

SOLOMON ISLANDS GOVERNMENT



GOVERNMENT COMMUNICATION UNIT

MEDIA RELEASE

25-04-2020GH

GOVERNMENT ISSUES FIRST COVID-19 DOMESTIC DEVELOPMENT BOND

The Solomon Islands Government has issued the first covid-19 domestic development bond of SB\$120 million to interested buyers.

Prime Minister Manasseh Sogavare announced this in his weekly nation-wide covid-19 address on Friday as one of the measures factored in the government's stimulus package.

There are up to 5 domestic interested buyers of the COVID-19 Development Bonds, but the Government is considering negotiating with 3 prospective buyers.

The COVID-19 Domestic Development Bond will be negotiated according to the Government's borrowing guidelines and processes to be scheduled under the 2020 Annual Borrowing Appropriation.

"The COVID-19 Development Bonds are issued as part of the strategy to mobilize resources to fund the Government's COVID-19 Economic Stimulus Package," Sogavare said.

Key usage of the COVID-19 Bond will be directed towards major infrastructures which include bridges, roads and wharves that connect key productive and resource sector hubs, as well as infrastructure that connect to essential public services such as health and education.

A fraction of the COVID-19 Bond will be used as equity injection into the Investment Corporation of Solomon Islands (ICSI) portfolio companies namely Soltuna, Kolombangara Forest Products Limited (KFPL), Solomon Airlines as well specific investments and products of the Development Bank of Solomon Islands (DBSI).

According to Sogavare, these investments act as stimulus spending into the local economy because of the anticipation on engagement of local contractors. The investments also play an important role as a catalyst towards medium to long-term economic growth in Solomon Islands.

The COVID-19 Development Bond transaction is expected to send a positive signal to external investors that our financial and economic environment remains resilient, despite the social and economic fallout, as a result of the COVID-19 pandemic.

Sogavare expressed the Government's gratitude to the prospective buyers of the COVID-19 Domestic Development Bond.

Their confidence in the Government's effort to ensure that economic activities and growth remain vibrant is welcoming, despite the challenges facing the country.

ENDS///