

Investment Promotion ipa.gov.pg
Agency:

Introduction

Papua New Guinea is a country in Oceania, occupying the eastern half of the island 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 queen 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 in which 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); many languages have fewer than 1,000 speakers</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

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\$):	\$7.68 billion (2012)

Category	Percentage
Agriculture	19
Services	44
Industry	33
Manufacturing	2

**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: ore (gold, copper, silver, nickel, cobalt), hydrocarbons (oil, gas), agricultural products (coffee, cocoa, palm oil), wood and seafood products
- Plans to develop new gas fields and build liquefied natural gas production units (P'Nyang, Papua, Pasca A, Pandora), as well as new mines (Wafi-Golpu)
- 15% of the world's tropical rainforests
- Financial support from multilateral and bilateral partners
- Member of the Commonwealth and the Asia-Pacific Economic Cooperation forum

Weaknesses

- Highly exposed to natural and climatic disasters
- Weak infrastructure network (roads, electricity, health)
- Weak budgetary resources (15% of GDP)
- Economy dependent on commodity exports (90% of total exports, more than one-quarter of value added locally, but 1% of budgetary revenues)
- Significant governance shortcomings: corruption, red tape delaying gas and mining projects, ambiguous land laws
- Low literacy rate, lack of skilled labor, rural poverty, tribal conflicts
- Difficulties in accessing foreign exchange

U.S. Embassy

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Papua New Guinea

<https://pg.usembassy.gov>