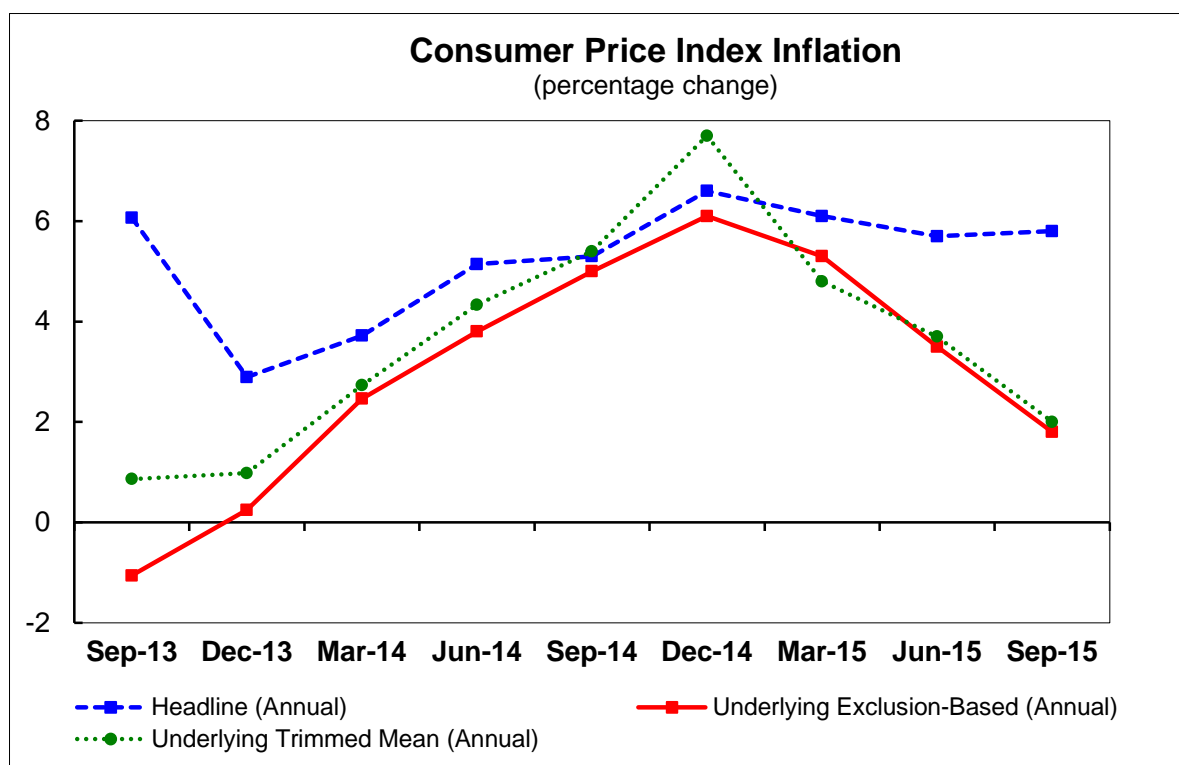




BANK OF PAPUA NEW GUINEA

KINA FACILITY RATE (KFR) FOR DECEMBER 2015

The annual headline inflation for the September quarter of 2015, as measured by the Consumer Price Index and released by the National Statistical Office (NSO), was 5.8 percent compared to 5.7 percent in the June quarter of 2015. The increases in the underlying measures of inflation were lower (see chart below). In consideration of these inflation outcomes and the Bank's assessment of other key macroeconomic variables, the public is advised that the Bank is taking a cautious approach and maintaining a neutral monetary policy stance by keeping the Kina Facility Rate at 6.25 percent for the month of December 2015.



Source: National Statistical Office

Mr. Loi M. Bakani, CMG
Governor