

Struggle, reform, boom and bust: a profound wake-up call for PNG

by Ian Ling-Stuckey

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This blog is an edited version of a speech to launch Struggle, reform, boom and bust: an economic history of Papua New Guinea since independence delivered by the PNG Treasurer on 20 August 2025 at the University of Papua New Guinea. The book is free to download from the [ANU Press website](#).

Thank you for inviting me here today to launch this remarkable book, on PNG's economic history since independence.

The challenge of a book to cover, factually, authoritatively, nearly 50 years of economic history is immense, especially when we know that PNG's statistics also, let me be polite, "struggle". I am pleased that the seven authors of *Struggle, Reform, Boom and Bust*, led by Stephen Howes, absolutely succeed in meeting this challenge. But this combined effort does much more. It sends a profound wake-up call to all those that aspire to economic leadership in our country.

As Treasurer, my primary focus is on lifting living standards through sustained, inclusive economic growth within PNG's complex political economy. As set out in the book, the living standards of our people have not advanced as they should.

Frankly, I think the book has been too generous when assessing PNG's economic performance. Using the National Statistics Office estimates of population (12.3 million people in PNG in 2022, not 9.3 million) and the Consumer Price Index lowers PNG's average living standards performance significantly, from 0.4% per annum as set out in the book, to negative 1.3% per annum. This is a very depressing statistic. This is a real wake-up call.

We are deaf if we do not hear these factual realities of historic failure. In 1980, living standards averaged K11,089 per person, in terms of today's kina. Twenty-five years later, our living standards had fallen to just K5,903 (Figure 1). This has been a shameful economic performance.

This fall from 1980 to 2005 swamps the "boom" of the next ten years led by Grand

Chief Somare, which only takes us back to K7,380 by 2014. The “bust” of the fourth period, from K7,380 to K6,483 under Prime Minister O’Neill, is also undoubtedly catastrophic, with a fall in living standards of over 12%. Then COVID made things even worse.

As we celebrate our extraordinary achievements as the world’s most diverse country after 50 years, let us acknowledge that successive governments since Independence have failed our people economically. We can either be depressed by this book, or take it as a profound “wake-up” call. I choose the latter. We need to do things differently.

We must learn from the mistakes of our past and draw nourishment from our successes. We must reflect on our budget policies and ask what we can do to lift our revenues, particularly from the resource sector. We must reflect on the effectiveness of our government expenditure and I welcome the new National Monitoring and Coordinating Authority as a concrete step in acting on the failings of successive governments.

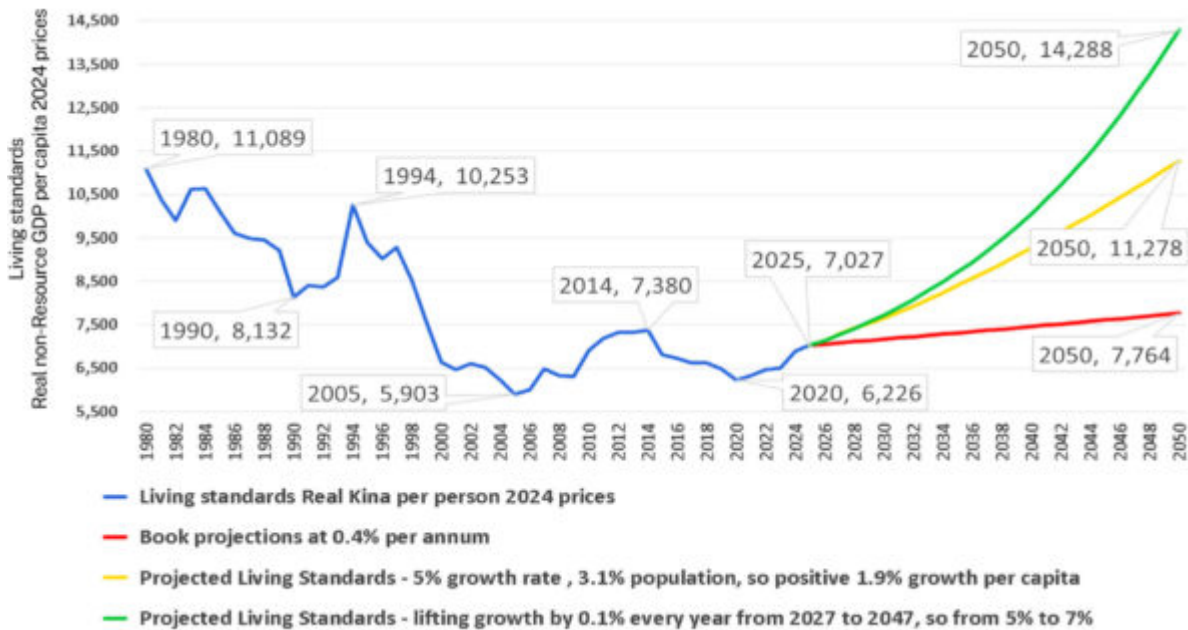
We must reflect on the excessive ambition of our plans, often based on idealism rather than realism. We must reflect on our industrial policies and ask if we have learnt the lessons from our past. We must look at the red tape and increased fees that our businesses are complaining about.

Indeed, I am hopeful that there has been another turning point from 2020, the start of a fifth phase of our economic history. Let me quote recent figures for real non-resource GDP growth: 4.2% in 2021, 5.9% in 2022, 4.7% in 2023, 4.5% in 2024, and an estimated 4.7% in 2025. All achieved without a new resource project. For the first time in PNG’s history, five years in a row of real non-resource growth of over 4%.

This makes me more optimistic about hopes for our people’s future than might be implied by the book. But as I say this, I also agree that one of the very valid cautions in this book are the risks of overly optimistic growth assumptions. It is one thing to project a higher growth rate, but much harder to do all the pro-growth, productivity-enhancing reforms required to deliver higher living standards. In this context of a wake-up call, let us consider options for a fifth phase of PNG’s economic history.

This graph presents three scenarios for living standards through to 2050.

Figure 1: Living standards from 1980 to 2050 (real Kina per person)



The first scenario is based on the book’s average increase in living standards of 0.4% per annum. By 2050, living standards would increase to K7,764. Frankly, such an outcome is totally unacceptable. Unacceptable morally, unacceptable politically.

The second scenario shows current policies, based on Pangu’s growth target of 5% real growth in non-resource GDP, and an assumed population growth rate of 3.1%. With growth in living standards of just under 2% per annum, living standards would improve, but by 2050, we would still simply be back at our starting point in 1980. 70 years of no progress in living standards. Once again, I consider this unacceptable. Our people deserve better.

The third scenario is based on pro-growth policies akin to other Asian countries. Lifting real non-resource growth from 5% in 2027 by just 0.1% a year, so 5.1% in 2028, 5.2% in 2029, 6% by 2037, and a cap of 7% from 2047. If achieved, by 2050, we will have doubled living standards relative to today, and 30% higher than in 1980. This is the Pangu agenda – at least doubling living standards from current levels by 2050.

This would have tremendous benefits for our people and businesses. More income for families to pay for groceries, more jobs, more budget revenues to invest wisely and reverse the appalling social indicators shown in the book. PNG needs the economic leadership that understands how to bring PNG back to a steady, higher growth path. The Marape-Rosso Government has demonstrated over the last five years that gains are possible. From 2.2% under the O’Neill Government, to the average over the last five years of 4.8%. We need more of this economic leadership.

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This book is yet another example of the value of working with our international friends. Good, long-lasting, institutional partnerships are critical for building our nation's capacity. I have been a strong supporter of the UPNG-ANU partnership. I would strongly support another phase and will take this view to the Ministerial talks in Canberra later this year.

My congratulations to UPNG, the ANU and everyone else involved in producing this extraordinary book on PNG's economic history since independence.

It is now my pleasure to officially launch *Struggle, reform, boom and bust*, a powerful, insightful examination of our economic history since Independence

The 2025 PNG Update is happening on 21 and 22 August at the Waigani Campus of the University of Papua New Guinea. Everyone is encouraged to attend this free event. Download [the program](#). Or join the [UPNG Facebook livestream](#).

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The Honourable Ian Ling-Stuckey CMG MP is the Treasurer of Papua New Guinea.

Link:

<https://devpolicy.org/struggle-reform-boom-and-bust-a-profound-wake-up-call-for-png-20250821/>