Balance of Payments of Papua New Guinea: Orange Signals

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PRESENTATION OUTLINE

I. Introduction

II. Value of Merchandise and Commercial Services Exports

III. Value of Merchandise and Commercial Services Imports

IV. Overall Balance

V. Way Forward for PNG
Balance of payments presents an account of comprehensive economic and financial transaction of a country with the rest of the globe.

- **Current Account**: Merchandise/Goods + Commercial Services
- **Capital Account**: Finance, Investments, Loans, Deposits etc.
- **Other Accounts**: Unilateral, Official Settlement
- **Overall Balance of Payments**
VALUE OF MERCHANDISE AND COMMERCIAL SERVICES EXPORTS

- Merchandise: Fluctuating-Growth
- Commercial Services: More or less steadily Growing
- Current: Fluctuating-Growth
TOTAL MERCHANDISE AND SERVICES EXPORTS

![Graph showing total merchandise and services exports over years](image-url)
MERCHANDISE AND COMMERCIAL IMPORTS

- Merchandise Imports: More or less Steady Growth
- Commercial/Services: Mostly Steady Growth
- Total: Mostly Steady Growth
TOTAL MERCHANDISE AND COMMERCIAL SERVICES IMPORTS
DIFFERENCE BETWEEN EXPORTS AND IMPORTS—MERCHANDISE + SERVICES

- Exports: Fluctuating Growth
- Exports > Imports: 2008

- Imports > Exports: 2010-2013
- Imports: Mostly Steady Growth

DIFFERENCE BETWEEN EXPORTS AND IMPORTS

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Exports</th>
<th>Total Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>6000</td>
<td>6000</td>
</tr>
<tr>
<td>2003</td>
<td>7000</td>
<td>6500</td>
</tr>
<tr>
<td>2004</td>
<td>8000</td>
<td>7500</td>
</tr>
<tr>
<td>2005</td>
<td>9000</td>
<td>8500</td>
</tr>
<tr>
<td>2006</td>
<td>10000</td>
<td>9500</td>
</tr>
<tr>
<td>2007</td>
<td>11000</td>
<td>10500</td>
</tr>
<tr>
<td>2008</td>
<td>12000</td>
<td>11500</td>
</tr>
<tr>
<td>2009</td>
<td>13000</td>
<td>12500</td>
</tr>
<tr>
<td>2010</td>
<td>14000</td>
<td>13500</td>
</tr>
<tr>
<td>2011</td>
<td>15000</td>
<td>14500</td>
</tr>
<tr>
<td>2012</td>
<td>16000</td>
<td>15500</td>
</tr>
<tr>
<td>2013</td>
<td>17000</td>
<td>16500</td>
</tr>
</tbody>
</table>
WHY SETBACK IN MERCHANDISE EXPORTS?

- Prices: Decline in 2009, 2012 and 2013
- Quantity
PRICE INDICES
<table>
<thead>
<tr>
<th>Year</th>
<th>Negative Balance</th>
<th>Quantity-Decline</th>
<th>Total Price Indices</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>-123</td>
<td>Decline of cocoa, coffee, tea, copra, copra oil, logs, marine, crude oil, copper and gold.</td>
<td>Increase</td>
</tr>
<tr>
<td>1998</td>
<td>-276</td>
<td>Cocoa, copra, palm oil, logs, marine</td>
<td>Increase</td>
</tr>
<tr>
<td>2002</td>
<td>-239.2</td>
<td>Decline of cocoa, coffee, tea, copra, palm oil, rubber, crude oil, gold</td>
<td>Increase</td>
</tr>
<tr>
<td>2008</td>
<td>-598 (-Capital)</td>
<td>Logs, crude oil and copper.</td>
<td>Increase</td>
</tr>
<tr>
<td>2009</td>
<td>+1701(+Capital)</td>
<td>Quantities of Agriculture and Mineral decline</td>
<td>Decline</td>
</tr>
<tr>
<td>2012</td>
<td>-850</td>
<td>Decline of cocoa, coffee, tea, copra, copra oil, palm oil, rubber, logs, copper and gold</td>
<td>Declined</td>
</tr>
<tr>
<td>2013</td>
<td>-1574</td>
<td>Decline of cocoa, coffee, tea, copra oil, palm oil, rubber, marine, crude oil, copper</td>
<td>declined</td>
</tr>
</tbody>
</table>
Balance of Payments

- Goods Balance
- Services Balance
- Finance and Capital Balance
- Overall Balance
BALANCE OF PAYMENTS

Goods Balance
Services Balance
Current Account Balance
Capital Account Balance
Overall Balance
YELLOW SIGNALS

- The negative balance on current account (Goods, Services, income and Transfer): 2009, to 2012 and Highest in 2013 (Price+ Quantity).
Way Forward for PNG

- Value Added
- Human Resource Development
- Human Capital Development
THANK YOU!!!