# Resetting expectations? PwC's 2020 Budget Insights

### At a glance:











2.0%

Economic growth 5.0% in 2019 •

40.3% Debt-to-GDP 38.5% in 2019 A

15.3% Revenue to GDP 15.4% in 2019 A 5.7% Inflation 4.4% in 2019 • 5.0% Net borrowing as a percentage of **GDP** 4.1% in 2019 •

## **Key takeaways**



Introduction of a new Small to Medium Introduction of a ...
Enterprise taxation regime



Reducing the thin capitalisation debt to equity ratio for resources companies to 2:1



Exploring partnership with the IMF for long term support



Tariff adjustments to impact cost of goods



Strong consideration of further revenue measures from the banking and telecommunications sectors

#### What do these mean for PNG?



Still not returning to surplus in forecast period (2019 to 2024)



Broadening the tax base



Increased compliance activity from the IRC



Targeted improvement in the management of governement expenditure

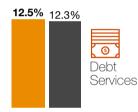


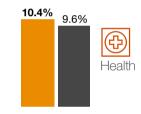
Continuation of targeting financing costs through the restructure of debt stocks

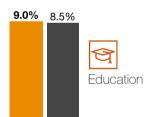
## How will the Budget be spent?

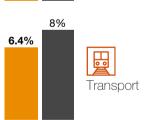
















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