

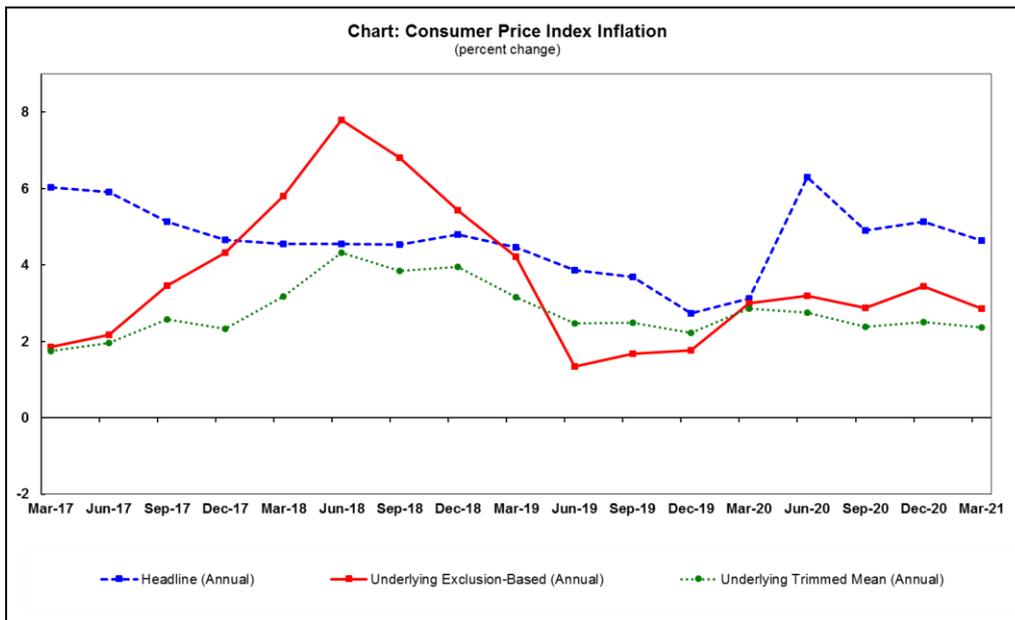


**KINA FACILITY RATE FOR JULY 2021**

The Bank of PNG’s assessment of key macroeconomic indicators point to a slower recovery in economic activity with the ongoing impact of the COVID-19 pandemic. Lending to the private sector slowed down, sales in the formal private sector declined and employment remained flat, while headline inflation eased in the first quarter of 2021.

The annual headline inflation in the March quarter of 2021, as measured by the Consumer Price Index and published by the National Statistical Office (NSO), was 4.7 percent, compared to 5.1 percent in the December quarter of 2020 (refer to Chart).

To support the economic recovery, the Kina Facility Rate (KFR) for the month of July 2021 will be maintained at 3.00 percent.



Loi M. Bakani CMG  
Governor