

**New Guinea Islands Produce C<sup>o</sup> L<sup>TD</sup>**



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*"Working together with communities for our future".*

# Exchange Rate

Primary concern for agricultural commodity exporter.

Diminishes any benefit that has been achieved through structural adjustment policy during past two decades.

**Look at a two tier exchange rate or more practically a supported exchange rate for agricultural commodity exports.**

# Inflation

- Demand driven domestic inflation.
- Substantially negate effect of currency appreciation.
- Further supports call for agricultural industry support and investment.
- **What can be done?**

# Sovereign Wealth Fund

- We believe that this approach to containing the effect of rapid economic growth is correct.
- However, demand driven domestic inflation will remain an issue.
- Industry recognition and support for this initiative.

# Opportunities in Direction for Public Sector Investment in Industry

- Investment in tropical tree stock upgrade.
- Tropical tree crop stocks to be seen as a National good.
- For example current tree stocks in say coconut and cocoa are overdue for replacement.
- There has been underinvestment for several decades.
- Development or implementation of Sectoral Strategic Plans

# Direction for Public Sector Investment in Industry

- Prioritize investments to improve market access
- Aim to reduce costs of production across the value chain.
- Roads and bridges.
- Wharves and jetties.
- Subsidized water transport.

# Labour & Skilled Worker Shortages.

- A subset of inflationary pressures in many ways.
- Higher wage opportunities.
- Easier ways to make a living.
- Increased emphasis on smallholder development and move away from plantations.