

CEO100 2025 Survey

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Better

An overall improvement but the same significant headwinds are making it harder than it needs to be.

CEOs more optimistic in 2025

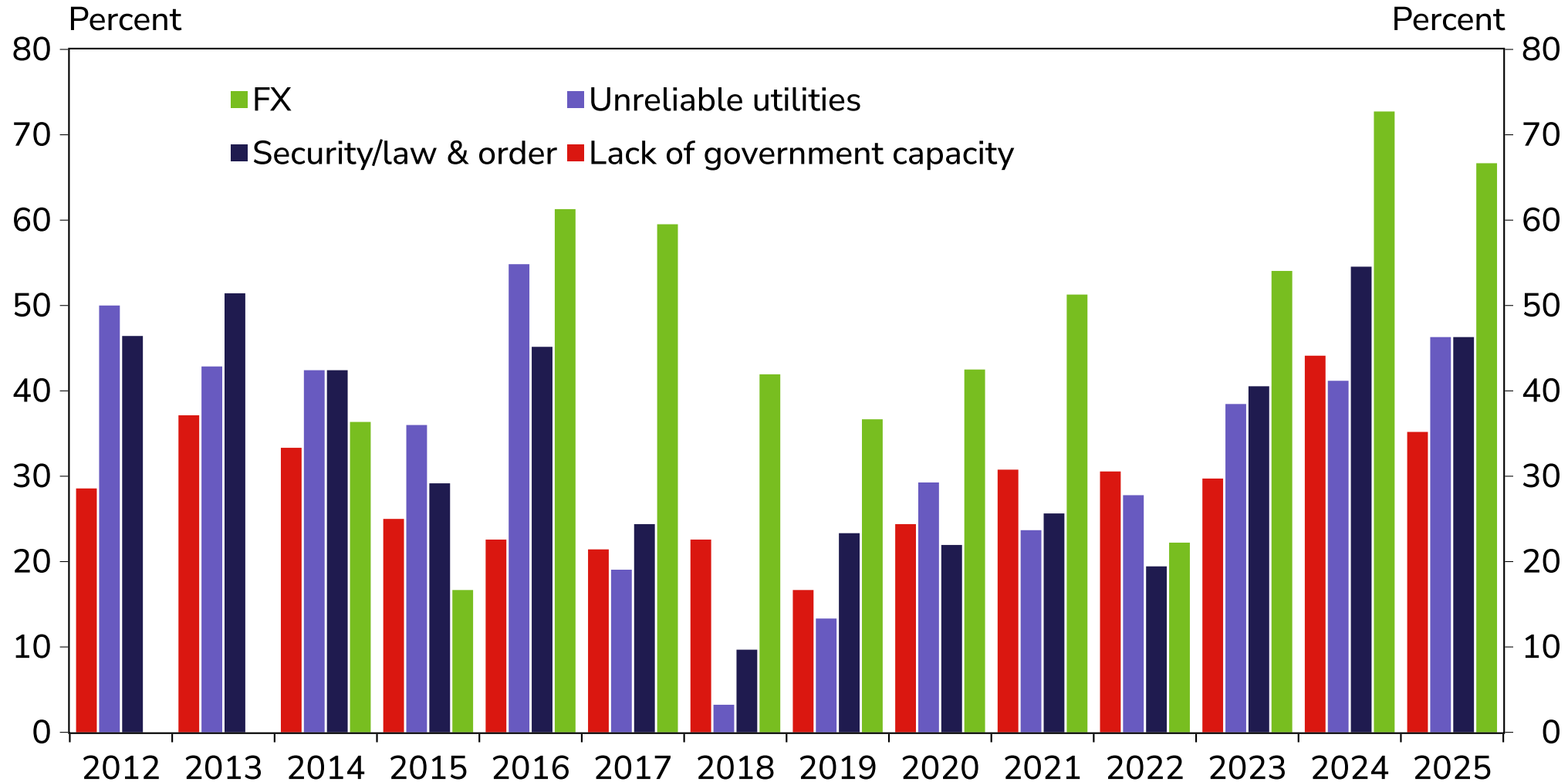
- Last year, the CEO100 Survey found declining business expectations and rising concerns about economic impediments.
- This year, the Survey revealed a positive shift: 2024 profits exceeded expectations and the outlook for 2025 profits, investment, and recruitment all improved.
- Just as important the level of economic concerns declined suggesting 2025 brought with it an improvement in overall business conditions.

Top concerns for 2025 were:

1. Foreign exchange
2. Security/law & order
3. Unreliable utilities
4. Lack of government capacity
5. Regulatory uncertainty
6. Shortage of expertise/skills

FX still stands out as the number one issue

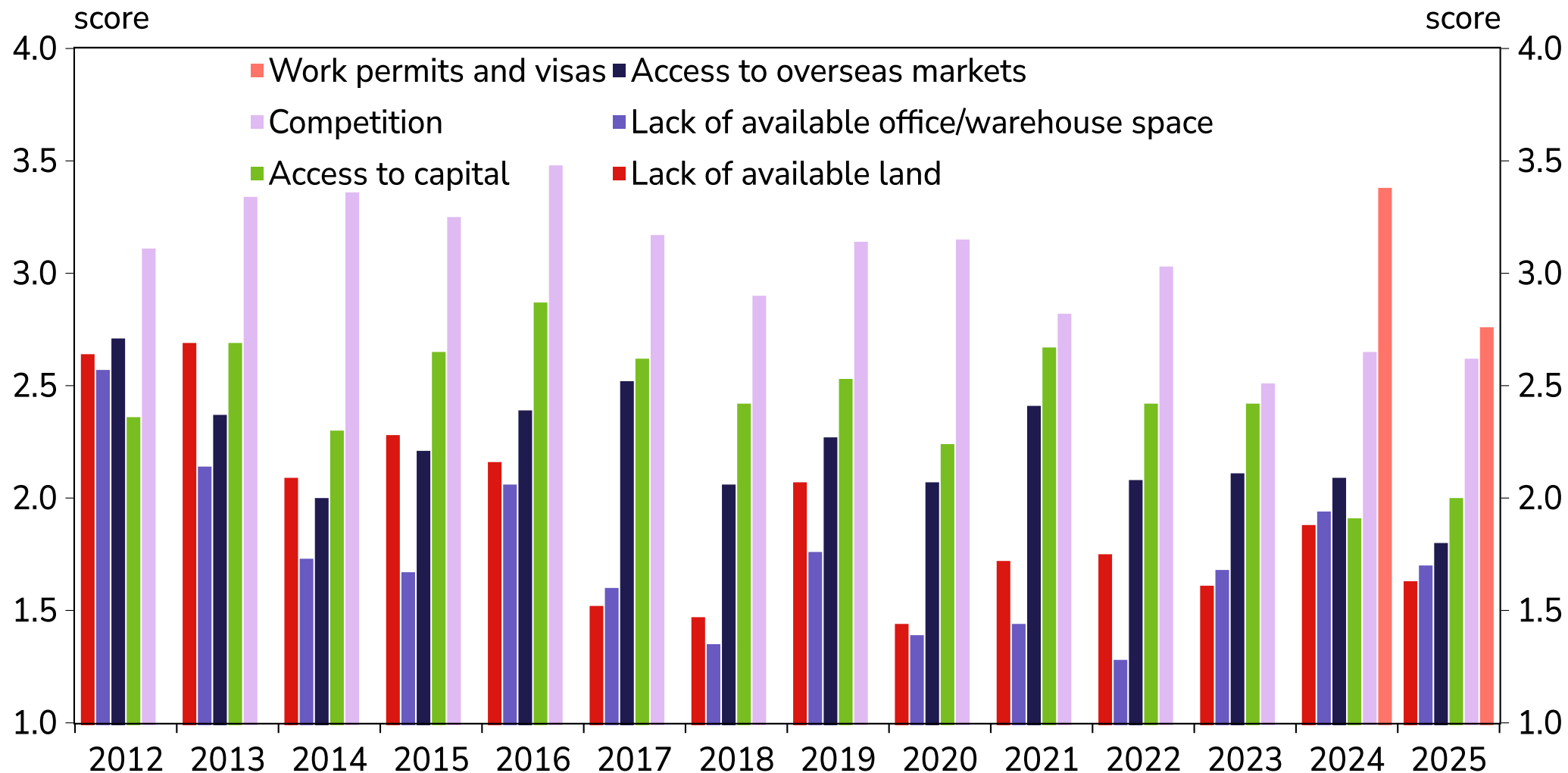
Mission critical concerns



Source: Business Advantage PNG, Macrobond, Westpac Economics

Business are less constrained by capital or work permits

Six factor of least concern for PNG businesses

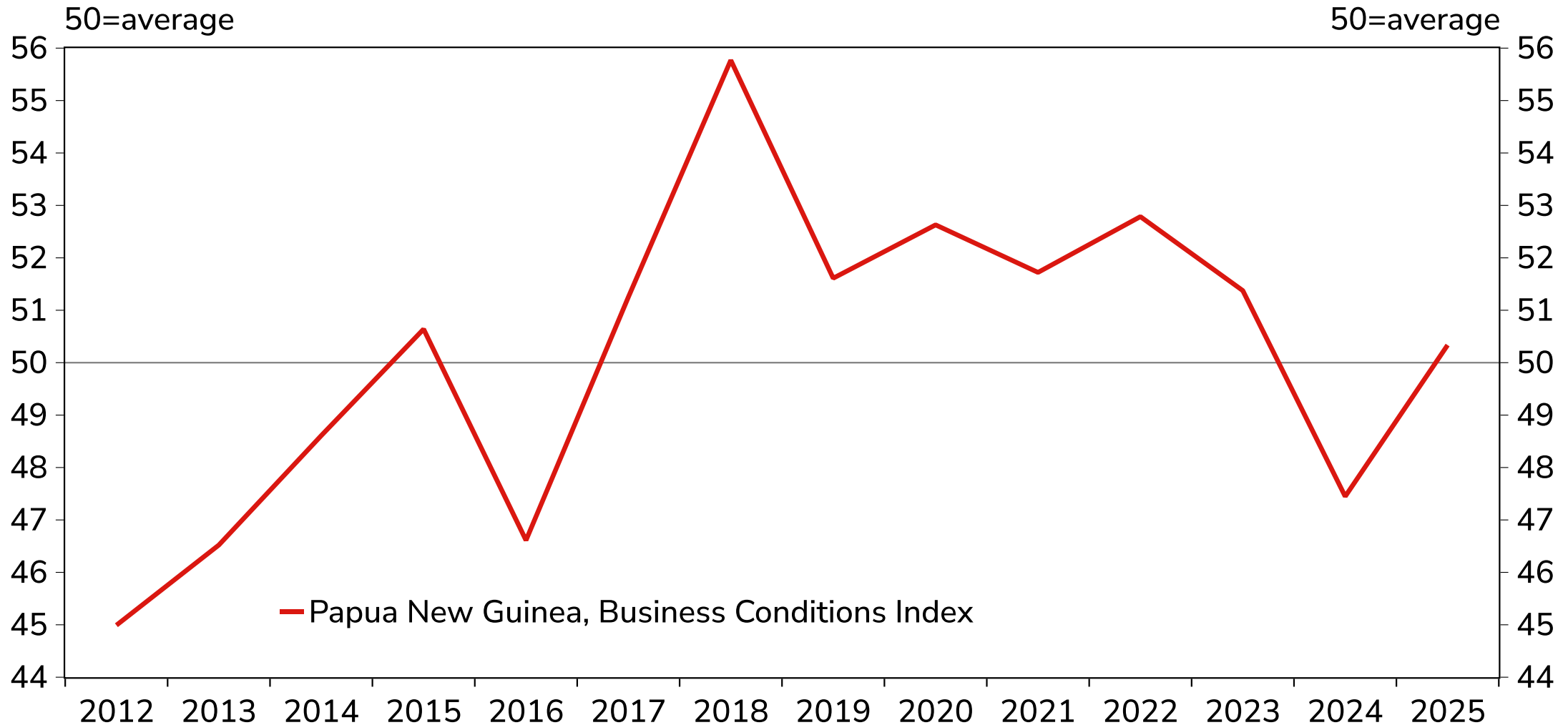


Source: Business Advantage PNG, Macrobond, Westpac Economics



Westpac Business Advantage PNG – Business Confidence

CE0100 Business Conditions Index

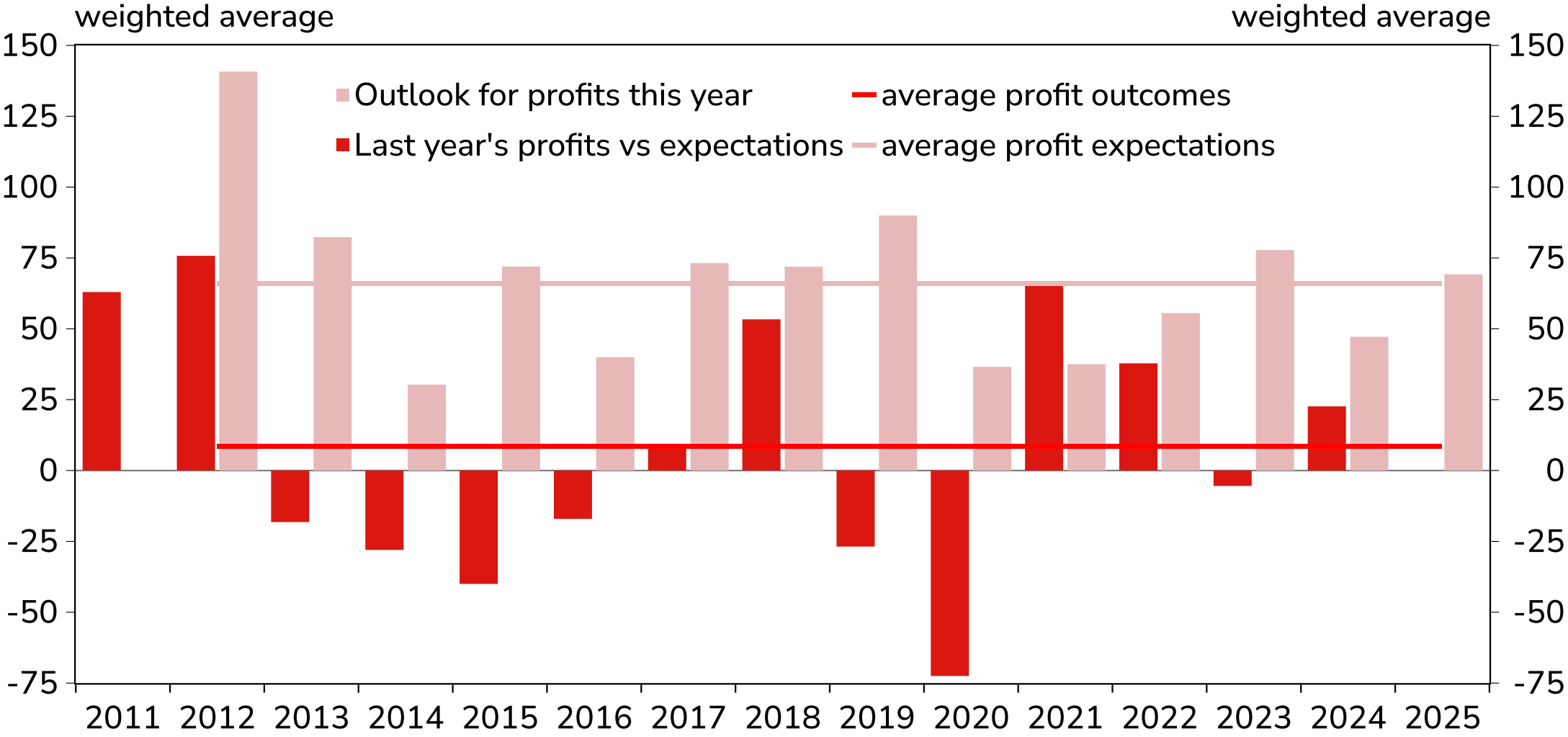


Source: Business Advantage PNG, Macrobond, Westpac Economics



Profit performance shapes expectations

Profits outcome vs expectation

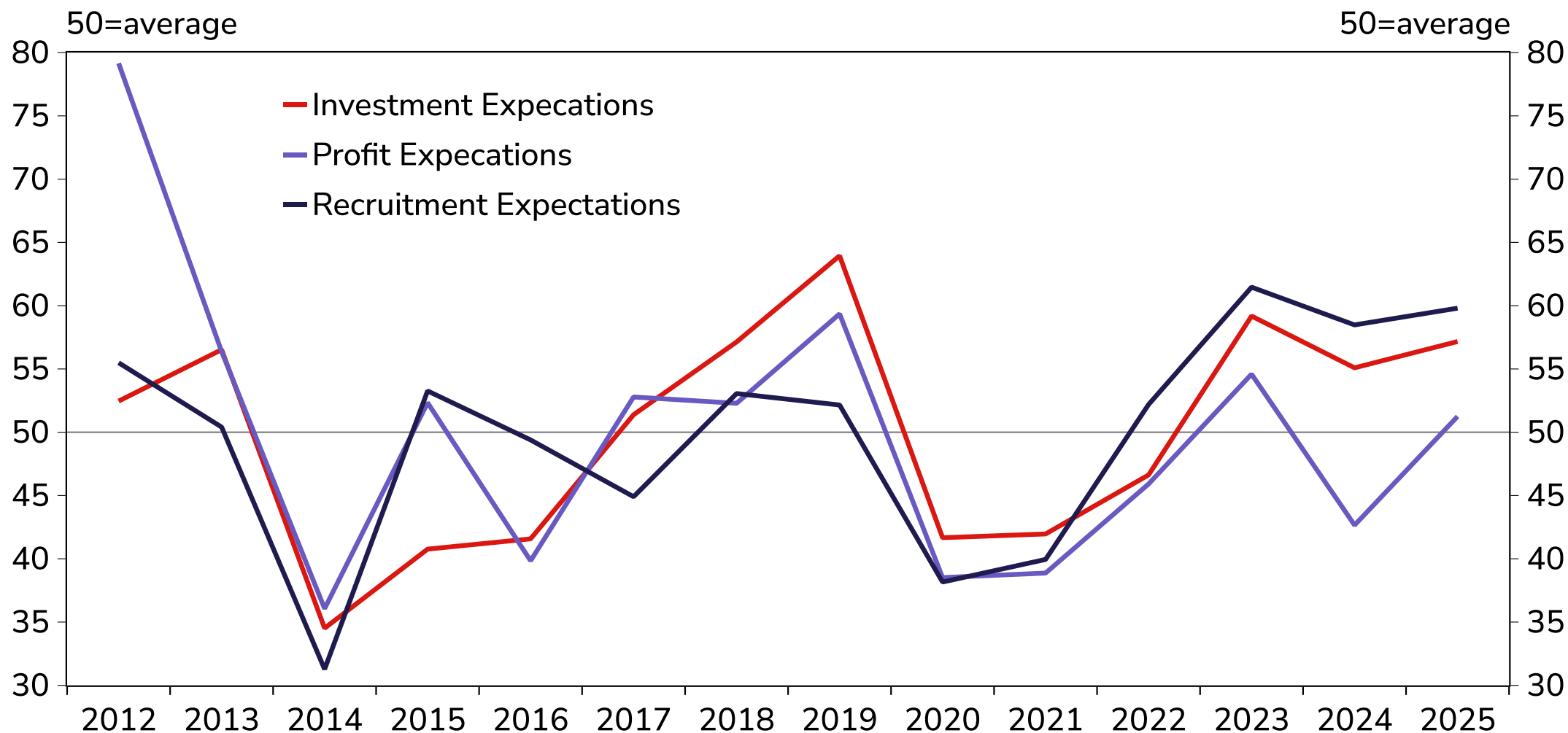


Source: Business Advantage PNG, Macrobond, Westpac Economics



Investment & recruitment remains sound

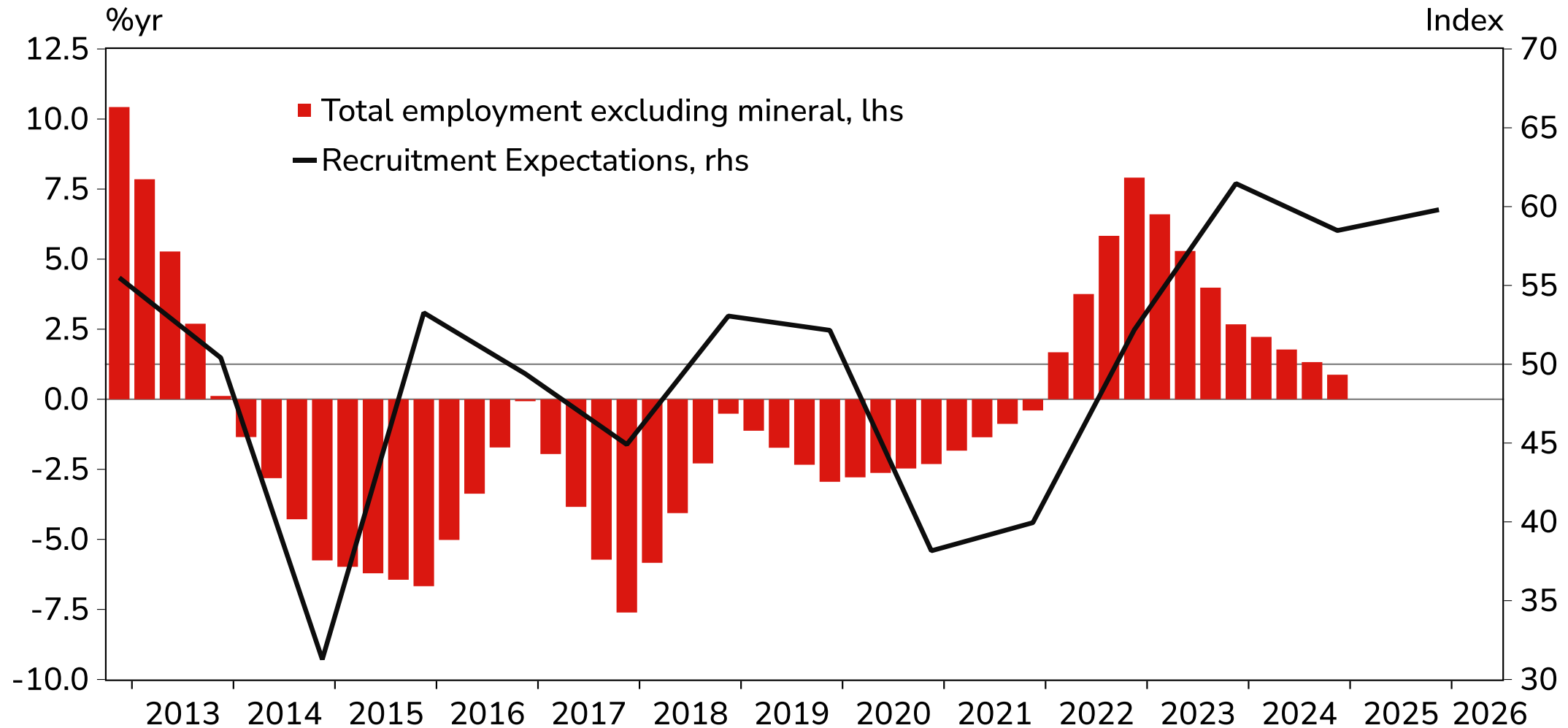
CE0100 Expectations Indexes



Source: Business Advantage PMG, Macrobond, Westpac Economics

Outlook for formal employment remains OK

CE0100 Recruitment vs non mineral employment

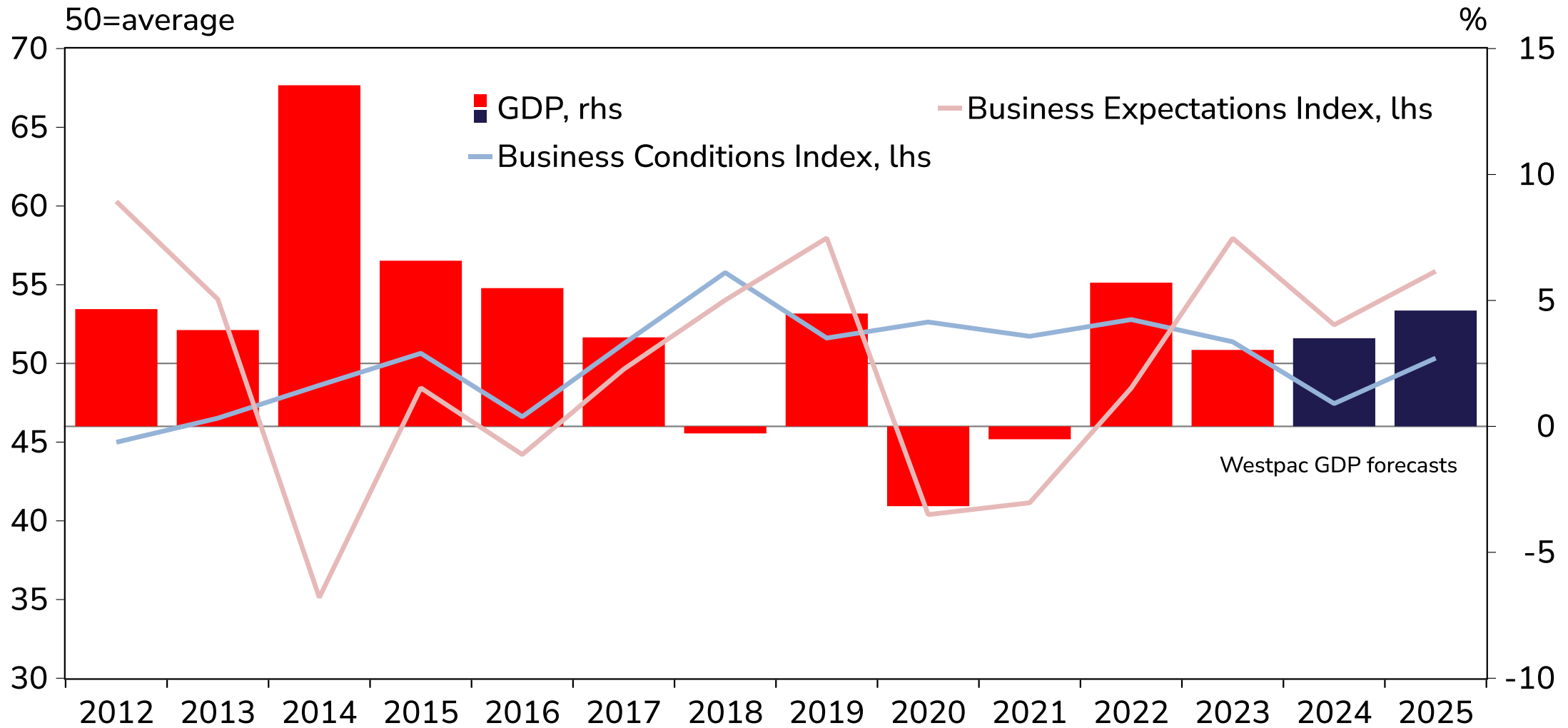


Source: Business Advantage PNG, Macrobond, Westpac Economics



Foundations there for basic growth rates

CE0100 Survey vs Economic Growth

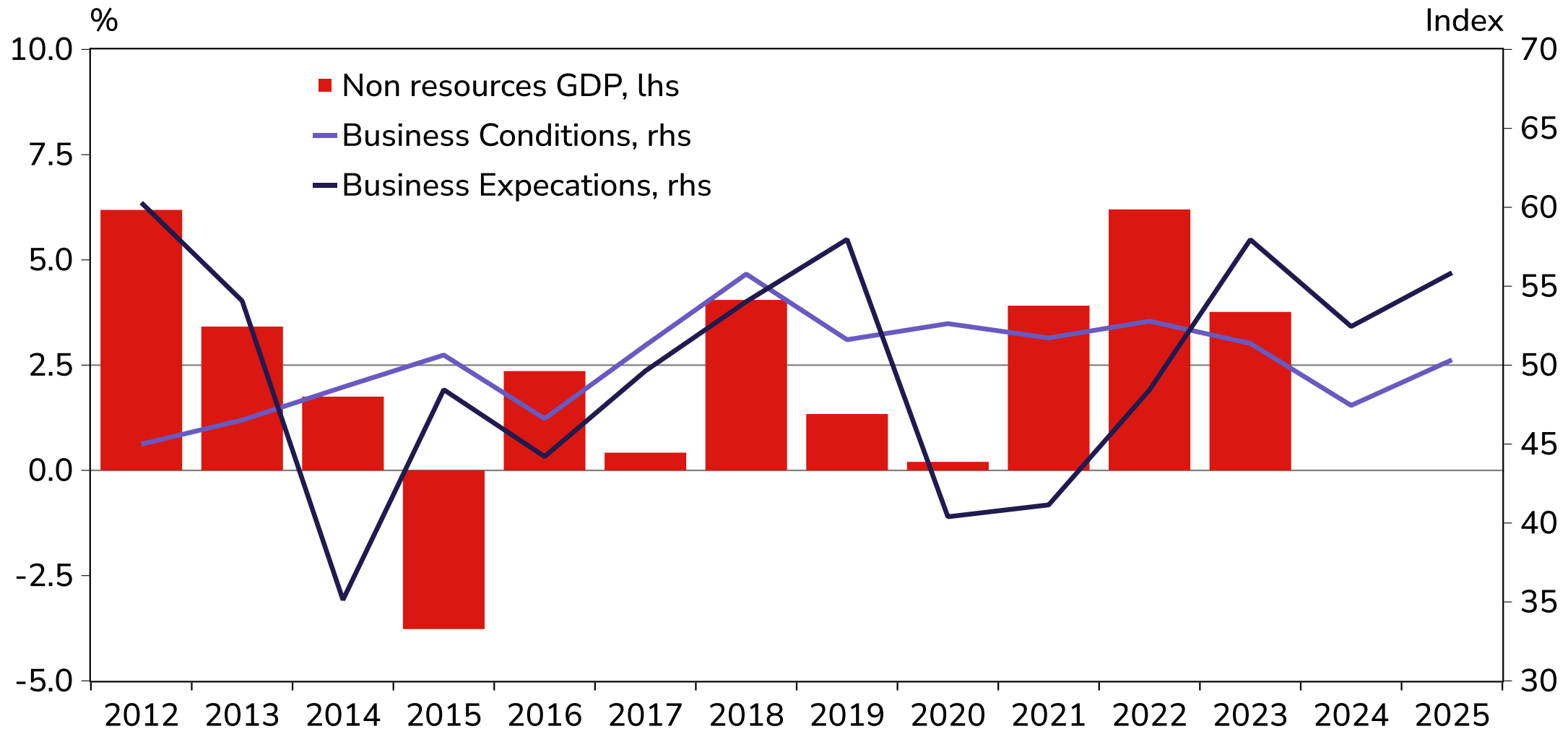


Source: Business Advantage PNG, Macrobond, Westpac Economics



Non resources activity can form a base

CEO100 Survey and PNG non resources activity



Source: Business Advantage PNG, Macrobond, Westpac Economics

Stay calm

And carry on!

For all the noise, the end result is likely to mild...

...as long as cool heads prevail so do stay alert !

Tariffs are going to be higher

1. **In the Trumpian world, tariffs good, income/corporate tax bad:** The Trump administration wants to shift the focus of US Government Revenue away from incomes tax.
2. **Stronger US dollar:** Both tariffs and US monetary domination means strong US dollar, till the US Fed cuts rates.
3. **Near term risks are for inflation plus slower growth:** Tariffs will increase costs and disrupt global trade patterns.

PNG to benefit from robust commodity prices

1. **Energy remains key focus:** Demand for reliable energy comes into focus.
2. **Commodity demand outstripping supply:** Focus on precious and base metals.
3. **Watch out for inflation:** Could be a larger risk in 2025.

PNG Trading Partner Growth Remains Supportive

Global & Trading Partner Growth Forecasts

	2021	2022	2023	2024	2025f	2026f	2027f
World Economy	6.5	3.5	3.2	3.3	3.3	3.2	3.1
US	5.8	1.9	2.5	2.8	2.6	2.0	1.8
Eurozone	5.9	3.4	0.4	0.7	0.9	1.0	1.2
Australia	5.5	3.9	2.1	1.1	2.0	2.2	3.2
New Zealand	5.6	2.4	1.8	-0.5	0.8	2.8	3.1
Japan	2.6	1.0	1.9	-0.1	1.2	1.0	0.8
China	8.4	3.0	5.2	5.0	4.8	4.5	4.4
India	9.7	7.0	7.8	6.6	6.6	6.5	6.3

Sources: Macrobond, Westpac Economics.



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