

Introduction

Papua New Guinea is a country in Oceania, occupying the eastern half of the island of New Guinea and numerous offshore islands. Papua New Guinea borders the Coral Sea, the Southern Pacific Ocean, and Indonesia. The country's geography is diverse. A spine of mountains, the New Guinea Highlands, runs the length of the island, forming a region covered with

dense rainforests. The government system is a constitutional parliamentary democracy and a Commonwealth realm; the chief of state is the king of the United Kingdom, and the head of government is the prime minister. Although much of the population relies on subsistence farming, Papua New Guinea has a mixed economy; a lack of a market economy has resulted in state monopolies in some sectors of the economy. Papua New Guinea is a member of the Asia-Pacific Economic Cooperation (APEC).



Location: Oceania, Melanesia

Capital City: Port Moresby (+10 GMT)

Chief of State: King Charles III ; represented by Governor General Grand Chief Sir Bob Dadae

Head of Govt.: Prime Minister James Marape

Currency: Kina (PGK)

Major Languages: <p>Tok Pisin (official), English (official), Hiri Motu (official), some 839 indigenous languages spoken (about 12% of the world's total)</p>

Primary Religions: <p>Protestant 64.3% (Evangelical Lutheran 18.4%, Seventh Day Adventist 12.9%, Pentecostal 10.4%, United Church 10.3%, Evangelical Alliance 5.9%, Anglican 3.2%, Baptist 2.8%, Salvation Army 0.4%), Roman Catholic 26%, other Christian 5.3%, non-Christian 1.4%, unspecified 3.1% (2011 est.)</p>

Calling Code: 675

Voltage: 240

Key Websites

Main Government Page: parliament.gov.pg

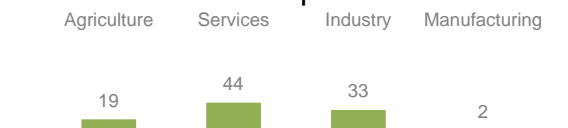
Export Promotion Agency: ipa.gov.pg

Investment Promotion Agency: ipa.gov.pg

Key Economic Facts

| | |
|--|----------------------------|
| Income Level (by per capita GNI): | Lower Middle Income |
| Level of Development: | Developing |
| GDP, PPP (current international \$): | \$45.10 billion (2022) |
| GDP growth (annual %): | 4.60% (2022) |
| GDP per capita, PPP (current international \$): | \$4,446.62 (2022) |
| External debt stocks, total (DOD, current US\$): | \$16,983,284,427.20 (2021) |
| Manufacturing, value added (% of GDP): | 1.69% (2020) |
| Current account balance (BoP, current US\$): | \$4.50 billion (2021) |
| Inflation, consumer prices (annual %): | 4.48% (2021) |
| Labor force, total: | 3,139,424 (2022) |
| Unemployment, total (% of total labor force) (modeled ILO estimate): | 2.75% (2022) |
| Imports of goods and services (current US\$): | \$7.49 billion (2012) |
| Exports of goods and services (current US\$): | \$7.98 billion (2012) |

GDP Composition %



**Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

Rankings

| Index | Rank |
|---|-----------|
| Corruption Perceptions Index | 122 / 178 |
| Index of Economic Freedom | 140 / 176 |
| International Logistics Performance Index (LPI) | 148 / 160 |
| Inward FDI Potential Index | 116 / 139 |
| KOF Index of Globalization | 137 / 185 |
| Open Budget Index | 46 / 114 |

Risk Assessment (Provided by Coface)

Country rating: B - Political and economic uncertainties and an occasionally difficult business environment can affect corporate payment behavior. Corporate default probability is appreciable.

Business Climate rating: C - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

Strengths

- Abundant natural resources: minerals (gold, copper, silver, nickel, cobalt), hydrocarbons (gas), agricultural products (coffee, cocoa, palm oil), timber and seafood
- Plans to develop new gas fields and build liquefied natural gas production units, as well as new mines
- Home to 15% of the world's tropical rainforest
- Financial support from multilateral and bilateral partners
- Member of the Commonwealth and Asia-Pacific Economic Cooperation

Weaknesses

- High exposure to natural and climatic disasters
- Weak infrastructure network (roads, electricity, health) and poor emergency services
- Low budgetary resources (15% of GDP)
- Economically dependent on exports of raw materials (90% of total exports, over a quarter of value-added locally, but 1% of budget revenue)
- Significant shortcomings in terms of governance: corruption, red tape, delays in gas and mining projects, and ambiguous land laws
- Low literacy rate, lack of skilled labour, rural poverty, urban crime
- Social unrest and tribal conflicts

U.S. Embassy

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