Similarly palm oil output increased by 9% to 1,934 tons, cocoa production strengthened by 281% to 571 tons, and coconut oil expanded by 38% to 707 tons.

The commodity price index rose for the third consecutive month, increasing from 110.1 points in September to 114.4 points in October, largely driven by higher gold prices. Gold prices increased by 10.7% to US\$4,058 per ounce, notably marking their overall highest price recorded. Palm oil prices also edged up by 1% to US\$1,045 per ton. In contrast, cocoa prices fell by 15% to US\$5,954 per ton, round log prices declined by 2.3% to US\$197 per cubic meter, and timber prices eased by 1.1% to US\$728 per cubic meter. Meanwhile, coconut oil and fish prices remained unchanged at US\$2,599 per ton and US\$1,422 per ton, respectively.

National Consumer Price Index, Inflation (MoM)

The National Consumer Price Index (NCPI) dropped to 132.7 points in September, down from 134.9 points in August. This decline was mainly driven by alcoholic beverages, tobacco, and narcotics category (ABTN), particularly a reduction in the price of betel-nut. The Food category also contributed to the overall decline, with notable reductions in vegetable prices. In contrast, the Housing and Utilities category recorded a modest rise from the previous month, primarily reflecting higher prices for electricity, gas, and liquid fuels.

Headline Inflation (YoY - 3mma)

However, on a year-on-year basis, headline inflation rose to 5.7% in September, up from 5.5% in August. This increase came from higher domestic inflation, which increased to 8.2%, from 7.7% in the previous month, mainly due to higher prices in the ABTN and food categories. Meanwhile, imported inflation eased further, falling to 0.2% in September from 0.8% in August. Core inflation also declined to 0%, down from 0.3% in the previous month.

Figure 1: Headline and Core inflation

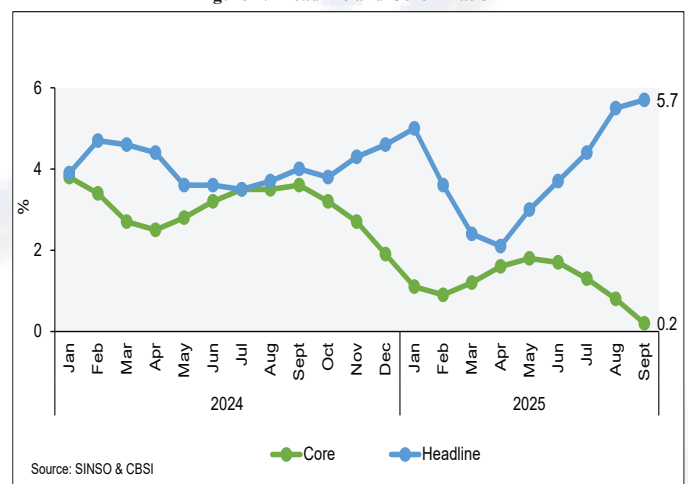
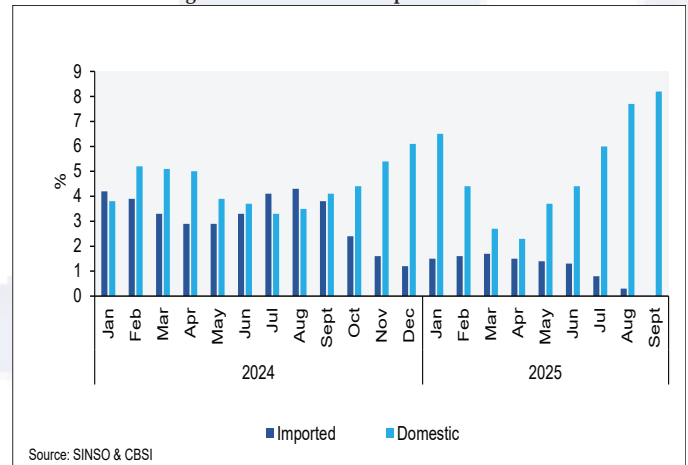


Figure 2: Domestic and Imported inflation



CBSI Monthly Price Index (MPI)

The CBSI Monthly Price Index (MPI) for selected consumption items rose to 114 points in October 2025,

from 112 points in the previous month. The increase in the MPI was mainly driven by higher prices for key household consumption items during the month. Specifically, the price of Solrice increased by \$1.60 to \$149.00 per 20kg bag, household electricity tariffs rose by \$0.22 to \$6.76 per kilowatt-hour, betel nut prices

recorded a modest increase of \$0.17 to \$2.17 per nut. These upward movements were partially offset by declines in energy prices with the average retail price of fuel fall by \$.16 to \$9.53 per liter, while LP gas prices remained broadly stable, declining marginally by \$0.02 to \$31.33 per kilogram.

Solomon Islands Key Economic Indicators

		May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25
Consumer price index (%)	Headline inflation (3mma, YoY)	3.0	3.7	4.4	5.5	5.7	n.a
	Underlying inflation (3mma, YoY): core 3	1.8	1.7	1.3	0.8	0.2	n.a
	Headline inflation (MoM)	0.4	0.8	1.8	2.4	-1.6	n.a
CBSI Monthly Price Index	Weighted Index	111	103	104	103	112	114
Production Index	Index	155	82	127	125	96	136
Trade¹	Exports (\$ millions)	569	394	555	418	488	490
	Imports (\$ millions)	436	393	621	504	458	409
	Trade Balance (\$ millions)	133	1	-66	-86	30	81
Exchange Rates (Mid-rate, Monthly average)	SBD per USD	8.35	8.35	8.30	8.25	8.23	8.25
	SBD per AUD	5.38	5.42	5.43	5.36	5.43	5.40
	SBD per NZD	4.96	5.03	4.98	4.87	4.85	4.75
	SBD per GBP	11.16	11.32	10.76	11.09	11.12	11.02
	SBD per 100 JPY	5.78	5.78	5.66	5.59	5.57	5.46
	SBD per EUR	9.42	9.38	8.92	9.60	9.66	9.60
	SBD Currency Basket Index	114.4	114.2	112.3	112.2	111.9	112.02
Gross Foreign Reserves (eop)	\$ millions	5,925	6,054	6,120	6,224	6,349	6,422
Import Cover	Months	10.7	11.0	11.0	11.3	11.5	11.6
Liquidity² (eop)	Free Liquidity (\$ millions)	2,750	2,788	2,829	2,855	2,869	3,541
Money and credit² (eop)	Narrow Money, M1 (\$ millions)	5,425	5,577	5,621	5,726	5,637	5,936
	Broad Money, M3 (\$ millions)	6,373	6,531	6,547	6,659	6,582	6,886
	Private Sector credit (\$ millions)	2,849	2,842	2,895	2,867	2,883	2,901
Interest Rates (weighted average yield)	28-days Bokolo Bills rate (%)	0.39	0.38	0.39	0.40	0.41	0.40
	56-days Treasury Bills rate (%)						0.74
	91- days Treasury Bills rate (%)	1.15	1.15	1.15	1.15	1.15	1.16
	182-days Treasury Bills rate (%)	2.39	2.39	2.39	2.39	2.39	2.39
	365-days Treasury Bills rate (%)	2.60	2.60	2.59	2.59	2.58	
Government Finance	Revenue (\$ millions)	254	324	313	262	395	403
	Expenditure (\$ millions)	341	323	395	259	332	510
	Fiscal Balance (\$ millions)	-87	1	-82	3	63	-107
	SIG Debt stock (eop) (\$ millions)	3,362	3,753	3,749	3,761	4,042	4,027
Global Commodity Prices (monthly averages)	CBSI Commodity Price Index	106.2	106.0	105.3	106.3	110.1	114.4
	Round logs - (US\$/m3)	206	206	203	202	201	197
	Gold - (US\$/oz)	3,309	3,353	3,340	3,368	3,668	4,058
	Palm Oil - (US\$/tonne)	908	935	975	1,026	1,038	1,045
	Fish - (US\$/tonne)	1,469	1,403	1,422	1,422	1,422	1,422
	Coconut oil - (US\$/tonne)	2,767	2,699	2,771	2,845	2,589	2,599
	Cocoa - (US\$/tonne)	8,990	8,400	7,370	7,602	7,030	5,954
	Timber - (US\$/m3)	728	739	736	733	736	728

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.