

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



INTRODUCTION

- 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

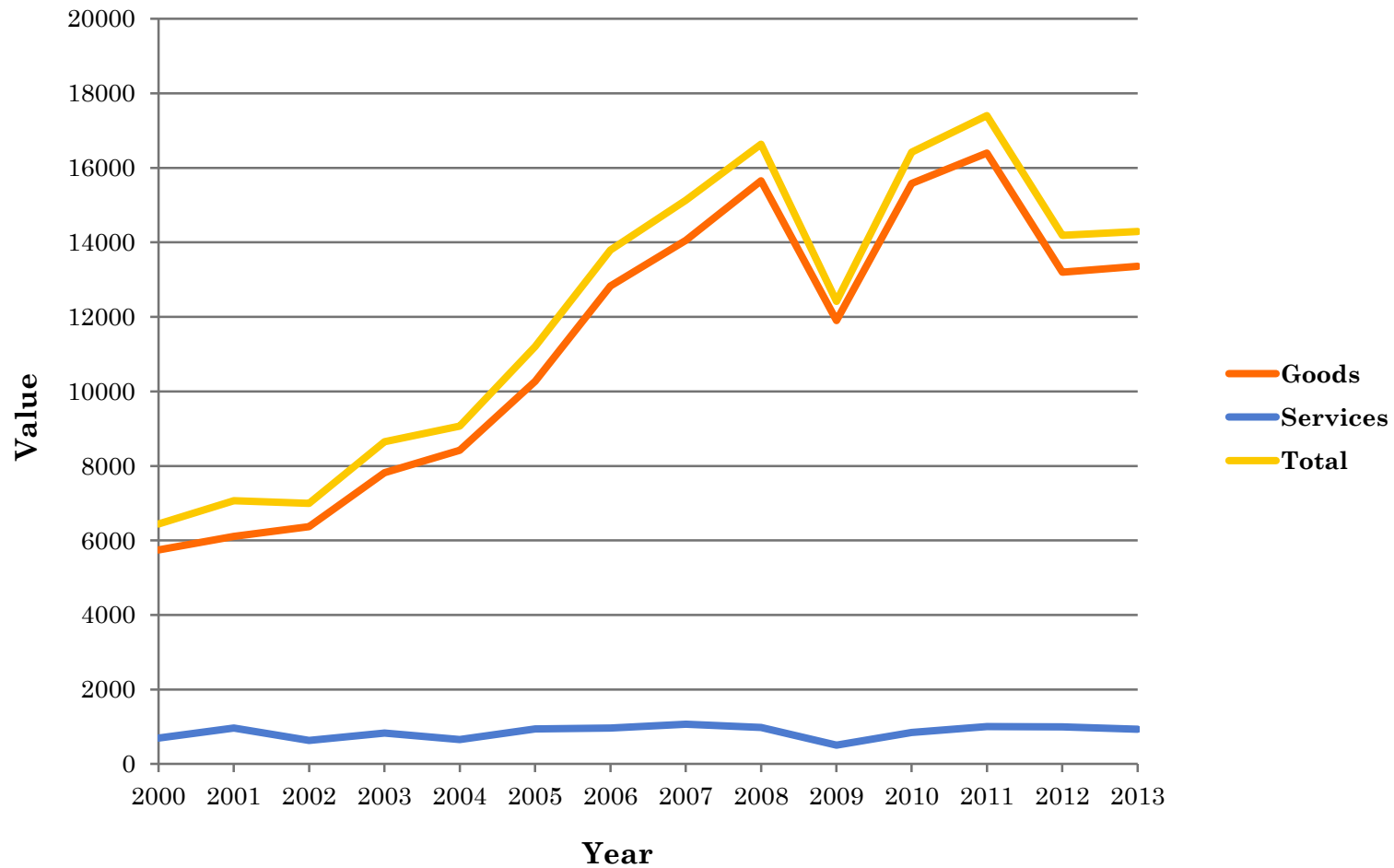


VALUE OF MERCHANDISE AND COMMERCIAL SERVICES EXPORTS

- Merchandise: Fluctuating- Growth
- Commercial Services: More or less steadily Growing
- Current: Fluctuating-Growth



TOTAL MERCHANDISE AND SERVICES EXPORTS

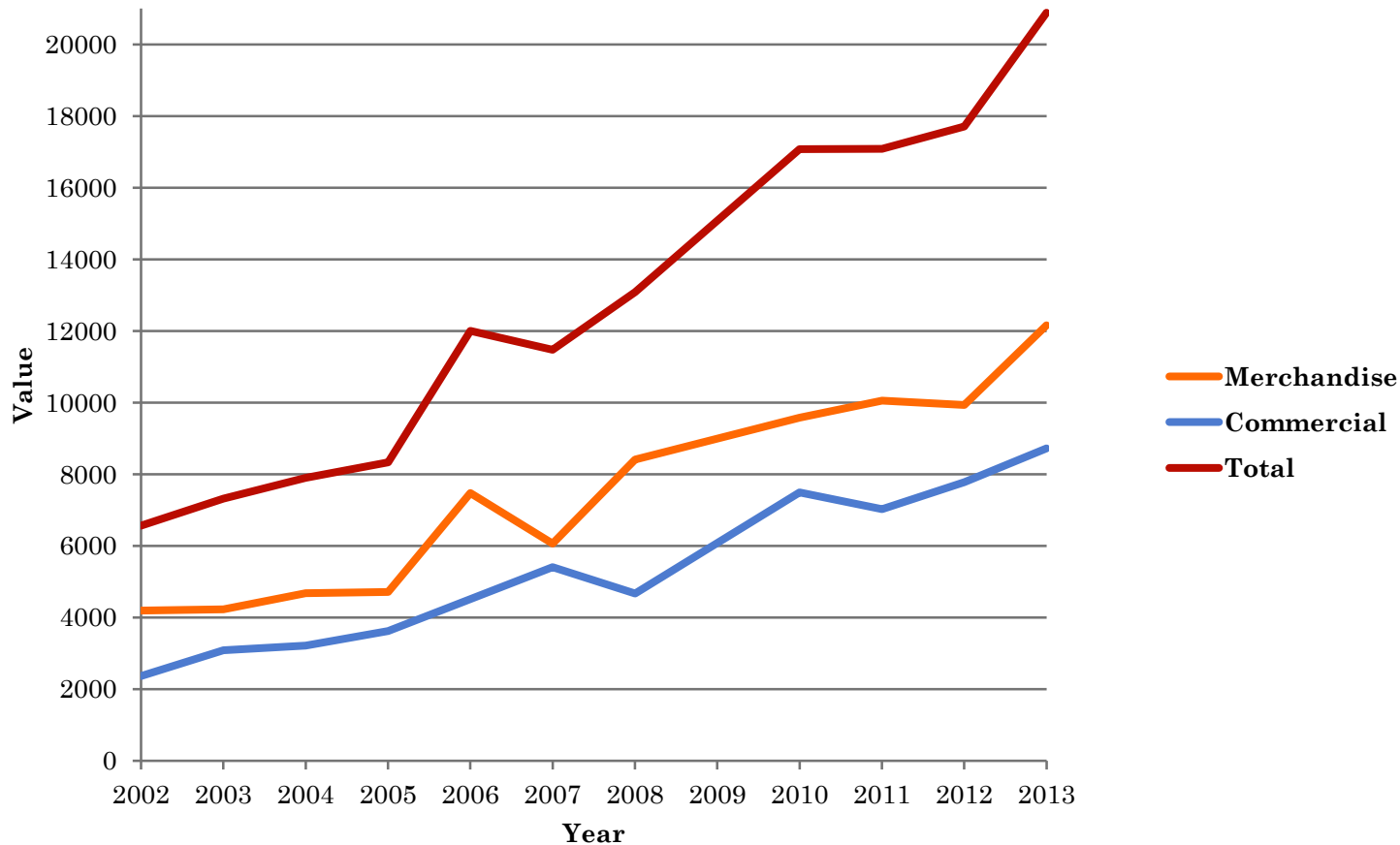


MERCHANDISE AND COMMERCIAL IMPORTS

- Merchandise Imports: More or less Steady Growth
- Commercial/Services: Mostly Steady Growth
- Total: Mostly Steady Growth



TOTAL MERCHANDISE AND COMMERCIAL SERVICES IMPORTS

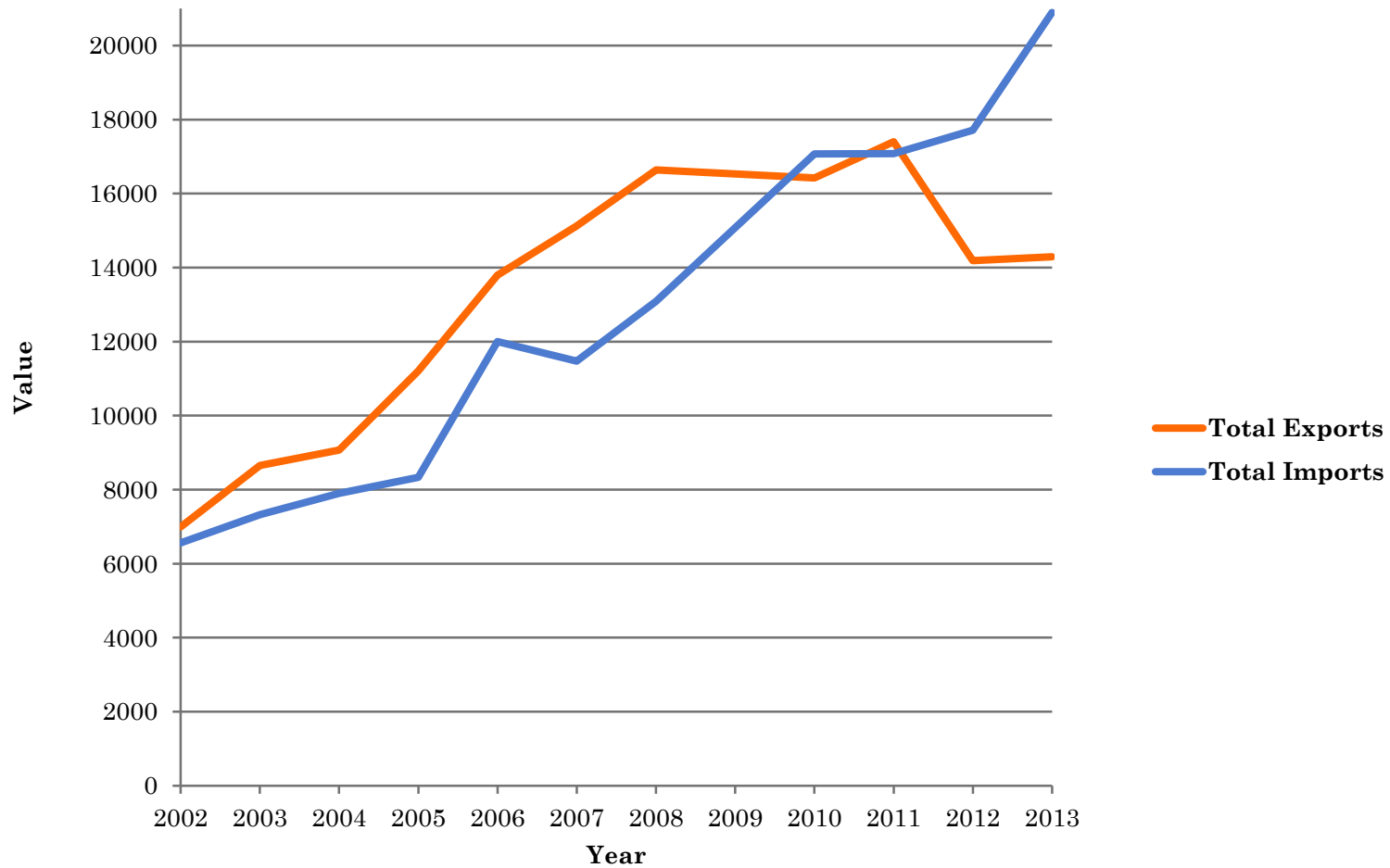


DIFFERENCE BETWEEN EXPORTS AND IMPORTS-MERCHANDISE+SERVICES

- Exports: Fluctuating Growth
- Exports > Imports: 2008
- Imports > Exports: 2010-2013
- Imports: Mostly Steady Growth
- Caused Gap: 2009, 2010, 2012, 2013



DIFFERENCE BETWEEN EXPORTS AND IMPORTS

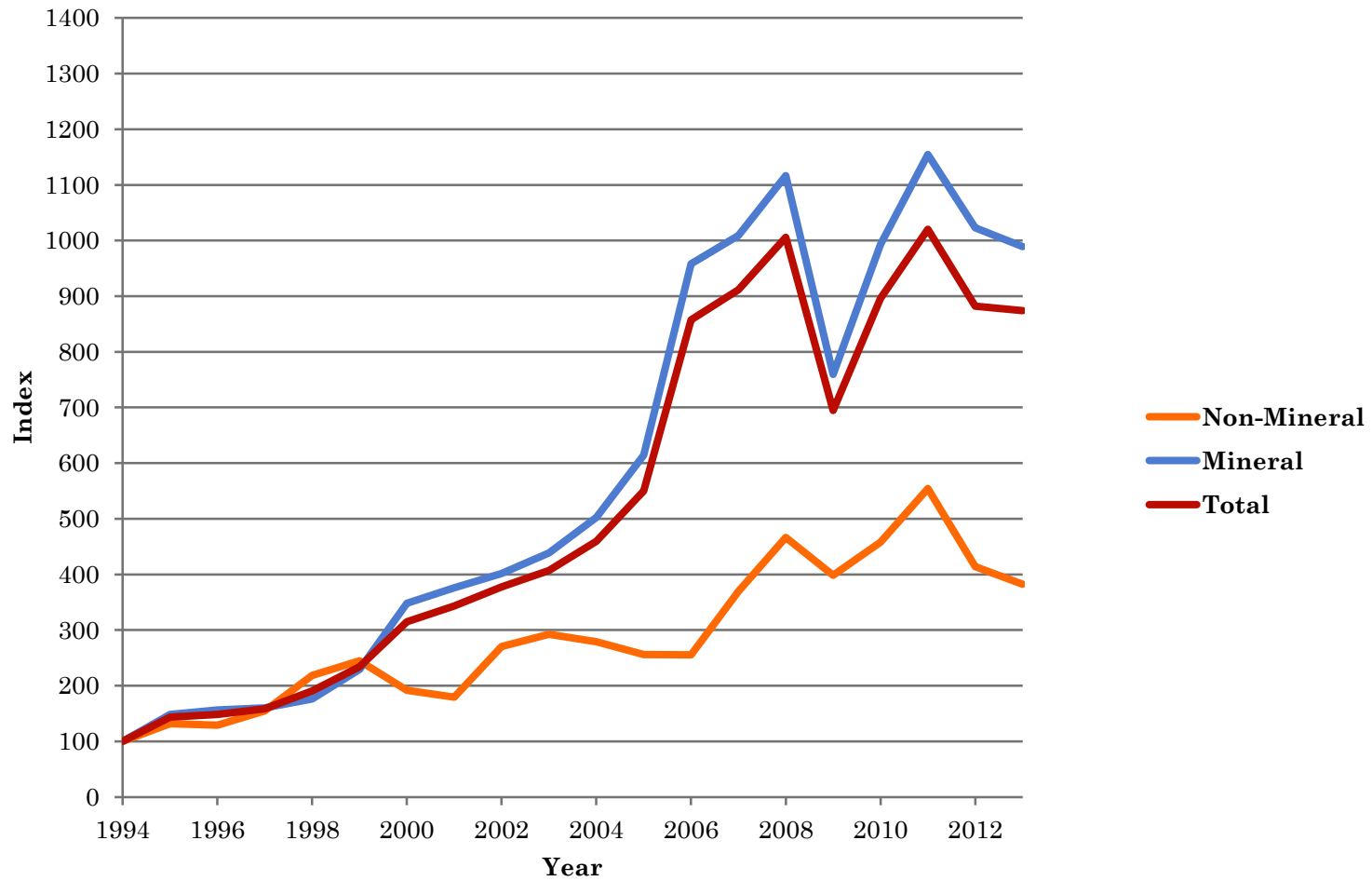


WHY SETBACK IN MERCHANDISE EXPORTS?

- Prices: Decline in 2009, 2012 and 2013
- Quantity



PRICE INDICES



PRICE+QUANTITY

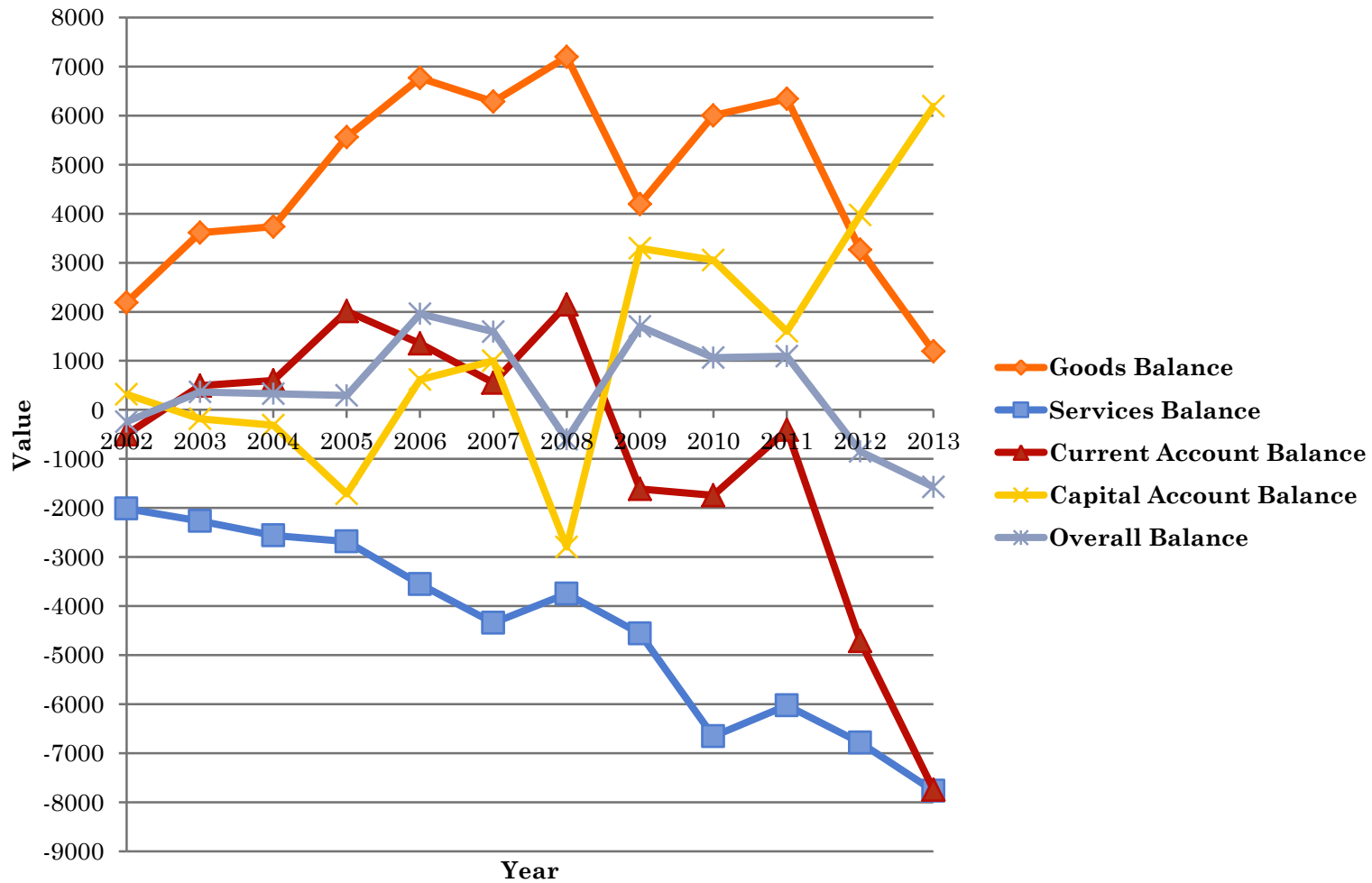
Year	Negative Balance	Quantity-Dedline	Total Price Indices
1997	-123	Decline of cocoa, coffee, tea, copra, copra oil, logs, marine, crude oil, copper and gold.	Increase
1998	-276	Cocoa, copra, palm oil, logs, marine	Increase
2002	-239.2	Decline of cocoa, coffee, tea, copra, palm oil, rubber, crude oil, gold	Increase
2008	-598 (-Capital)	Logs, crude oil and copper.	Increase
2009	+1701(+Capital)	Quantities of Agriculture and Mineral decline	Decline
2012	-850	Decline of cocoa, coffee, tea, copra, copra oil, palm oil, rubber, logs, copper and gold	Declined
2013	-1574	Decline of cocoa, coffee, tea, copra oil, palm oil, rubber, marine, crude oil, copper	declined

BALANCE OF PAYMENTS

- Goods Balance
- Services Balance
- Finance and Capital Balance
- Overall Balance



BALANCE OF PAYMENTS



YELLOW SIGNALS

- The negative balance on current account (Goods, Services, income and Transfer):2009, to 2012 and Highest in 2013 (Price+ Quantity).
- Financial and Capital account enjoyed positive balance: Highest in 2013, but,-2003,2005, 2008
- Overall Negative: 2008, 2012, 2013



WAY FORWARD FOR PNG

- Value Added
- Human Resource Development
- Human Capital Development



THANK YOU!!!

