

Resetting expectations? PwC's 2020 Budget Insights

At a glance:



2.0%

Economic growth
5.0% in 2019 ▼



40.3%

Debt-to-GDP
ratio
38.5% in 2019 ▲



15.3%

Revenue to GDP
15.4% in 2019 ▲



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
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 government expenditure



Continuation of targeting financing costs
through the restructure of debt stocks

How will the Budget be spent?

2020

2019

12.5% **12.3%**



Debt
Services

10.4% **9.6%**



Health

9.0% **8.5%**



Education

9.7% **8%**



Law and
Justice

6.4% **8%**



Transport



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