



PAPUA NEW GUINEA

What's happening in this economy

After years of slow growth, Papua New Guinea's (PNG) economy is expected to grow in 2019 as it continues recovering from 2018's highlands earthquake.

The medium-term outlook for PNG is solid. The PNG government is enacting reforms will benefit the business and investment environment.

Australia and PNG share a significant trade and investment relationship

- PNG is Australia's 21st largest trading partner, with two-way trade worth AUD 6.688 billion in 2018
- two-way investment is worth AUD 18 billion
- total Australian investment in PNG was worth AUD 16.889 billion in 2018, which makes PNG Australia's 17th largest investment destination.

PNG and Australia do not have a bilateral Free Trade Agreement.

The South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA) offers duty free access to Australian markets for most PNG goods. Many Australian exports to PNG are subject to tariffs.

PNG is a recipient of Australian development assistance—estimated Australian ODA was valued at AUD 607.5 million in 2019–20.

Trade, investment, and commercial opportunities and activities

- Australian companies invest in PNG across a range of sectors. These include:
 - mining
 - oil and gas
 - banking
 - insurance
 - legal
 - consulting services, and
 - construction and light manufacturing.
- The Papua LNG and P'nyang liquefied natural gas projects—as well as the Wafi Golpu gold/copper mine—are major prospective resource projects in Papua New Guinea:
 - once confirmed, Australian firms can bid for contracts to support these world-class resource projects, and

Key facts and figures

- Population: 8.4 million (2018)
- GDP growth: 3.8 per cent (2019)
- GDP per capita: USD 2494.10
- Two-way investment: AUD 18 billion (2018)
- Two way trade: AUD 6.7 billion (2018)
- Aid relationship: AUD 607.5 million ODA spend in 2019–20 (est)



connecting Australian business to the world

- this includes opportunities to construct and develop major economic infrastructure that will drive growth in PNG for the next decade.
- The Australian Government has committed half of its annual development spend in PNG to develop economic infrastructure:
 - AUD 2 billion of concessional finance is also available for Pacific infrastructure through the Australian Infrastructure Financing Facility for the Pacific, and
 - there may be opportunities for Australian businesses to win contracts for digital and communications infrastructure, energy infrastructure, ports, roads, airports, and other projects.

Trade policy and negotiations

Australia and PNG have a bilateral investment treaty which entered in to force in 1991.

Goods trade is covered by SPARTECA and the PNG–Australia Trade and Commercial Relations Agreement.

PNG is a member of APEC and the WTO. The country hosted APEC Economic Leaders Week in 2018.

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