

PNG's Bright Economic Outlook

PNG MINISTER FOR TREASURY

IAN LING-STUCKEY, CMG.MP

2024 PNG INVESTMENT CONFERENCE

9 DECEMBER 2024



Outline

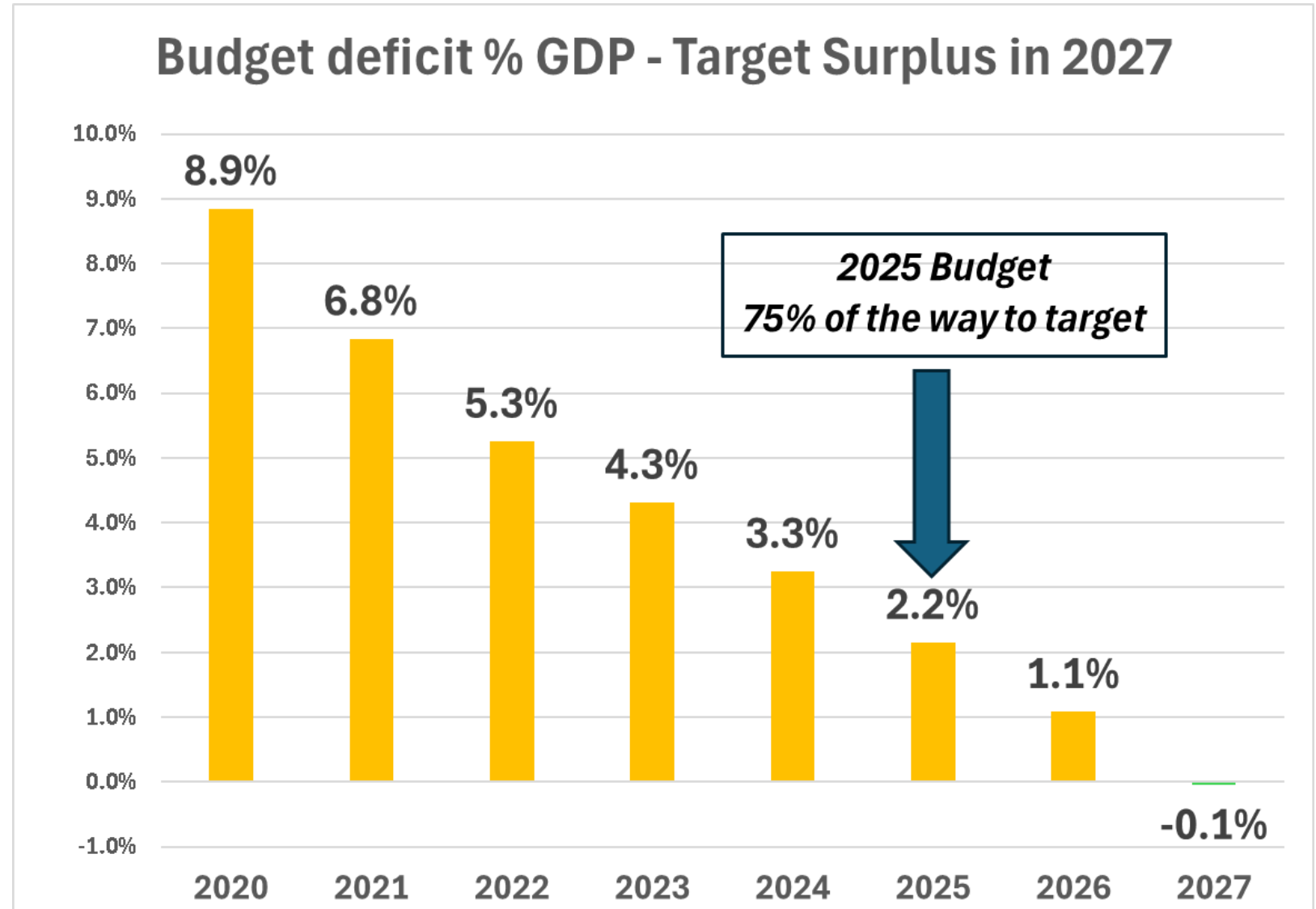
- Budget Reforms
 - Budget Repair
- Growth Reforms
 - Record levels
- Structural Reforms
 - Banking Sector
 - FX solutions



PNG's Ministerial Economic Committee – after one of the many sessions examining the details of the 2025 budget

PNG's detailed 13-year Budget Repair Plan 2022-2034

- 2025 Budget was 4th year
- Been delivering as promised
- Deficit at 2.2% lowest level since 2012
- On track to a budget surplus in 2027
- More space for business investment
- Inflation according to NSO under 1%



Budget Repair

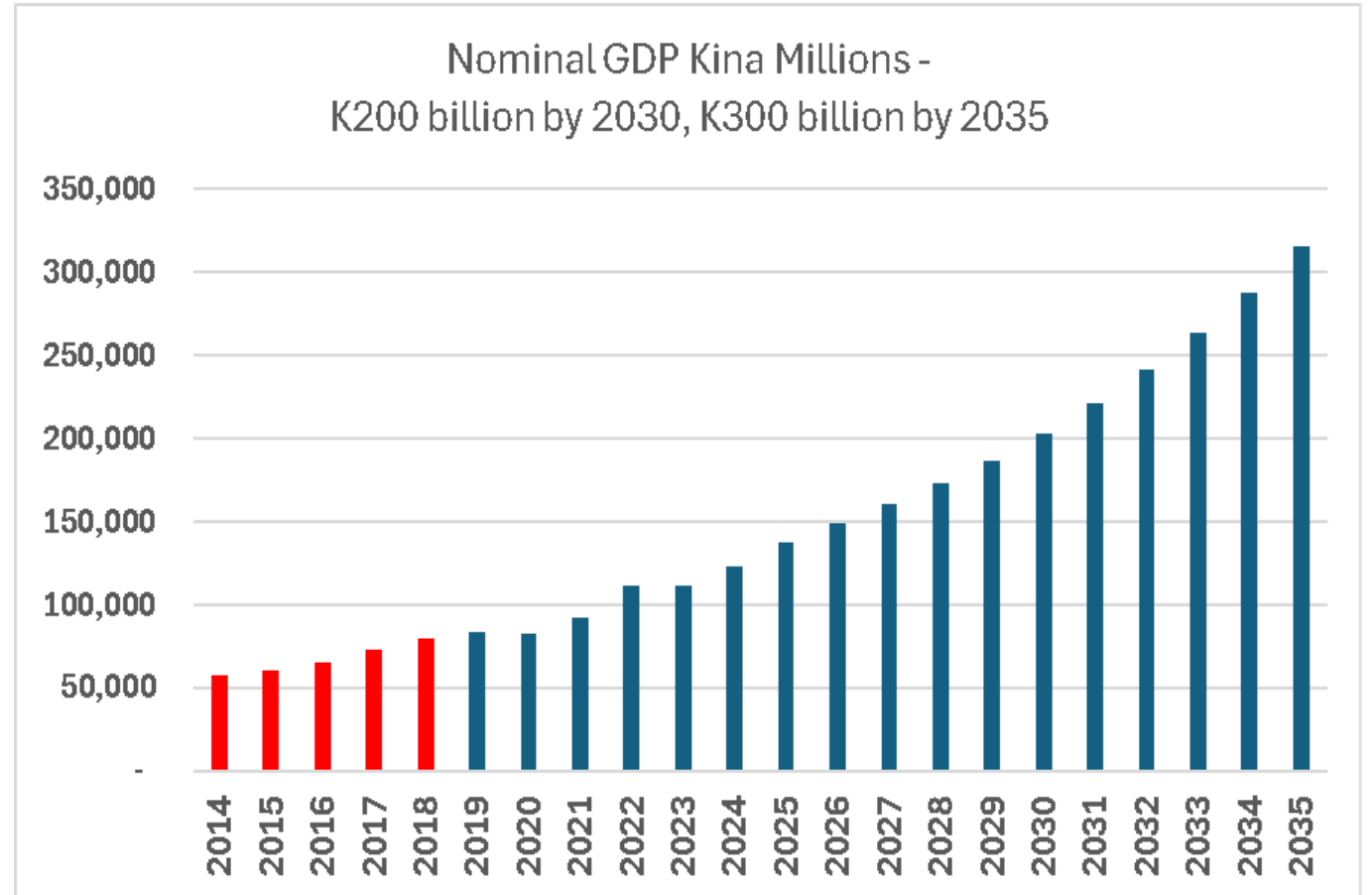
- PNG's rate of budget repair is fast by international standards
 - From 8.9% in COVID-19 2020
 - Down to less than a quarter at 2.2% in 2025
- Backed by an IMF program
- IMF third review praised the 'strong performance'



With IMF's Deputy Managing Director in Washington in April 2024

Growth Outlook

- Our economy is expected to grow from K122 billion in 2024 to K136 billion in 2025.
- This is over 70 percent higher than the K79 billion we inherited.
- Using the best measure of improving living standards for our people, real non resource growth exceeds 4% for 5 years in a row for the first time in our history
 - 4.2% in 2021,
 - 5.9% in 2022,
 - 4.7% in 2023
 - 4.5% in 2024 and
 - 5.2% in 2025.
- This growth presents massive investment opportunities
 - Higher growth over last 4 years worth more to economy than any of our largest pending resource projects
 - And with major projects, such as US12billion Papua LNG, expect to lift to real growth of 7 to 8%





Sydney Investment Conference

Banking Sector Reforms 1

- Modernising our Central Banking Act
 - Bringing more expertise and focus to monetary policy issues
 - Expecting to announce our new Monetary Policy Committee shortly
- Encouraging more competition
 - 3 new commercial banks this year
 - Bank of China also expanding
- New monetary policy tools
- Focus on getting foreign exchange shortages fixed
 - Shipments up 12% in 2024
- Challenges
 - More on FX
 - Preventing grey-listing
 - Regional issues with AML/CTF



With PNG's Banking Association in November 2024

Banking Sector Reforms 2



Joining the Asian Infrastructure Investment Bank – 13 May 2024

- Reduced banking taxes
 - Cost of K50m in 2025
- Focus on getting foreign exchange shortages fixed
 - Shipments up 12% in 2024
- Challenges
 - More on FX
 - Preventing grey-listing

And thank you
Australia,
for being a friend
and a partner!



