

**“Enabling Business, Investment
and Employment Creation over
the medium-term”**

Department of Treasury

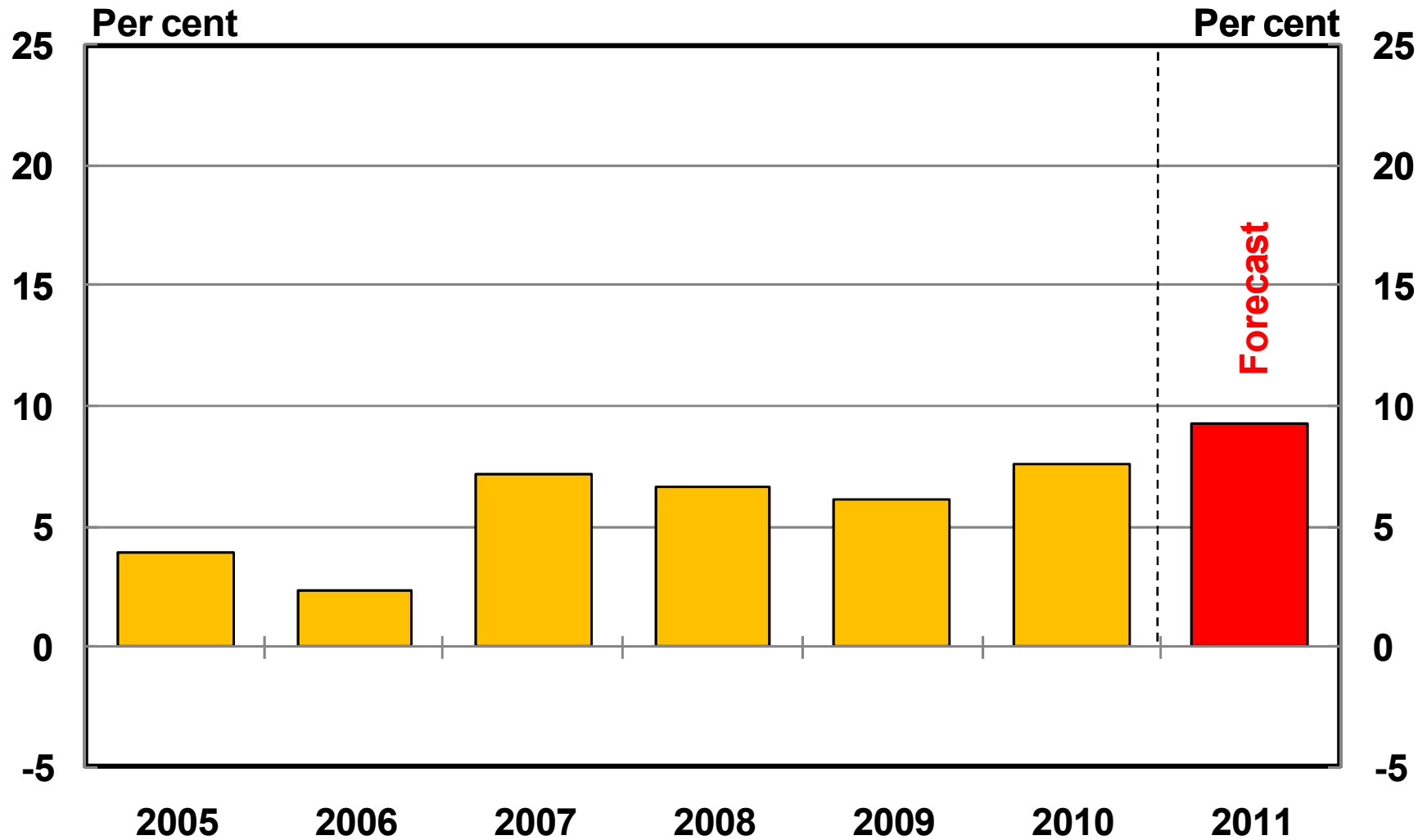
Outline

- Economic Outlook
 - International
 - Domestic
- Employment
- Key Reform Objectives
- Conclusion

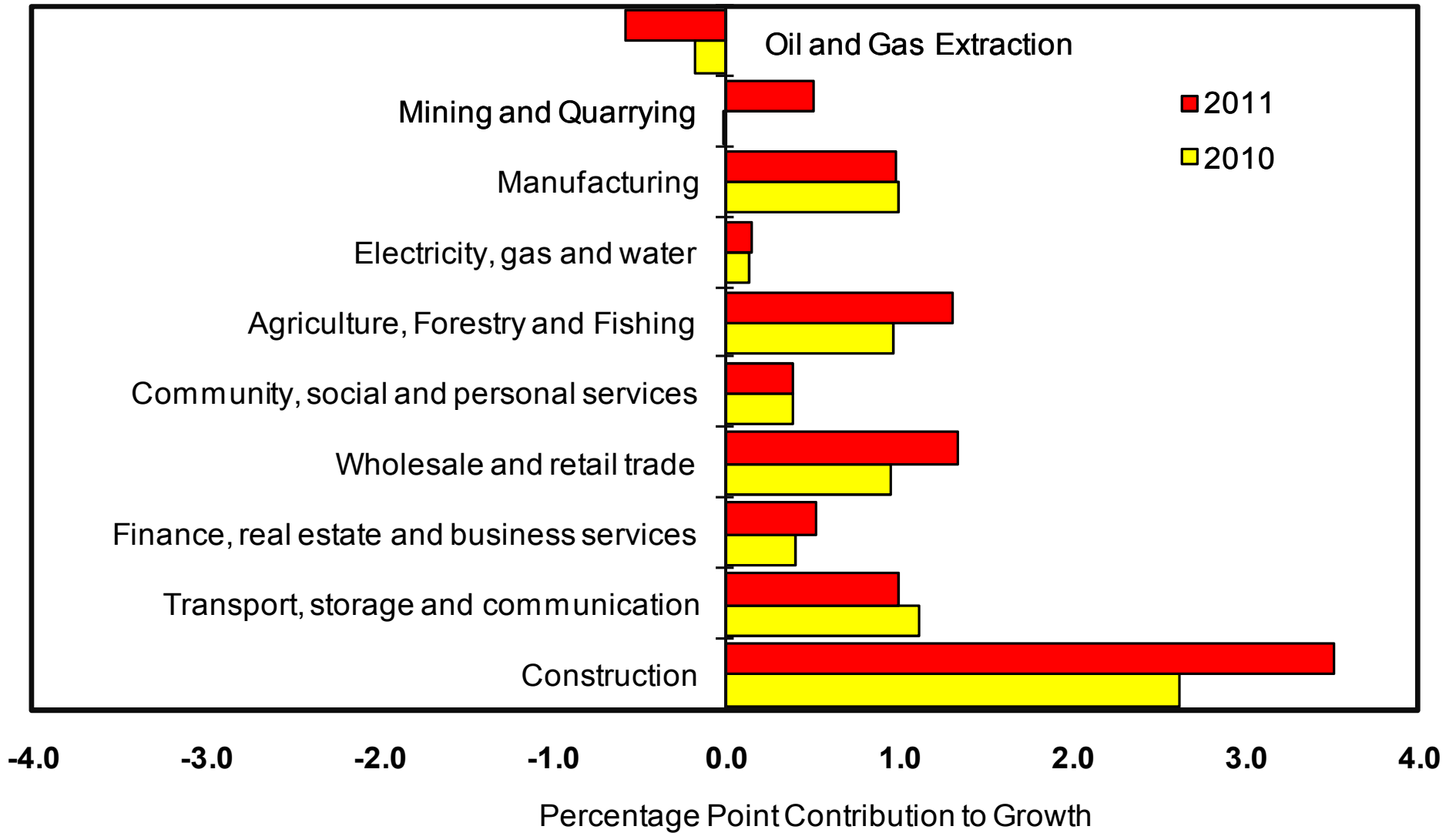
World Economic Growth

- The world economy to grow by 4.5 per cent in 2011;
- Strong world economy = higher commodity prices and better global trade;
- Positive outcome for PNG's economic & fiscal outlook in 2011 with stronger demand for PNG's exports; and
- High degree of uncertainty in the recovery of global economic growth remains

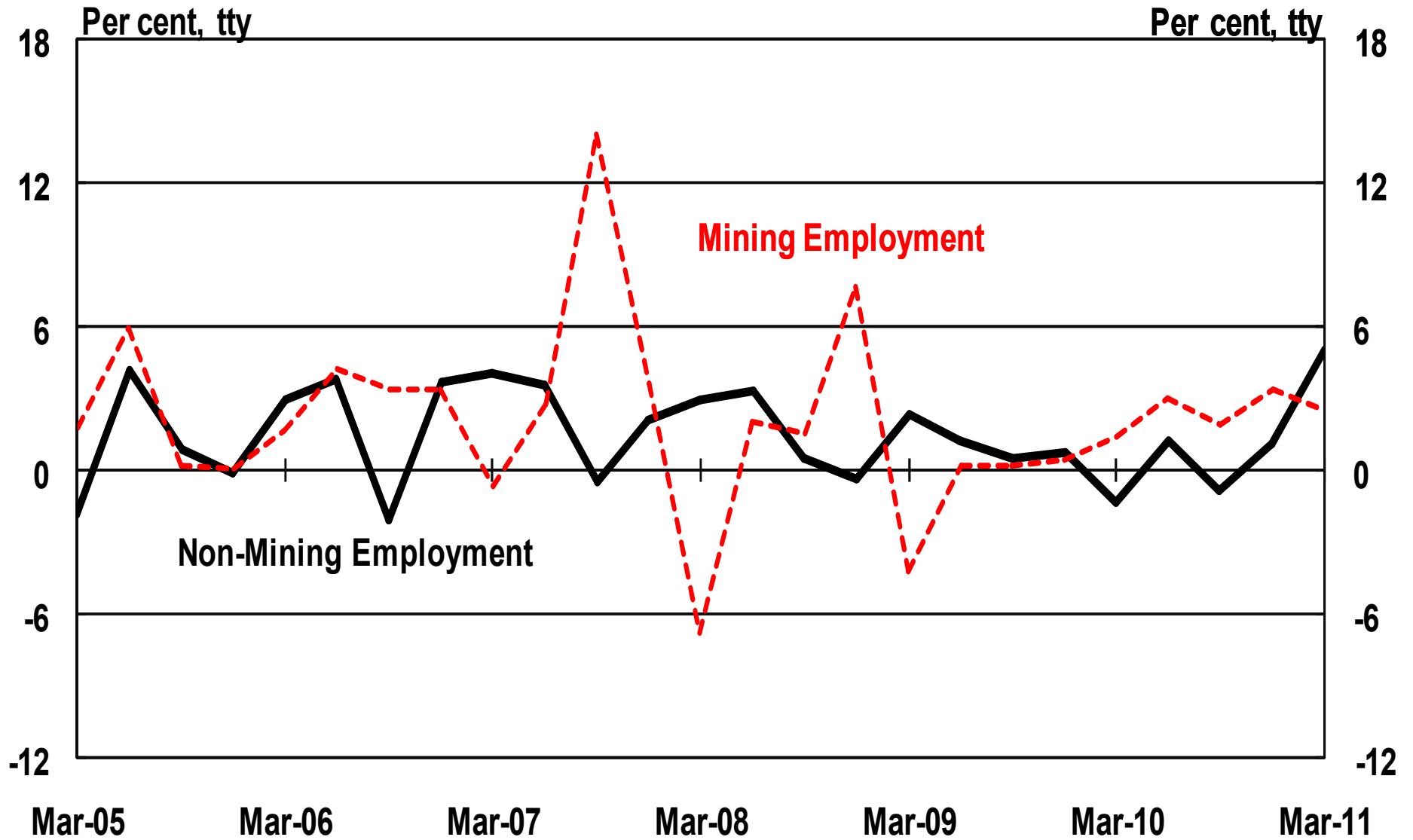
PNG's Economy to Remain Strong



Contribution to GDP



Employment



Key Reform Objectives

Objective 1

Promoting Good Governance

Focus

Improve good governance frameworks by cultivating institutions and admin systems that will nurture and encourage proper management of public resources and a stable and transparent economic and regulatory climate.

Key Reform Objectives- Cont'd

Objective 2

Sustaining Macroeconomic Stability

Focus

To improve fiscal management and transparency of budgeting and improving debt management function.

Key Reform Objectives- Cont'd

Objective 3

Improving Public Sector Performance

Focus

To revitalize the public sector's capacity to design and implement sound policies as well as revive the erosion on its ability to manage its responsibility.

Key Reform Objectives- Cont'd

Objective 4

Removing Barriers to Economic Growth and Development

Focus

Removing inefficient and anti-competitive trade and investment restrictions and regulations, at the same time improving governance, strengthening and developing basic institutions for private sector to operate efficiently

Major Reform Priorities

Four priority areas:

- National Land Development Program
- Public Private Partnerships (PPP) legislation
- Microfinance Project
- Electricity Industry Policy

Land Development Program (NLDP)

- The NLDP aims to:
 - Unlock economic potential of customary land whilst protecting the rights of landowners
 - Improve land administration
 - Resolve land disputes
- Next steps:
 - NLDP Implementation Plan 2011-2015
 - Establish NLDP Office

PPP Policy

- PPPs are contracts between Govt and private sector for delivery of key public infrastructure
- PPP policy endorsed in December 2008
- Next steps: finalise PPP Bill for Parliament
 - Public consultations completed
 - PPP Taskforce will submit PPP Bill to NEC this year.

Microfinance Project

- Microfinance is the provision of a broad range of financial services.
- Mostly aimed at making financial services more accessible to the wider population.
- Microfinance Expansion Project (2001-)
 - Micro deposits up: 45,000 (2002) to 295,000 (2008)
 - Nationwide Micro-bank – Commercial enterprise now has 13 branches and 100,000 customers.

Electricity Industry Policy

- Draft Electricity Industry Policy aims to:
 - Increase private sector's participation in electricity services (i.e competition in power generation)
 - Help to progress the Government's broader framework to improve the affordability, reliability and accessibility of electricity Services
 - Establish an Electricity Management Committee
 - Establish an Electrification Trust Fund

Conclusion

- Strong domestic growth but global recovery continues to be uncertain
- Government focused on four key reform objectives targeted at the four reform priority areas.
- Consistent with the Government's MTDP and the PNG Vision 2050

ANY QUESTIONS?