

Monthly Economic Bulletin

Data published in this bulletin are subject to revision and the Bank cannot guarantee the accuracy of the information obtained from outside sources.

| 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) increased by 2% in February 2026 to \$7,022 million, after a 4% decline in the previous month. The upturn in M3 reflected a 2% expansion in narrow money (M1) to \$6,082 million. On the other hand, other deposits (time and savings) contracted by 0.3% to \$940 million.

Net foreign assets (NFA) of the banking sector expanded by 7% in February 2026 to \$6,073 million, reversing the 8% decline in January. The improvement was attributable to a 6% gain in the Central Bank's NFA to \$6,039 million. Additionally, NFA of other depository corporations (ODCs) improved from minus \$31 million in January to \$34 million in February.

Credit to the private sector (PSC) rose by 2% in February to \$2,962 million, following a 1% decline in January. In contrast, net credit to government (NCG) fell by 3% to minus \$494 million in February, reflecting a reduction in government deposits held in the banking system.

Free liquidity in the banking system continued to decline in February 2026 by 4% to \$3,307 million, following a 11% contraction recorded in January. The reduction was due to the drawdown in call accounts deposits held at CBSI and an increase in currency in circulation. Meanwhile, required reserves stood at \$363 million during the month.

Domestic Market Operations

The stock of the CBSI's Bokolo Bills remained at \$430 million in February 2026. The weighted average yield (WAY) for the Bokolo Bills was unchanged at 0.40%, as in the previous month. Meanwhile, total Treasury bills (T-Bills) tendered during the month amounted to \$44 million, of which only \$30 million was accepted. The T-Bills WAY for 56 day, 91- day, and 182 day maturities remained unchanged at 0.75%, 1.16%, and 2.39%, respectively, as in the preceding month.

II. EXTERNAL CONDITIONS

Trade in Goods

The trade in goods posted a surplus of \$168 million in February 2026, improving from a deficit of \$110 million in January 2026. This outcome was mainly driven by a 22% rise in exports to \$482 million, reflecting increased shipments of minerals and agricultural products. Conversely, imports fell by 38% to \$314 million, largely reflecting declines across all major import categories.

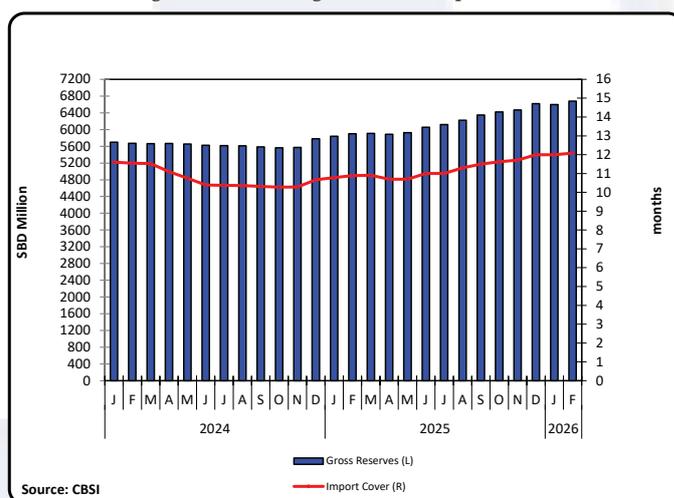
Remittances

In February 2026, inward remittances processed through money transfer operators rose by 13% to \$39 million, while the outward remittances increased to \$12 million, up from \$11 million in the previous month. Consequently, net remittances registered a surplus of \$28 million, compared to \$24 million in January 2026.

Gross Foreign Reserves

Gross foreign reserves increased marginally by 1% to \$6,678 million in February 2026. This level of reserves is adequate to cover 12.1 months of imports of goods and services.

Figure 1: Gross Foreign Reserve & Import Cover.



Source: CBSI

¹ Free liquidity is the total liquidity excluding the minimum required reserves.

Exchange Rate

The Solomon Islands dollar (SBD) strengthened against the United States dollar (USD) by 0.86% to an average of \$8.05 per USD in February. Conversely, the SBD depreciated against the Australian dollar by 3.29% to \$5.68 per AUD and against the New Zealand dollar by 2.2% to \$4.84 per NZD. The SBD also appreciated against the British pound and the Euro but weakened against the Japanese yen. As a result of these mixed movements, the trade weighted index (TWI) edged up slightly by 0.8% to 109.5 points during the month.

III: GOVERNMENT FINANCE

The Government recorded a provisional operating deficit of \$119 million in February 2026, widening from a \$6 million deficit posted in the previous month. This negative outcome reflected higher government expenditure, which exceeded the improvement in revenue collections during the month. Total expenditure surged by 52% to \$365 million, due to higher spending on payroll and goods and services. Meanwhile, total revenue grew by 5% to \$246 million, mainly driven by an increase in non-tax revenue, reflecting higher fishing license receipts collected during the month.

The government's debt stock increased marginally by 0.5% to \$4,290 million at the end of February, primarily due to the issuance of additional bonds to the public. Consequently, domestic debt grew by 2% to \$1,394 million, while external debt fell slightly by 0.1% to \$2,896 million, reflecting debt repayments. Debt servicing during the month totalled \$51.7 million, consisting of \$47.5 million in principal repayments and \$4.2 million in interest payments.

IV: DOMESTIC ECONOMY

The Monthly Production Index declined by 31 points to a preliminary 91 points in February 2026 from a revised 122 points in January. This contraction was primarily driven by downturns in the logging (34 points) and the agricultural sector (17 points), which outweighed positive contributions from mining (16 points) and fisheries (3 points) sector. In terms of actual production volumes, several commodities recorded notable declines. Copra output fell sharply by 78% to 274 tons, round log output decreased by 69% to 44,385 cubic meters, coconut oil production declined by 32% to 425 tons, and palm oil recorded a decrease of 7% to 1,789 tons. In contrast, mineral output surged to 7,829 gold equivalent ounces. Fish production and cocoa production both increased by 29%, reaching 2,363 tons and 341 tons, respectively.

The CBSI Commodity Price Index edged higher to 125.9 points in February, up from 122.4 points in January 2026, largely reflecting increased prices of key export commodities. Gold prices rose by 6% to US\$5,020 per ounce, palm oil increased by 4% to US\$1,042 per ton, and coconut oil went up by 3% to US\$2,259 per ton. Round log and timber prices recorded marginal gains of 1%, with logs at US\$192 per cubic meter and timber at US\$741 per cubic meter. Meanwhile, cocoa prices fell sharply by 28% to US\$3,590 per ton, while fish prices declined marginally by 1% to US\$1,472 per ton.

CBSI Monthly Price Index (MPI)

The CBSI MPI for selected consumption items declined to 107.5 points in February 2026 from 117.0 points in January, reflecting a broad reduction in prices across major monitored items. The price of liquefied petroleum (LP) gas fell by \$1.35 to \$29.94 per kilogram, while the average price of betel nut declined by \$1.29 to \$1.50 per nut. Fuel prices also dropped by 40 cents to \$9.38 per litre and the average retail price of a 40lb bag Solrice eased slightly from \$147.60 to \$146.40. Conversely, electricity tariffs edged up by 46 cents to \$6.71 per kilowatt-hour.

Consumer Price Index, Inflation (MoM)

The National Consumer Price Index (NCPI) for January 2026 was not yet released by the National Statistics Office at the time this bulletin was published.

Solomon Islands Key Economic Indicators

| | | Aug 25 | Sep 25 | Oct 25 | Nov 25 | Dec 25 | Jan 26 | Feb 26 |
|---|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Consumer Price Index (%) | Headline inflation (3mma, YoY) | 5.5 | 5.7 | 5.6 | 3.4 | 1.6 | na | na |
| | Underlying inflation (3mma, YoY): core 3 | 0.8 | 0.2 | 0.3 | 0.6 | 0.9 | na | na |
| | Headline inflation (MoM) | 2.4 | -1.6 | 0.0 | -1.8 | -0.4 | na | na |
| CBSI Monthly Price Index (MPI) | Weighted Index | 103 | 112 | 114 | 107 | 108 | 117 | 107.5 |
| Production Index | Index | 137 | 106 | 143 | 105 | 138 | 122 | 91 |
| Trade ¹ | Exports (\$ millions) | 418 | 488 | 490 | 491 | 745 | 397 | 482 |
| | Imports (\$ millions) | 504 | 458 | 409 | 433 | 356 | 507 | 314 |
| | Trade Balance (\$ millions) | -86 | 30 | 81 | 57 | 388 | -110 | 168 |
| Exchange Rates (Mid-rate, Monthly average) | SBD per USD | 8.25 | 8.23 | 8.25 | 8.25 | 8.18 | 8.12 | 8.05 |
| | SBD per AUD | 5.36 | 5.43 | 5.40 | 5.37 | 5.42 | 5.49 | 5.68 |
| | SBD per NZD | 4.87 | 4.85 | 4.75 | 4.66 | 4.73 | 4.74 | 4.84 |
| | SBD per GBP | 11.09 | 11.12 | 11.02 | 10.84 | 10.93 | 10.98 | 10.95 |
| | SBD per 100 JPY | 5.59 | 5.57 | 5.46 | 5.32 | 5.25 | 5.18 | 5.20 |
| | SBD per EUR | 9.60 | 9.66 | 9.60 | 9.54 | 9.57 | 9.53 | 9.42 |
| | SBD Currency Basket Index | 112.16 | 111.90 | 112.0 | 112.38 | 110.82 | 110.40 | 109.47 |
| Gross Foreign Reserves (eop) | \$ milions | 6,224 | 6,349 | 6,422 | 6,469 | 6,620 | 6,595 | 6,678 |
| Import Cover | Months | 11.3 | 11.5 | 11.6 | 11.7 | 12.0 | 12.0 | 12.1 |
| Liquidity ² (eop) | Free Liquidity (\$ millions) | 2,855 | 2,869 | 3,541 | 3,469 | 3,881 | 3,440 | 3,307 |
| Money and credit ² (eop) | Narrow Money, M1 (\$ millions) | 5,726 | 5,637 | 5,936 | 5,864 | 6,224 | 5,953 | 6,082 |
| | Broad Money, M3 (\$ millions) | 6,659 | 6,582 | 6,886 | 6,817 | 7,179 | 6,896 | 7,022 |
| | Private Sector credit (\$ millions) | 2,867 | 2,883 | 2,901 | 2,910 | 2,949 | 2,914 | 2,962 |
| Interest Rates (weighted average yield) | 28-days Bokolo Bills rate (%) | 0.40 | 0.41 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 |
| | 56-days Treasury Bills rate (%) | | | 0.74 | 0.75 | 0.75 | 0.75 | 0.75 |
| | 91-days Treasury Bills rate (%) | 1.15 | 1.15 | 1.16 | 1.16 | 1.16 | 1.16 | 1.16 |
| | 182-days Treasury Bills rate (%) | 2.39 | 2.39 | 2.39 | 2.39 | 2.39 | 2.39 | 2.39 |
| | 365-days Treasury Bills rate (%) | 2.59 | 2.58 | n.a | n.a | n.a | n.a | na |
| Government Finance | Revenue (\$ millions) | 262 | 395 | 403 | 288 | 530 | 235 | 246 |
| | Expenditure (\$ millions) | 259 | 332 | 510 | 396 | 618 | 240 | 365 |
| | Fiscal Balance (\$ millions) | 3 | 63 | -107 | -109 | -89 | -6 | -119 |
| | SIG Debt stock (eop) (\$ millions) | 3,840 | 4,121 | 4,283 | 4,308 | 4,274 | 4,269 | 4,290 |
| Global Commodity Prices (monthly averages) | CBSI Commodity Price Index | 106.7 | 110.6 | 114.4 | 113.2 | 116.3 | 122.4 | 125.9 |
| | Round logs - (US\$/m3) | 202 | 201 | 197 | 192 | 191 | 190 | 192 |
| | Gold - (US\$/oz) | 3,368 | 3,668 | 4,058 | 4,087 | 4,309 | 4,753 | 5,020 |
| | Palm Oil - (US\$/tonne) | 1,026 | 1,038 | 1,038 | 970 | 981 | 1,005 | 1,042 |
| | Fish - (US\$/tonne) | 1,422 | 1,422 | 1,516 | 1,583 | 1,457 | 1,487 | 1,472 |
| | Coconut oil - (US\$/tonne) | 2,845 | 2,589 | 2,547 | 2,469 | 2,323 | 2,197 | 2,259 |
| | Cocoa - (US\$/tonne) | 7,602 | 7,030 | 5,950 | 5,610 | 5,782 | 4,970 | 3,590 |
| | Timber - (US\$/m3) | 733 | 736 | 728 | 715 | 730 | 737 | 741 |

¹ Value in terms of free on Board (FOB)

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