



BANK OF PAPUA NEW GUINEA

CENTRAL BANK TIGHTENS MONETARY POLICY FOR MAY 2024

Consistent with the announcement in the *March 2024 Monetary Policy Statement*, the Bank will tighten monetary policy due to expectations of higher inflationary pressures stemming from the adjustment of the Kina exchange rate to allow for more exchange rate flexibility.

The Bank of Papua New Guinea has increased the Kina Facility Rate (KFR) by 50 basis points to 2.50 percent in May 2024 from 2.00 percent previously.

To complement the increase in the KFR, the Cash Reserve Ratio (CRR) for the commercial banks will increase by 100 basis points to 11.0 percent from 10.0 percent.

Ms. Elizabeth Genia, AAICD
Governor