

Monthly Economic Bulletin

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I. MONETARY DEVELOPMENTS

Money supply (M3) rose by 5% in December 2025 to \$7,179 million, following a 1% decline in November. The uptick was driven by a 6% gain in narrow money (M1) to \$6,224 million, up from \$5,864 million in the previous month. Other deposits (time and savings) rose slightly by 0.2% to \$956 million during the month.

Net foreign assets (NFA) of the banking system increased by 3% to \$6,154 million in December 2025, reversing a 2% fall in November. The outturn reflected a 3% growth in the Central Bank's NFA to \$6,117 million. NFA of other depository corporations (ODCs), however, dropped to \$37 million in December from \$39 million in previous month. On an annual basis¹, NFA rose by 16%.

Credit to the private sector (PSC) grew by 1% to \$2,949 million in December, maintaining the growth trend observed since September 2025. Conversely, Net Credit to Government (NCG) fell by 17% to minus \$407 million, reflecting the reduction in government deposits held in the banking system. On a year-on-year basis, PSC rose by 4%, whilst NCG contracted by 38%.

Free liquidity² in the banking system increased by 12% to \$3,881 million in December 2025. This growth was driven by a higher NFA and an accumulation of Commercial Banks' call account deposits held at the CBSI. Meanwhile, the minimum required reserve rose by 2% to \$331 million.

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 was unchanged at 0.40%, consistent with the previous month. Meanwhile, total Treasury bills (T-Bills) tendered during the month amounted to \$21 million, all of which was accepted. Yields on T-bills WAY across the 56 days, 91 days and 182 days were unchanged at 0.75%, 1.16% and 2.39%, respectively.

II. EXTERNAL CONDITIONS

Trade in Goods

The surplus in the balance on trade in goods improved markedly in December 2025, rising to \$422 million from \$57 million in the previous month. This improvement was driven by a 59% surge in exports to \$779 million, alongside an 18% contraction in imports to \$356 million. Robust export performance was supported by increased export volumes from the mining, forestry, and fisheries sectors, along with favorable commodity prices. Meanwhile, the decline in imports reflected reduced payments for fuel, food, and machinery.

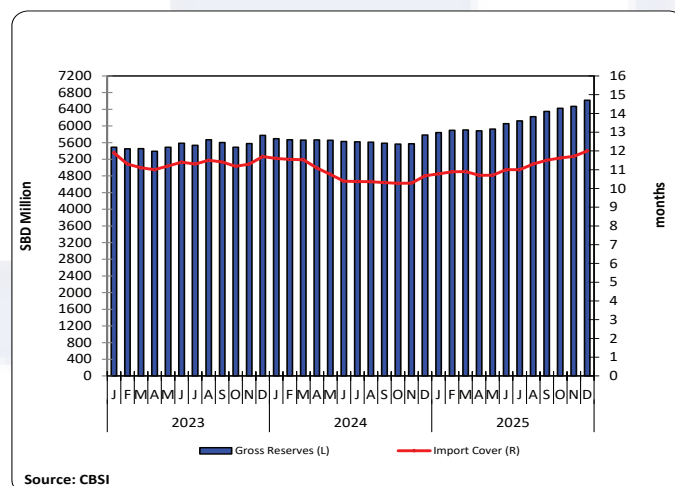
Remittances

In December 2025, inward remittances through money transfer services declined to \$42 million from \$53 million in the previous month. Similarly, outward payments dropped to \$22 million from \$38 million. Overall, net remittances remained in surplus at \$20 million, up from \$15 million in November.

Gross Foreign Reserves

Gross foreign reserves rose by 2% to \$6,620 million in December 2025 driven by higher inflows, particularly donor transfers. This level of reserves is adequate to cover 12 months of imports of goods and services.

Figure 1: Gross Foreign Reserve & Import Cover.



Exchange Rate

The Solomon Islands dollar (SBD) strengthened

¹ The annual growth is a comparison against December 2024

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

against the United States dollar by 0.83% to \$8.18 per USD in December 2025. Conversely, the SBD weakened against both the New Zealand dollar by 1.34% to \$4.73 per NZD and against the Australian dollar by 0.96% to \$5.42 per AUD. The SBD also weakened against the euro and the British pound, but strengthened against the Japanese yen. Overall, reflecting these mixed performances, the SBD trade-weighted index (TWI) basket recorded a moderate appreciation of 1.4% to 110.8 points.

II: GOVERNMENT FINANCE

Fiscal operation in December 2025 recorded a provisional operating deficit of \$89 million, improving from \$109 million deficit in the prior month. Total expenditure expanded by 56% to \$620 million, mainly due to elevated spending on goods and services. Meanwhile, total revenue improved by 84% to \$530 million, underpinned by strong collection from grants, fishing and tax receipts.

The government's overall debt stock fell by 2% to \$4,165 million at the end of December, largely driven by debt servicing payments and partly associated with exchange rate movements. External debt declined marginally by 1% to \$2,813 million, while domestic debt fell by 3% to \$1,352 million. Debt servicing amounted to \$177 million in December of 2025, consisting of \$165 million in principal repayments and \$12 million in interest payment.

V: DOMESTIC ECONOMY

The preliminary Monthly Production Index increased to 130 points in December 2025, up from 105 points in the previous month. The outcome was driven by substantial gains in mining (18 points), forestry (7 points), and fishing (1 point), while agriculture showed a marginal decline of 1 point. In terms of actual production volumes, fish catch rose by 5% to 3,051 tons, mineral production surged by 74% to 14,133 gold equivalent ounces, cocoa output climbed by 33% to 161 tons, round logs expanded by 31% to 88,197 cubic meters, and coconut oil output increased by 9% to 440 tons. Meanwhile, palm oil declined by 18% to 1,810 tons, and copra dropped sharply by 49% to 1,476 tons.

The CBSI commodity price index rose to 116.4 points in December 2025 from 113.2 points in November 2025. This reflected higher prices across several major commodities. Gold prices rose by 5% to US\$4,309 per ounce, cocoa increased by 3% to US\$5,782 per ton, timber edged up by 2% to US\$730 per cubic meter, and fish prices went up by 0.5% to US\$1,457 per ton. However, coconut oil prices dropped by 5% to US\$2,323 per ton, round logs fell by 0.5% to US\$191 per cubic meter, and palm oil edged down by 0.3% to US\$981 per ton.

National Consumer Price Index (NCPI) (MoM)

The National Consumer Price Index (NCPI) fell to

130.3 points in November 2025 from 132.7 points in October. This outcome was primarily driven by lower prices in the 'Food and Non-alcoholic Beverages', 'Alcoholic Beverages, Tobacco, and Narcotics' and 'Housing and Utilities' categories. These mainly reflected the fall in prices of fruits and vegetables, narcotics (betelnut), and electricity in November compared to the previous month.

Headline and Core Inflation (YoY - 3mma)

Headline inflation (YoY) dropped notably to 3.4% in November 2025 from 5.6% in October. This decline was mainly attributed to domestic inflation, which fell from 7.9% in October to 4.7%, while imported inflation edged up slightly to 0.3% from 0.2%. Core inflation, however, rose modestly to 0.6% in November from 0.3% in October, pointing to emerging but still contained underlying demand pressures within the domestic economy.

Figure 1: Headline and Core inflation

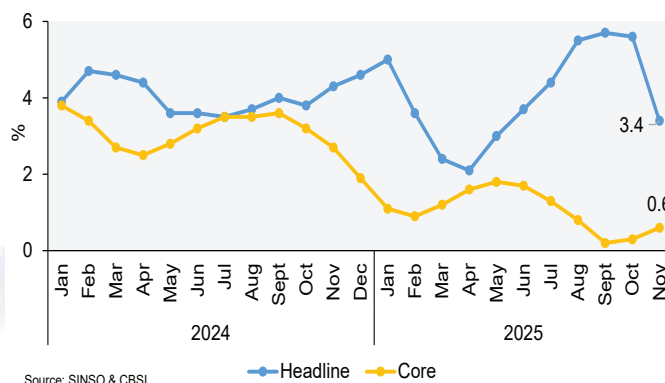
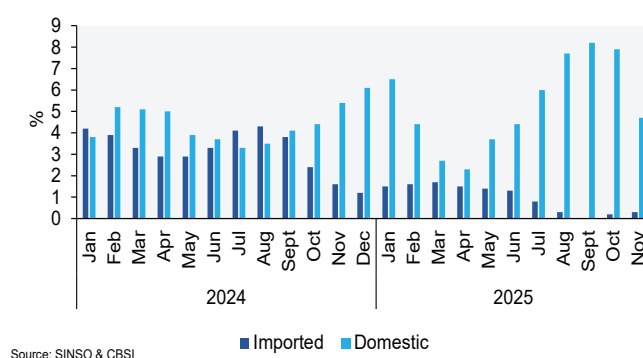


Figure 2: Domestic and Imported inflation



CBSI Monthly Price Index (MPI)

The CBSI MPI for selected consumption items rose from 106.8 points in November 2025 to 108 points in December 2025, indicating a moderate increase in consumer prices for monitored commodities. The price of a 40lb bag of Solrice increased by \$10.60 to \$154.60, while the prices of liquefied petroleum (LP) gas and betel-nut remained unchanged at \$26.58 per kilogram and \$1.50 per nut, respectively. In contrast, fuel prices declined by 12 cents to \$9.54 per litre, and household electricity tariffs fell by 5 cents to \$6.43 per kilowatt-hour.

Solomon Islands Key Economic Indicators

		Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25
Consumer price index (%)	Headline inflation (3mma, YoY)	4.4	5.5	5.7	5.6	3.4	na
	Underlying inflation (3mma, YoY): core 3	1.3	0.8	0.2	0.3	0.6	na
	Headline inflation (MoM)	1.8	2.4	-1.6	0.0	-1.8	na
CBSI Monthly Price Index	Weighted Index	104	103	112	114	107	108
Production Index	Index	135	137	106	143	105	130
Trade ¹	Exports (\$ millions)	555	418	488	490	491	779
	Imports (\$ millions)	621	504	458	409	433	356
	Trade Balance (\$ millions)	-66	-86	30	81	57	422
Exchange Rates (Mid-rate, Monthly average)	SBD per USD	8.30	8.25	8.23	8.25	8.25	8.18
	SBD per AUD	5.43	5.36	5.43	5.40	5.37	5.42
	SBD per NZD	4.98	4.87	4.85	4.75	4.66	4.73
	SBD per GBP	10.76	11.09	11.12	11.02	10.84	10.92
	SBD per 100 JPY	5.66	5.59	5.57	5.46	5.32	3.53
	SBD per EUR	8.92	9.60	9.66	9.60	9.54	9.57
	SBD Currency Basket Index	112.3	112.2	111.9	112.02	112.38	110.82
Gross Foreign Reserves(eop)	\$ millions	6,120	6,224	6,349	6,422	6,469	6,620
Import Cover	Months	11.0	11.3	11.5	11.6	11.7	12.0
Liquidity ² (eop)	Free Liquidity (\$ millions)	2,829	2,855	2,869	3,541	3,469	3,881
Money and credit ² (eop)	Narrow Money, M1 (\$ millions)	5,621	5,726	5,637	5,936	5,864	6,224
	Broad Money, M3 (\$ millions)	6,547	6,659	6,582	6,886	6,817	7,179
	Private Sector credit (\$ millions)	2,895	2,867	2,883	2,901	2,910	2,949
Interest Rates (weighted average yield)	28-days Bokolo Bills rate (%)	0.39	0.40	0.41	0.40	0.40	0.40
	56-days Treasury Bills rate (%)				0.74	0.75	0.75
	91- days Treasury Bills rate (%)	1.15	1.15	1.15	1.16	1.16	1.16
	182-days Treasury Bills rate (%)	2.39	2.39	2.39	2.39	2.39	2.39
	365-days Treasury Bills rate (%)	2.59	2.59	2.58			
Government Finance	Revenue (\$ millions)	313	262	395	403	288	530
	Expenditure (\$ millions)	395	259	332	510	396	620
	Fiscal Balance (\$ millions)	-82	3	63	-107	-109	-89
	SIG Debt stock (eop) (\$ millions)	3,749	3,761	4,042	4,205	4,230	4,165
Global Commodity Prices (monthly averages)	CBSI Commodity Price Index	106.0	106.7	110.6	114.4	113.2	116.4
	Round logs - (US\$/m3)	203	202	201	197	192	191
	Gold - (US\$/oz)	3,340	3,368	3,668	4,058	4,087	4,309
	Palm Oil - (US\$/tonne)	975	1,026	1,038	1,038	970	981
	Fish - (US\$/tonne)	1,422	1,422	1,422	1,516	1,583	1,457
	Coconut oil - (US\$/tonne)	2,771	2,845	2,589	2,547	2,469	2,323
	Cocoa - (US\$/tonne)	7,370	7,602	7,030	5,950	5,610	5,782
	Timber - (US\$/m3)	736	733	736	728	715	730

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.