

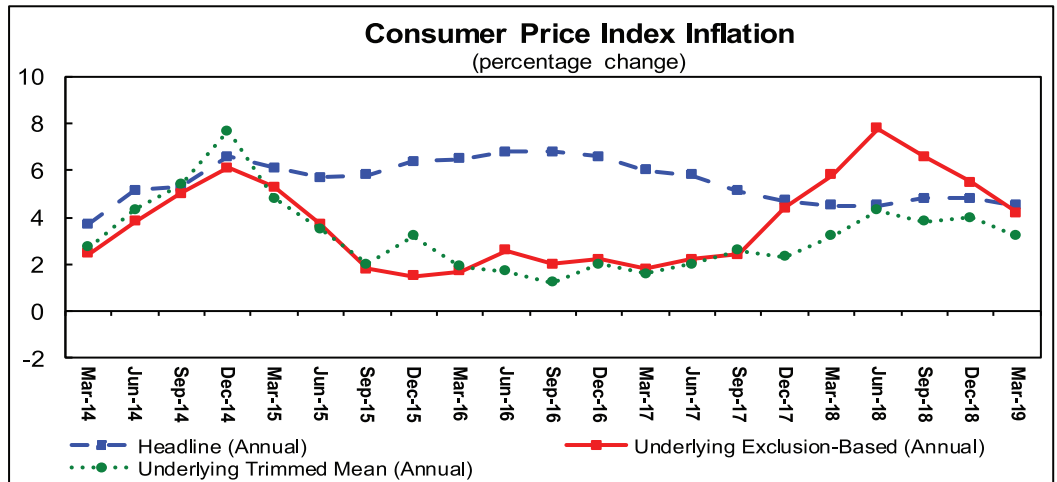


GOVERNOR ANNOUNCES AN EASING IN STANCE OF MONETARY POLICY

Based on the improvement in economic activity in the March quarter reflecting pick-up in the non-mineral private sector, relative stability in the exchange rate and fall in inflation, the Bank of PNG decided to ease its stance of monetary policy.

The fall in annual headline inflation in the March quarter of 2019, as measured by the Consumer Price Index and published by the National Statistical Office (NSO), was 4.5 percent, compared to a revised 4.8 percent in the December quarter of 2018. The annual underlying measures of inflation also dropped to 4.2 percent for the exclusion-based measure and 3.2 percent for the trimmed mean measure in the March quarter of 2019, compared to 5.5 percent and 4.0 percent, respectively, in the December quarter of 2018. (See chart below).

Therefore, the monetary policy signaling rate, the Kina Facility Rate (KFR) for the month of July 2019 is reduced by 25 basis points from 6.25 percent to 6.00 percent.



Source: National Statistical Office