

Lighten the burden - aspirational or achievable

PwC's 2022 Budget insights

At a glance...



5.4%

Economic growth
3.5% in 2021



5%

Inflation
4.8% in 2021



51.9%

Debt to GDP ratio
51.5% in 2021



20.9%

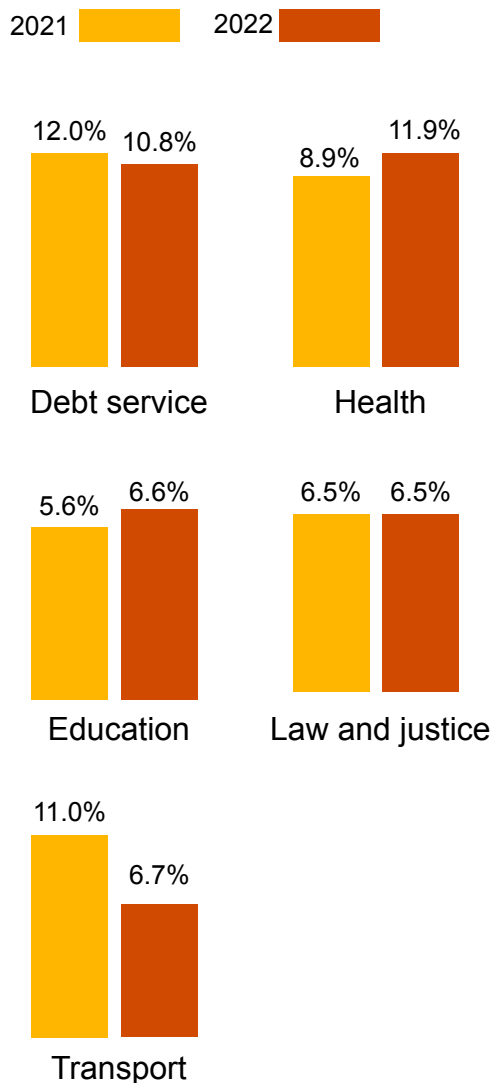
Debt service as a percentage of Opex
20.4% in 2021



12.3%

Tax revenue to GDP
11.2% in 2021

How will the budget be spent?



Key takeaways



Relies on optimistic growth and revenue assumptions



Described as budget repair, although deficit budget



Continued reduction in financing costs through cheaper debt



Bank and telecom levies are largest new tax item



Debt to GDP ratio remains over 50% until 2026

What do these mean for PNG?



Likely a higher chance of downside risk rather than upside risk.



Growth is planned to come principally from non-resource sector, but limited new initiatives to stimulate growth



A continued focus on Connect PNG, education and health funding. These are good drivers, but execution is key



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