

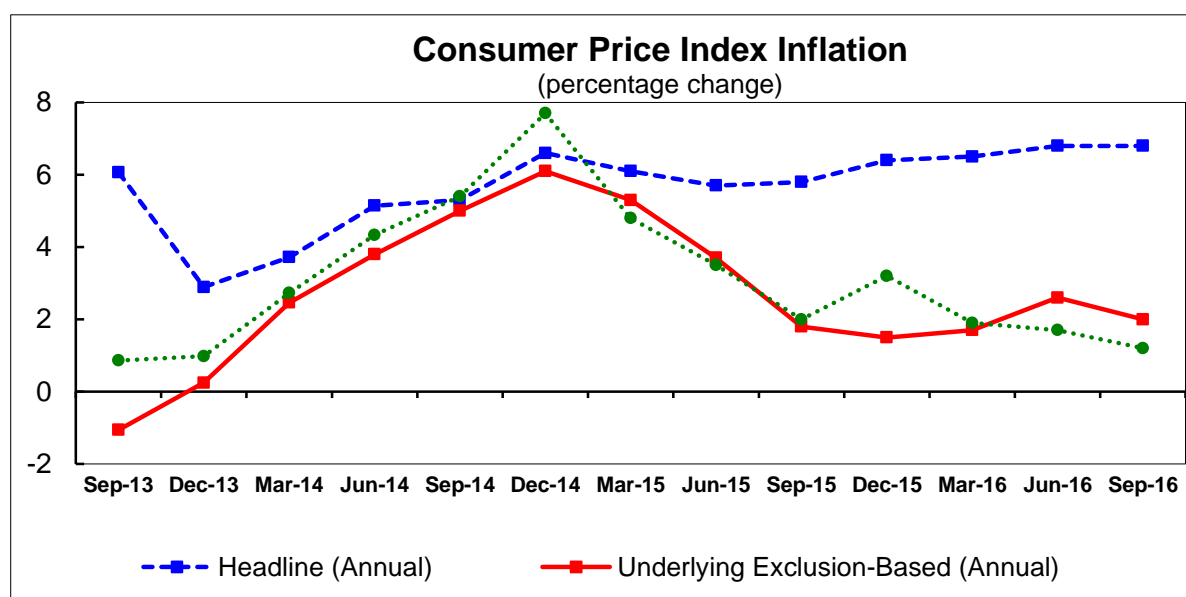


BANK OF PAPUA NEW GUINEA

KINA FACILITY RATE (KFR) **FOR DECEMBER 2016**

The public is advised that based on the Bank of PNG's assessment of key macroeconomic indicators, including the inflation outcomes for the September quarter of 2016, the Kina Facility Rate (KFR) for the month of December 2016 is maintained at 6.25 percent.

The annual headline inflation for the September quarter of 2016, as measured by the Consumer Price Index and released by the National Statistical Office (NSO), was 6.8 percent, same as in the June quarter. The annual underlying measures of inflation continued to remain low (see chart below), with the exclusion-based measure increasing by 2.0 percent and the trimmed mean measure by 1.2 percent in the September quarter, compared to 2.6 percent and 1.7 percent, respectively, in the June quarter of 2016.



Source: NSO

Gae Kauzi (Dr.)
Acting Governor