



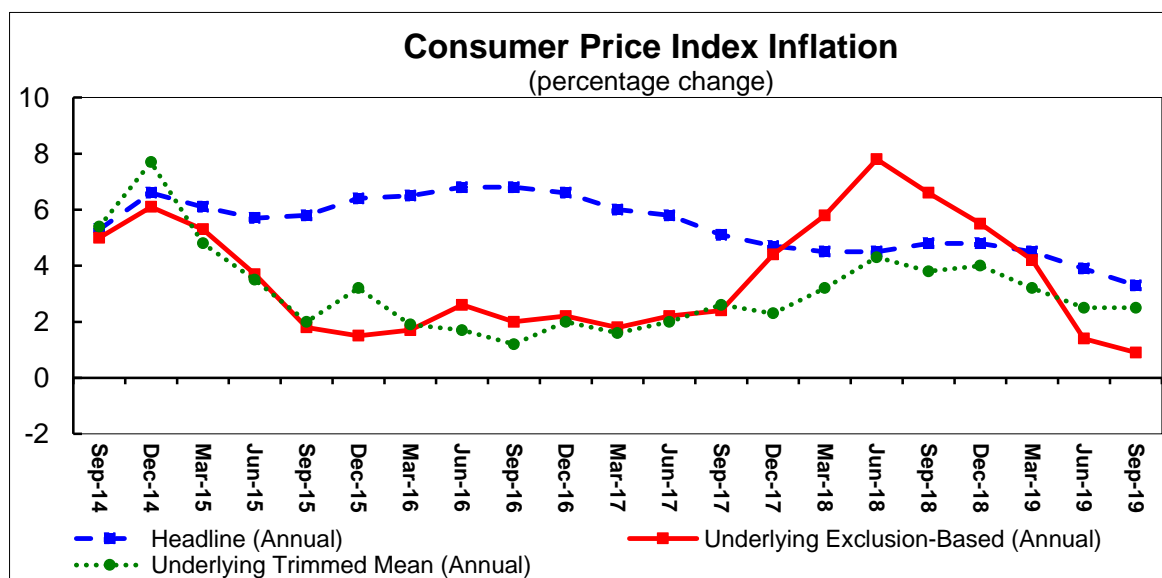
BANK OF PAPUA NEW GUINEA

KINA FACILITY RATE (KFR) JANUARY 2020

The public is advised that based on the Bank of PNG's assessment of key macroeconomic indicators especially the continued downward trend in inflation and relative stability in Kina exchange rate, the monetary policy stance will be maintained.

The annual headline inflation in the September quarter of 2019, as measured by the Consumer Price Index and published by the National Statistical Office (NSO), was lower at 3.3 percent, compared to 3.9 percent in the June quarter of 2019. The annual underlying inflation for the exclusion-based measure also declined to 0.9 percent from 1.4 percent in the June quarter of 2019 while the trimmed mean measure was unchanged at 2.5 percent in the September quarter of 2019, compared to the June quarter (See chart below).

Therefore, given the aforementioned, the monetary policy signaling rate, the Kina Facility Rate (KFR) for the month of January 2020 is maintained at 5.0 percent.



Source: National Statistical Office

Loi M. Bakani CMG
Governor