

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) grew in November 2024 by 2% to \$6,011 million, up from a 1% increase in October. This was driven by a 2% growth in narrow money (M1) to \$5,039 million despite a slight decline of 1% in other deposits (time and savings) to \$972 million.

Net foreign assets (NFA) of the banking system increased by 3% to \$5,126 million. This was aided by a 1% growth in the Central Bank's NFA to \$5,084 million. Similarly, the NFA of other depository corporations (ODCs) rose from minus \$44 million in October 2024 to \$42 million in November. NFA declined on an annual basis¹ by 1%.

Credit to private sector (PSC) strengthened by 1% to \$2,865 million in November. Similarly, net credit to the government (NCG) expanded by 12% to minus \$530 million, reflecting the increase of government deposits in the banking system during the month. On an annual basis¹, PSC increased by 3% while NCG declined by 25%.

Free liquidity² in the banking system edged 0.4% lower in November to \$2,582 million. The decline was supported by a fall in call account deposits and an increase in NCG during the month. The minimum required reserve reached \$312 million during the month.

Domestic Market Operations

The stock of the CBSI's Bokolo Bills stood at \$430 million in November 2024. The weighted average yield (WAY) for Bokolo Bills increased to 0.34% from 0.30% in the previous month. Meanwhile, the tender for treasury bills (T-Bills) during the month reached \$24 million with an absorption of \$20 million. The T-bills WAY for 91, 182 and 365 days all increased by one basis point from the previous month to 1.15%, 2.41% and 2.60%, respectively.

¹ The annual percentage change refer to growth comparison against December 2023

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 narrower deficit of \$55 million in November 2024, compared to \$117 million deficit posted in the prior month. This outcome stemmed from a 20% rise in exports to \$458 million during the month. The substantial increase in exports was primarily driven by upturns in round logs and fish exports. Meanwhile, imports grew by 3% to \$513 million due to higher imports of food, basic manufactures and mineral fuel.

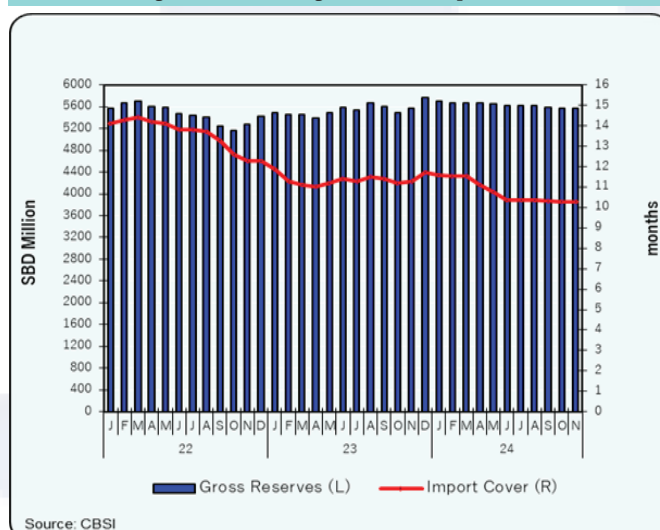
Remittances

In November, the inward remittances processed through money transfer operators totaled \$37 million against the outward payments of \$10 million. Accordingly, the net remittances recorded a surplus of \$27 million during the month.

Gross Foreign Reserves

Gross foreign reserves edged up by 0.1% to \$5,572 million, owing to revaluation gains during the month. This level of reserves is sufficient to cover 10.3 months of imports of goods and services.

Figure 1: Gross Foreign Reserve & Import Cover.



Exchange Rate

The Solomon Islands dollar depreciated against the United States dollar by 0.6% to an average of \$8.40 per USD during the month. In contrast, the SBD

appreciated against the Australian dollar and the New Zealand dollar by 2.1% to \$5.49 per AUD and 2.4% to \$4.97 per NZD, respectively. Similarly, the SBD appreciated against the British pound, Japanese Yen and the Euro. Following the mix movements within the currency basket, the trade weighted index (TWI) weakened by 0.64% to 114.1 points.

II: GOVERNMENT FINANCE

The government’s operating balance recorded a provisional deficit of \$11 million in November 2024 compared to \$89 million deficit posted in October. This outcome mirrored a sizeable reduction in government expenditure during the month. Total expenditure dropped by 24% to \$289 million, largely due to lower payments on payroll and goods and services. Likewise, total revenue fell by 4% to \$278 million, stemming from a decline in tax receipts.

Meanwhile, the government’s debt stock rose by 3% to \$3,150 million at the end of November 2024. This is reflective of the additional loan disbursement from the World Bank and issuance of development bonds and auction treasury bills during the month. Accordingly, both the external and domestic debt balances grew by 3% to \$1,950 million and \$1,200 million respectively. Total debt servicing amounted to \$32 million in November, consisting of \$27 million in principal repayments and \$5 million on interest charges.

IV: DOMESTIC ECONOMY

The provisional monthly production index rebounded by 54 points to an index of 150 in November 2024. This positive outcome was mainly driven by strong performances in logging (+36 points) and agriculture cash crops (+23 points), which more than offset the declines in mining (-4 points) and fishing (-1 point). Actual production data revealed significant increases with round logs tripling to 160,000 cubic meters, coconut oil doubled to 641 tons, and cocoa rising by 1.3% to 329 tons. Conversely, mineral output fell by 19% to 6,252 gold-equivalent ounces, while copra production dwindled by 36% to 345 tons.

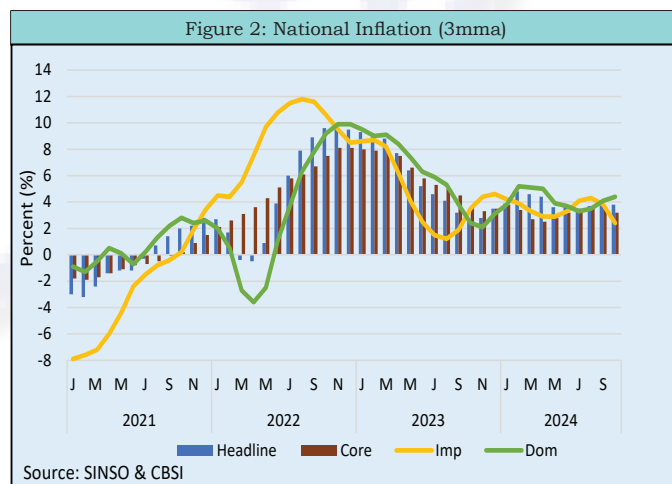
The commodity price index increased by 1 point to an index of 93.8, reflecting price gains in several commodities. Cocoa prices rose by 18% to US\$7,890 per ton, coconut oil increased by 9% to US\$1,879 per

ton, and palm oil went up by 8% to US\$1,169 per ton. On the other hand, prices for round logs dropped by 3% to US\$194 per cubic meter, timber by 2% to US\$694 per cubic meter, and gold prices fell slightly by 1% to US\$2,651 per ounce.

Consumer Price Index, Inflation (YoY - 3mma)

The Consumer Price Index (CPI) in October 2024 slightly decreased to an index of 126.4, from 126.5 in September. This outcome was largely driven by lower prices for fruits, electricity, solid fuels, and fuels and lubricants.

Headline inflation fell to 3.8% in October, compared to 4.0% in September. This decline was mainly attributed to a significant reduction in imported inflation, which fell by 1.4 percentage points (pp) to 2.4%. In contrast, domestic inflation rose by 0.3 pp to 4.4%. Core inflation also dropped by 0.4 pp to 3.2% in October, indicating some easing of underlying price pressures within the economy.



CBSI Monthly Price Index (MPI)

The CBSI MPI for selected consumption items decreased from 120.3 points to 118.7 points in November. This decline reflected reductions in the prices for several items. The price of a 40lb bag of Solrice dropped by \$3.20 to \$163.80, fuel prices fell by 21 cents to \$9.82 per litre, and LP gas declined by 16 cents to \$29.31 per kilogram. Meanwhile, the prices of betelnuts and the electricity tariff for households remained unchanged during the reviewed period at \$2.00 per nut and \$7.53 per kWh, respectively.

Solomon Islands Key Economic Indicators

		Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24
Consumer price index (%)	Headline (3mma)	3.6	3.5	3.7	4.0	3.8	na
	Underlying (3mma): core 3	3.2	3.5	3.5	3.6	3.2	na
	Headline (MoM)	0.5	0.6	0.7	0.4	-0.1	na
CBSI MPI (weighted Index)	Month- on - Month	112	115	118	118	120	118
Production Index	Index	99	90	108	137	96	150
Trade ¹ (eop)	Exports (\$ millions)	288	313	314	333	381	458
	Imports (\$ millions)	399	478	616	408	498	513
	Trade Balance (\$ millions)	-111	-165	-303	-75	-117	-55
Exchange Rates (Mid-rate, Monthly average)	SBD per USD	8.47	8.46	8.47	8.35	8.35	8.40
	SBD per AUD	5.63	5.64	5.62	5.65	5.61	5.49
	SBD per NZD	5.20	5.10	5.41	5.20	5.09	4.97
	SBD per GBP	10.77	10.87	10.95	11.03	10.91	10.72
	SBD per 100 JPY	5.37	5.35	5.79	5.83	5.58	5.47
	SBD per EUR	9.12	9.17	9.32	9.27	9.11	8.95
	SBD Currency Basket Index	115.0	114.8	114.5	113.1	113.4	114.1
Gross Foreign Reserves(eop)	\$ milions	5,626	5,618	5,612	5,586	5,566	5,572
Liquidity ² (eop)	Free Liquidity (\$ millions)	2,906	2,617	2,576	2,485	2,591	2,582
Money and credit ² (eop)	Narrow Money, M1 (\$ millions)	4,994	4,968	4,959	4,906	4,938	5,039
	Broad Money, M3 (\$ millions)	5,928	5,899	5,898	5,876	5,918	6,011
	Private Sector credit (\$ millions)	2,756	2,774	2,780	2,814	2,841	2,865
Interest Rates (weighted average yield)	28-days Bokolo Bills rate (%)	0.24	0.26	0.29	0.29	0.30	0.34
	91- days Treasury Bills rate (%)	1.12	1.13	1.12	1.12	1.14	1.15
	182-days Treasury Bills rate (%)	2.40	2.41	2.42	2.41	2.40	2.41
	365-days Treasury Bills rate (%)	2.63	2.61	2.62	2.61	2.59	2.60
Government Finance	Revenue (\$ millions)	299	310	212	313	291	278
	Expenditure (\$ millions)	252	347	248	244	380	289
	Fiscal Balance (\$ millions)	47	-37	-36	69	-89	-11
	SIG Debt stock (eop) (\$ millions)	2,906	2,912	2,931	2,934	3,067	3,150
Global Commodity Prices (monthly averages)	CBSI Commodity Price Index	84.1	85.7	89.9	91.4	92.7	93.8
	Round logs - (US\$/m3)	189	189	204	208	199	194
	Gold - (US\$/oz)	2,326	2,398	2,470	2,571	2,690	2,651
	Palm Oil - (US\$/tonne)	874	896	933	983	1,077	1,169
	Fish - (US\$/tonne)	1,187	1,366	1,500	1,342	1,311	1,355
	Coconut oil - (US\$/tonne)	1,398	1,474	1,619	1,736	1,728	1,879
	Cocoa - (US\$/tonne)	8,270	7,090	6,880	6,520	6,660	7,890
	Timber - (US\$/m3)	693	701	705	720	712	694

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 time of publication.