

Finding a path to growth

PwC's 2021 Budget Insights

At a glance:

 **↑ 3.5%**

Economic growth
-3.0% in 2020

 **↑ 4.8%**

Inflation
4.0% in 2020

 **↑ 51.5%**

Debt-to-GDP ratio
48.8% in 2020

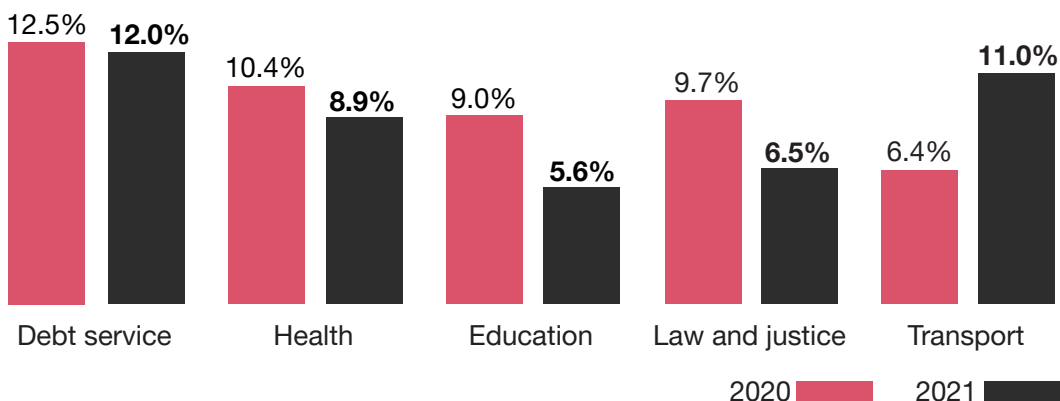
 **↓ 7.3%**

Net borrowing as a
percentage of GDP
8.1% in 2020






 **↑ 11.2%**

Tax revenue to GDP
10.7% in 2020




How will the Budget be spent?



Key takeaways

-  Forecasts a quick economic recovery
-  Anticipated focus on the growth of the non-resources sector
-  Improved financing costs on cheaper debt
-  No major revenue or expenditure policy shifts
-  Potential policy consultation in 2021 on banking and telecommunications levies

What do these mean for PNG?

-  Some priority areas are less well funded for 2021 as a proportion of overall budget
-  Deficits will persist through the medium term, although reducing rapidly
-  Increased reliance on international concessional funding

www.pwc.com/pg



© 2020 PricewaterhouseCoopers. All rights reserved. PwC refers to the Papua New Guinea member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.