

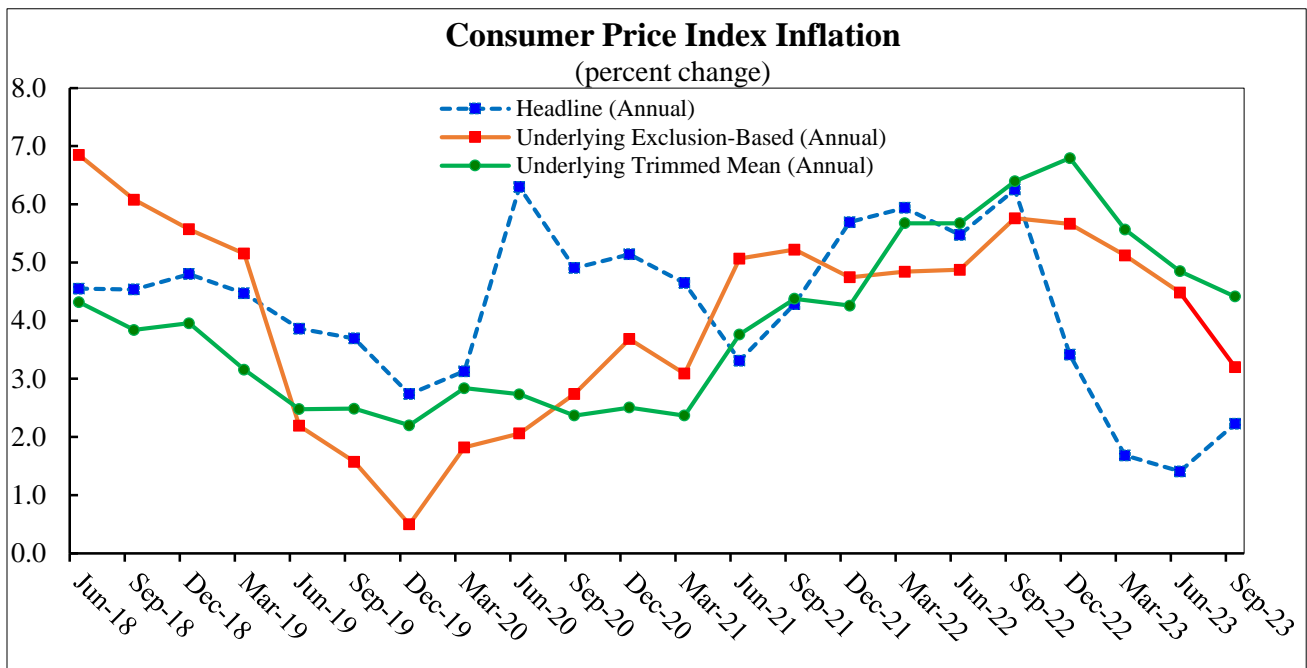


# **BANK OF PAPUA NEW GUINEA**

## **KINA FACILITY RATE FOR DECEMBER 2023**

The annual headline Consumer Price Index (CPI) published by the National Statistical Office (NSO) for the September quarter of 2023 was 2.2 percent, increasing from a low of 1.4 percent in the June quarter (see Chart below). Price increases were mainly in the 'Restaurants and Hotels' expenditure group with 11.1 percent, 'Clothing and footwear' with 9.8 percent, 'Household Equipment' with 7.8 percent, 'Food and Non-Alcoholic Beverages' with 6.4 percent, and 'Health' with 5.8 percent, which more than offset declines in the 'Education' and 'Communication' expenditure groups by 22.9 percent and 7.4 percent, respectively. The annual underlying inflation measures, the exclusion-based and trimmed mean fell to 3.2 percent and 4.4 percent, respectively.

Considering the low headline inflation outcomes, the Central Bank will pursue a neutral stance of monetary policy, and therefore will maintain its policy signaling rate, the Kina Facility Rate (KFR) at 2.50 percent for the month of December 2023. This stance of policy aims to support economic activity, particularly in the non-mineral private sector.



Source: National Statistical Office

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