

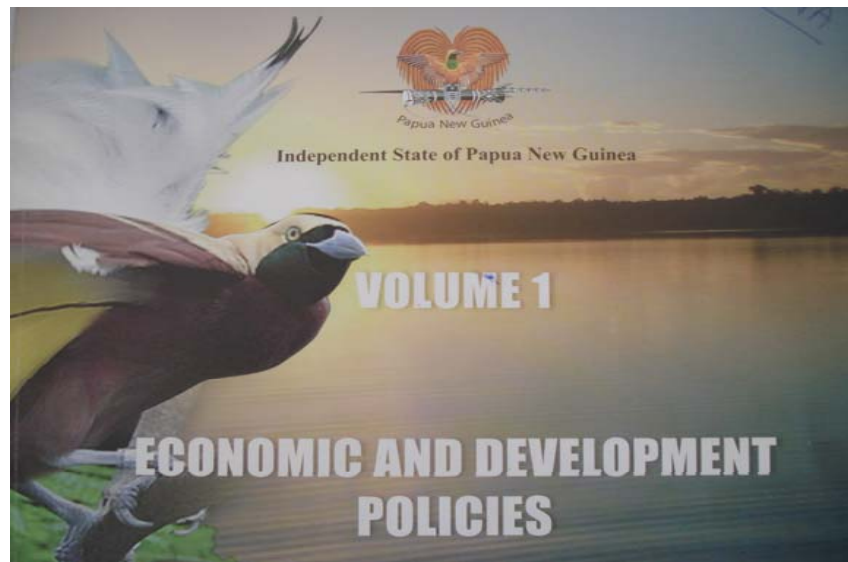


# 2008 Budget Commentary

Paul Barker

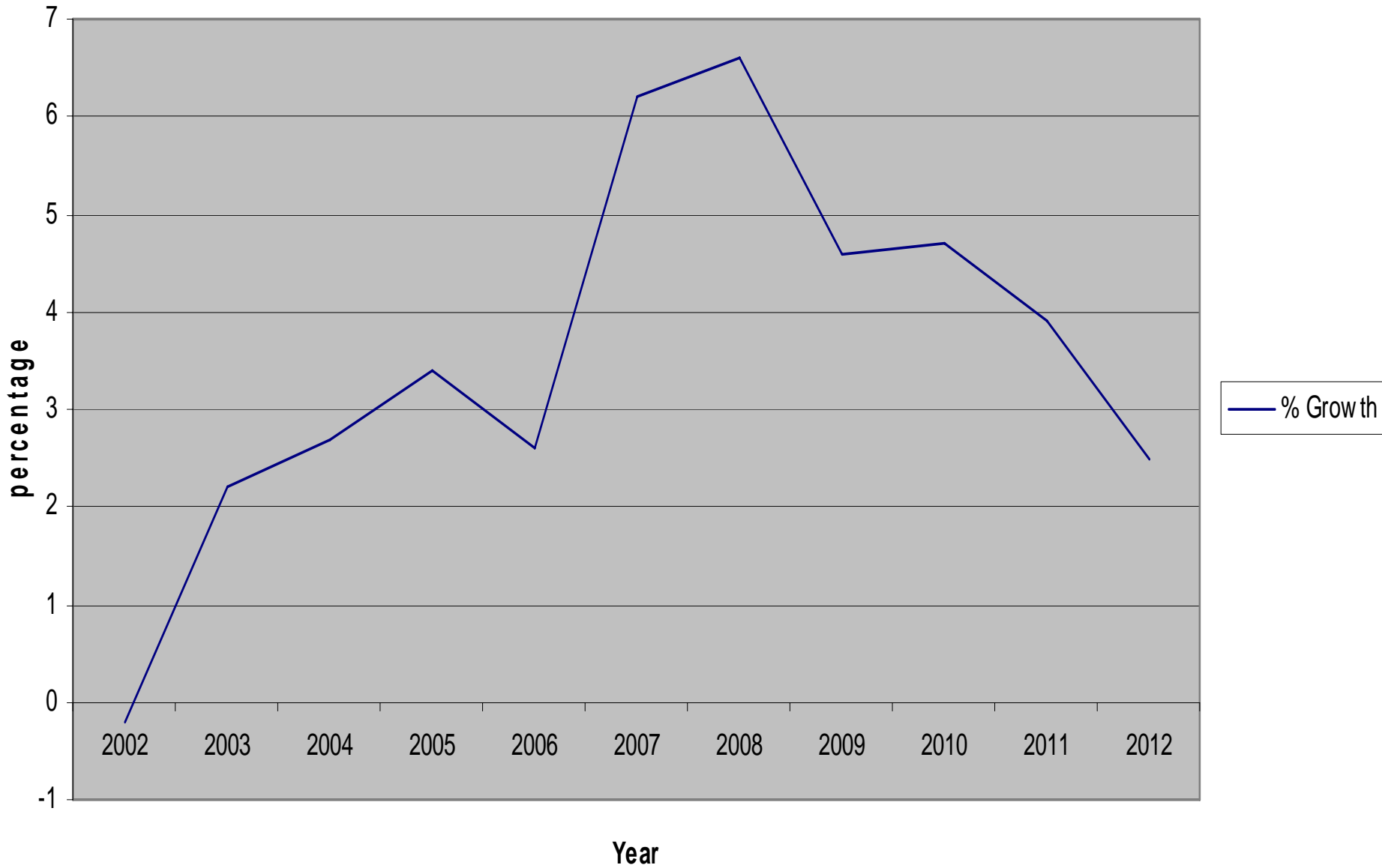
Director

Institute of National Affairs

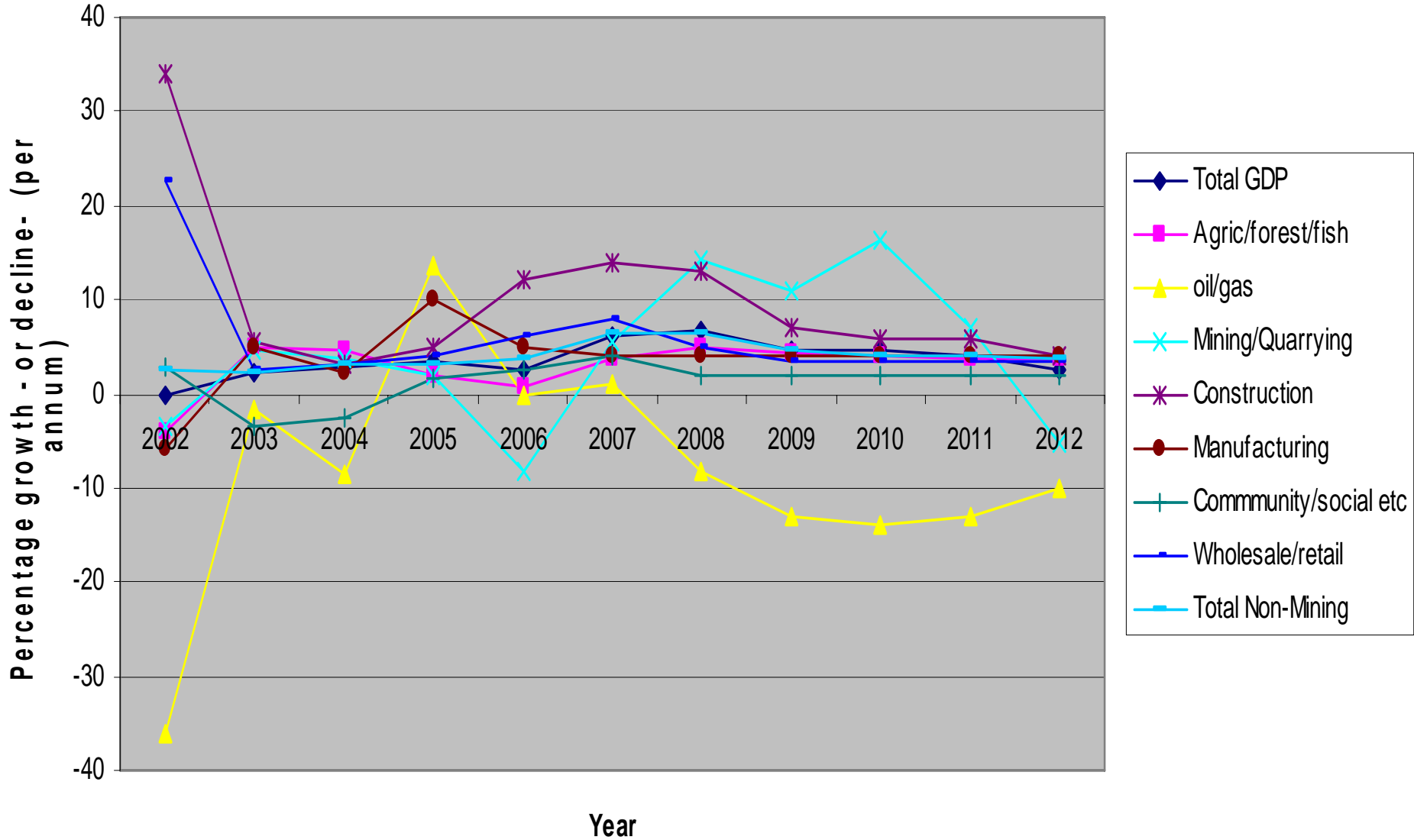


Other Economic indicators	2002	2003	2004	2005	2006	2007	2008	
	actual	actual	actual	actual	actual	Proj	Proj	
headline inflation (ave on ave %)	11.8	14.7	2.1	1.7	2.3	1.8	5.2	
<i>Exchange rate</i>								
Real Effective Exch rate (REER)	70.8	79.3	95.6	97.2	97.8	100	104.2	
Kina:AUD								
<i>Interest Rate : Tbills %</i>	13.3	18.3	9	4.5	5	5	6	
<i>Foreign Exch Reserves (k mill)</i>	1,376.5	1,742.7	2,072.3	2,367.9	4,344.7	5,438.2		(Proj 2007)
<i>Broad money supply (M3) (K mill)</i>	3569.2	3410.5	3914.8	5069.3	7040.2			
M3 % change	7.3	-4.4	14.8	29.5	38.9	35.1		(2007 to June)
<i>Public Debt total (K mill)</i>	8,365.3	7,924.0	7,590.7	7,259.8	6,732.1	6,472.5	6,270.1	(est 2007, proj 2008)
debt % of GDP	71.8	63.1	60	47.6	39.5	34.9	31.8	(est 2007, proj 2008)
domestic debt (k mill)	2,588.3	3,022.9	3,181.2	3,403.8	3,101.0	3,135.1	3,211.8	(est 2007, proj 2008)
foreign debt (k mill)	5,777.0	4,901.1	4,409.5	3,856.0	3,631.1	3,337.3	3,058.2	(est 2007, proj 2008)
For Debt as % of Total	69.1	61.9	58.1	53.1	53.9	51.6	48.8	(est 2007, proj 2008)
<i>Debt servicing cost (K mill)</i>	436.4	739.6	377.0	332.8	307.0	372.9	373.5	(est 2007, proj 2008)

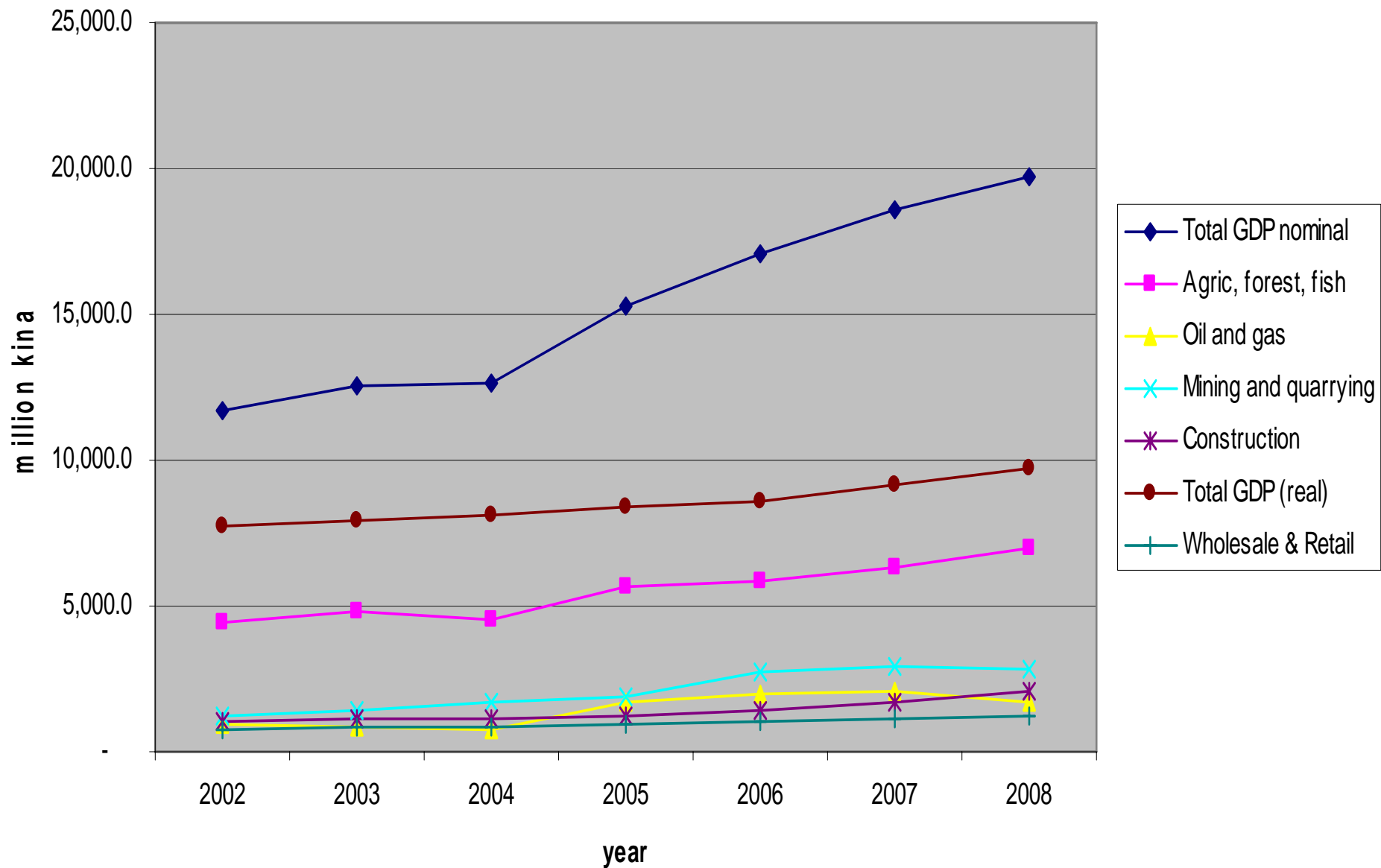
GDP Growth Rate 2002-2012 (NSO and Treasury forecast)



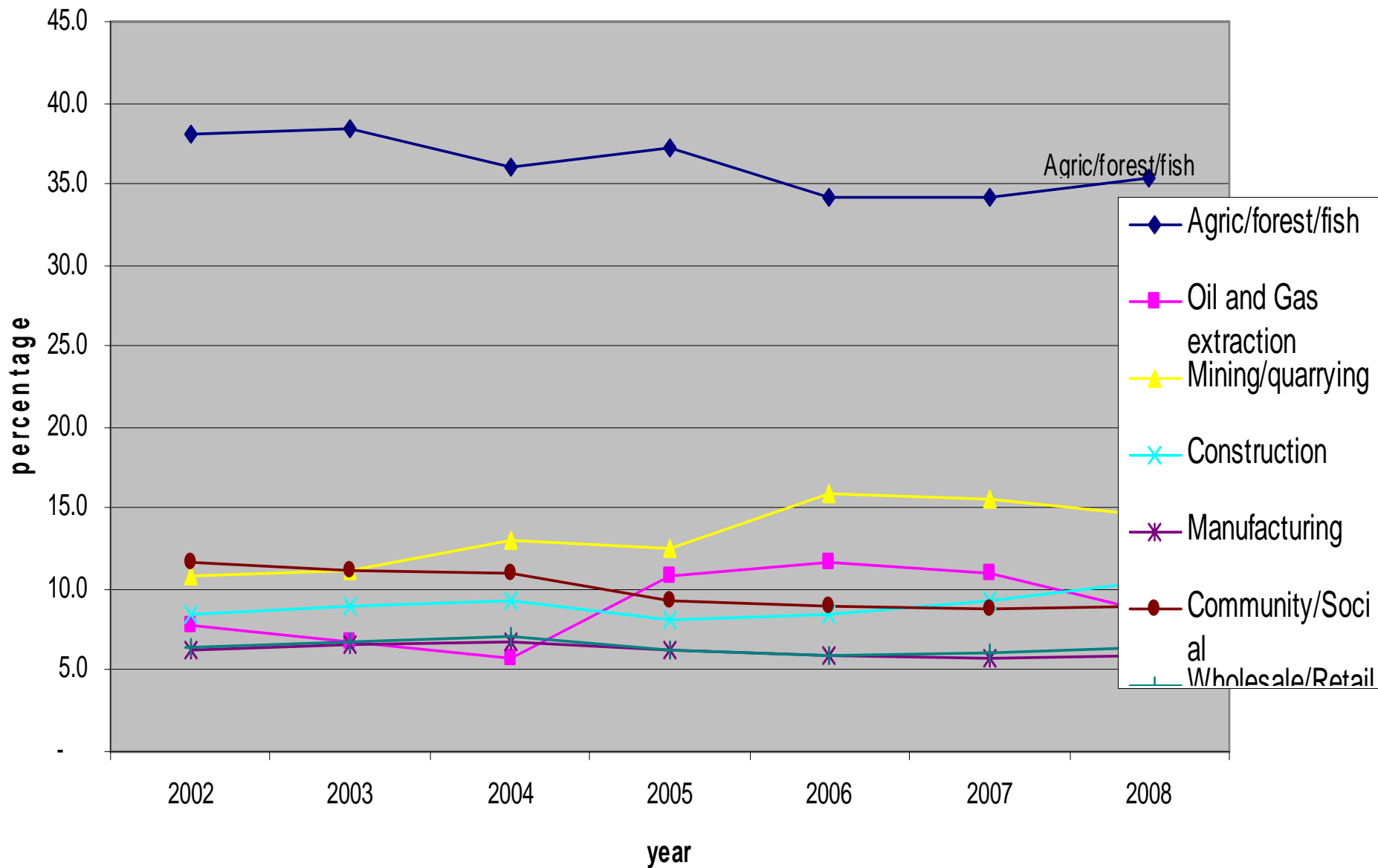
Growth Rates (GDP) by Sector (Treasury estimates and forecasts 2003-2012)



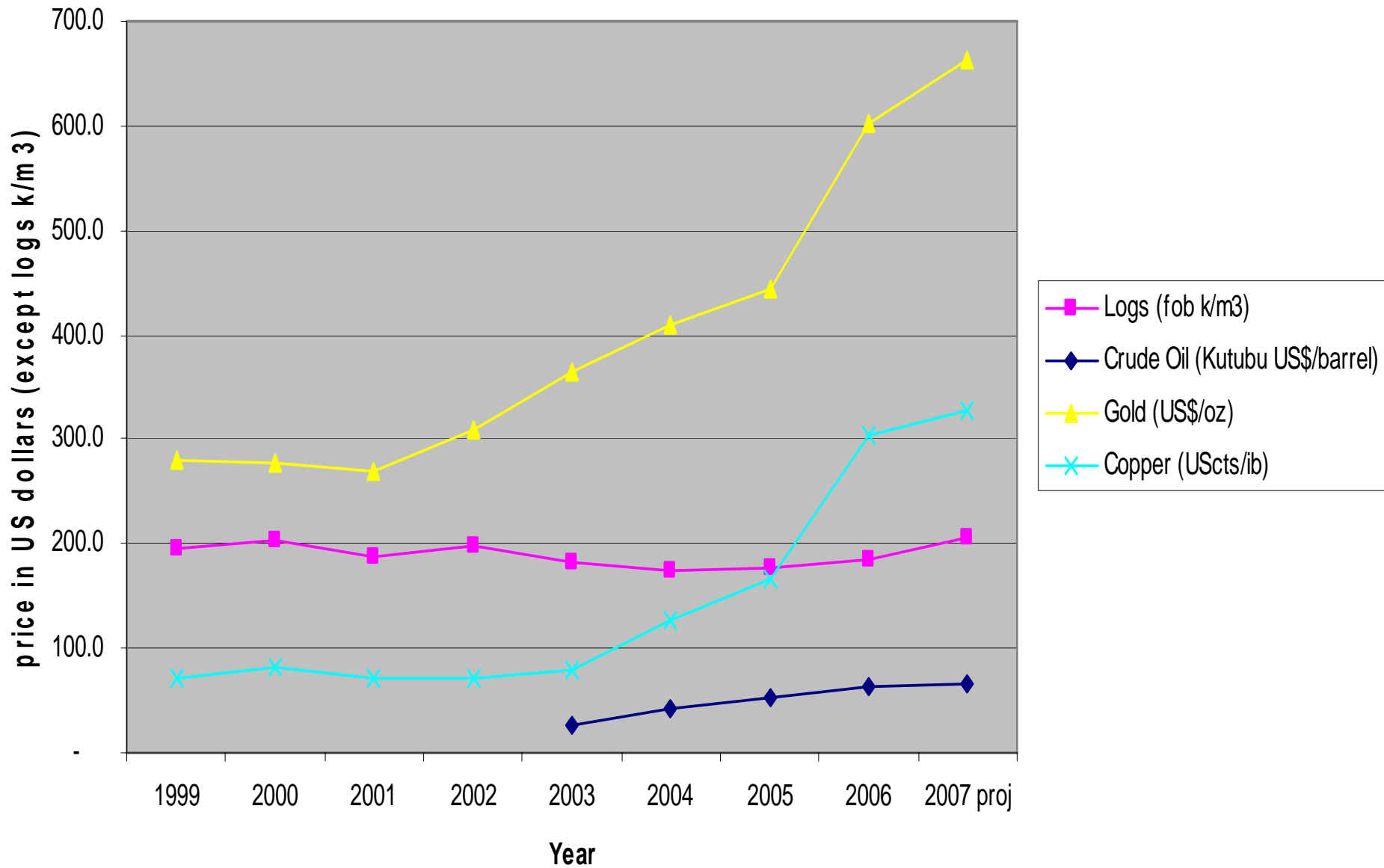
GDP at current and constant prices (2008 -Budget forecast)



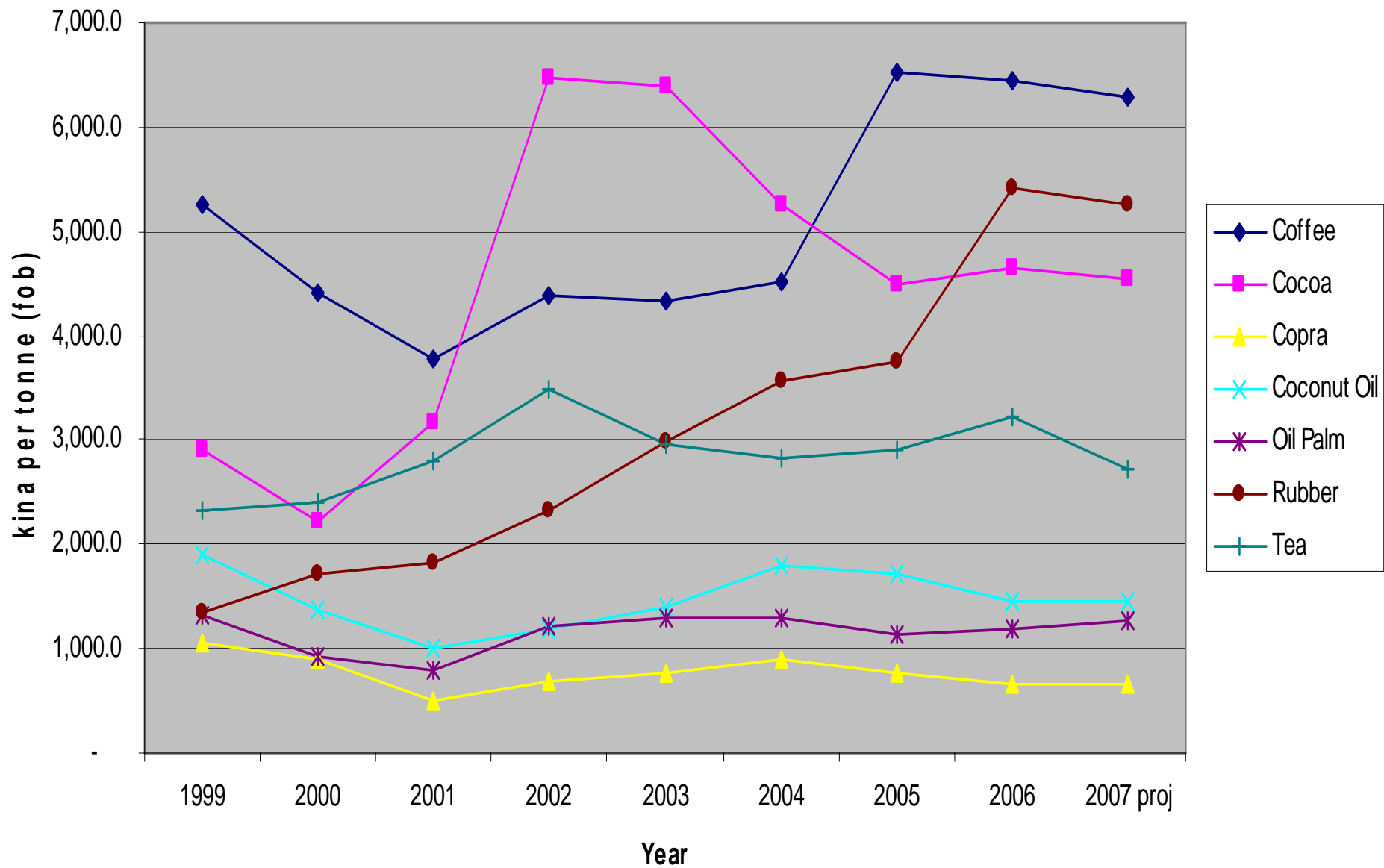
Percentage of GDP by Economic Activity (source: NSO and Treasury)



Export Commodity Prices 1999-2007 (Logs kina/m3 fob, others cif prices)- BPNG, 2007 Treas. forecast

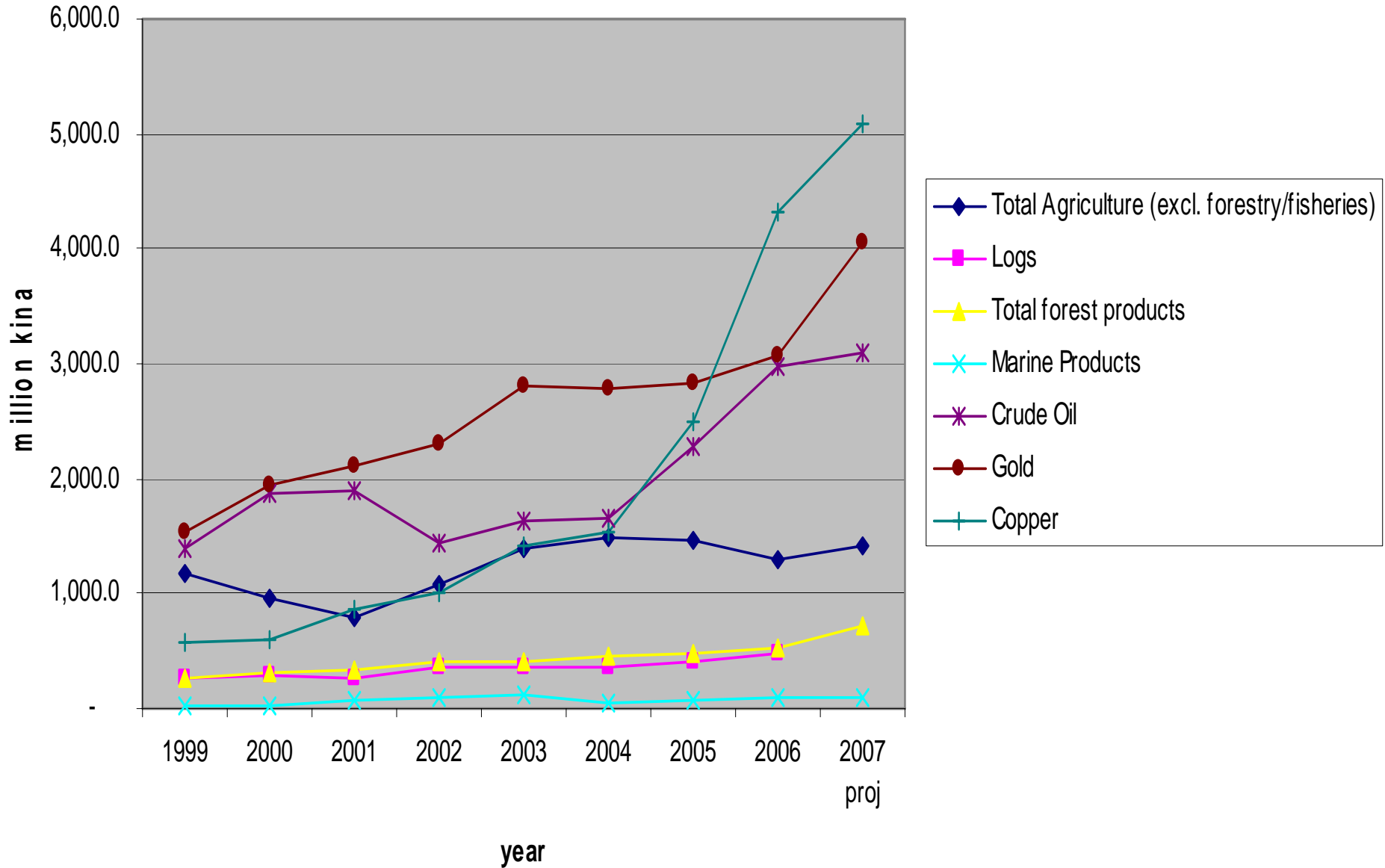


Agricultural Prices - 1999-2007 (k/tonne fob) - BPNG, 2007 Treas forecast

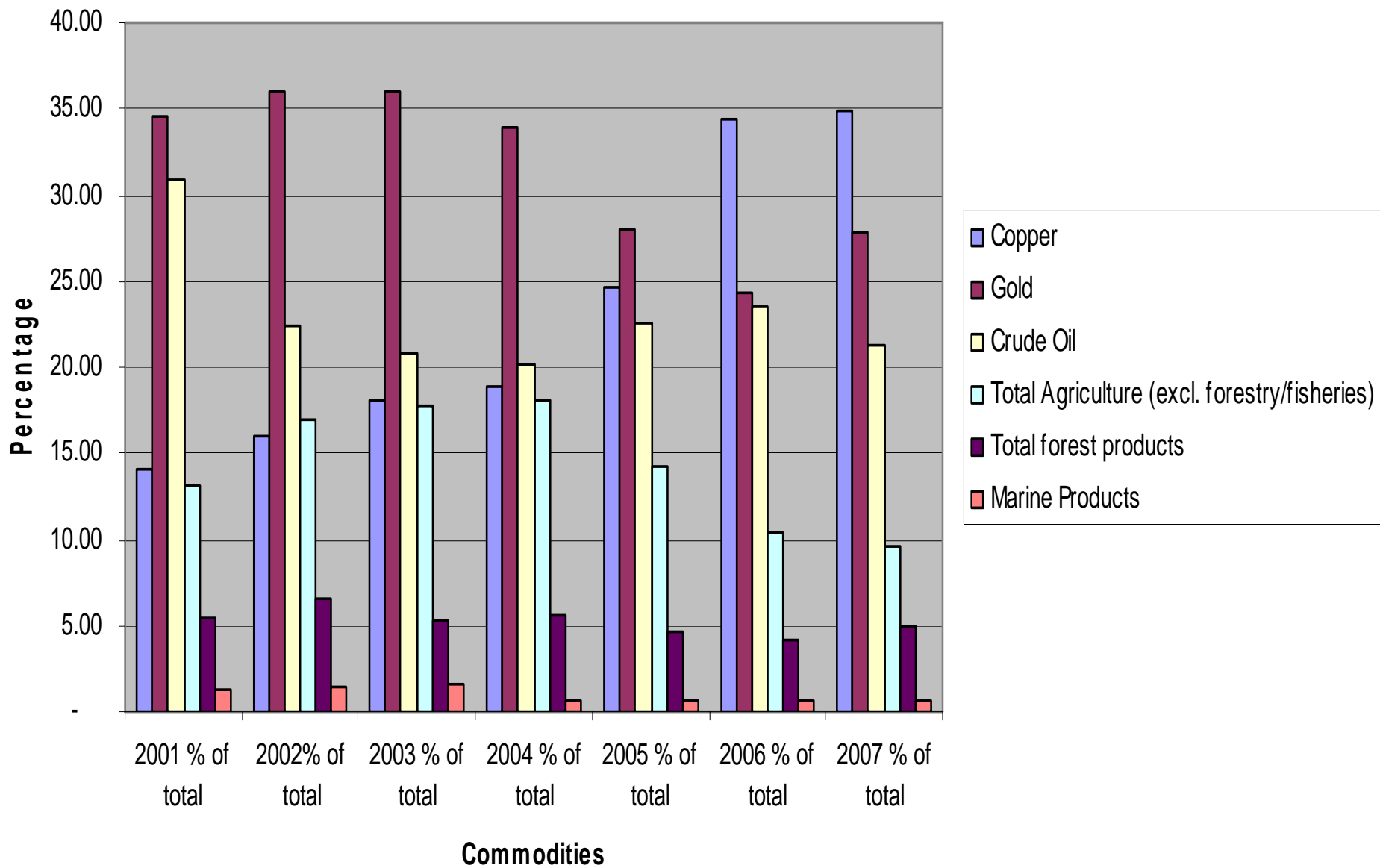




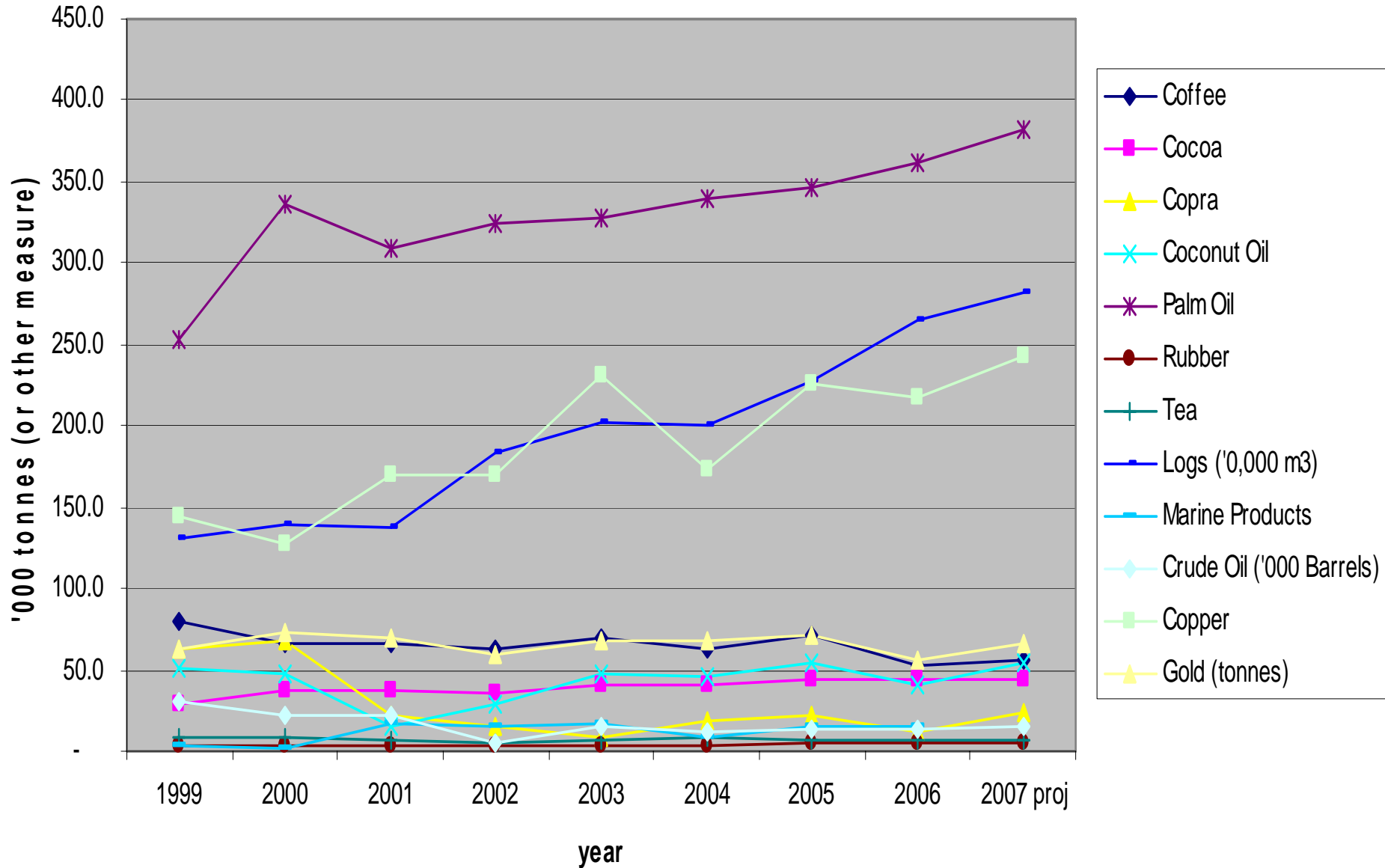
Exports -Value (million kina) 1999-2007



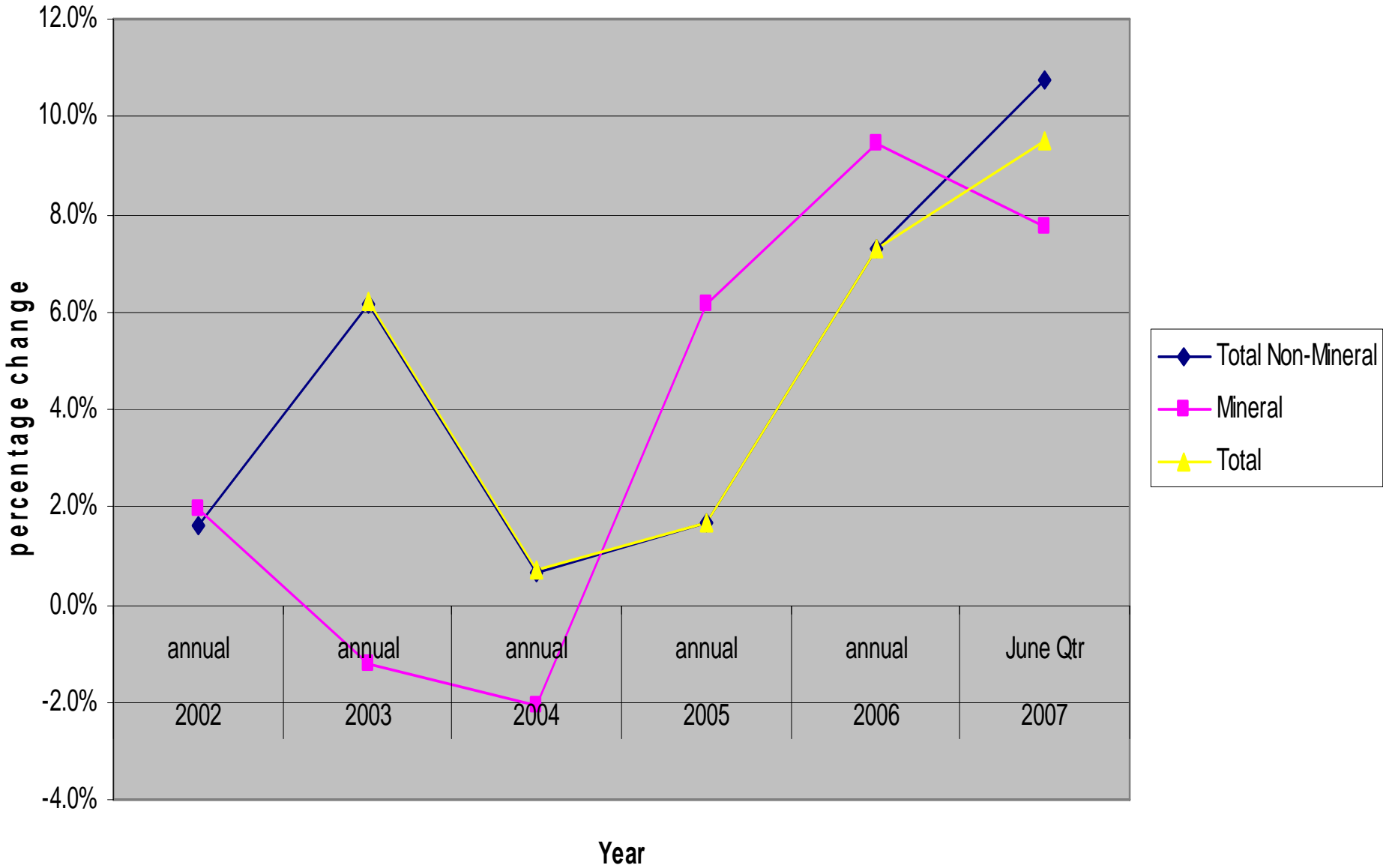
Percentage of Total Exports - by Value 2001-2007 (BPNG, 2007 Treas. Proj)



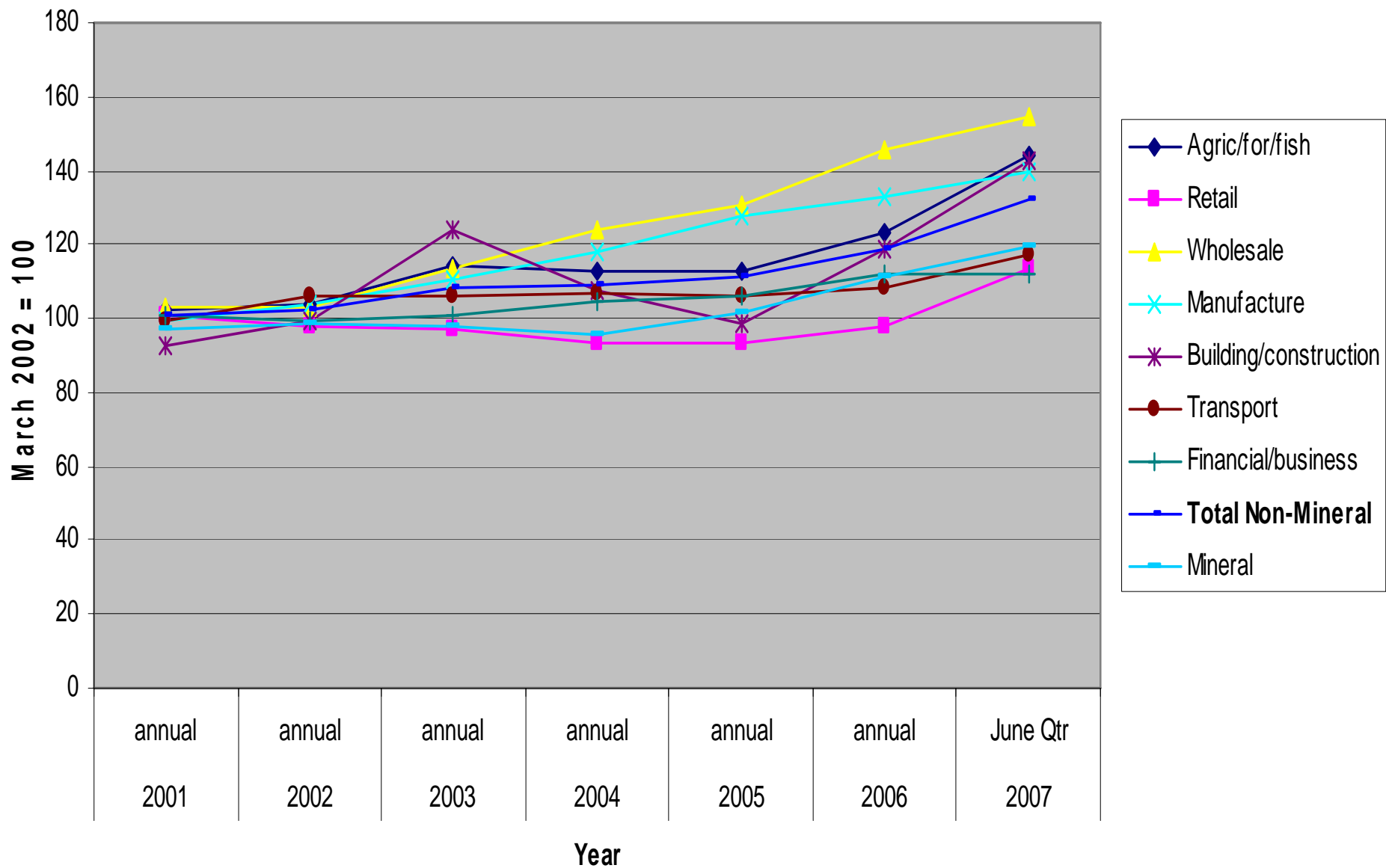
Commodity Exports - Quantity ('000 tonnes or other Measurement)



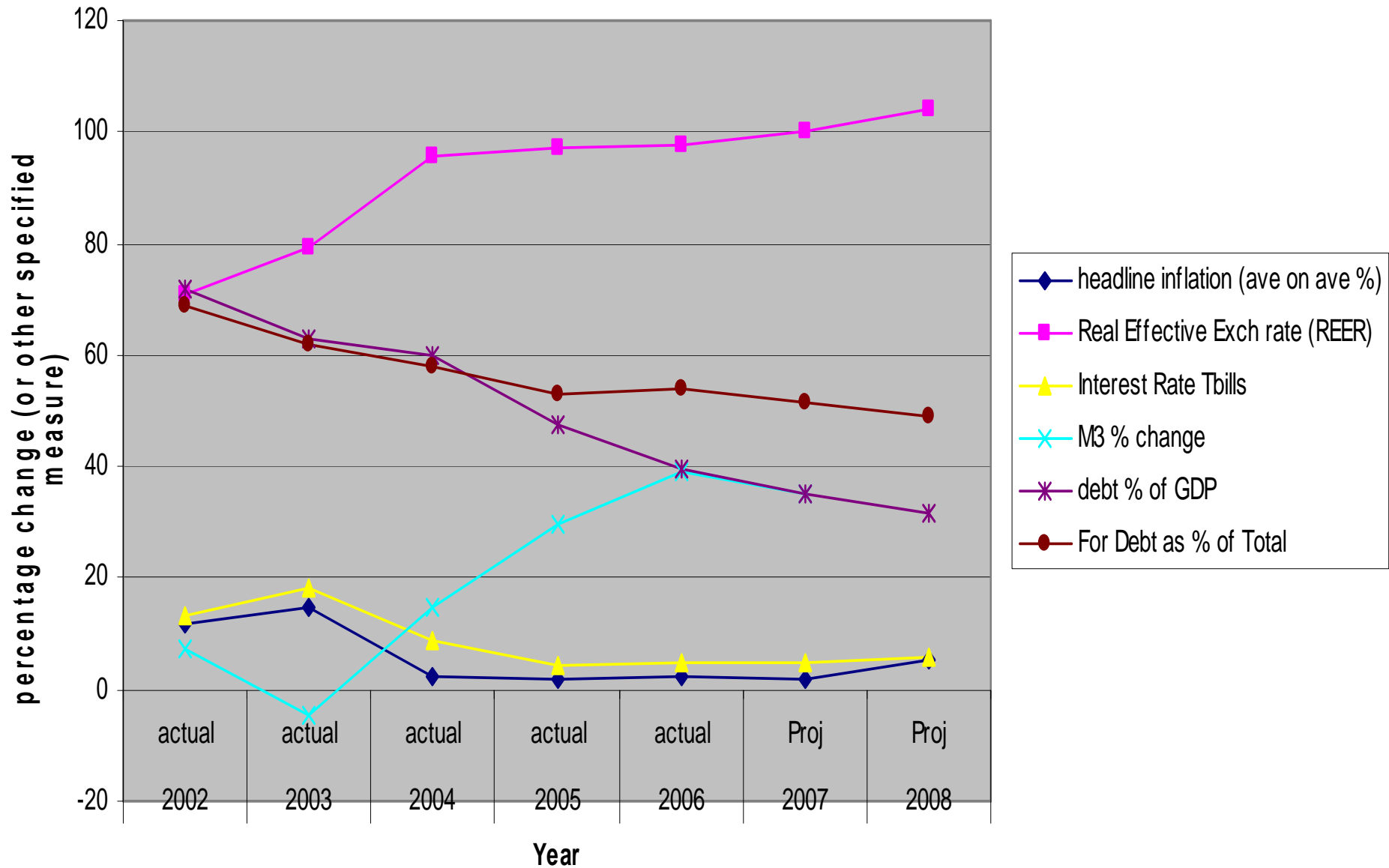
### Employment Trends 2002-2007 (BPNG)



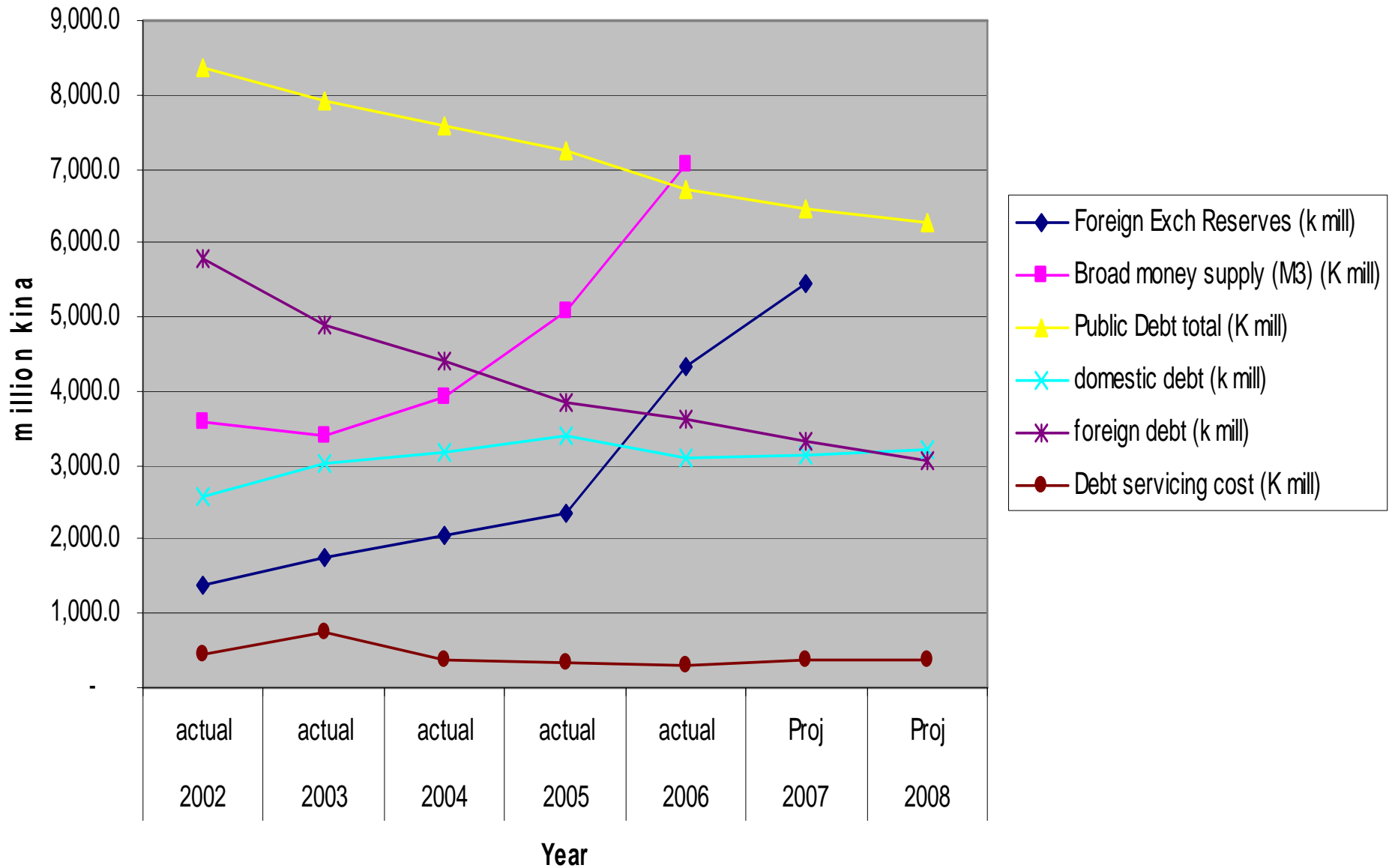
Formal Sector Employment Growth 2001-2007 (BPNG figures)



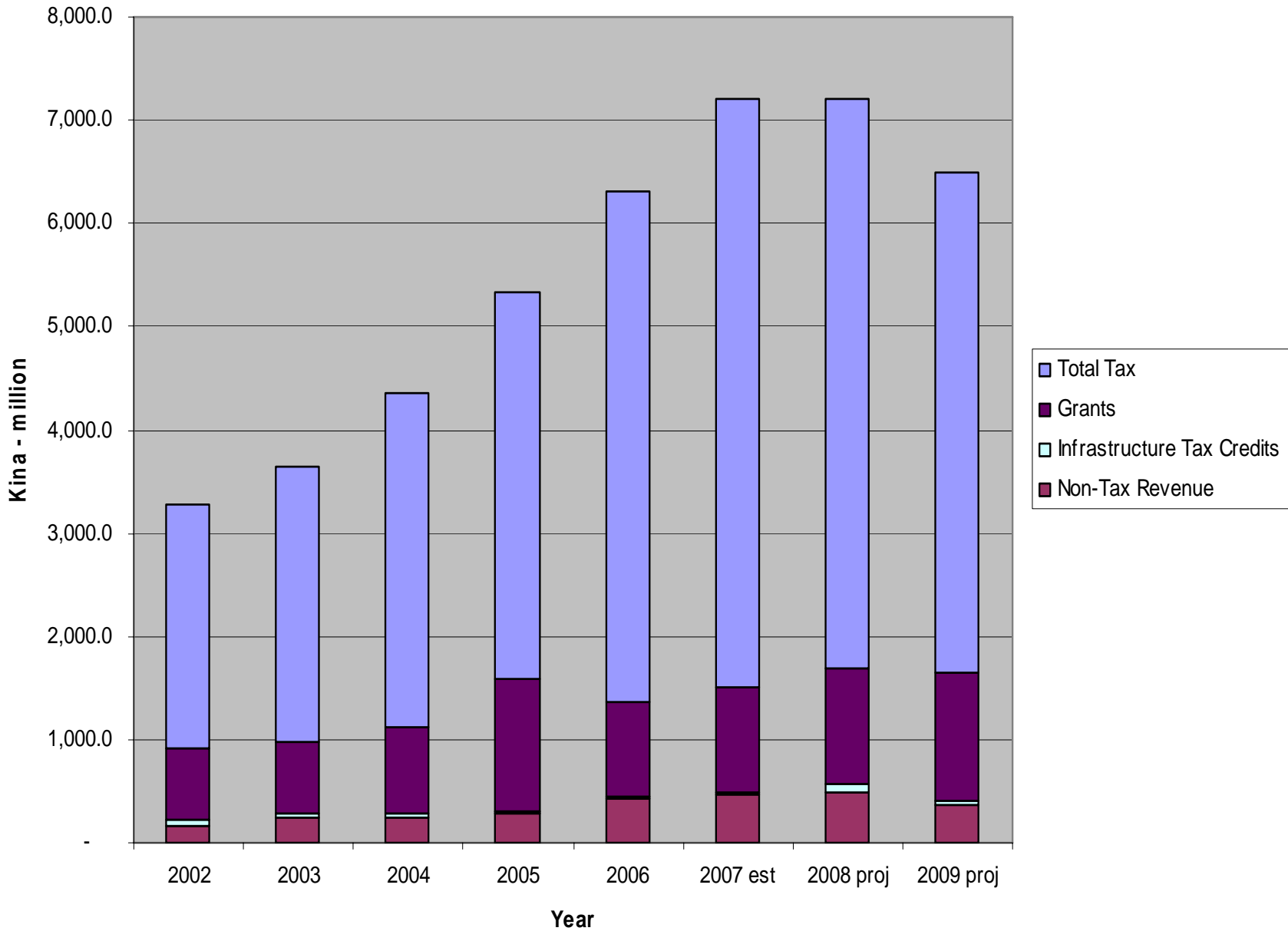
## Key Economic indicators



Key Econ Indicators 2002-2008 (BPNG, Treasury, NSO)

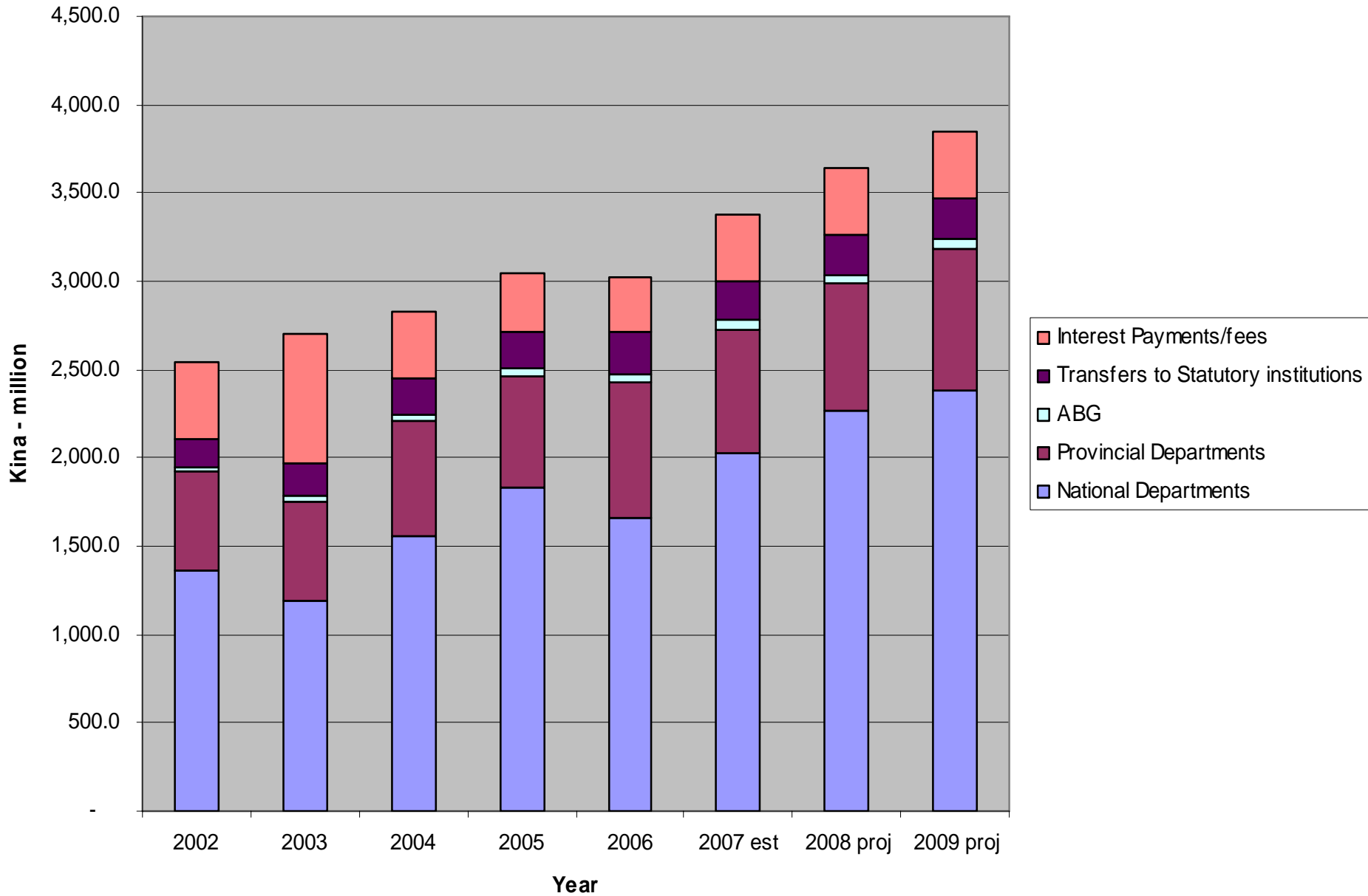


# Revenue and Grants 2002-2009 (forecast)

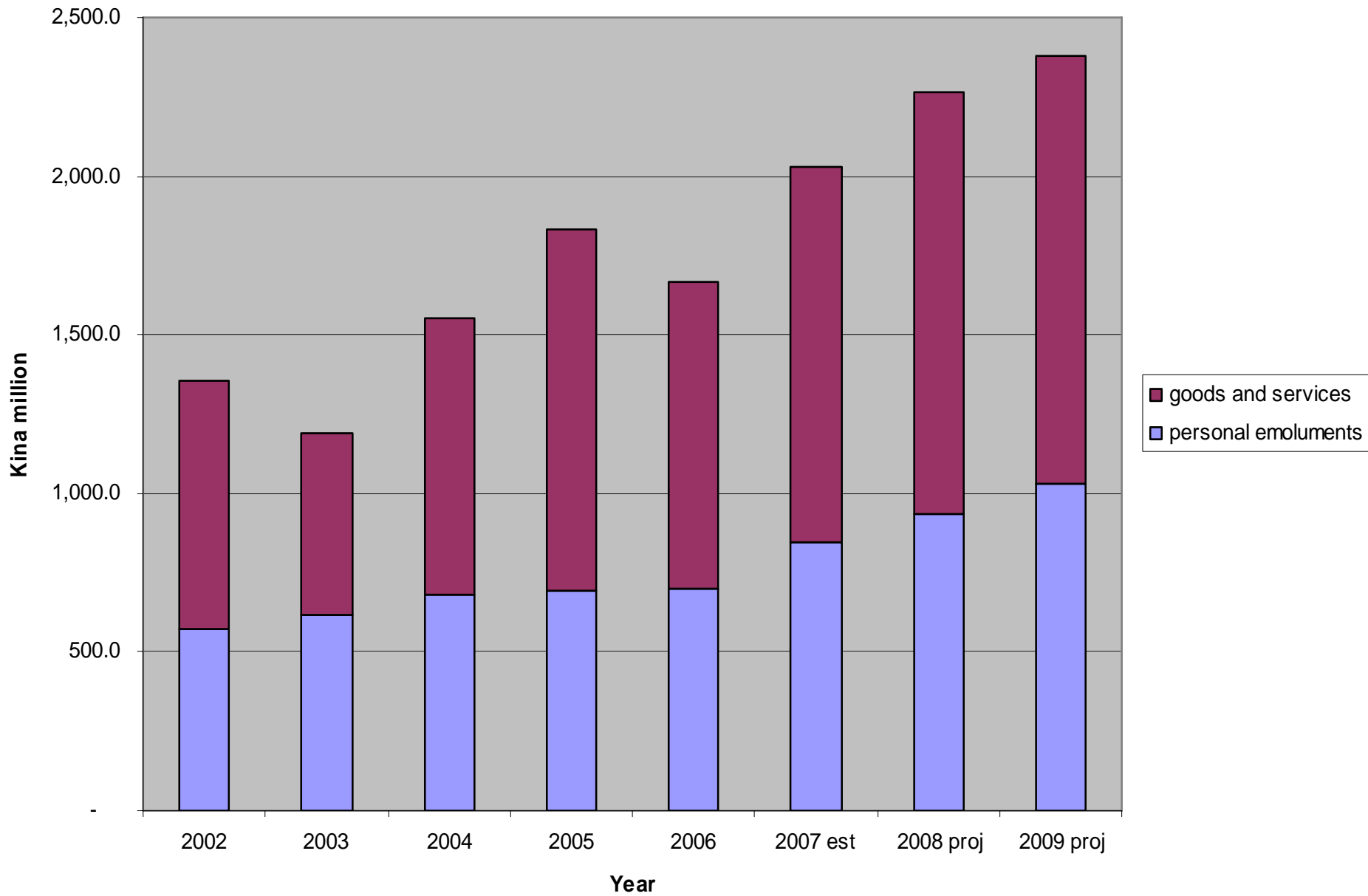




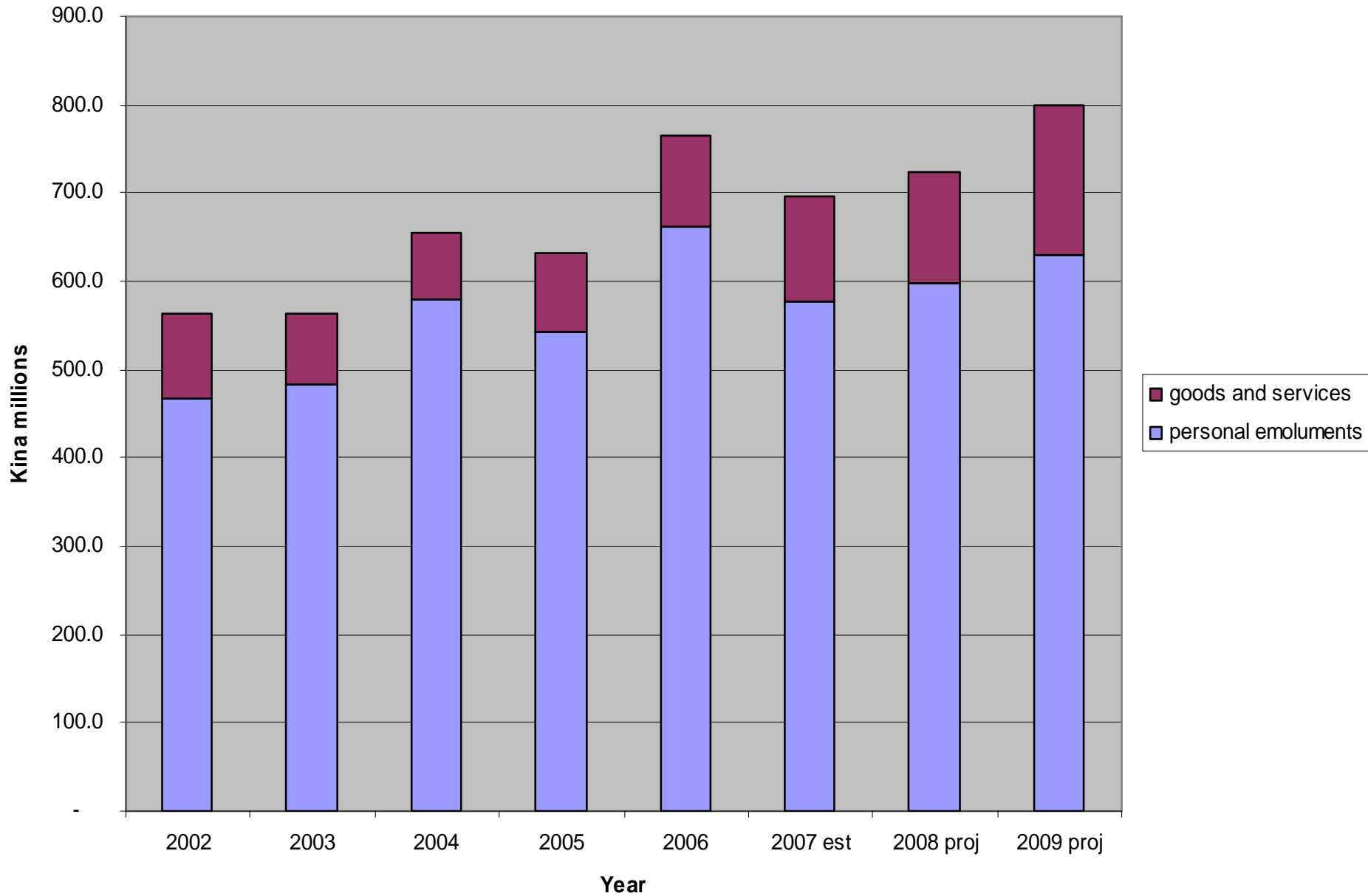
## Recurrent Expenditure 2002-2009 (actual and proj - Treasury)



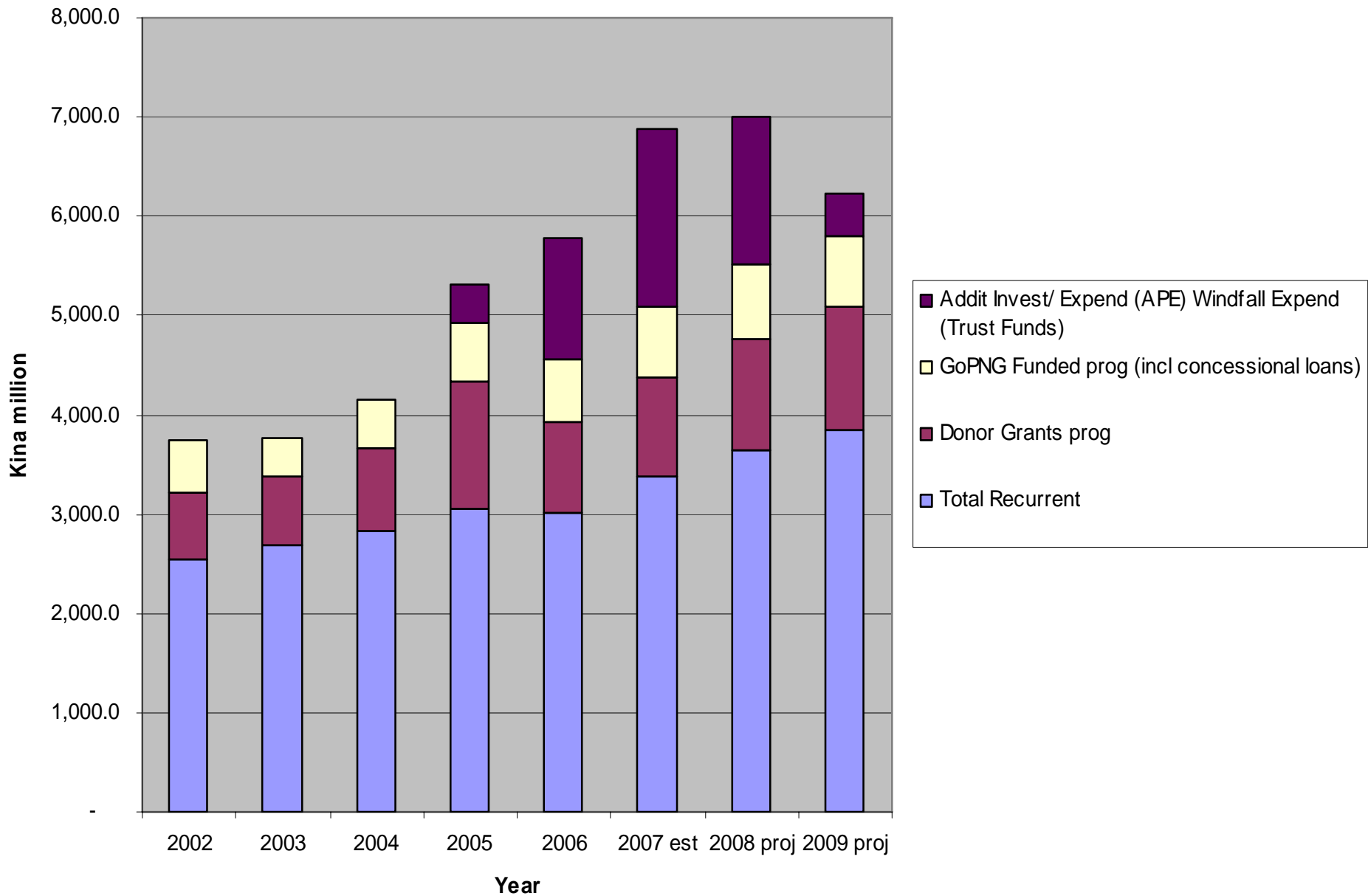
## National Departments - 2008 Recurrent Budget



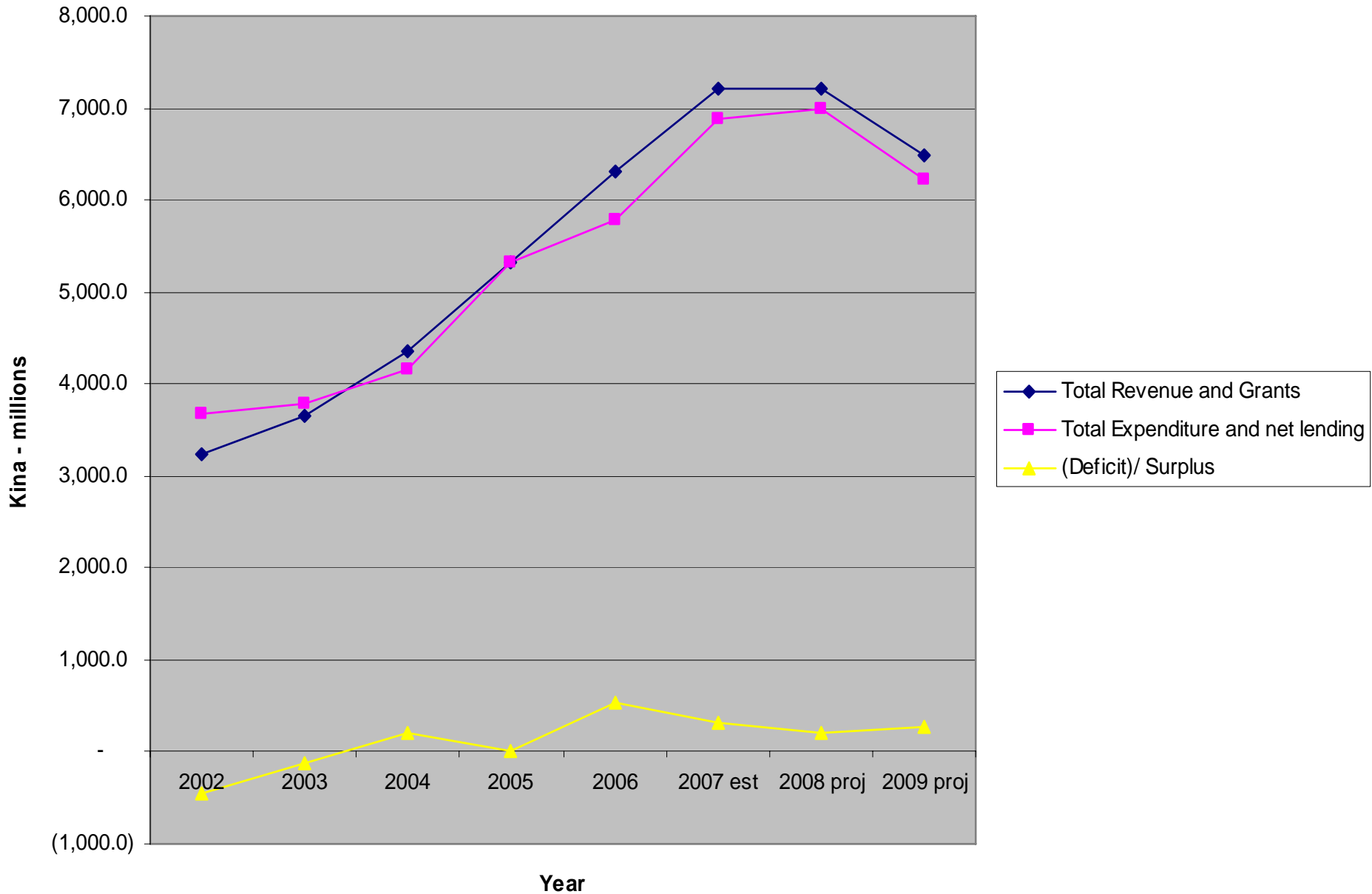
## Provincial Departments - 2008 recurrent breakup



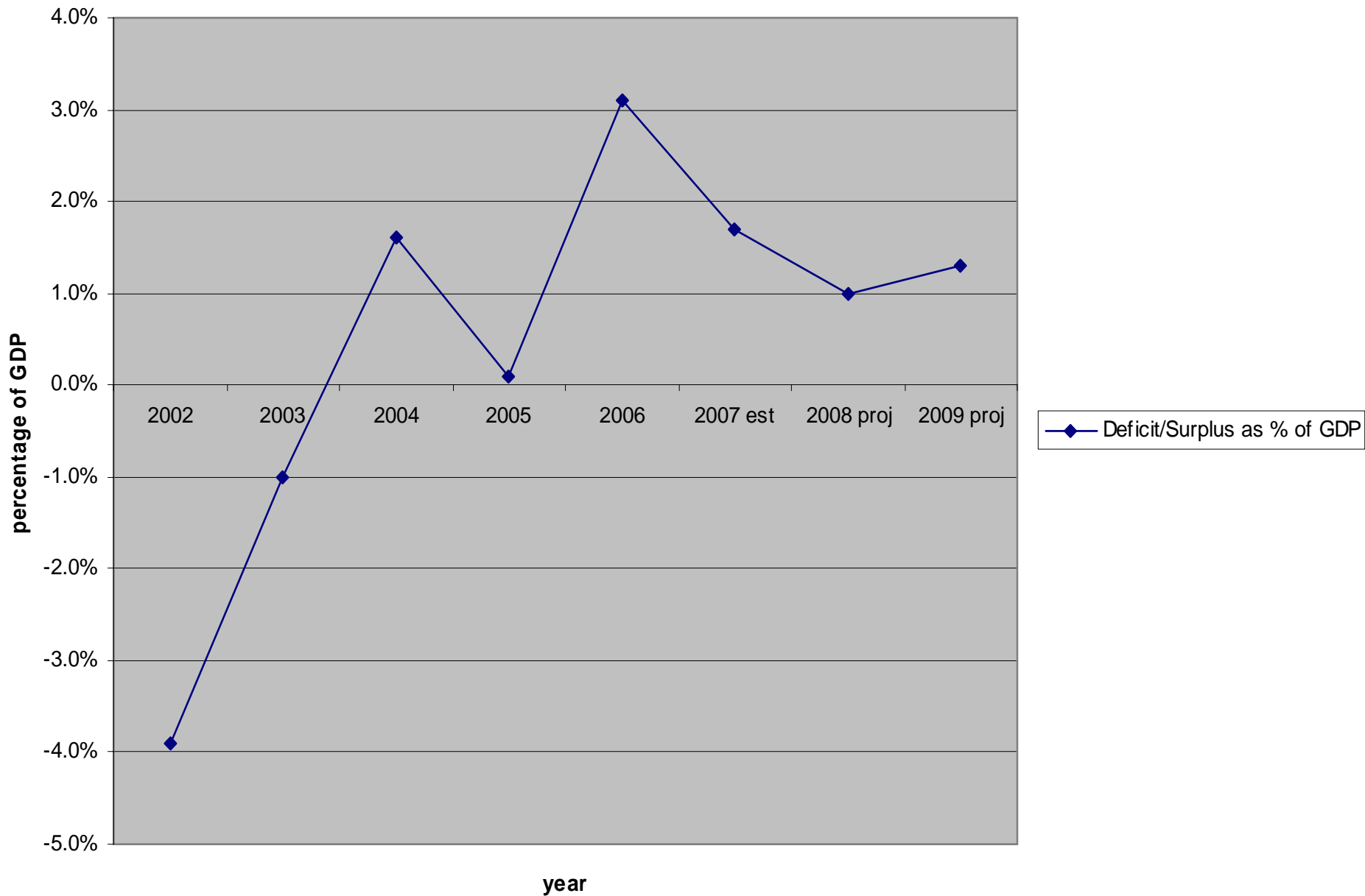
# Recurrent and Development Expenditure (incl "Additional Expenditure") actual & proj Treas.



# Government Financing - 2002-2009 (actual and projections - Treas.)



Deficit/Surplus as % of GDP 2002-2009 (actual & projected - Treas.)



CONSULTATIVE  
IMPLEMENTATION & MONITORING  
COUNCIL

Performance Measurement of Key Policies  
**Citizen's Report Card**

- 1. Planning and Preparation: Proper definition of objectives and goals
- 2. Monitoring and Evaluation: Regular monitoring and evaluation of progress
- 3. Reporting and Communication: Regular reporting and communication of results
- 4. Review and Improvement: Regular review and improvement of the process

A panel of five individuals is seated at a long, dark wooden table on a stage. From left to right: a man in a white shirt and tie, a man in a white shirt and red tie, a man in a white shirt and patterned tie, a woman in a green top speaking at a podium, and a man in a grey shirt and tie. Behind the panel, the national flag of Papua New Guinea is on the left and the green flag of the Consultative Implementation & Monitoring Council is on the right. A large, dark wooden mask is mounted on the wall behind the panel. The stage is decorated with potted plants.





**END**