

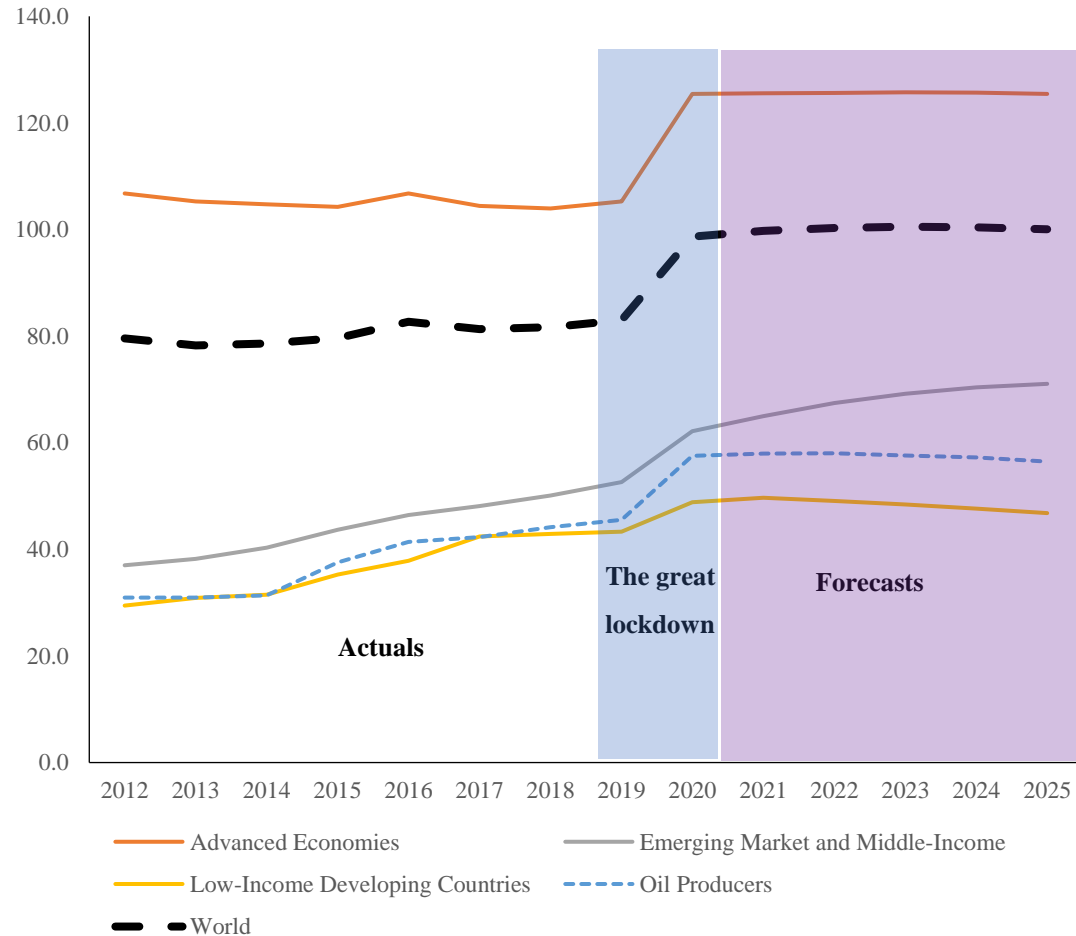
PAPUA NEW GUINEA

2020 FINAL BUDGET OUTCOME

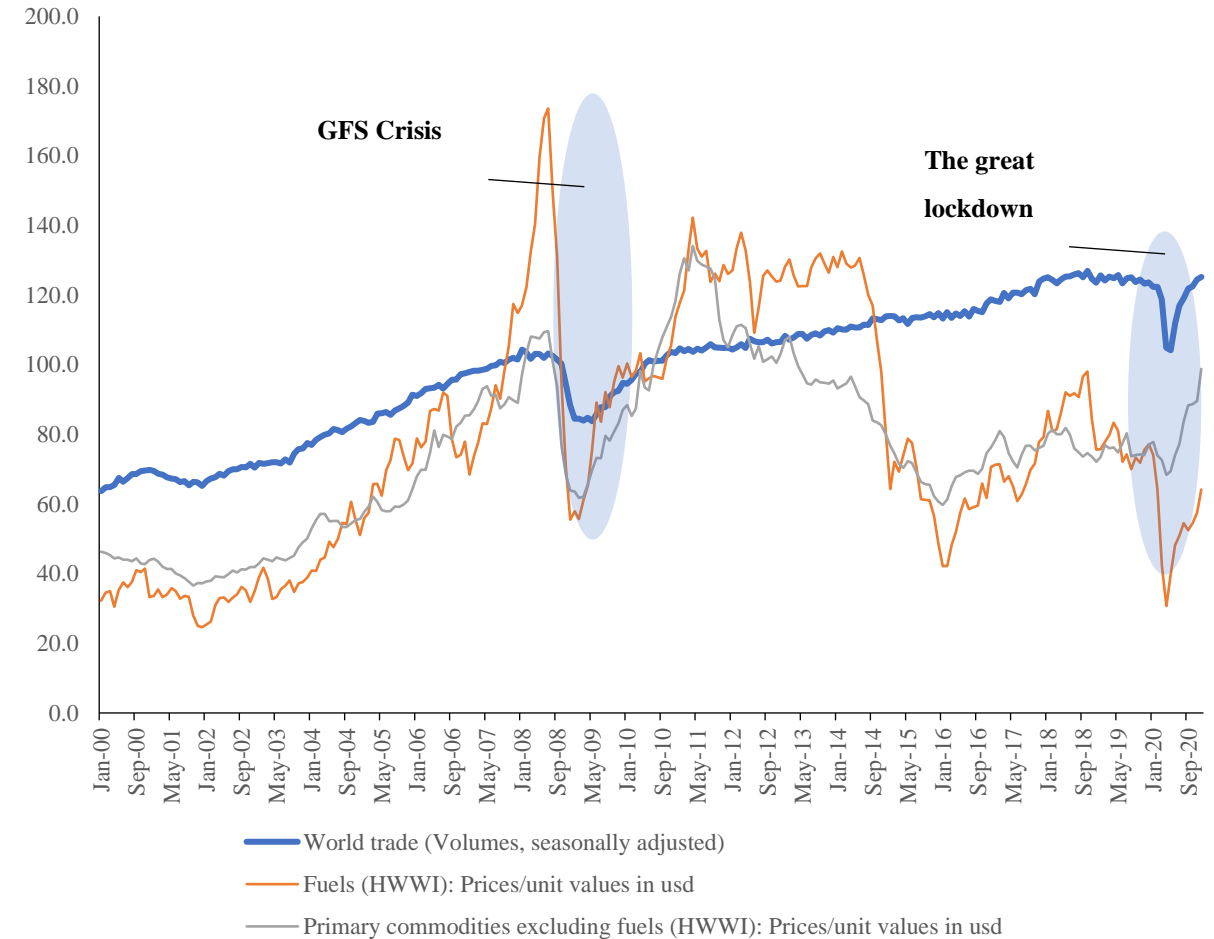
Abhimanyu Dadu
Public Finance Economist
(Consultant)
Asian Development Bank

GLOBAL MACROECONOMY 2020

General government gross debt



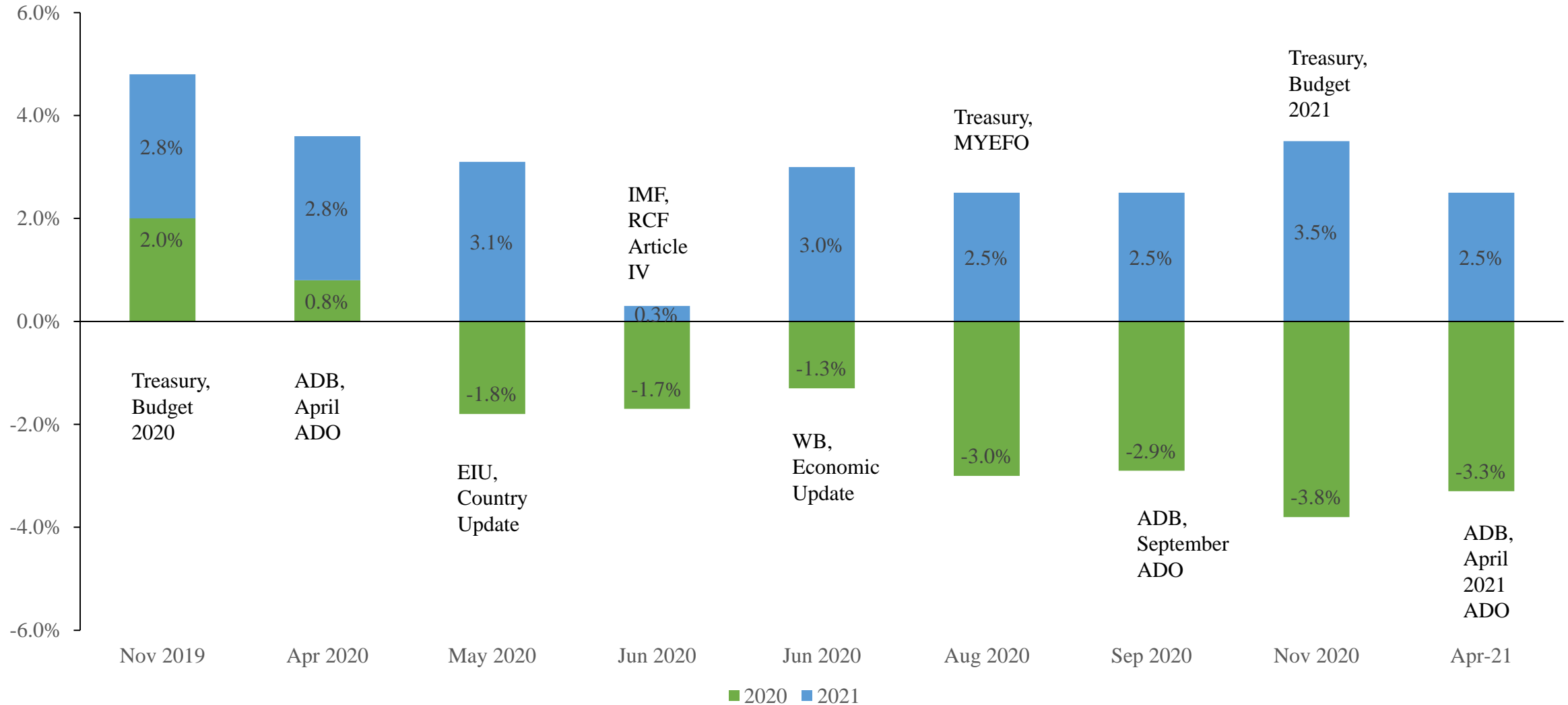
World Merchandise Trade



Source: International Monetary Fund, Fiscal Monitor Database, October 2020

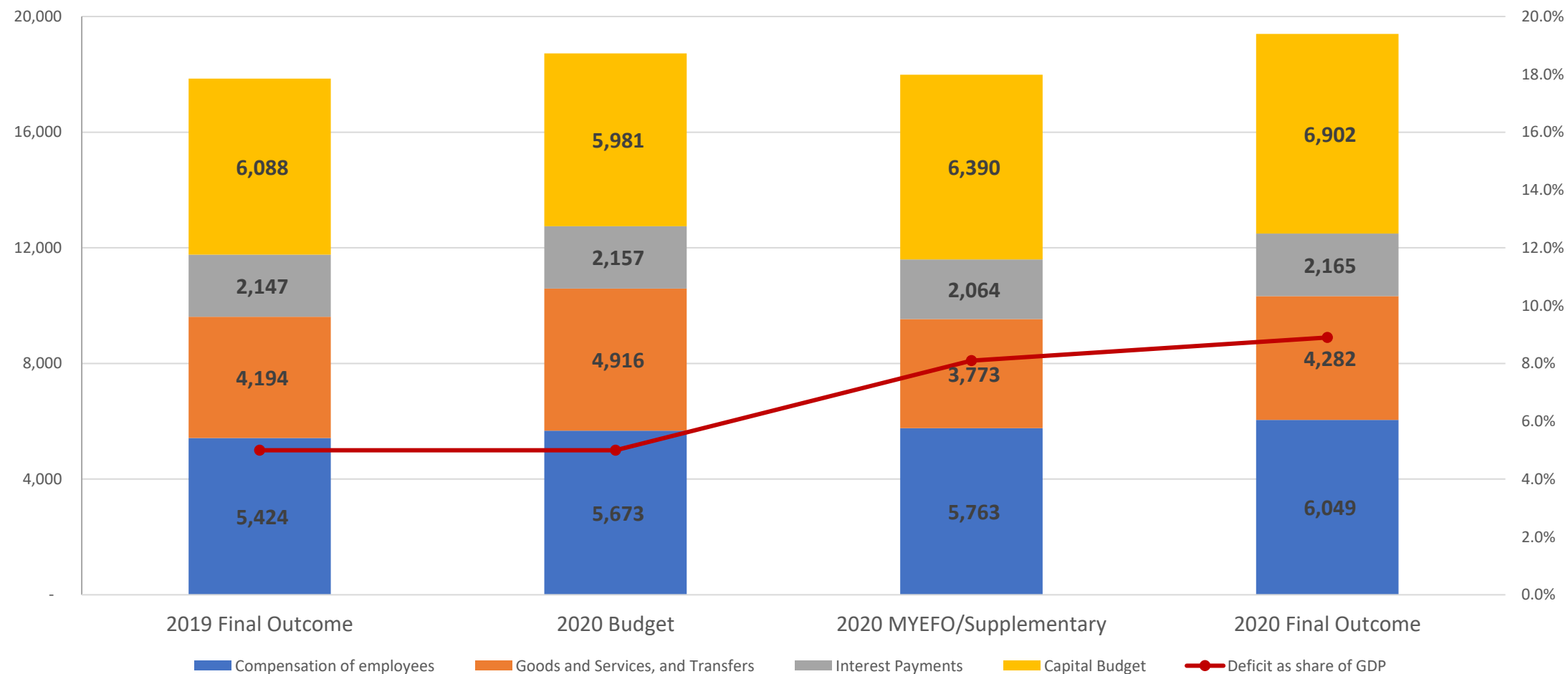
Source: CBS World Trade Monitor, Accessed: 23 February, 2021

DOMESTIC GROWTH IN 2020



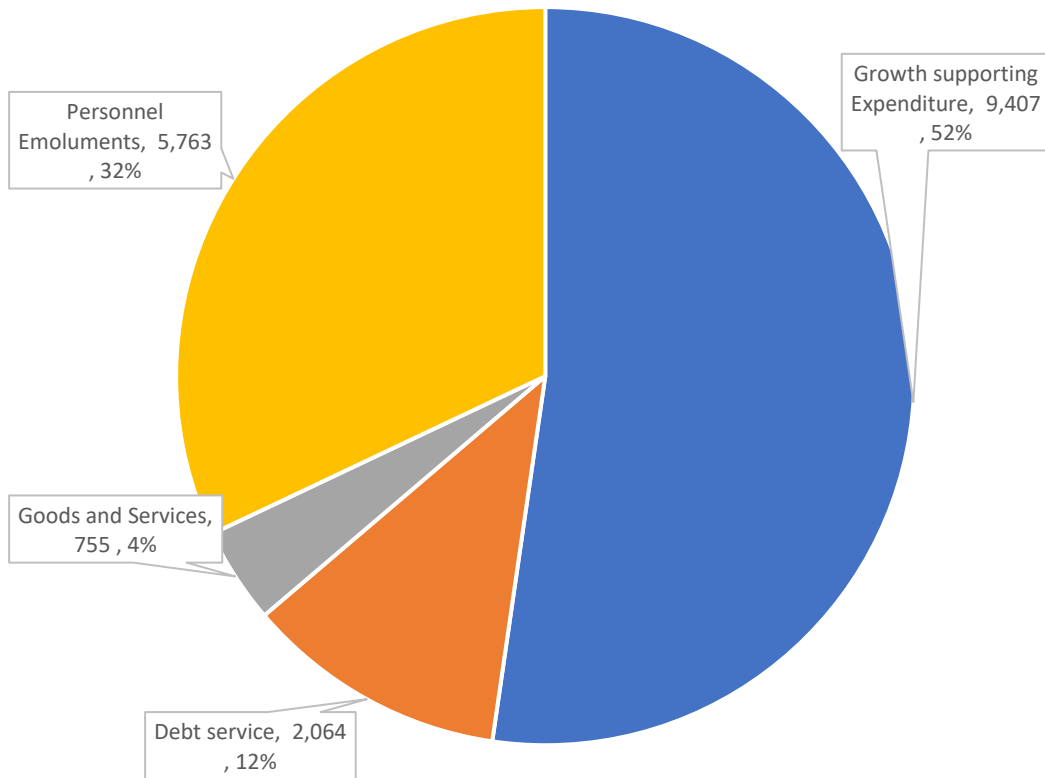
GOVERNMENT EXPENDITURE IN 2020

Expenditure Components (Kina million)



PRODUCTIVE DISTRIBUTION OF EXPENDITURE

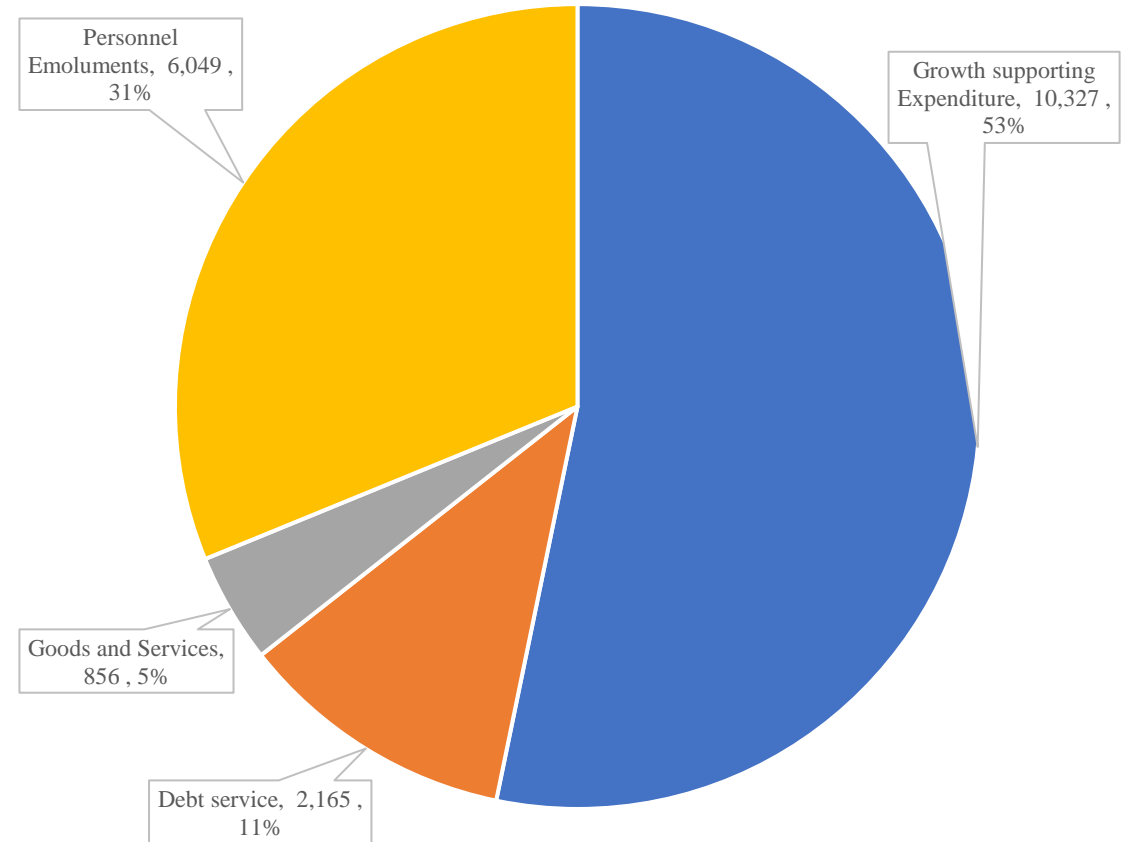
2020 Supplementary Budget



Total expenditure plan = K18 billion

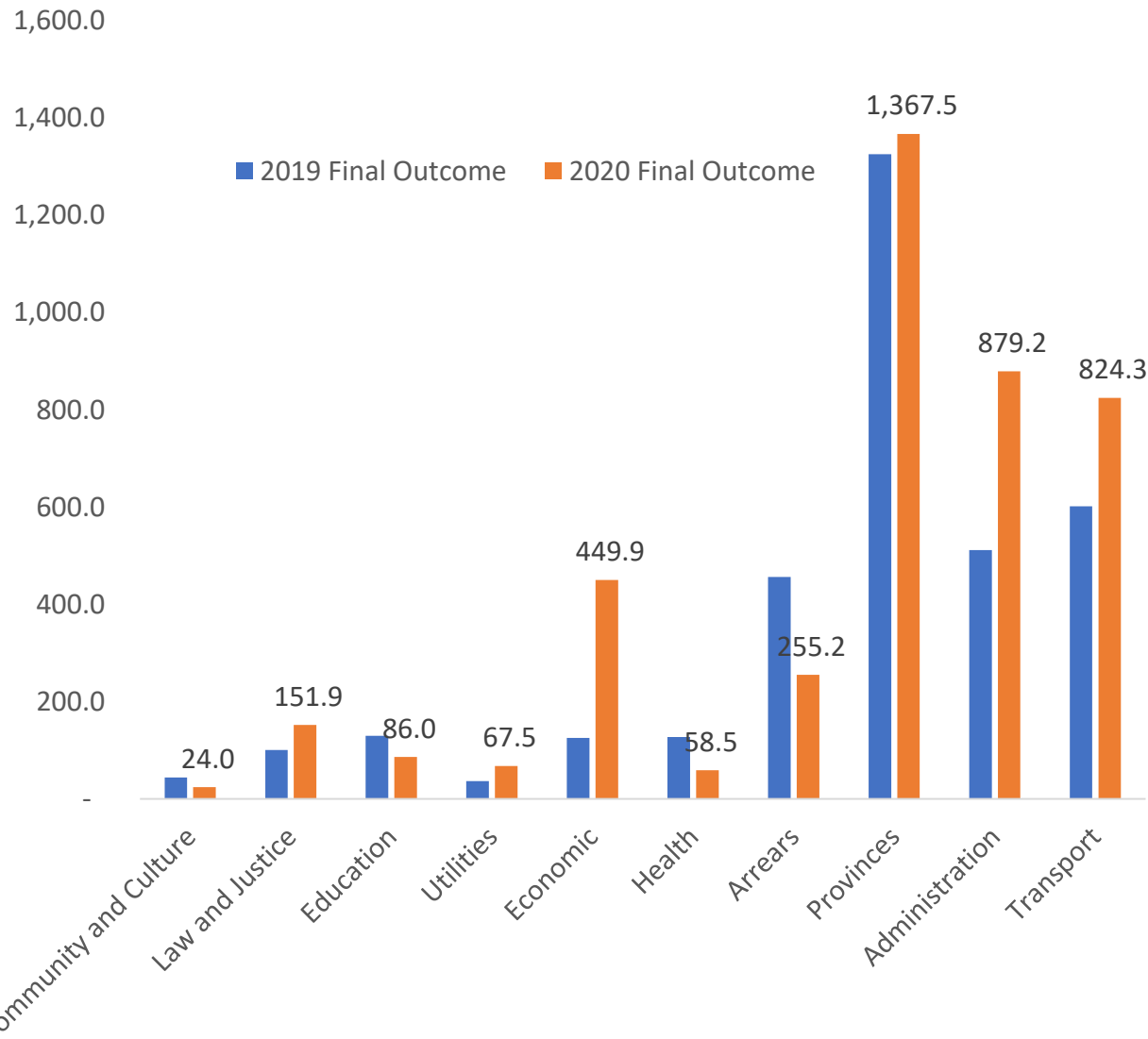
Kina million

2020 Final Outcome



Final Outcome = K19.3 billion

GoPNG SECTOR EXPENDITURE 2019 VS 2020 OUTCOME

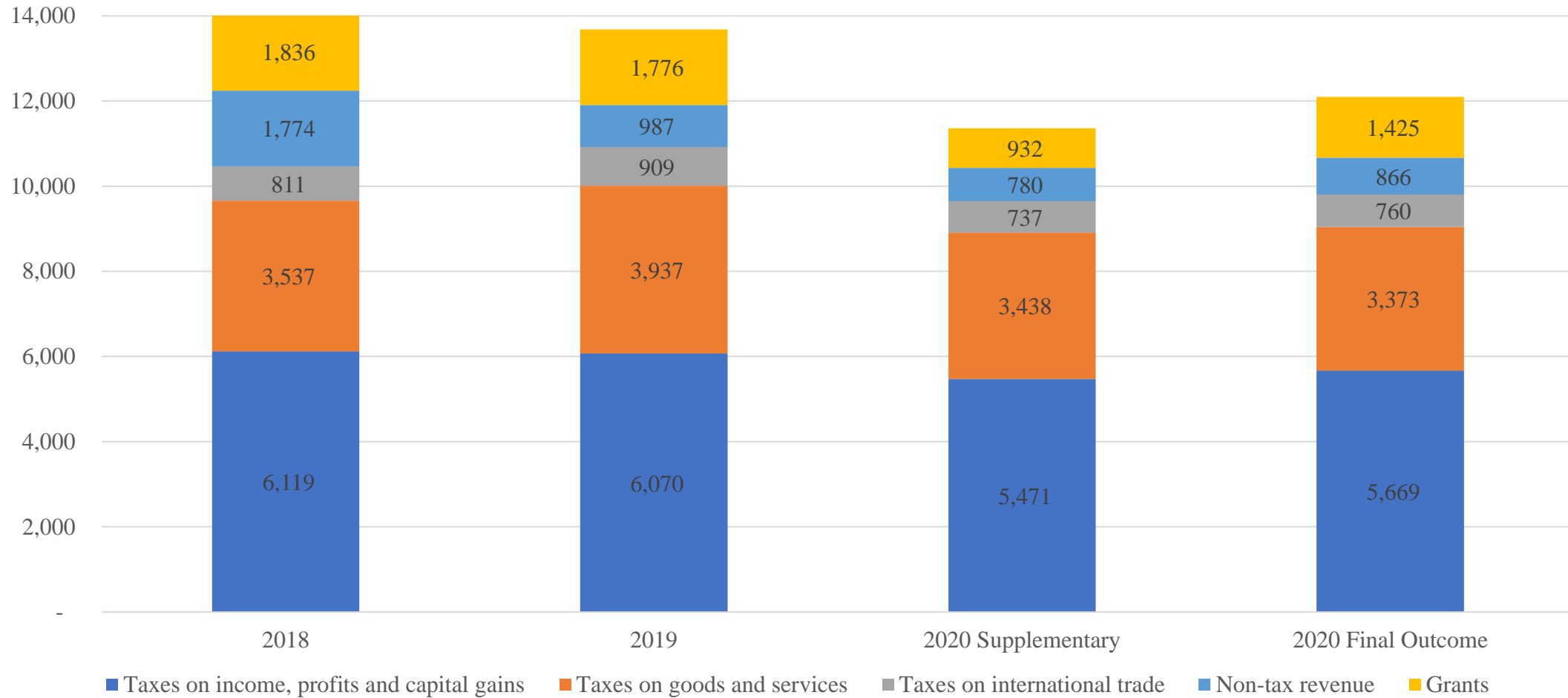


❖ K4.2 billion in arrears request received; 13.4% (K570.4m) assessed; 8.7% (K369.7m) endorsed for payments; 6% (K255.2m) paid in arrears

❖ K600 million in COVID-19 stimulus funding; 84% (K505.1m) funding expended; 15.3% (K92.2m) of discretionary based stimulus spending unused

❖ K249.7 million in general trust account balance and 93.5 million in COVID-19 trust account balance left at the end of 2020

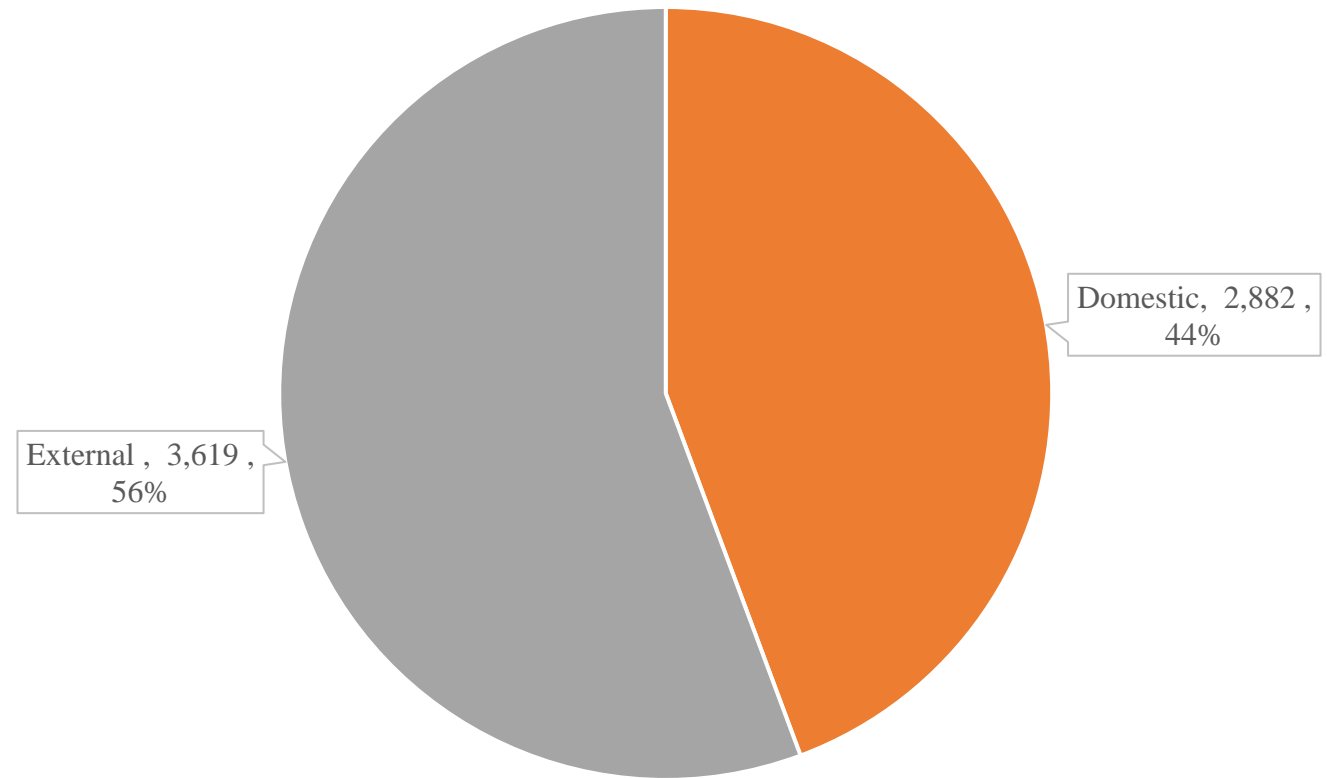
GOVERNMENT REVENUE IN 2021



FINANCING AND INTEREST RATES

2020	2020 Supplementary Estimated	2020 Final Outcome	Difference	Indicative interest rate
Treasury Bills	10,519.4	11,901.8	1,382.40	7.20%
Treasury Bonds	9,662.0	9,232.8	-429.20	8-11%
Domestic Loans	1,075.1	1,080.9	5.80	
Sovereign Bond	1,700.7	1,700.7	-	>10%
External Concessional	9,669.2	9,831.6	162.40	<5%
External Commercial	1,088.2	1,094.1	5.90	
External Extraordinary	6,136.9	5,326.8	-810.10	<2%
TOTAL ESTIMATED DEBT STOCK	39,851.5	40,168.7	317.20	
DEBT TO GDP RATIO	48.8%	49.2%	0.4%	

2021 Borrowing Profile



Total deficit requiring financing = K7.3 billion

End of presentation – Thank you

Abhimanyu Dadu

Public Finance Economist

(Consultant)

abhimanyudadu@gmail.com