

SOLOMON ISLANDS GOVERNMENT



GOVERNMENT COMMUNICATION UNIT

MEDIA RELEASE

17-04-2020GH

IMF APPROVED 24 MONTHS SIG-CBSI DEBT SERVICING RELIEF

The Minister of Finance and Treasury, Hon. Harry Kuma has revealed that the International Monetary Fund (IMF) Board, on 13th April, 2020, has approved a SIG/CBSI joint request for a Debt Servicing relief for Solomon Islands under the IMF Catastrophe Containment and Relief Trust (CCRT).

According to Minister Kuma, the IMF approval is swift because it took only 5 days to receive a respond from the IMF after a joint SIG/CBSI request was forwarded to the IMF Managing Director on the 8th April, 2020.

The approval by the IMF Board means the IMF CCRT facility will cover all borrowings from the IMF through CBSI for 24 months period commencing on the 14 April 2020 to April 13 2022 or as much as is available from the facilities.

In 2010, SIG/CBSI borrowed approximately USD\$18.3 million under the IMF Standby Credit Facility to support the country's foreign reserve due to the then Global Economic Crisis.

According to Minister Kuma, this debt relief will free up resources within CBSI to help the Government address public health needs and support economic recovery efforts.

It was confirmed by the Ministry that Solomon Islands is amongst the 25 countries around the World that benefited from the support. The CCRT, according to MoFT, can provide about US\$500 million in grant-based debt service relief to these 25 countries.

Earlier last week, Minister Kuma informed Parliament that his Ministry and CBSI are working closely with IMF staff in seeking to maintain broad macroeconomic stability during the current global pandemic and will continue to do so in the post-pandemic recovery period.

Minister Kuma revealed that his Ministry and CBSI are actively consolidating additional support from the IMF to access the Rapid Credit Facility and Rapid Financing Instrument and other instruments up to USD\$29 million to mitigate any likely fall on Solomon Islands Foreign Reserve due to COVID-19.

On behalf of the Solomon Islands Government, Minister Kuma expressed his gratitude to the IMF Board for their swift decision to grant approval to our request.

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