



Solomon Islands Government

Statistical Bulletin: 7/2006

INTERNATIONAL MERCHANDISE TRADE STATISTICS

(December Quarter 2005)

Solomon Islands Statistics Office

Ministry of Finance

Honiara

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INTRODUCTION

This is the second edition of international merchandise trade statistics released by the Statistics Office of the Ministry of Finance. The publication follows the United Nations definition and compilation practice of merchandise trade statistics. Technical notes relating to data sources, classification of commodities, valuation, timing of recording and other technical issues are explained in Statistical Bulletin No. 1/2006.

Major data limitations are noted as follows:-

- Data from the Customs Office is in unedited format and tedious efforts have been made to validate the data only at the aggregate level. These meant that statistics on the volume of trade cannot be compiled adequately given the poor quality of the data at the present stage.
- Data from Customs Office represents mainly the Honiara major port and to a small extent include data from the other outer island ports.
- Data from 1998-2000 from Customs is unavailable or incomplete for the purposes of time series for these periods.
- Data on illegal trading of goods is not captured in this publication.
- A number of other secondary data sources were used to adjust for the discrepancies in the data from Customs

Small discrepancies between totals and sums of commodities in tables are due to rounding.

The possible symbols that are likely to be used are:

- nil if representing a value
- negative change if representing a percentage change
- + positive change if representing a percentage change
- r revised since previously published
- p preliminary figure, subject to revision
- E Estimated
- n/a not available

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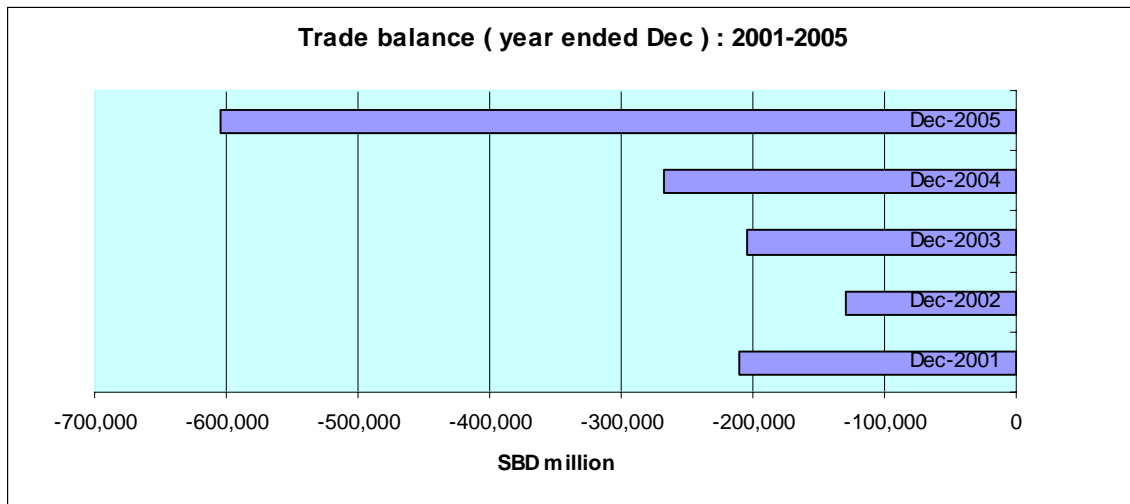
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MAJOR HIGHLIGHTS

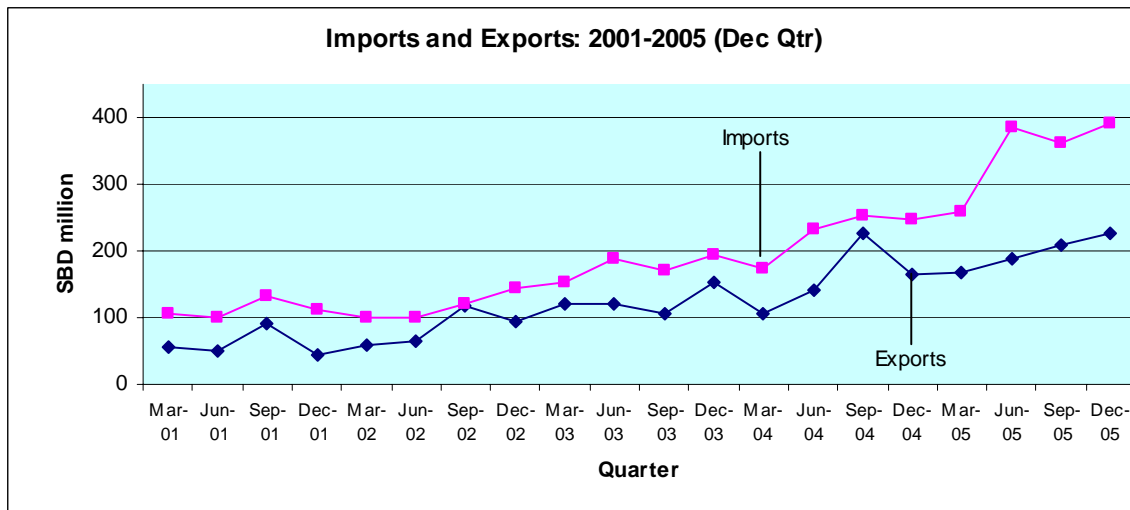
2005 fourth Quarter (December)

The merchandise trade balance reported in the fourth quarter is the second highest quarterly deficit since 2001 recorded at \$166 million. This is only second in value to that recorded in the second quarter (June) of the same year which was \$212 million. The fourth quarter merchandise trade deficit is 73% the value of exports for the given quarter.

The year ended December 2005 records the highest ever annual trade deficit (\$605m), more than doubled the average annual deficit for the recent four years ending December.

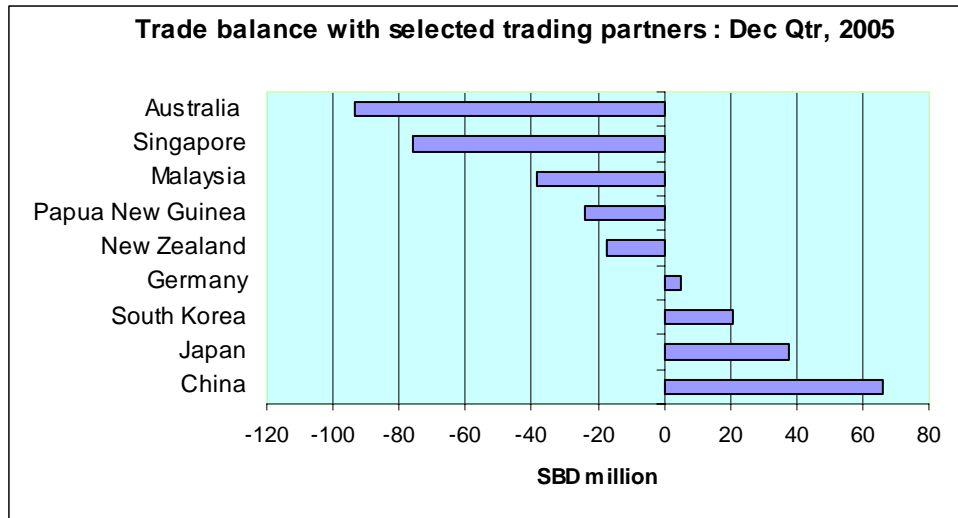


Imports increased by \$31m [8.6%] to \$391 million during the fourth quarter compared to a decline of \$4m [1.7%] to \$248 for the corresponding period in 2004. Exports for the same quarter grew by \$17.9 million [8.6%], compared to a drop of \$62 million [27.4%] to \$165 million the previous corresponding quarter.



The quarterly deficit trend, which began to widen towards the end of the September 2004 quarter, continues to grow during the fourth quarter of 2005.

Merchandise trade balance by major trading partner during the fourth quarter December 2005, compared to the same period (December) a year ago records the following:



- The deficit with Australia increased by \$12m (up 15%) to \$93m.
- The deficit with Singapore dropped by \$11m (down 13%) to \$76m.
- The deficit with New Zealand declined by \$2m (down 9%) to \$17m
- The surplus with Japan dropped by \$5m (down 12%) to \$38m.
- The surplus with South Korea rose by \$20m to \$21m.
- The surplus with China slightly increased by \$1m (up 2%) to \$66m.
- The deficit with Papua New Guinea declined by \$2m (down 9%) to \$24m

Merchandise trade by major commodities compared to third quarter, December 2004 recorded the following:

Major Exports

- Total of fresh fish, canned fish and smoked/dried fish increased by \$11m (up 40%) to \$12m. This is reflected in the major commodity group of Food.
- Total of timber exports including round logs & sawn timber increased by \$47m (up 11%) to \$132m. These only accounts for the value of exports captured from the Customs Office and the Central Bank's foreign exchange records. This is reflected in the major category of Crude Materials.

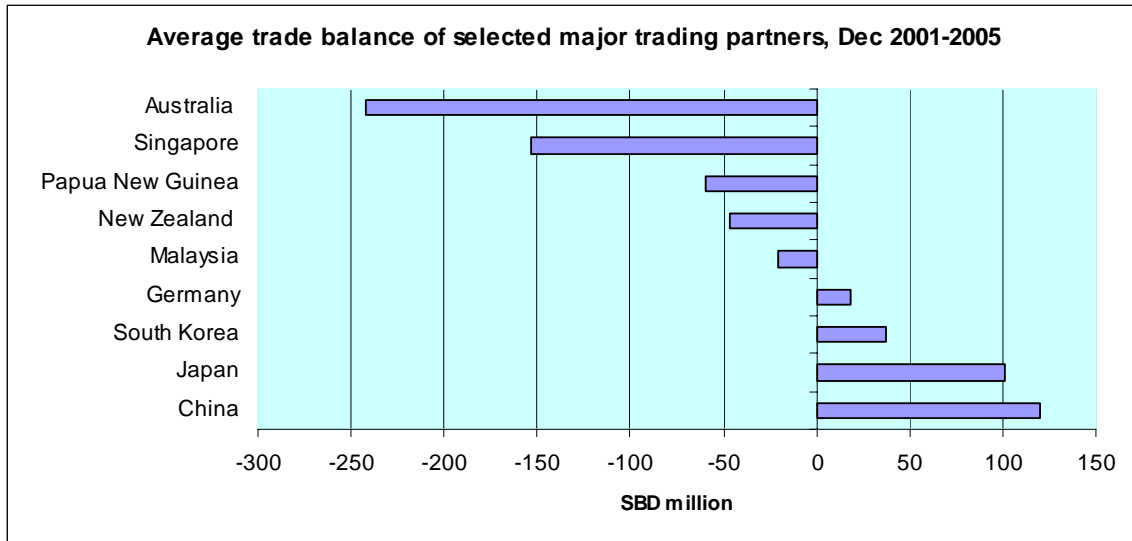
Major Imports

- Rice imports (Food Category) increased by \$15m (up 66%) to \$39m.
- Mineral fuels mainly petroleum products increased by \$29m (up 60%) to \$78m.
- Machinery and transport equipment increased by \$46m (up 70%) to \$112m mainly due mainly to logging and construction activities.
- Crude materials more than doubled by \$3.4m (up 275%) to \$4.6m.

Merchandise Trade- Year Ended Dec 2001-2005

Merchandise trade for the last five years ending December reported an average trade balance deficit of \$283m. This is 56.6% of average exports for the period.

Average merchandise trade balance by selected major trading partner countries for the same period record a relatively high deficit for Australia and Singapore while Japan and China show positive trade surpluses during this period.



The average value of imports show that machinery & transport equipment, mineral fuels, and food are the predominant import commodities while crude materials is the most predominant export commodity.

