



**Bank of Papua New Guinea**



# **ECONOMIC OUTLOOK REPORT**

## **September 2025**



## Bank of Papua New Guinea Monetary Policy Objective

### Objective of the Bank of Papua New Guinea's Monetary Policy

The objective of monetary policy as stipulated in Section 7 of the Central Banking Act (as amended in 2024) is to achieve and maintain price stability as the primary objective; and, to the extent not inconsistent with this and as secondary objectives, to ensure financial stability, promote sustainable medium term economic growth, especially in the non-mineral and non-petroleum sector, and to promote the development of the financial sector of Papua New Guinea's financial system.

In the short run, the emphasis on price stability seeks to mitigate excessive fluctuations in interest rates, exchange rates, and inflation, thereby fostering a conducive environment for economic growth and employment. In the medium term, the Bank aims to achieve low and stable inflation to promote growth.

Copies of the Economic Outlook can be obtained from the Bank's Economics Department and is available on the Bank's website: [www.bankpng.gov.pg](http://www.bankpng.gov.pg)

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## **Executive Summary**

The global economy in mid-2025 displayed resilience amid ongoing geopolitical and trade uncertainties, with major economies like the U.S, UK, euro area, and emerging markets such as China and India showing mixed growth driven by the service and manufacturing sectors. Papua New Guinea's (PNG) economy is projected to grow modestly faster than previously forecasted, with a revised GDP growth of 4.3 percent for 2025, supported by stronger mineral production and agricultural exports including coffee, cocoa, and palm oil. Despite limited direct exposure to U.S tariffs, PNG faces indirect risks from potential lower demand from its key trading partners.

**Domestic inflation has eased but remains sticky, with headline inflation expected around 3.0 percent for 2025, influenced by domestic cost pressures and exchange rate depreciation.** The Bank of Papua New Guinea's (BPNG or the Bank) Monetary Policy Committee (MPC) has maintained a cautious monetary stance, increasing the policy rate by 1.0 percentage point to 5.0 percent in September, to accommodate for exchange rate depreciation under the crawl-like arrangement and to align policy rate to market rates. The MPC also lowered the Cash Reserve Requirement by 1.0 percentage point to 9.0 percent, to support liquidity distribution amongst banks and hence, economic activity.

**Foreign exchange market has improved, driven by higher commodity export inflows, with the Kina depreciating measuredly against major currencies.** However, ongoing financial account deficits and challenges in foreign direct investment persist. The Bank projects medium-term economic growth to be above 4.0 percent, supported by sustained commodity production and upcoming resource projects. The MPC remains vigilant to evolving domestic and global risks and stands ready to make necessary adjustments to its monetary policy to ensure the Bank's primary objective of achieving and maintaining price stability is met.



## **1. Economic Developments and Projections**

**Global growth showed resilience and is projected to remain strong.** According to the International Monetary Fund's (IMF's) July 2025 World Economic Outlook (WEO) Update, growth is projected to be 3.0 percent, due to frontloading by major economies in anticipation of higher tariffs imposed by the U.S, improved financial conditions due to weaker US dollar and fiscal expansion in other economies. Central banks in advanced economies have eased monetary policy as signs of easing inflationary pressures emerged, although uncertainty remain from strong demand and supply shocks in advanced economies. Economic activity is picking up strongly in both advanced and emerging economies, supported by growth in employment and business activities.

**Domestically, the Bank has revised slightly upward its 2025 real GDP growth forecast for PNG to 4.3 percent, from 4.1 percent in the March 2025 Economic Outlook. This upward revision is driven by stronger-than-expected activity in both the mineral and non-mineral sectors.** The higher-than-earlier anticipated economic activity and output is driven by sustained higher global commodity prices for major PNG exports, a sustained and strong production at the mines of Porgera , Ok Tedi, and K92, and increased agricultural exports primarily in coffee, cocoa, and palm oil, at the back of higher international prices. This has led to increased foreign exchange inflows to the domestic foreign exchange market, leading to faster turnaround times for servicing imports foreign exchange orders. Efforts by the Ok Tedi mine and the Mobil Oil Niugini Ltd., one of the country's major fuel distributor, to maintain consistent fuel supplies have brought greater stability to the domestic fuel supply this year, compared to previous years. This has enabled business to operate without disruptions throughout the year, maintaining consistent production and output, which further strengthens the Bank's view on business activities and the overall economic growth for 2025.

**In the mineral sector, growth is projected to be driven by the Porgera Mine, which is expected to reach 60 percent production capacity, and supported by higher output from the Ok Tedi and K92 mines.** In the non-mineral sector, growth is expected from agriculture, with higher production of coffee, palm oil, and cocoa. Growth is also expected to improve in the manufacturing, wholesale, and retail sectors, supported by better access to foreign exchange and increased activity in the primary industries. Additional contributions to growth will come from the services sector, including utilities, finance and insurance and, construction and transport sectors, supported by government spending.



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Over the medium term, the Bank projects the economy to grow above 4.0 percent supported by near-full production capacity at Porgera Mine and growth in the non-mineral sector (See Chart 1). This growth will likely be higher with the commencement of the construction phase of the Papua LNG project.

**PNG has limited direct exposure to the U.S 10.0 percent universal trade tariff imposed in April, as trade with the U.S makes up only 5.0 percent of total PNG trade and 1.0 percent of total PNG exports.** PNG's main exports to the U.S are mainly high-quality commodities including coffee, cocoa, marine products, gold, copper, and silver, which are likely to remain largely unaffected by the U.S tariff. Consequently, the direct impact of U.S. tariffs on PNG's economy is expected to be minimal. Nonetheless, there is risk on trade and arises from the second round effects coming through PNG's major trading partners: China, Australia, Singapore, and Japan. The IMF projects modest economic slowdowns in these countries due to global repercussions of the U.S. tariffs. Given PNG's trade dependence on these partners, a potential lower external demand will affect PNG's exports, with effects on domestic economic growth and inflation.

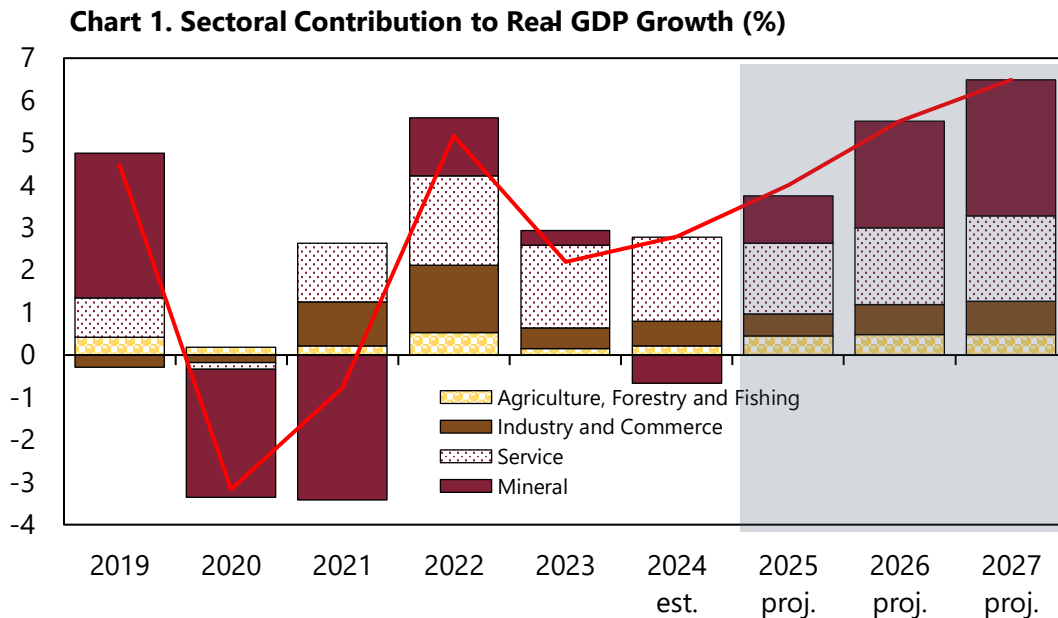
**Preliminary results from the Banks Business Sentiment Survey (BSS) suggest an overall improvement in business confidence, underpinned by easing foreign exchange constraints, higher global prices for key export commodities such as coffee, cocoa, and palm oil, and increased government spending on infrastructure.** These developments have supported production, trade, and domestic demand, while the country's 50th anniversary celebrations are expected to further stimulate activity in the wholesale, retail, and manufacturing sectors. Firms also remain optimistic about the future resource projects in the pipeline, reflecting a positive medium-term outlook.

**Despite this optimism, businesses continue to face significant headwinds that carry implications for inflation and growth.** Persistent cost pressures from kina depreciation, rising input prices, and regulatory requirements are weighing on operations. Structural constraints such as poor infrastructure, unreliable utilities, and law-and-order challenges continue to undermine investment and productivity. While employment remains static, firms expressed concern that increase in the minimum wage, once implemented, will raise costs substantially and affect hiring.



## Bank of Papua New Guinea Economic Outlook

Conditions also vary across sectors, with some firms increasing prices to offset rising costs while others are reducing them due to competition. Most businesses report improvement in access to foreign exchange.



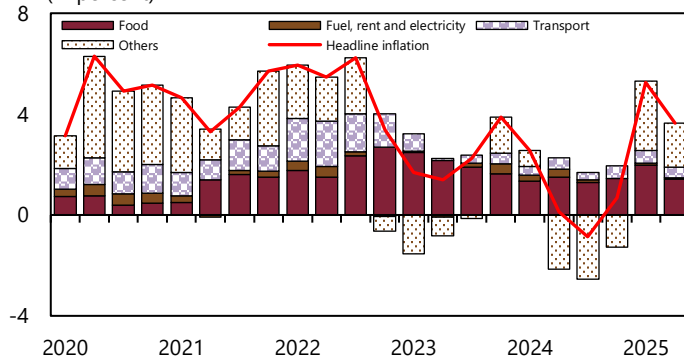
Downside risks to the growth forecasts for 2025 and the medium term would include a slowdown in the world economy and disruption to global trade and investment due to the U.S tariffs, fall in commodity prices, natural disasters, geopolitical tensions, and prolonged delays in the commencement of major resource projects. The main upside risk to these projections would be higher than expected activity relating to the construction phase of Papua LNG project and other resource projects.

**Inflation, the rate at which price levels are increasing, has eased although the price levels are generally high.** In the June quarter, the annual headline inflation, as measured by the Consumer Price Index (CPI), recorded a lower increase of 3.6 percent after it surged to 5.3 percent in the previous quarter (See Chart 2). This outcome reflected an easing in the rate of price increases, particularly in prices of volatile items, especially fuel and betelnut, due to favourable market conditions and improvement in supply. Excluding betelnut, inflation eased to 3.2 percent. Whilst headline inflation moderated in June, with the trimmed mean at 3.1 percent and exclusion-based measure at 3.3 percent, price levels are high.



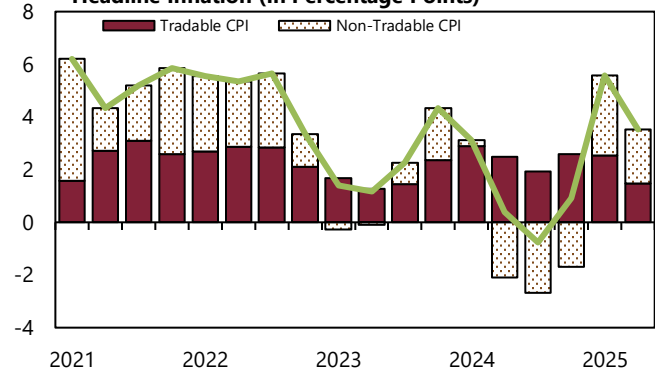
## Bank of Papua New Guinea Economic Outlook

**Chart 2. Contribution to Annual Headline Inflation**  
(In percent)



Source: NSO

**Chart 3. Tradable & Non-Tradable Contribution to Headline Inflation (In Percentage Points)**



Source: NSO and Bank of PNG

**Global uncertainties and on-going trade related developments remain consistent with the initial assumptions made in the March Economic Outlook.** Inflation of all major trading partners recorded modest increases except China, attributed to low demand pressures and stable global growth. International crude oil price continue to fall resulting from abundant supply from major producers. Food price showed mixed movements with prices of cereals falling due to favourable growing conditions, while meat increased as demand outpace supply. The impact of U.S tariffs, whilst directly affecting PNG's major trading partners such as Australia, China and Japan, is not expected to have a large effect on domestic prices. Furthermore, the Goods and Services Tax (GST) relief on essential household items in June 2025 through to 2026, supported by improvement in domestic supply conditions will help contain non-tradeable inflation. Domestic demand and activity are expected to remain subdued, and will have minimal impact on prices for the remainder of 2025.

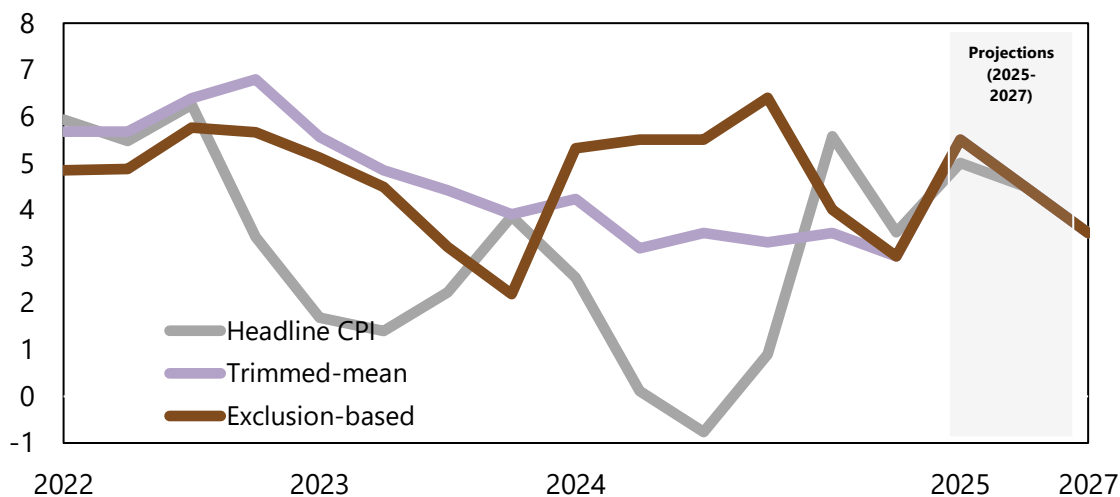
**The Bank maintains its inflation projections made in the March Economic Outlook after carefully considering key developments and movements in the indicators.** In 2025, the inflation measures of headline, trimmed-mean and exclusion-base are expected to be around 3.0 percent, 3.5 percent and 4.0 percent, respectively (See Chart 4). The forecast is driven mainly by the impact of past outcomes of domestic inflation, imported inflation and the measured depreciation of the kina to achieve greater kina convertibility. In the medium-term, price pressures are expected to persist reflecting the continued depreciation of the kina, elevated inflation in PNG's major trading partners, and possible supply shocks in crude oil and food prices.



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**Risks to these projections would stem from both external and domestic sources. Upside risks include** potential supply disruptions associated with factors such as geopolitical tensions, trade developments, extreme weather patterns, security challenges, shipping service disruptions and deteriorating infrastructures. In addition, the likely grey-listing of PNG by the Financial Action Task Force may also have implications for investment, trade and cost of doing business, all of which are likely to put further pressure on prices. Downside risks to these projections would come from any significant improvements in foreign exchange (FX) inflows, such as from foreign direct investments in the new resource projects that is sufficient to trigger some appreciation in the kina exchange rate. The Bank will continue to assess and monitor these risks and undertake necessary policy adjustments.

**Chart 4. Consumer Price Inflation Forecast**  
(In percent)



Source: NSO (actuals: 2021Q1 – 2024Q4) and Bank of PNG (projections: 2025 – 2027)

## 2. Financial and Foreign Exchange Market Developments and Reforms

**For June 2025, the MPC maintained the Kina Facility Rate (KFR) at 4.0 percent, and reduced the Cash Reserve Requirement (CRR) by 1.0 percentage point to 10.0 percent to support liquidity distribution in the banking system.** The reduction in CRR injected K374.4 million into the banking system. These funds were used by commercial banks for investment in Government securities (both T-bill and T-bonds) and to purchase USD in the FX market. Domestic interest rates remained relatively unchanged between March and 29 August 2025, while Treasury bill (T-bill) rates generally increased, ranging between 7.98 percent and 8.25 percent (See Chart 5).





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Wholesale deposit rates under different terms ranged between 1.31 percent and 5.00 percent, averaging at 2.9 percent. The monthly weighted average deposit rate was 0.35 percent, while the average lending rate was 8.13 percent, resulting in a margin of 7.78 percent (See Chart 6). The persistently wide spread is reflective structural issues including systematically high liquidity from high and sticky on-demand deposits, leading to weak monetary policy transmissions, inefficient functioning of interbank money market, and the limited competition in the banking sector.

**Under the monetary policy reforms, the Bank continued to issue 7-day CBBs under the Fixed Rate Full Allotment (FRFA) auction, while expanding CBB issuance to the 28-day terms but under competitive auction to absorb liquidity and support yield curve development for price discovery.** However, monetary policy transmission remained weak due to liquidity mismatches and limited interbank activity. Some banks continued to borrow through the repo facility due to liquidity constraints. Looking ahead, the entry of new commercial banks, though still small compared to major players, may gradually enhance competition in the sector.

Chart 5. T-bill rates vs KFR (%)

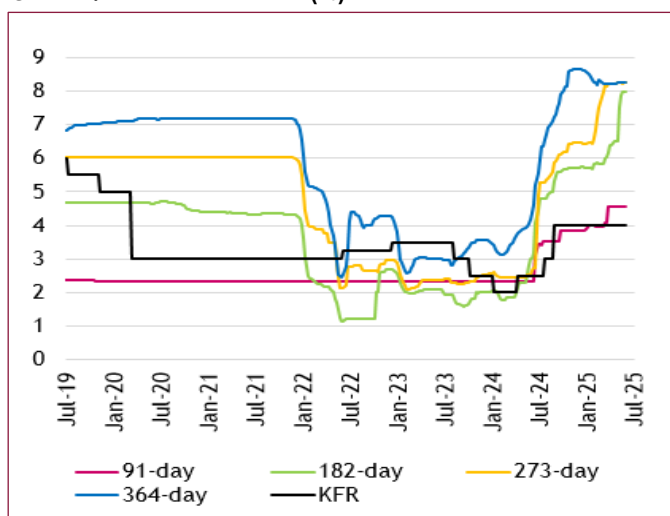
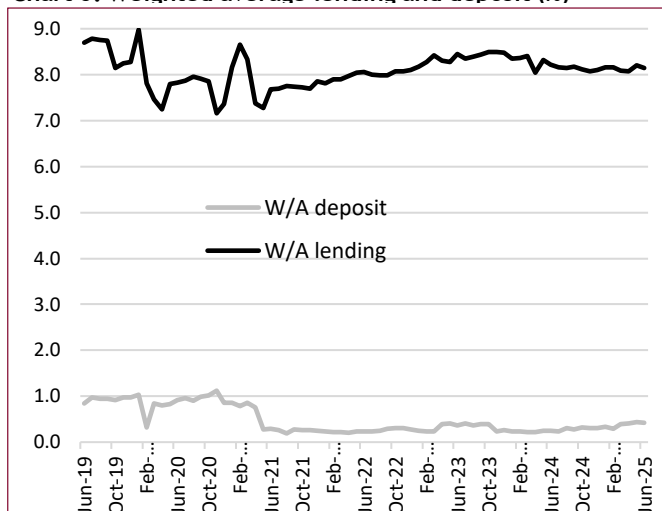


Chart 6. Weighted average lending and deposit (%)



**Since the March Economic Outlook, there has been notable improvements in the FX market, with inflows over the last six months to 21<sup>st</sup> August 2025, increasing to K13.7 (US\$3.4) billion, higher than K12.3 (US\$3.1) billion in the previous six months.** The inflows were mainly from the mining and agricultural exports, largely due to higher international commodity prices. Total foreign exchange outflow was K15.6 (US\$3.8) billion, lower than K15.8 (US\$3.9) billion in the previous six months, mainly reflecting the slight decline in foreign exchange demand by the construction and wholesale sectors.



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This resulted in a net outflow of K1.8 (US\$0.4) billion which was mainly met by BPNG's monthly intervention of K317.3 (US\$77.3) million, totaling K1.3 (US\$0.3) billion.

The Bank's total intervention declined by US\$403.0 million to US\$309.0 million over the six months to August 2025, compared to a total intervention of US\$712.0 million in the previous six months. Additionally, total outstanding orders have declined to K308.1 million as at 15<sup>th</sup> August, compared to K651.5 million at the end of February. This followed good commercial inflows, which resulted in the resurgence of interbank trades amongst AFEDs, which has been non-existent since 2013.

Between March 2025 and August 2025, the Kina depreciated by 3.4 percent in nominal terms against the U.S dollar (USD) (Chart 7). In terms of the Trade Weighted Index (TWI), the Kina depreciated by 6.7 percent as currencies of major trading partners strengthened against the USD mainly driven by high commodity prices. The Kina depreciation against the USD and against PNG's trading partner currencies resulted in the decline in TWI.



Source: Bank of PNG

As at 21<sup>st</sup> of August 2025, the Bank's gross foreign exchange reserves had increased to US\$3.6 (K14.5) billion, from US\$3.4 (K13.7) billion in February 2025. The increase was mainly due to good commercial flows and LNG tax receipts, and the reduction of foreign exchange intervention. Net international reserves (NIR) level is currently at US\$2,492.4 (K10,118.8) million, soundly above the IMF NIR floor of US\$1,863.0 (K7,720.7) million, as at end of July 2025.



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**Whilst there has been improvement in the FX market, the Bank is mindful that sustainable inflows in the market will require increases in foreign direct investment.** To restore the balance in the foreign exchange market and kina convertibility, the Bank continued to allow the kina to crawl with the policy intention to encourage exports and moderate import demand.

**The overall balance of payments (BOP) for the first six months to June 2025 recorded an overall deficit of K3,024.4 million, with higher net outflows in the financial account more than offsetting a surplus in the current and capital account.** The financial account recorded a deficit of K16,365.1 million, while the current and capital account recorded a surplus of K16,338.8 million. The outcome in the current and capital account was driven mainly by a surplus in the trade account, reflecting higher international prices and production of some of PNG's major export commodities including coffee, cocoa, palm oil and gold. The deficit in the financial account was primarily due to a net outflow of funds from offshore foreign currency accounts for investments, and external loan repayments by mineral companies (including PNG LNG project partners) and as well as Government.

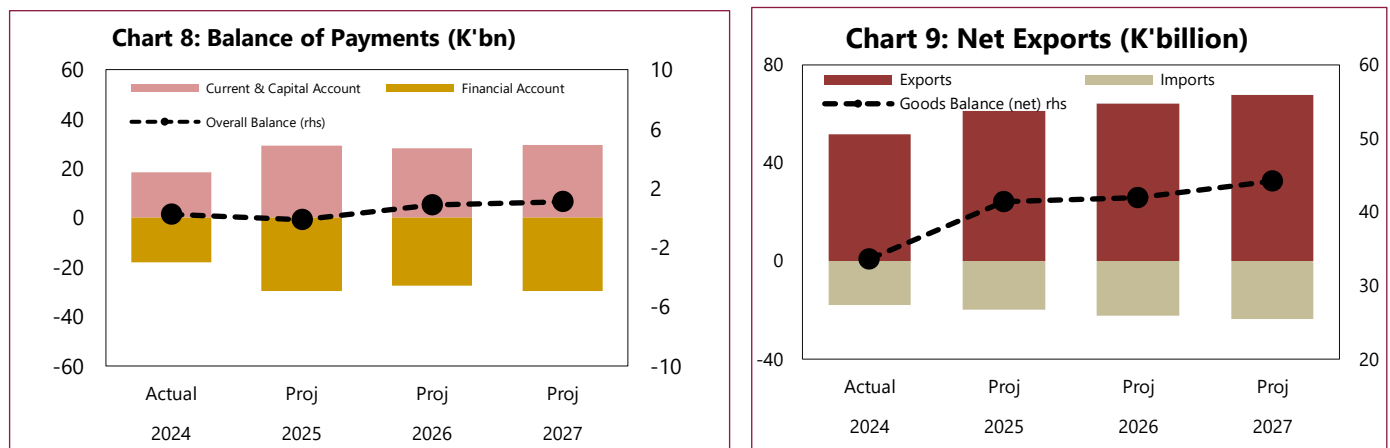
**In 2025, the overall BOP is projected to record a deficit of K133.4 million, compared to a surplus of K238.4 million in 2024.** This is an improvement from the higher BOP deficit of K2,418.7 million projected earlier in March, and is due to higher exports of major commodities including cocoa, coffee, palm oil, gold, copper and LNG. In kina terms, export values are expected to be strong for 2025, benefiting from several factors that includes increased production from firm-specific factors (mostly in mineral sector) and in response to higher international commodity prices, together with the depreciation in Kina. The potentially strong export values would contribute to the projected overall improvement in country's BOP position to a lower deficit, from the higher deficit projected earlier in March.

**Structural issues and challenges associated with the resource projects and non-mineral export companies continue to limit financial flows into the economy resulting in the imbalance in the domestic foreign exchange market.** These are reflected in the large financial account deficits, despite huge surpluses in the current and capital account. The deficit in the financial account reflects a net outflow of funds to offshore foreign currency accounts, mainly for investments and debt service payments on external loans, largely by mineral companies and PNG LNG project partners. BPNG interventions and government external debt repayments also contributed to the net outflow of funds.



## Bank of Papua New Guinea Economic Outlook

The Bank projects exports to increase over the medium term, supported by favorable commodity prices and increased production for most of the major commodities, except for logs, which are anticipated to decline sharply reflecting the ban on round log exports. Over the same period, imports are projected to grow by an average of around 9.2 percent maintaining the upward trend in 2025. This reflects increased domestic growth reflecting economic activity triggered by government spending. Demand mainly from projects in the mining, oil and gas sectors are expected to continue. As a result, the Bank forecasts an overall BOP surplus in the outer years driven by higher inflows from exports, reduced external debt payments by the government and PNG LNG project partners, and improved global market conditions. These factors are expected to contribute to growth in overall reserves.



**The Bank's gross international reserves are projected to decline by 0.9 percent to K14,529.8 (US\$3,414.5) million in 2025, compared to 2024.** Factors contributing to this expected net decline in the gross international reserves include lower PNG LNG project tax inflows, continued BPNG foreign exchange interventions, and government external debt servicing. Over the medium term, gross international reserves are expected to improve, reflecting the key factors driving BOP surpluses, which are anticipated to clear the spot market and lessen the Bank's need to use reserves for foreign exchange market support.

As at 30<sup>th</sup> June 2025, gross foreign reserves stood at US\$3,348.3 (K13,522.8) million. This level of reserves is sufficient to cover 6.9 months of total imports and 13.8 months of non-mineral imports. Both measures are well above the IMF's traditional benchmark of 3.0 months of import cover for low-income and developing economies



## Bank of Papua New Guinea Economic Outlook

**The total money supply in the economy increased by 2.8 percent between March and June 2025, driven by increase in total assets held abroad (Net Foreign Assets-NFA) of 7.6 percent, which more than offset a decline in domestic claims (Net Domestic Assets-NDA) of 2.1 percent.** The increase in NFA mainly reflected higher international reserves of the Central Bank, due to inflows from PNG LNG tax receipts, IMF loan drawdowns and reduced FX intervention during the June quarter of 2025. The decline in NDA was attributed to lower net claims on Central Government (NCG), reflecting a decline in holdings of Government's securities by depository corporations and higher government deposits at the Central Bank. The increase in loans to the private sector (private sector credit-PSC) reflected increase in economic activity mainly in other resident (Housing and personal), other business, "real estate, renting & business services activity", "wholesale and retail", "transport, storage & communication", manufacturing, and AFF sectors. This is indicative of the positive business sentiment and increased investment opportunities in anticipation of upcoming resource projects, favourable FX inflows from mining and agriculture sector, and supported by Cash Reserve Requirement (CRR) reduction (K680 million injection of liquidity). In addition, the three new banks are expected to provide competition for deposits and contribute to lending targeted at the households and SME sector. The monetary base decreased by 0.7 percent mainly reflecting the FX intervention.

Broad money growth projections for 2025 was revised downward to 5.1 percent in September from 6.9 percent in March, driven by lower NDA especially from NCG. Growth will be driven mainly by claims on the Government and credit to the private sector in the medium term.

**Growth in monetary base was revised upward to 0.9 percent for 2025 reflecting the increase in currency in circulation (CIC) and total deposits at the Central Bank, comprising CRR and ESA, as the economy grows.** This outcome will more than offset foreign exchange interventions and the transfer of government deposits to Bank of PNG. Lending growth in 2025 was revised upward to 4.3 percent, and remain elevated in the medium term reflecting strong economic activity resulting from higher global commodity prices and increased production in AFF, manufacturing, wholesale and retail, and construction sectors combined with resource project construction and election-related spending. Claims on Government was revised significantly higher in 2025, increasing to 20.3 percent reflecting the Government's reliance on domestic borrowing, particularly through Treasury bills and Inscribed Stock.



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In the medium term NCG projections were revised downward, consistent with fiscal consolidation efforts. For 2025, NFA projections improved to a slight increase of 1.2 percent. However, the medium term is projected to decline further mainly due to decreases in the Central Bank international reserves. These revisions reflect lower LNG tax receipts, on-going BPNG intervention to support the exchange rate crawl arrangement and reduced external financing by the Government due to Budget consolidation.

### **3. Monetary Policy Stance and Conduct**

In June 2025, the MPC met and announced their decision to maintain the policy rate at 4.00 percent, reduce the CRR by 100 basis points to 10.0 percent, increase issuance of 28-day term CBB, maintain the interest rate corridor at 150 basis points, and continue the crawl arrangement in the exchange rate. The decision by the MPC was based on moderation in underlying inflation outcomes, improvement in FX availability, re-distribution of liquidity as a result of the liquidity injection from the CRR reduction and support pick-up in economic activity. The issuance of the 28-day term CBB continued, with the intention to assist the commercial banks manage their liquidity and improve monetary policy transmission. To improve the monetary and exchange rate policy framework, several benchmark reforms have been implemented under the IMF Reform program including the Exchange Rate Crawl Arrangement, the monthly Cash Reserve Requirement averaging, the Fixed Rate Full Allotment (FRFA), and the Interest Rate Corridor.

The MPC evaluated a range of domestic and external factors in determining its monetary policy stance. Key considerations included moderating headline inflation (3.6 percent in June 2025) but persistently elevated core inflation, the need to maintain the exchange rate as the nominal anchor under the crawl-like arrangement and the uneven distribution of liquidity in the banking system. Members also noted strong medium-term economic growth prospects domestically, continued global growth uncertainties, and risks from US tariffs and fiscal vulnerabilities.



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### **Economic Outlook**

The limited transmission of the KFR to lending and deposit rates, contrasted with the more effective impact of the CRR on liquidity and yields, was noted by the Members. Accordingly, the MPC raised the KFR to 5.0 percent to align domestic interest rates with the exchange rate anchor, adjusted the CRR to 9.0 percent to ease liquidity distribution issues, and widened the repo/reverse repo margins to 2.0 percent to support operational efficiency in monetary policy implementation. The Committee also considered measures to support the FX market, maintain Central Bank Bill programs, and monitor developments in the yield curve, government securities market, and FX convertibility as PNG approaches greater Kina convertibility.



# Bank of Papua New Guinea

## Monetary Policy Objective

### Appendix

**Table 1: Monetary and Credit Aggregates (annual % changes)**

INDICATORS	2022 (Actual)	2023 (Actual)	2024 (Actual)	Mar 2025 MPS	Sept 2025 MPS		
				2025 (Proj)	2025 (Proj)	2026 (Proj)	2027 (Proj)
Broad Money Supply	14.8	11.5	-6.4	6.9	5.1	6.2	6.7
Monetary Base	29.5	-8.7	4.0	0.6	0.9	3.1	4.8
Claims on Private Sector	6.9	19.0	3.0	4.0	4.3	4.5	5.3
Net Claims on Government	-5.4	33.1	-0.4	14.0	20.3	1.2	3.4
Net Foreign Assets	52.4	3.9	-1.2	-11.2	1.2	-16.5	-21.5

**Table 2: Summary of Other Macroeconomic Indicators**

#### CONSUMER PRICE INDEX (CPI) (annual % changes)

Headline	3.4	3.9	0.7	3.0	3.0	3.0	3.5
Trimmed mean	6.8	4.0	3.3	3.5	3.5	3.0	3.0
Exclusion-based	5.7	2.2	6.4	4.0	4.0	3.5	3.5

#### BALANCE OF PAYMENTS (kina millions)

Current & Capital Account	11,542.7	9,219.9	18,417.3	13,648.7	29,148.7	28,143.2	29,537.8
Financial Account	-12,400.2	-10,577.6	-18,055.6	-16,067.5	-29,609.4	-27,506.5	-29,724.4
Overall Balance	1,930.8	199.3	238.4	-2,418.7	-133.4	879.0	1,075.1
Gross International Reserves	11,368.7	14,424.8	14,663.2	14,587.2	14,529.8	16,129.1	17,204.2



<b>IMPORT COVER (months)</b>							
Total	7.4	6.3	6.5	4.3	6.5	6.4	6.5
Non-mineral	15.1	11.6	13.2	9.3	11.9	11.5	11.2
<b>PRICES OF EXPORT COMMODITIES*</b>							
Crude Oil (US\$/barrel)	100.2	77.4	77.3	69.7	64.0	60.0	60.0
Gold (US\$/ounce)	1,636.1	1,800.6	2,329.6	2,154.5	3,250.0	3,201.3	3,201.3
Copper (US\$/pound)	384.2	370.8	412.8	417.2	372.1	363.1	363.1
Nickel (US\$/tonne)	21,947.4	19,679.5	16,669.5	17,500.0	15,800.0	16,000.7	16,000.7
Cobalt (US\$/tonne)	49,157.8	35,173.3	26,034.2	31,277.8	22,336.9	22,620.6	22,620.6
LNG (US\$/mmbtu)	17.0	14.4	13.8	13.5	12.5	11.5	11.5
Condensate (US\$/barrel)	98.6	75.7	77.4	68.2	62.0	60.4	60.4
<b>FISCAL OPERATIONS OF THE GOVERNMENT**</b>							
Surplus/Deficit (K'million)	-5,851.8	-4,804.6	-3,931.1	-3,983.7	-2,949.3	-1,608.8	81.6
% of GDP	-5.4	-4.3	-3.2	- 3.2	-2.2	-1.1	0.1
<b>REAL GROSS DOMESTIC PRODUCT*** (annual % growth)</b>							
Total GDP	5.7	3.0	4.9	4.0	4.3	3.9	4.7
Non-mineral GDP	5.9	4.7	4.5	2.1	4.3	4.5	5.0
Total Employment	5.0	2.5	2.5	-	-	-	-
Non-mineral Employment	5.4	1.7	1.7	-	-	-	-
Source: Bank of PNG, National Statistical Office and Department of Treasury.							
* BPNG derived the prices from export values and volumes. Forecasts are generated from various sources (World Bank, IMF and Industries).							
**Fiscal projections for 2025 and the medium-term are from the 2025 National Budget.							
***2022 & 2023 GDP actuals and 2024 estimates are from the 2025 National Budget. Projections for 2025, 2026 and 2027 are from BPNG.							