CENTRAL BANK OF SOLOMON ISLANDS

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I. MONETARY DEVELOPMENTS

Money supply (M3) declined by 1% to $6,980 million in March 2026, from $7,022 million in February. This was driven by a 1% fall in narrow money (M1), which decreased to $6,039 million from $6,082 million in the preceding month. On the other hand, other deposits (time and savings) increased slightly by 0.1% to $941 million.

Net foreign assets (NFA) of the banking system recorded a marginal decline of 0.1% to $6,069 million from $6,073 million in February. The decline was due to a fall in the NFA position of other depository corporations (ODCs) to minus $7 million from $34 million in the previous month. The Central Bank's NFA, however, rose by 1% to $6,076 million. On an annual basis[1] NFA fell by 1% .

Credit to private sector (PSC) edged lower by 0.4% to $2,950 million in March, following a modest expansion in the prior month. Net credit to government (NCG) expanded to minus $558 million in March from minus $494 million in February, reflecting an accumulation of government deposits in the banking system during the month.

Free liquidity[2] in the banking system dropped by 4% to $3,188 million in March 2026, from $3,307 million in February, reflecting a drawdown in call account deposits held at CBSI and the increase in NCG. Meanwhile, the minimum required reserve was recorded at $358 million, in line with deposit levels and cash reserve requirement during the month.

Domestic Market Operations

The stock of the CBSI's Bokolo Bills remained capped at $430 million in March 2026, unchanged from the prior month. The weighted average yield (WAY) for Bokolo Bills remained at 0.40%, consistent with the February level. Total Treasury Bills (T-Bills) tendered during the month amounted to $55 million, of which $41 million was accepted. The T-Bills WAY for 56 days, 91 days and 182 days remained unchanged at 0.75%, 1.16% and 2.39%, respectively, as in the previous month.

[1] The annual growth is a comparison against December 2025

[2] Free Liquidity is the total liquidity excluding the minimum required reserves

II. EXTERNAL CONDITIONS

Trade in goods

The trade in goods recorded a deficit of $121 million in March 2026, reversing a $168 million surplus in February 2026. This was mainly driven by a sharp increase in imports to $537 million from $314 million, with increases across all import categories, including fuel imports which more than doubled. Meanwhile, exports declined by 14% to $416 million, largely due to lower minerals and fish exports during the month.

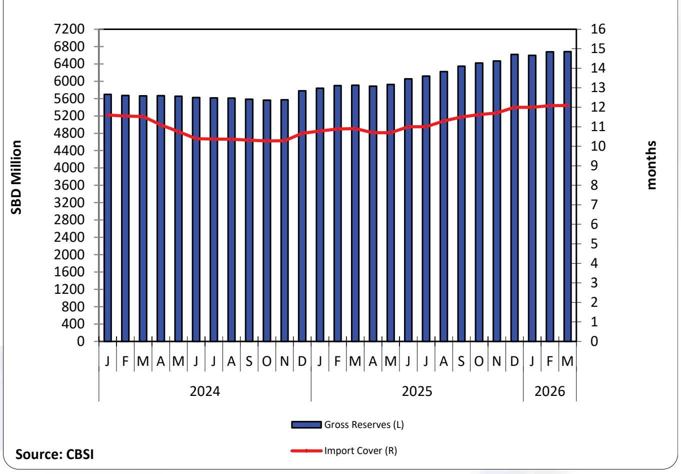
Remittances

Remittances inflows processed through money transfer operators declined by 21% to $31 million in March 2026, while outward remittances increased by 2% to 12 million. As a result, net remittances posted a surplus of $19 million, narrowing from the $28 million surplus in the previous month.

Gross Foreign Reserves

Gross foreign reserves rose marginally by 0.1% to $6,684 million in March 2026, supported by inflows from donor and fishing receipts. This level of reserves is adequate to cover 12.1 months of imports.

Figure 1: Gross Foreign Reserve & Import Cover.



Source: CBSI

Exchange Rate

The Solomon Islands dollar (SBD) weakened slightly by 0.03% against the United States dollar (USD), to an average of $8.06 per USD in March. Conversely, the

SBD appreciated by 0.07% against the Australian dollar to $5.68 per AUD and against the New Zealand dollar by 2.31% to $4.73 per NZD. The SBD also appreciated against the British pound, Euro and Japanese yen. As a result of these mixed movements, the trade-weighted index (TWI) fell by 0.2% to 109.6 points during the month.

III: GOVERNMENT FINANCE

The government recorded an operating provisional surplus of $74 million in March 2026, compared to a $119 million deficit in the preceding month. This positive outcome was mainly driven by higher revenue collections, along with a reduction in government expenditure during the month. Total revenue surged by 69% to $417 million, stemming from higher receipts collected on both tax and non-tax revenue sources, particularly fishing revenue. Meanwhile, total expenditure declined by 6% to $343 million, reflecting lower payments for payroll and goods & services.

Meanwhile, the government's debt stock increased slightly by 0.04% to $4,292 million in March 2026, mainly driven by the issuance of additional development bonds. As a result, domestic debt grew by 2% to $1,420 million, whilst external debt fell by 1% to $2,872 million, largely due to exchange rate movements. During the month, debt servicing amounted to $69 million, comprising $62 million in principal repayments and $7 million in interest charges.

IV: DOMESTIC ECONOMY

The Monthly Production Index for March recorded an increase of 41 points, rising to a preliminary 132 points from 91 points in the previous month. The uptick was primarily driven by positive performances in the forestry (33 points) and agricultural sectors (14 points), while the mining sector recorded a downturn of 6 points and the fishing sector remained unchanged. In terms of actual production, round log output surged from 44,385 cubic meters to 139,818 cubic meters. Palm oil production rose by 10% to 1,960 tons, copra increased from 274 tons to an estimated 1,187 tons, coconut oil went up by 42% to 604 tons and fish production rose by 1% to 2,375 tons. In contrast, mineral production fell by 25% to 5,937 ounces, and cocoa production declined by 87% to 46 tons.

The CBSI Commodity Price Index declined marginally from a revised 126.3 points in February to 126.2 points in March 2026, reflecting decreases in the prices of several export commodities. Cocoa prices declined by 10% to US$3,240 per ton, gold prices fell by 3% to US$4,856 per ounce, while round logs and timber prices both declined by 2% to US$188 and US$727 per cubic meter, respectively. Conversely, palm oil prices increased by 6% to US$1,103 per ton, coconut oil prices rose by 4% to US$2,360 per ton, and fish prices rose notably by 27% to US$1,962 per ton.

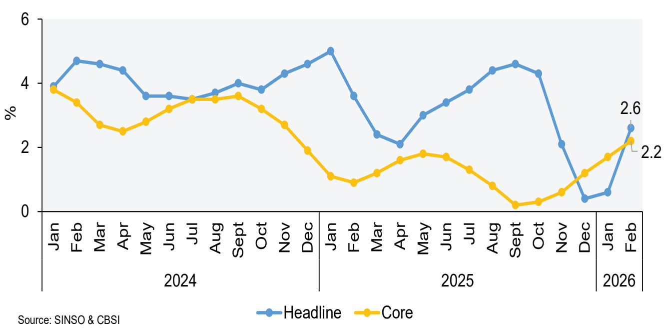
Consumer Price Index, Inflation (MoM)

The National Consumer Price Index (NCPI) remained unchanged at 135.3 points in February, compared to January 2026. This was due to increases in fruits, vegetables, and transport-related fuels and lubricants, which were offset by declines in narcotics (betelnut) and household cooking fuels and gas prices during the month.

Headline Inflation (YoY-3mma)

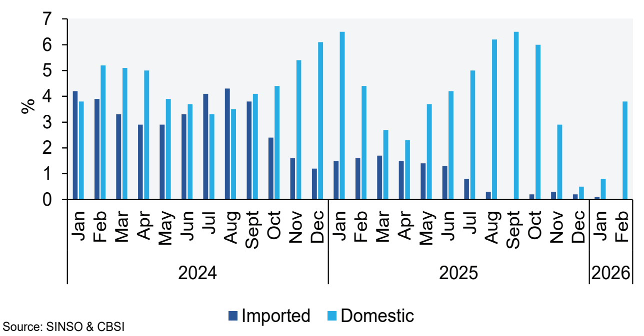
Headline inflation (YoY) rose to 2.6% in February 2026, up from 0.6% in January. This was largely driven by a sharp increase in domestic inflation, which rose significantly from 0.8% to 3.8%, reflecting the impact of heavy rain on local vegetables and fruits in the domestic market. Meanwhile, imported inflation remained low in February at around 0%. Core inflation increased to 2.2% in February from 1.7% in January, indicating a modest pickup in underlying inflationary pressures over the review period.

Figure 2. Headline & Core Inflation



Source: SINSO & CBSI

Figure 3. Domestic & Imported Inflation



Source: SINSO & CBSI

CBSI Monthly Price Index (MPI)

The CBSI MPI for selected consumption items fell to 104.5 points in March from 107.5 points in February 2026. Fuel prices declined by 21 cents to $9.17 per litre, betelnut prices fell by 17 cents to an average of $1.33 per nut, and the price of a 40lb bag of Solrice dropped by 80 cents to $145.60. Household electricity tariffs also fell by 41 cents to $6.29 per kilowatt-hour. Meanwhile, the price of liquefied petroleum gas increased by 53 cents to $30.47 per kilogram.

Solomon Islands Key Economic Indicators

		Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26
Consumer Price Index (%)	Headline inflation (3mma, YoY)	4.6	4.3	2.1	0.4	0.6	2.6	na
	Underlying inflation (3mma,YoY): core 3	0.2	0.3	0.6	1.2	1.7	2.2	na
	Headline inflation(MoM)	-1.6	0.0	-1.6	0.0	5.1	0.0	na
CBSI Monthly Price Index (MPI)	Weighted Index	112	114	107	108	117	107.5	104.5
Production Index	Index	109	142	113	139	122	91	132
Trade[1]	Exports ($ millions)	506	560	522	745	397	482	416
	Imports ($ millions)	458	409	433	356	507	314	537
	Trade Balance ($ millions)	48	151	89	388	-110	168	-121
Exchange Rates (Mid-rate, Monthly average)	SBD per USD	8.23	8.25	8.25	8.18	8.12	8.05	8.06
	SBD per AUD	5.43	5.40	5.37	5.42	5.49	5.68	5.68
	SBD per NZD	4.85	4.75	4.66	4.73	4.74	4.84	4.73
	SBD per GBP	11.12	11.02	10.84	10.93	10.98	10.95	10.78
	SBD per 100 JPY	5.57	5.46	5.32	5.25	5.18	5.20	5.09
	SBD per EUR	9.66	9.60	9.54	9.57	9.53	9.42	9.34
	SBD Currency Basket Index	111.90	112.0	112.38	110.82	110.40	109.47	109.64
Gross Foreign Reserves(eop)	$ milions	6,349	6,422	6,469	6,620	6,595	6,678	6,684
Import Cover	Months	11.5	11.6	11.7	12.0	12.0	12.1	12.1
Liquidity[2] (eop)	Free Liquidity ($ millions)	2,869	3,541	3,469	3,881	3,440	3,307	3,188
Money and credit[2] (eop)	Narrow Money, M1 ($ millions)	5,637	5,936	5,864	6,224	5,953	6,082	6,039
	Broad Money, M3 ($ millions)	6,582	6,886	6,817	7,179	6,896	7,022	6,980
	Private Sector credit ($ millions)	2,883	2,901	2,910	2,949	2,914	2,962	2,950
Interest Rates (weighted average yield)	28-days Bokolo Bills rate (%)	0.41	0.40	0.40	0.40	0.40	0.40	0.40
	56-days Treasury Bills rate (%)	na	0.74	0.75	0.75	0.75	0.75	0.75
	91- days Treasury Bills rate (%)	1.15	1.16	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 (%)	2.58	n.a	n.a	n.a	n.a	na	na
Government Finance	Revenue ($ millions)	395	403	288	530	235	246	417
	Expenditure ($ millions)	332	510	396	618	240	365	343
	Fiscal Balance ($ millions)	63	-107	-109	-89	-6	-119	74
	SIG Debt stock (eop) ($ millions)	4,226	4,283	4,308	4,274	4,269	4,290	4,292
Global Commodity Prices (monthly averages)	CBSI Commodity Price Index	110.6	114.4	113.2	116.3	122.4	126.3	126.2
	Round logs - (US$/m3)	201	197	192	191	190	192	188
	Gold - (US$/oz)	3,668	4,058	4,087	4,309	4,753	5,020	4,856
	Palm Oil - (US$/tonne)	1,038	1,038	970	981	1,005	1,039	1,103
	Fish - (US$/tonne)	1,422	1,516	1,583	1,457	1,487	1,550	1,962
	Coconut oil - (US$/tonne)	2,589	2,547	2,469	2,323	2,197	2,259	2,360
	Cocoa - (US$/tonne)	7,030	5,950	5,610	5,782	4,970	3,590	3,240
	Timber - (US$/m3)	736	728	715	730	737	741	727

[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.