



August 2025

PNG ECONOMIC UPDATE

Monthly update on the PNG economy



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The **PNG Economic Update** report is produced by Westpac Economics (Australia and Fiji) with support from Westpac PNG.

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PNG has a sound base but more work is needed to lift potential growth

PNG is growing almost as fast as China, and faster than the OECD average. While this is commendable, with an estimate of population growth at just under 2% per annum we need meaningfully faster growth if we are going to lift the economic welfare of the average Papuan. Our forecast for economic growth of 4.7% in 2025 is driven by an improvement in domestic demand and a lift in export performance due to high commodity prices.

OK Tedi Mining Ltd reported a strong first-half performance, driven by elevated commodity prices and solid sales volumes while Lihir Gold Ltd made a notable corporate tax payment K213 million.

Everyone is waiting for the larger resources projects to hit Final Investment Decision and spur economic activity. But just waiting for these projects is not good enough. The government has to continue to improve the economic, social and cultural framework that defines a nation and underpins an economy.

There are a number key areas including fiscal discipline, sectoral diversification, infrastructure development, and continued investment in human capital.

1. Strengthen Fiscal Management

There needs to be continue fiscal consolidation to reduce the size of government deficits and maintain sovereign debt sustainability.

The government also has to consider how it raises revenue. It could be done more fairly, and more efficiently, through tax reform and broadening the tax base.

The government should also continue to source cheaper debt financing from concessional financing arrangements.

2. Diversify the Economy

A current key focus of the government is to boost agriculture: We applaud the support for smallholder farmers to transition to commercial farming, lift productivity, and expand value chain but we have only just started down this path. A lot more work is needed to improve both the human and physical capital required to support a more commercial agricultural sector.

There is also scope to further promote small and medium enterprises to bring more of them into the formal sector: This can be facilitated by improving access to finance, training, and market linkages. This would also include the encourage

non-resource industries including tourism, manufacturing, and digital services.

3. Invest in Infrastructure

The continued improvement of transport and logistics services is critical to economic growth. The enhancement of road, port, and air connectivity would help to reduce costs, improve distribution networks and link rural communities to markets.

Critical to this development will be the expansion of energy access: A big part of this will be the ongoing report for State Owned Enterprises (SOEs) with a goal to deliver cheaper and more reliable electricity and internet. This is also going to be critical for the upgrading of water and sanitation system which is vital to improve public health and productivity.

4. Build Human Capital

There need to be further investment in education, particularly primary and secondary education. This can be via expanding access, improving teacher training with the goal to raise literacy and numeracy rates. The current Learning Enhancement and Access Project is a major initiative supporting this objective.

There also must be enhancements made to healthcare and, in particular,

the strengthening of primary care to address rural health disparities. As part of the ongoing development of the civil society support for youth and women, by provide targeted skills development and employment programs, will be a critical step.

5. Improve Governance & Investment Climate

There must be a further strengthening of institutions with an aim to improve transparency, reduce corruption, and enhance public service delivery. The ultimate goal is to attract private investment with the simplification of regulations, ensuring the access to land and the promotion of public-private partnerships. Critical to attracting more private investment will be an increase exchange rate flexibility and : Help improve foreign exchange availability and competitiveness.

Tariffs and trade dominating the conversation...

US Reciprocal Tariff set at 15%

On July 30, US President Trump signed an executive order so PNG exports to the US would face a 15% tariff. A 10% flat tariff was applied to PNG exports during a transitional phase but PNG did not secure a bilateral agreement to reduce or eliminate the new tariffs, unlike countries such as Japan or the EU. Prime Minister Marape emphasized PNG's commitment to free and fair trade, choosing not to retaliate. [Passport Global](#)

Marape strengthens US partnership on trade, security & fisheries

Prime Minister James Marape met senior US officials on 10 July to deepen ties in trade, investment, security, and fisheries. Discussions focused on maritime security, illegal fishing, and transnational crime. Marape reaffirmed PNG's deep-sea mining moratorium to protect tuna habitats and welcomed the US shift from aid to trade. [PNG Business News](#)

BPNG 2024 Report highlights reform and resilience

The Bank of Papua New Guinea's 2024 Annual Report showcased governance reforms, digital innovation, and monetary tightening, resulting in a K242.2 million profit and a K48.5

million dividend to the government. Key developments included the creation of a Monetary Policy Committee, new banking licenses, the launch of the Green Finance Centre and new policy tools amid a 6.8% kina depreciation. [PNG Business News](#)

Scovell urges inclusive, infrastructure-led economic reform

POMCCI Vice President, Chey Scovell, called for nationwide trade-enabling infrastructure over fragmented, project-specific regulations. He criticized reliance on Special Economic Zones and advocated for consistent legal frameworks, biosecurity-compliant facilities, and essential infrastructure to support agriculture and exports. [PNG Business News](#)

Ok Tedi finalises Misima acquisition

Ok Tedi Mining completed its A\$60 million acquisition of the Misima Gold and Silver Project. The project, with 3.8 million ounces of gold and 22.1 million ounces of silver. [PNG Business News](#)

Maru endorses K2.5 billion Kaugel Hydropower Project

Minister Richard Maru backed the Kaugel Hydropower Project, calling it vital for

PNG's energy future. The four-year, 90MW initiative supports rural electrification and low-emission goals, with potential to power Porgera Mine, SEZs, and Mt Hagen. [PNG Business News](#)

K92 Mining boosts output by 43%

K92 Mining reported a 43% year-on-year increase in Q2 gold production, exceeding 34,000 ounces, with strong copper and silver output. CEO John Lewins reaffirmed the company's trajectory toward Tier 1 mid-tier status, driven by expansion and efficiency gains. [PNG Mining](#)

Dada Project Shows Expanded Gold-Copper Potential

LCL Resources' Dada project may host a larger porphyry gold-copper system than previously thought, based on trenching and sampling over a 400-meter strike. CEO Chris van Wijk confirmed continued investment in PNG's copper-gold prospects, including Dada, Kusi, and Ubei. [PNG Mining](#)

SOE reforms show progress, but work remains:

The ADB reported that PNG has taken positive steps to improve the performance of its state-owned enterprises, but further

reforms are needed to deliver lasting gains. [Business Advantage](#).

NZ PM addresses PNG Parliament

Christopher Luxon, Prime Minister of New Zealand, became only the second foreign leader to deliver an address in Papua New Guinea's Parliament, following Australian PM Anthony Albanese's 2023 visit. In his speech, Luxton announced a commitment to strengthening education and employment opportunities, with over 10,000 Papua New Guineans expected to benefit from New Zealand's Recognised Seasonal Employer (RSE) scheme. [PNG Facts](#)

New CEO at PNG Power (PPL)

Paul Bayly, a New Zealand national, was appointed CEO of PNG Power Ltd (PPL) in March 2025. He brings over 30 years of experience in investment banking, government, and infrastructure recovery, including roles at Citibank, the Fijian Government, and the British Virgin Islands Recovery and Development Agency.

Mr Bayly faces a number of challenges with PPL having not posted a profit in over 12 years. Bayly describes the turnaround as his most complex challenge yet. He has laid out his key priorities as:

...while SOE reforms continue.

Leadership & Workforce

- Strengthen leadership and culture.
- Decentralize operations and empower regional teams.
- Identify and develop local talent for succession planning.

Revenue & Cost Management

- Improve revenue collection and address illegal connections.
- Introduce cost controls, including reducing travel by relocating technical staff to the field.
- Address uniform pricing and explore tariff reforms.

Infrastructure Renewal

- Launch ~12 transformational projects to improve generation, transmission, and reliability.
- Address single points of failure and network redundancy.

Financial Recovery

- Reduce 25% system losses.
- Engage with IPPs and creditors to manage debt.
- Begin recapitalisation discussions with Kumul Consolidated Holdings.

Strategic Alignment

- Support the Government's partial privatisation plans by improving operational and financial performance.

- Lead the implementation of a 15-year National Electrification Rollout Plan, shifting from donor-driven to PPL-led priorities.

[Business Advantage](#)

Investment in gas and steel

Lloyds Metals & Energy Ltd, a major Indian mining and energy company, is actively exploring investment opportunities in Papua New Guinea's gas sector. The company met with PNG's Minister for International Trade and Investment, Richard Maru, and Kumul Petroleum Holdings Ltd (KPHL) Managing Director Wapu Sonk to discuss: purchasing gas from PNG and co-developing a new gas project as an equity partner with KPHL. Additionally, Lloyds Metals is interested in investing in a steel manufacturing plant within the Caution Bay Special Economic Zone, adjacent to the PNG LNG site being developed by KPHL. This initiative has full support from the Marape-Rosso Government.

[PNG Business News](#)

Central Lime commitment

Pacific Lime and Cement Ltd (PLC)—formerly Mayur Resources—has committed to a major investment in Papua New Guinea's Central Lime Project (CLP). K1.7 billion will be invested during the first 18

months of the construction phase, which includes building two quicklime kilns and associated infrastructure. A further K2 billion is planned for the downstream phase, which will involve developing factories and plants to manufacture cement, bricks, culverts, pipes, and beams once limestone mining reaches full production.

[Mining Weekly.](#)

Landowner funding

Two landowner groups involved in the Central Lime Project have received a support package exceeding K3 million from the project's developer and the provincial government. The total package amounted to K3,727,728 with the Pacific Cement and Lime Ltd (PCL) contributing K2,727,728, split equally between the Kido and Rea Rea Land Groups. The Central Provincial Government provided an additional K500,000 to each group.

[Courier Post.](#)

Greylisting of PNG

BPNG noted that the PNG Mutual Evaluation concluded back in October

2024 initiated a 12-month observation period that will end in October 2025. The country's performance during this phase will determine whether the Financial Action Task Force formally places PNG on the grey list, with implications for international financial flows and investor confidence.

Mining tax revenue

Lihir Gold Limited, a subsidiary of Newmont Corporation, made a notable corporate tax payment of \$55.8 million (K213 million) to Papua New Guinea's Internal Revenue Commission on 30 July, reflecting strong compliance and revenue mobilisation from the mining sector.

“...cautiously optimistic outlook for public finances...”

Interest Rates

- The Bank of Papua New Guinea's (BPNG) held the KFR steady at 4% throughout June and July.
- The Treasury Bills auction on 08 August 2025 was oversubscribed, with bids totalling K359.99 million against an offer of K267.91 million. Ultimately, K298.97 million in bids were accepted, with the majority for the 364-day term for K216.69 at a weighted average yield of 8.22%, K50.25 million for 273-days at 8.24% and K32 million for 182-days at 8%. With interest rates converging across the tenors, higher yield on shorter dated paper has seen increasing interest with active bids in the 273 and 182-day paper.
- The BPNG Government Inscribed Stock (GIS) auction on 22 July 2025 was under subscribed by K95.54m, with bids totalling K54.46 million against an offer of K150 million. The Auction offered 2,5,7 and 10-year Bonds. Yields ranged from 8.60% for the 2-year Bond to 9.54% for the 10-year Bond, reflecting moderate investor interest in longer-term securities over the shorter term Bonds, with no bids received for the 2-year Bond. The results suggest cautious market sentiment, with notable shortfalls across the curve, with only the 10-year Bond attracting close to the full amount on offer.
- The 7-day Central Bank Bills FRFA auction held on 08 August 2025 resulted in a full allotment of K852 million at a weighted average yield of 4.00%. Although no formal offer amount was listed, the BPNG accepted all bids received, reflecting strong market demand and the BPNG's liquidity management operations for short-term funding.

Foreign Exchange

- In June and July 2025, the PGK/AUD exchange rate remained range bound, trading within a range of 0.3673 to 0.3877 to average 0.3771.
- Meanwhile, the PGK/USD experienced a gradual, managed depreciation from 0.2432 to 0.2413.
- Improved FX liquidity and availability has seen order books decrease across the market with ongoing signs of improvement. This suggests a move towards FX equilibrium, and so PGK convertibility, is becoming more of a reality. Meanwhile, total market turnover rose to K6.105 billion in June and K6.041 billion in July from K5.431 billion in May.
- BPNG conducted a single FX auction during June and none in July, highlighting the improvement in FX availability in the market and further evidence of a rebalancing of liquidity. A total of K62.421 million (approximately US\$15 million) was offered in June.
- The Australian Dollar (AUD/USD) was similarly range bound throughout June and July. Global uncertainty remains, with ongoing bilateral trade and tariff discussions between the US and the World. Strong US economic data and heightened global uncertainty bolstered the USD's appeal as a safe haven. Concurrently, weakening demand from China and volatility in global commodity prices—particularly iron ore—meant any potential for AUD gains were limited and constrained. By July month end, domestic data showing rising unemployment and the RBA's surprise decision to leave interest rates on hold in July, deepened investor concerns, exerting further downward pressure on the AUD, which traded lower into month end.
- The PGK/USD's gradual easing through June and July remained in line with the Bank of Papua New Guinea's commitment to a managed crawling-peg exchange rate regime. This approach aims to preserve macroeconomic stability while facilitating controlled currency adjustments. Such movements underscore BPNG's cautious strategy in balancing external pressures with domestic priorities.

Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.

Government Bond Auction

Series	Amount on offer	Bid recieved	Successful bids	Successful yields	Weighted average rate	Coupon Rate	Overall Auction
	K'million	K'million	K'million				
4465 (2 years)	40.000	0.000	0.000	0.00–0.00	0.00	8.60%	–K40.000
4466 (5 years)	40.000	5.960	5.960	9.00%–9.11%	9.09%	9.00%	–K34.040
4467 (7 years)	40.000	22.000	22.000	9.20%–9.23%	9.23%	9.20%	K18.000
4468 (10 years)	30.000	26.500	26.500	9.50%–9.55%	9.54%	9.50%	K3.500
TOTAL	150.000	54.460	54.460				K95.540

27-JUNE-25/GOB/Government Bond. Settlement date 27-JUNE-25. Amount on Offer: K400.000millio

Government Treasury Auctions

Terms	Issue ID 2025	Issue ID 2025	Issue ID 2025/4516	Issue ID 2025/4517	Issue ID 2025/4518	Total
	63	91	182	273	364	
Weighted average yield	0.000%	0.00%	8.00%	8.24%	8.22%	
Amount on offer K million	0.000	0.000	10.000	20.000	237.910	K267.910
Bids received K million	0.00	0.000	33.020	55.280	271.690	K359.990
Successful bids K million	0.00	0.000	32.000	50.280	216.690	K298.970
Overall auction over subscribed	0.00	0.000	23.020	35.280	33.780	K92.080

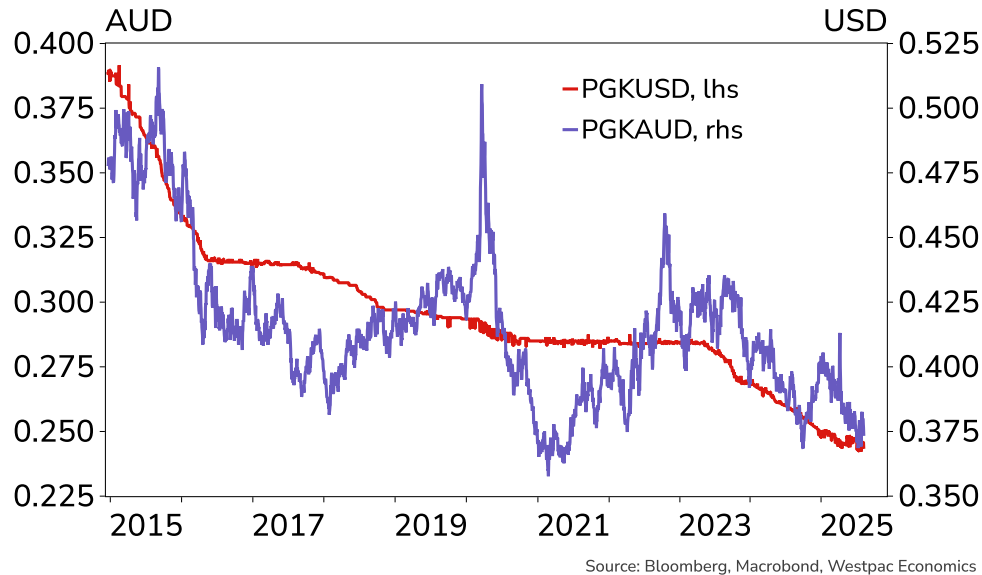
Auction Number 05 August 2025, GOI/Government Treasury Bill

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Gradual kina depreciation continues

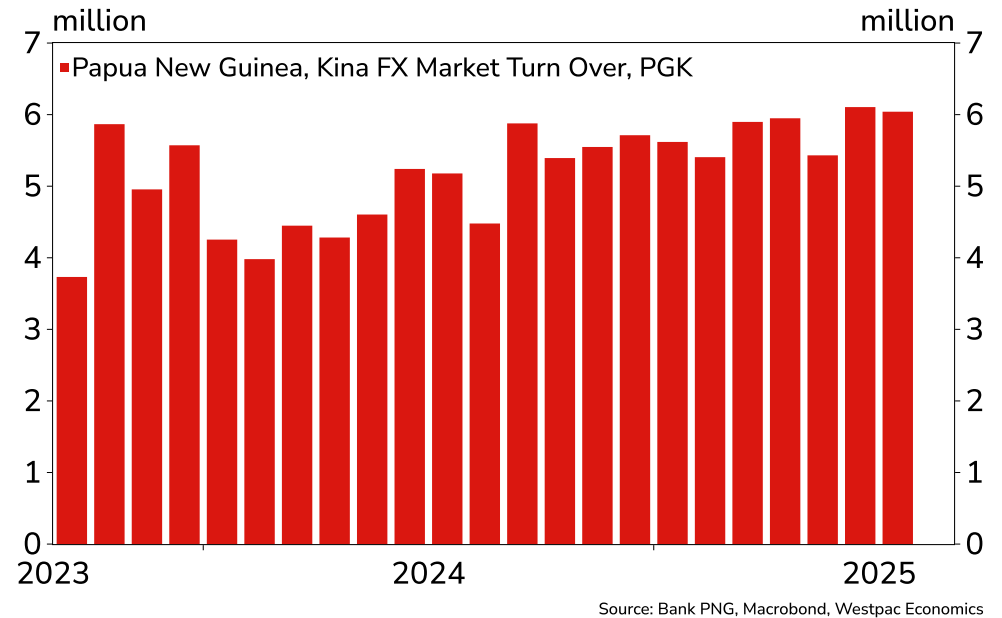
Kina Foreign Exchange Rate

BPNG focuses on the USD/PGK rate



“The PNG/AUD was range bound in July while the PNG/USD managed gradual depreciation continued.”

Foreign Exchange Market Turnover

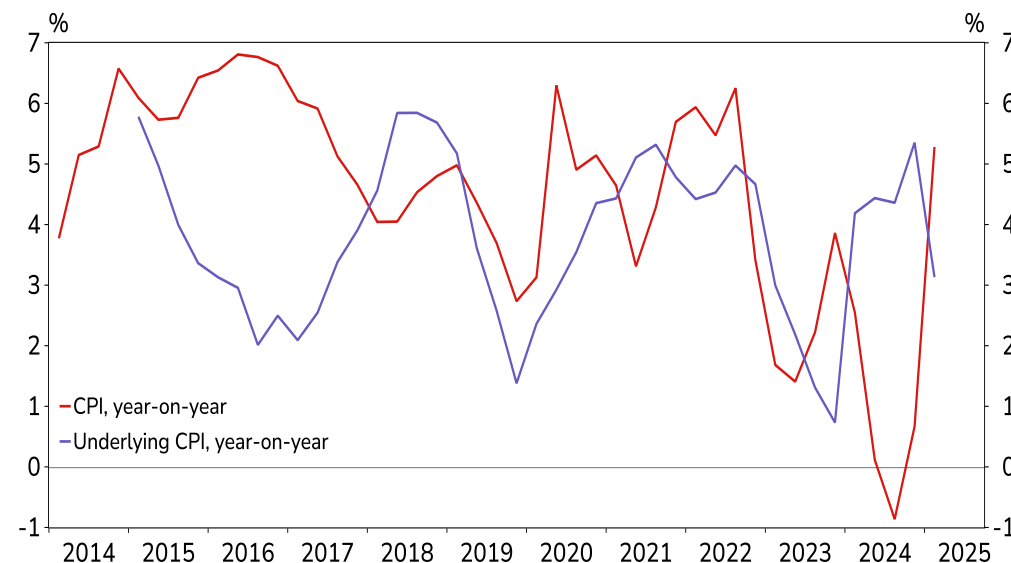


“Improved FX liquidity and availability has seen order books decrease across the market with ongoing signs of improvement.”

Underlying inflation falls

- PNG's headline CPI rose 5.3%yr in March 2025 quarter, led by 6.3%yr increase in the Food & Non-Alcoholic Beverages and a 14%yr increase in Alcoholic Beverages, Tobacco & Betel Nut.
- Apart from the above consumer prices rose across all the other broad items in the March quarter. Of note were:
 - Clothing & Footwear +5.1%yr;
 - Transport +3.4%/yr;
 - Health +2.9%yr;
 - Restaurant & Hotels +2.2%yr;
 - Education +1.7%yr;
 - Communication +1.3%yr; and
 - Housing +1.1%/yr
- Underlying inflation rose by 3.1%yr in March 2025, lower than the prior quarter 5.4%yr. Underlying inflation was lower than the headline measure after excluding the more volatile items in the basket.
- Headline inflation excluding seasonal items rose 3.3%yr in March 2025 while excluding seasonal and customs excise charges rose by 2.8%yr.
- Betel Nut prices are known for extreme swings due to supply-chain issues and their 17.5%yr increase is a key factor driving up headline inflation.
- Communication prices reversed their seven-quarters of consecutive decline, rising by 1.3%/yr in March 2025.
- March 2025 headline inflation has been uneven with the country:
 - 5.1%yr in Port Moresby;
 - 1.7%yr in Lae;
 - 8.4%/yr in Goroka-Hagen, Madang; and
 - 7.0%yr at Alotau-Kimbe-Kokopo/Rabaul.
- Lae no longer has deflation, that is falling prices, as experienced during the entirety of 2024.

Headline CPI surges to 5.3% in Q1



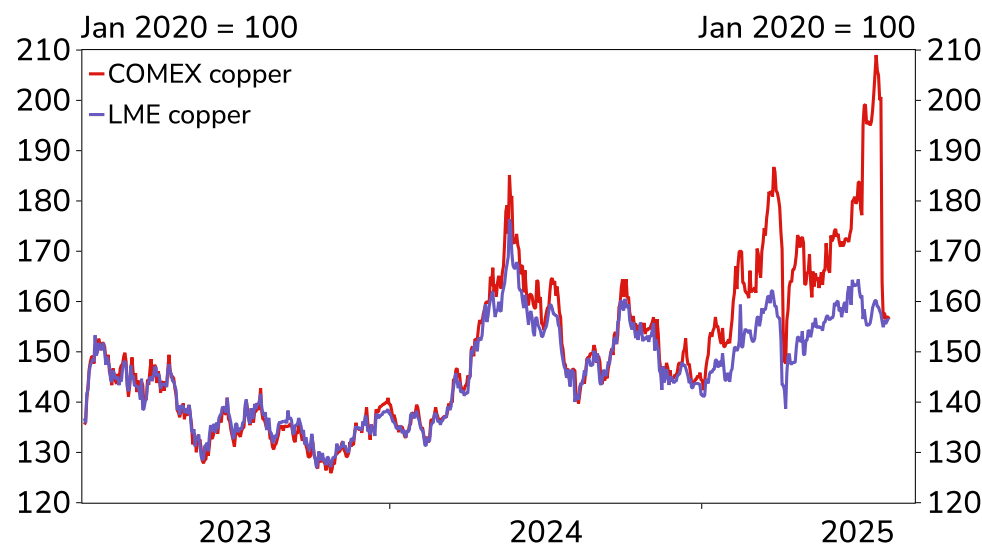
“...consumer price surges across all categories and regions”

US tariff threats resulted in a volatile copper market

- Ahead of the proposed 50% tariff on copper imports, President Trump confirmed that refined copper—including cathodes, anodes, and mattes—are exempt, with tariffs applying to semi-finished products (e.g., pipes, wires, rods, tubes) effectively removing tariffs on the bulk of U.S. imports.
- Markets reacted swiftly: COMEX prices dropped over 20%, and spot premiums collapsed, reflecting the loss of arbitrage opportunities. Westpac uses the globally relevant LME prices for analysis but U.S. market moves still influence global trends.
- Speculation around tariffs began in early 2025, with Trump hinting at significant tariffs on copper. Traders anticipated broad tariffs and moved aggressively to exploit arbitrage, with firms like Glencore and Trafigura increasing shipments to the U.S.
- Despite being a major copper producer, the U.S. output is declining (down 6% in 2024) and has limited refining capacity—just two smelters. As a result, the U.S. relies on imports for nearly half of its refined copper demand, with China the dominant destination for U.S. copper concentrate.
- China's rapid expansion in smelting (now 53% of global capacity) drove treatment and refining charges (TC/RCs) to record lows. In July, spot TC/RCs fell to ~\$65.80/ton, making refining uneconomical for most Western firms. While all smelters are supported by by-product revenues (e.g., sulphuric acid, silver, gold), subsidised Chinese smelters have a clear advantage.
- We maintain a constructive view on copper but are cautious for the near term. The physical market was distorted by the U.S. tariffs threat so subsequent exemptions weighed on prices. The U.S. accounts for less than 10% of global copper demand but the tariff threat drove a surge in imports, tightening supply in key markets like China (~55%) and Europe (~15%).
- With COMEX and LME prices near parity, some of this copper may be re-exported. However, most is likely to remain in the U.S., supporting domestic consumption rather than displacing imports.
- Looking ahead, the U.S. administration plans to reserve 25–40% of domestically produced copper inputs starting in 2027. A product inclusion process may broaden tariff coverage to additional copper derivatives, and further tariffs of 15% in 2027 and 30% in 2028 on refined copper, though these are still speculative.

US vs. UK Copper Prices

US prices surged, and then declined, with the threat of tariffs



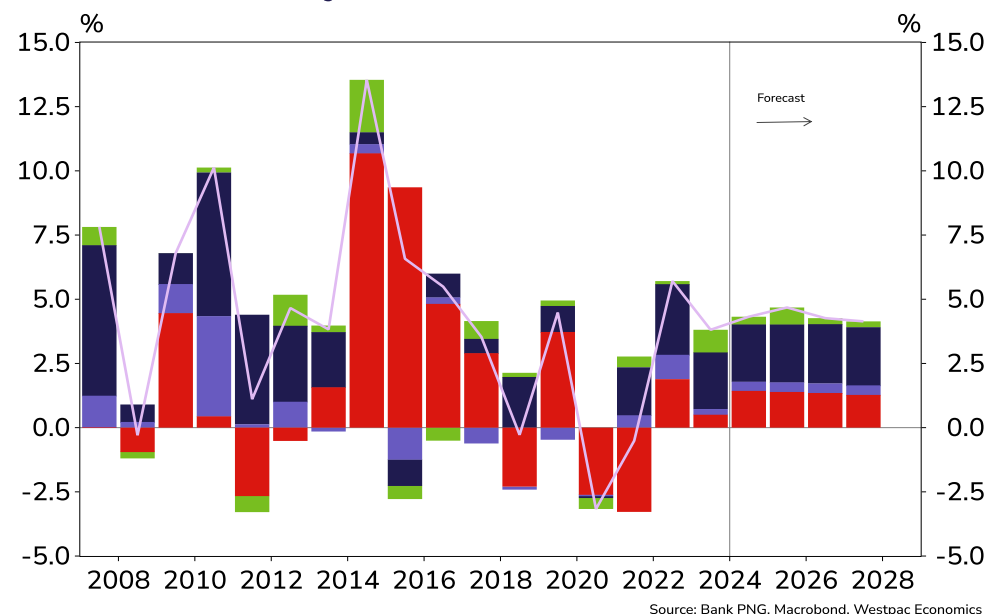
Source: CME Group, LME, Macrobond, Westpac Economics

“...longer term copper fundamentals remain sound but the U.S. tariff threat has created a lot of near term uncertainty...”

Economic expansion in sight

- The National Statistical Office (NSO) revised PNG's 2023 growth to 3.8%, up from the November estimate of 3.0%, due to an underestimation of crude petroleum and natural gas production. Initially reported as declining by 3.0%, this sector grew by 1.2% in 2023.
- These revisions impact not just 2023 growth but also Westpac's outlook for PNG, leading to updated projections for 2024 and 2025.
- The higher base for 2023 due to better-than-expected performance in key sectors, plus the data we have for the first three quarters of the year, suggests PNG's economy grew by 4.3% in 2024, up from our previous estimate of 3.7%.
- However, our 2025 forecast was revised down from 5.1% to 4.7% due to the base effect of a stronger 2024.
- The 2025 Budget presented a 5.4% increase in government expenditure which we expected to continue to drive domestic consumption. The resource sector remains crucial, with strong growth in the farm/rural sector this will help support robust growth in the vital services sector as growth in primary and industrial sectors increases demand for many services.
- There are several major projects in the pipeline, with final investment decisions still to be made. However, uncertainty persists in regard to the start of these projects. Santos has completed its Angore project, adding to gas reserves and maintaining momentum in this important export sector.
- Overall, gold production and exports increased significantly in 2024 boosting the resource extraction sector and enhancing overall growth. Given gold prices continue to hit record highs, and we can see no reason to expect a near term correction, this momentum should persist through 2025.
- Initially, we saw an upside risk to our PNG growth outlook but as imports slowed as we moved into the second half of the year, we are not as confident the upside will be realised without the economy receiving an extra kick.
- The announcement of FID for a large resources project is but one possibility for this kick.

Resource sector key but services remain critical

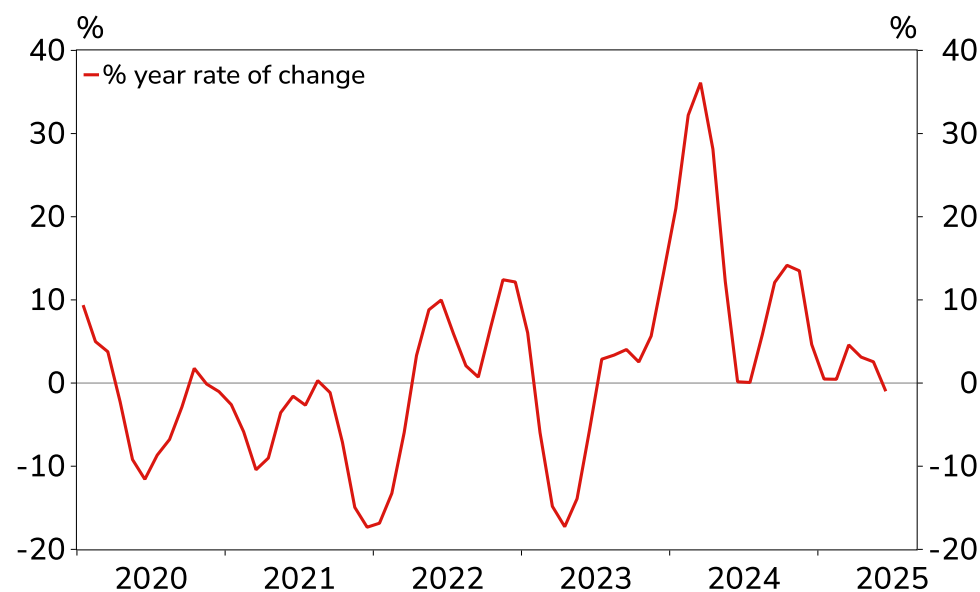


“...gold production and exports increased significantly in 2024, boosting the resource extraction sector and enhancing growth performance”

Imports starting to slow suggesting economy is taking a breather

- Import activity rebounded as COVID restrictions were lifted, leading to a surge in imports that peaked in early 2023. This was followed by a correction in the first half of 2023. However, port activity surged again through the first half of 2024 before stalling in the latter half of the year.
- The slowdown in reported import activity at ports was likely driven by several factors, including foreign exchange (FX) shortages that limited importers' ability to fund purchases, subdued domestic demand, and civil unrest earlier in the year.
- Port activity stalled again around mid-2024 but recovered in the second half of the year, only to stall once more in early 2025. The ongoing improvement in FX liquidity enabled importers to place and clear larger orders, supporting a recovery in imports.
- In the first half of 2025, imports through PNG ports showed signs of improvement, with annual growth running at approximately 4% year-on-year—indicating a recovery in demand. Importers also appear to be responding to underlying domestic demand, suggesting growing confidence in the economy.
- However, heading into the second half of the year, imports began to slow. Monthly data showed the import index down around 1% in the year to June, with weakness continuing into July. The latest weekly data points to a deepening of this downward trend.
- While the domestic economy continues to grow at just under a 5% annual pace, it's evident that further efforts are needed to lift growth to a level that can sustainably support PNG's economic development. The announcement of Final Investment Decisions (FID) for several large resource projects expected in 2026 will provide a boost, but additional measures are required. These include:
 - Improving domestic physical infrastructure,
 - Building human capital through better health, education, and training,
 - Reforming State-Owned Enterprises enhancing service delivery, and
 - Strengthening government services.

PNG Imports Indicator



Source: IMF, Macrobond, Westpac Economics

“... a downturn in imports as we head into the second half of the year suggests domestic economic conditions have softened ...”

Financial forecasts

Interest rate forecasts

	Latest (8 Aug)	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27
Australia									
Cash	3.85	3.60	3.35	3.10	2.85	2.85	2.85	2.85	2.85
10 Year Bond	4.25	4.35	4.40	4.40	4.45	4.50	4.55	4.60	4.65
US									
Fed Funds	3.25	3.00	3.00	3.00	3.00	3.00	3.25	3.50	3.75
US 10 Year Bond	3.25	3.00	3.00	3.00	3.00	3.00	3.25	3.50	3.75
New Zealand									
Cash	3.25	3.00	3.00	3.00	3.00	3.00	3.25	3.50	3.75
10 Year Bond	4.41	4.65	4.70	4.75	4.80	4.85	4.90	4.95	4.95

Exchange rate forecasts

	Latest (12 Aug)	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27
PGK/USD	0.2409	0.2405	0.2350	0.2350	0.2400	0.2450	0.2500	0.2550	0.2550
PGK/AUD	0.3692	0.3644	0.3456	0.3406	0.3429	0.3451	0.3521	0.3542	0.3542
PGK/NZD	0.4047	0.4008	0.3865	0.3840	0.3883	0.3939	0.4019	0.4035	0.4035
PGK/EUR	0.2065	0.2038	0.1983	0.1975	0.2008	0.2033	0.2075	0.2107	0.2107
PGK/GBP	0.1788	0.1762	0.1722	0.1722	0.1752	0.1788	0.1825	0.1855	0.1855
PGK/JPY	35.54	34.39	33.14	32.67	32.88	33.32	33.75	34.17	34.17
PGK/SGD	0.3092	0.3078	0.3008	0.3008	0.3072	0.3112	0.3175	0.3239	0.3239

Sources: Bloomberg, Westpac Economics.

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Economic and financial forecasts

Major trading partner growth forecasts (year average)

Real GDP %ann	2020	2021	2022	2023	2024f	2025f	2026f	2027f
World Economy	-2.7	6.6	3.6	3.5	3.3	3.0	3.0	3.2
US	-2.2	6.1	2.5	2.9	2.8	1.5	0.8	1.5
Eurozone	-6.0	6.3	3.5	0.4	0.9	1.3	1.2	1.6
Australia	-2.0	5.4	4.1	2.1	1.0	1.6	2.1	2.4
New Zealand	-1.3	5.7	2.9	1.8	-0.6	1.3	2.9	2.8
Japan	-4.2	2.7	0.9	1.5	0.1	0.8	0.8	0.8
China	2.3	8.4	3.1	5.4	5.0	5.0	4.6	4.5
India	-5.8	9.7	7.6	9.2	6.5	6.3	6.4	6.3

Sources Macrobond, Westpac Economics

Economic indicators		2023	2024 (est)	2025 (est)
Inflation	ADB	2.3%	0.7%	3.8%
	BPNG	3.9%	0.7%	3.0%
	IMF	2.3%	0.6%	5.5%
	Westpac	3.9%	0.7%	4.7%
GDP growth	ADB	3.8%	4.3%	4.2%
	BPNG	3.0%	3.0%	4.0%
	IMF	3.8%	3.7%	4.6%
	Westpac	3.8%	4.3%	4.7%

Sources Macrobond, Westpac Economics

PNG Economic Statistics

	2019	2020	2021	2022	2023	2024	2025
Money supply (% year)	4.4	7.0	13.4	14.8	11.5	-6.4	6.9
Private Sector Credit (% year)	4.0	4.2	2.5	6.9	19.0	3.0	4.0
Current Account (K millions)	18,522	17,281	12,222	11,543	9,220	13,201	13,649
Total Imports Cover (months)	5.0	7.4	5.4	7.4	6.3	5.7	4.3
Non-mineral imports cover (months)	8.2	11.8	8.4	15.1	11.6	12.2	9.3
Headline inflation (% year)	2.7	5.1	5.7	3.4	3.9	0.4	3.0
Fiscal Surplus/Deficit (K millions)	-4,172	-6,501	-6,270	-5,852	-4,935	-4,935	-3,984
Defecit as % of GDP	-5.0	-8.0	-6.7	-5.4	-4.4	-4.4	-3.3

Sources Macrobond, Westpac Economics

Financial Markets

Indicators	2022	2023	2024	2025f	2026f
Broad money supply	14.8	11.5	9.9	7.3	7.5
Monetary base	29.5	-8.7	-2.3	7.8	7.0
Claims on private sector	6.9	19.0	11.5	12.3	13.6
Net claims on government	-5.4	33.1	19.9	0.9	4.4
Net foreign assets	52.4	3.99	-6.0	-4.3	4.2
Fiscal Surplus/Deficit (K millions)	-5,852	-4,935	-3,984	-2,654	-1,314
Defecit as % of GDP	-5.4	-4.4	-3.3	-2.0	-0.9

Source: BPNG forecasts

Past performance is not a reliable indicator of future performance. The forecasts given above are predictive in character. Whilst every effort has been taken to ensure that the assumptions on which the forecasts are based are reasonable, the forecasts may be affected by incorrect assumptions or by known or unknown risks and uncertainties. The results ultimately achieved may differ substantially from these forecasts.

Market Outlook June 2025

End of period	Latest (11 July)	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27
LNG in Japan US\$mmbtu	12.43	11.2	10.7	9.6	9.3	9.3	9.8	10.1	10.5	10.7
gold (US\$/oz)	3,359	3,400	3,400	3,350	3,300	3,280	3,250	3,230	3,200	3,180
copper (US\$/t)	9,774	9,800	9,600	9,400	9,250	9,250	9,580	10,070	10,240	10,400
aluminium (US\$/t)	2,754	2,830	2,830	2,830	2,800	2,750	2,820	2,940	2,970	3,010
nickel (US\$/t)	14,983	14,900	14,750	14,500	14,100	14,640	14,990	15,520	15,700	15,870
zinc (US\$/t)	2,718	2,700	2,600	2,600	2,610	2,670	2,720	2,790	2,810	2,830
lead (US\$/t)	2,043	1,980	1,950	1,930	1,900	1,960	2,010	2,070	2,090	2,110

Source: Westpac Economics Market Outlook July 2025

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