



UK - PNG

Trade & Investment Forum

2015

London

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DEPARTMENT OF TREASURY



PNG In 8 Minutes Or Less



-
- Build on 14 years of consecutive economic growth and in particular broadening our economic base
 - We are pursuing Growth but not at the Expense our Social Responsibilities
 - Heavy Investment in Education, Health, Agriculture, Fisheries
 - Pursuing a Reform Agenda
 - PNG LNG demonstrates that we can do world class transactions and world class projects
 - Opportunities in both the Minerals and Non-Minerals sectors
 - But we recognise the challenges of a small but growing country

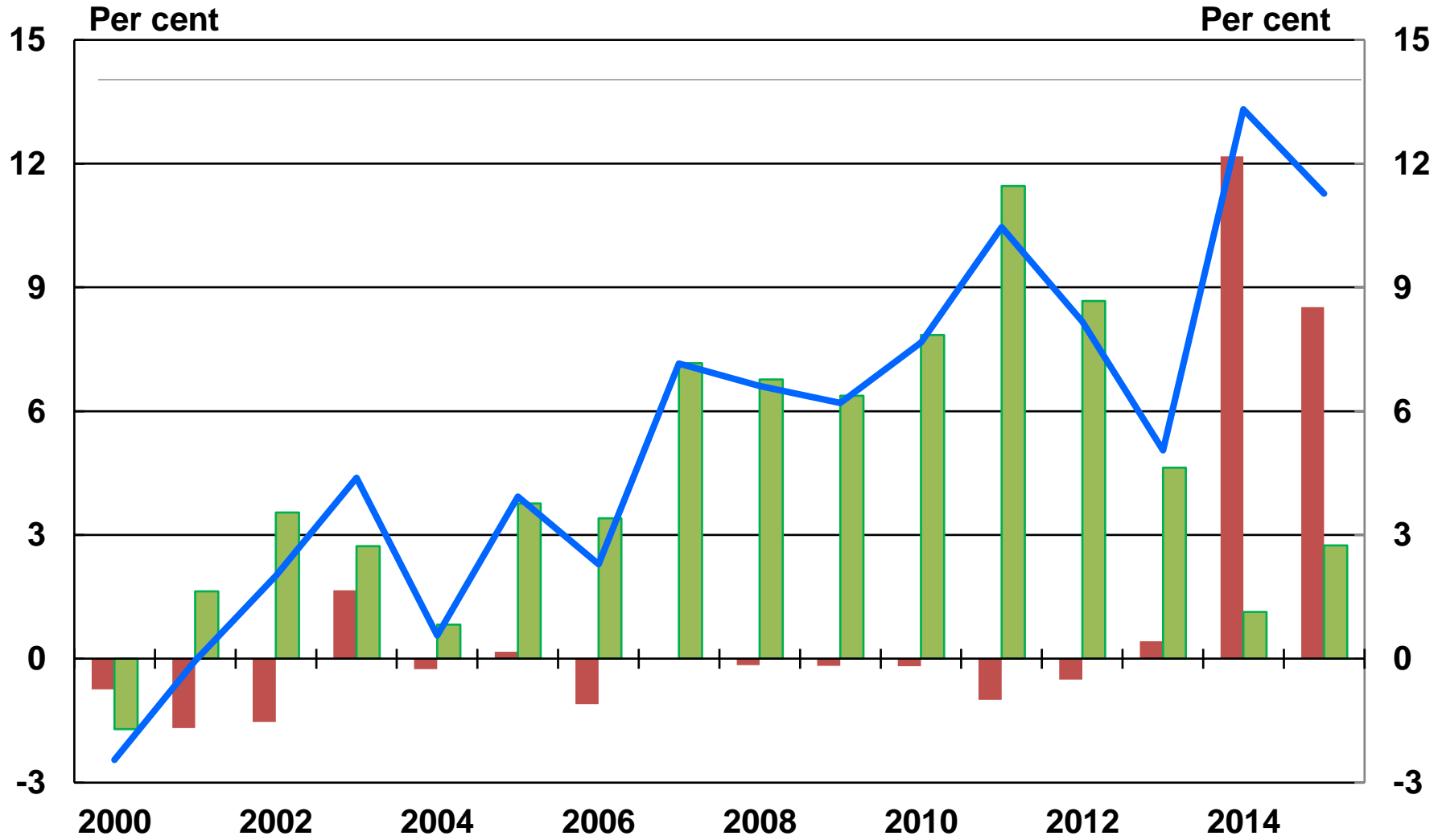


Domestic Economy



Driven by PNG LNG and a rebound in non-mining 2015!

Real Growth projected to be 11.3% in 2015



■ Mining GDP
 ■ Non-Mining GDP
 — Total GDP

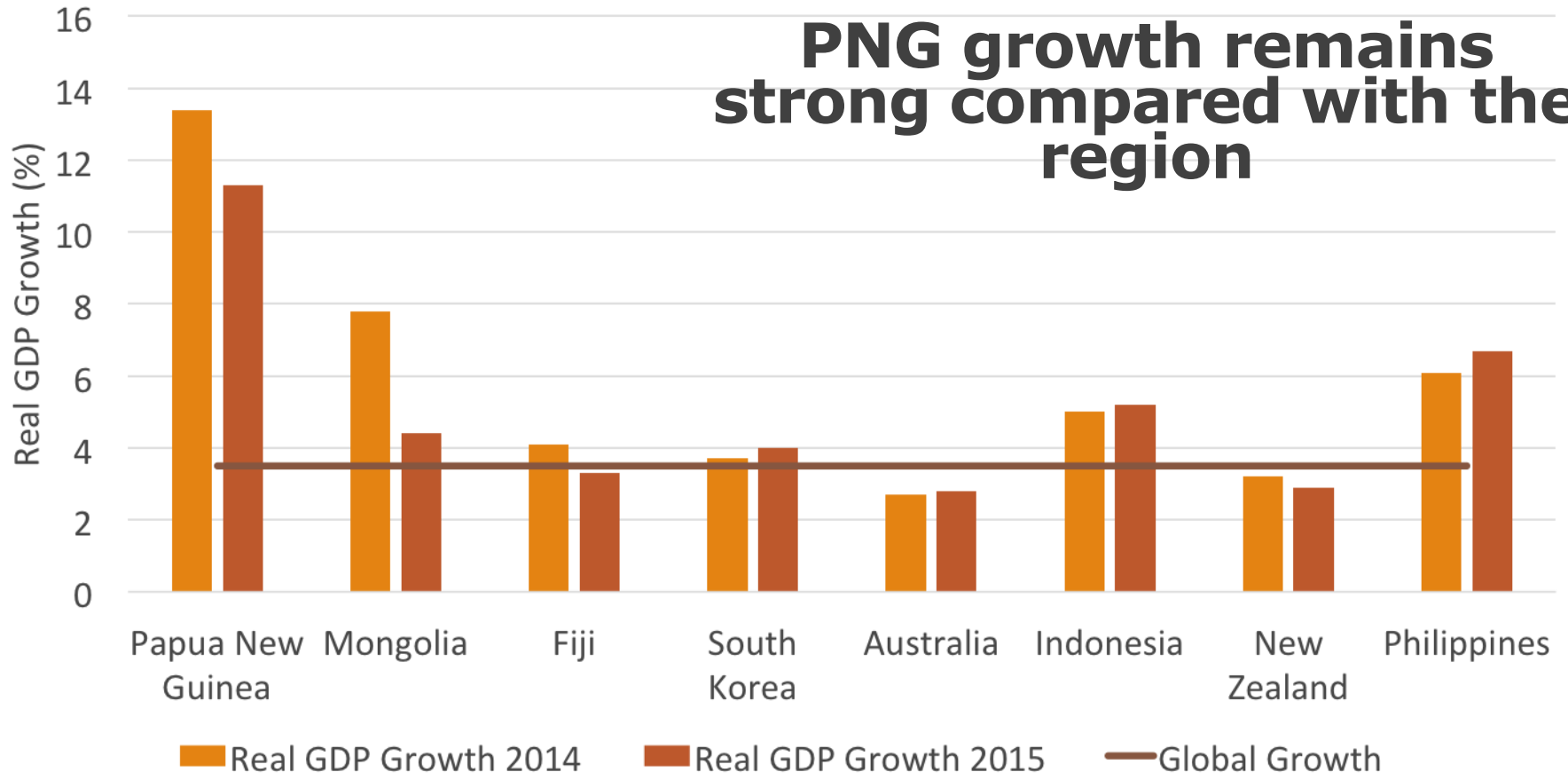


Global Economy and PNG



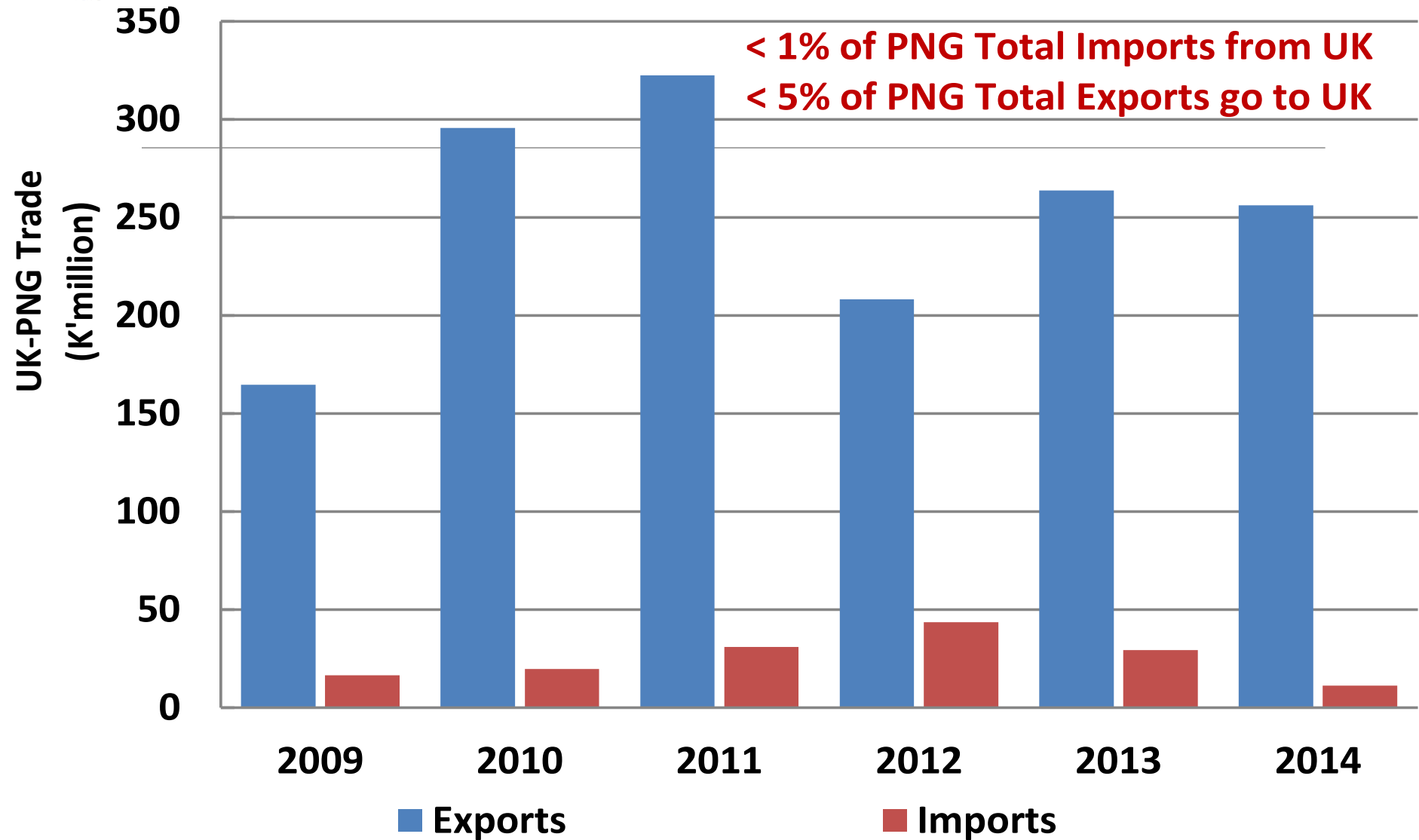
Global Economy: Moderate with uneven prospects

Global Growth projected to be 3.5% in 2015, advanced economies doing better while emerging markets & developing economies facing weaker prospects





PNG & UK Trade



2014 data contains September preliminary and excludes December quarter

Source: Bank of PNG - QEB



2015 BUDGET PRIORITIES

- 1 • Enhancing opportunities for our people whilst recognising the need for macroeconomic stability.
- 2 • Improving service delivery enhanced and improved implementation processes.
- 3 • Increasing direct funding to the provinces and districts with more emphasis on monitoring, evaluation and compliance
- 4 • Supporting policy priorities in Education, Health, Infrastructure and Agriculture and Small to Medium Enterprises level
- 5 • Strengthening the Justice Sector, resourcing Corrections Services, modernising of Police, and rebuilding of the Defense Force



HIGH PRIORITY REFORMS

➤ **Institutional Development**

- Commercial Consolidation, Sovereign Wealth Fund, Transparency Initiatives, Independent Commission Against Corruption

➤ **Direct Funding to the Provinces/ Districts/Communities**

➤ **Public Sector Reform**

➤ **Structural Reform**

➤ **Tax Review**

➤ **Financial Sector Services Review**

➤ **Attracting Investment**



OPPORTUNITIES

- **Petroleum**
- **Mining**
- **Infrastructure**
- **Agriculture**
- **APEC 2018**



CHALLENGES

Short Term

- Macro-Stability
- Maintaining Fiscal Discipline
- Managing the increase in Debt stock

Enduring

- Financing the Budget & Fiscal discipline
- Improving project evaluation, monitoring, reporting & implementation
- Maintaining Investor confidence
 - B+/stable/B