



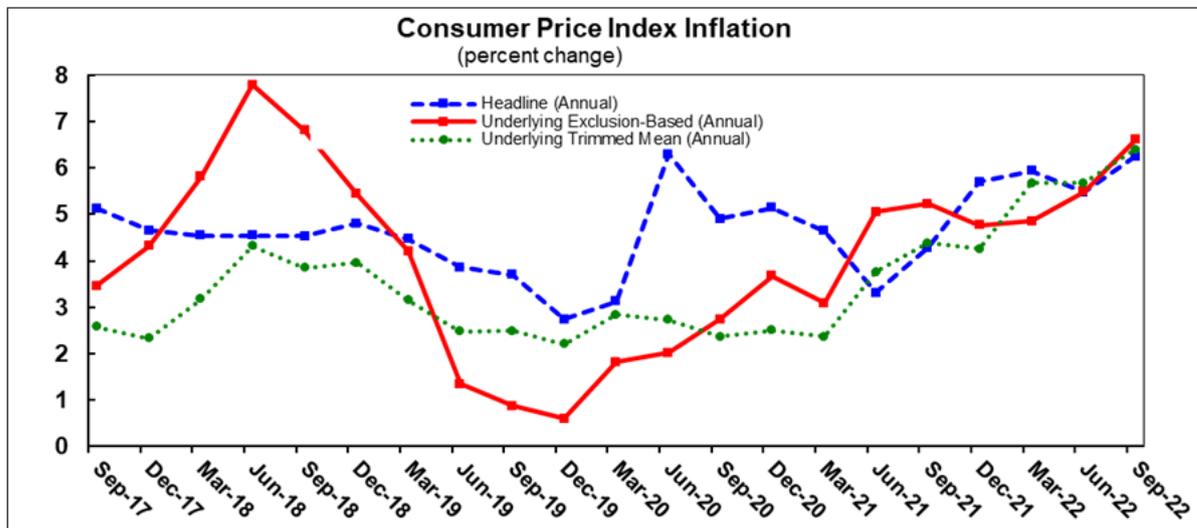
# BANK OF PAPUA NEW GUINEA

## BANK OF PNG FURTHER TIGHTENS ITS MONETARY POLICY STANCE

The Central Bank announces a further tightening of monetary policy by increasing its signaling rate, the Kina Facility Rate (KFR), to counter the increase in price levels in the domestic economy. Whilst global inflation are expected to slow, they remained elevated and that may not immediately translate to low imported inflation.

Domestic prices continue to remain elevated since June quarter of 2021. The headline Consumer Price Index (Inflation) released by National Statistical Office increased 6.3 percent in September quarter of 2022, compared with 5.5 percent in June quarter of 2022 (see Chart below). High imported inflation caused by the high international prices of crude oil and food, continues to be the main drivers for inflation.

In view of these developments, the Central Bank has increased the KFR for the month of January 2023 by 25 basis points to 3.50 percent.



**Benny B M Popoitai, MBE**  
Acting Governor