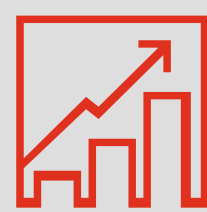


Staying the course?

PwC's 2023 Budget Insights

At a glance...



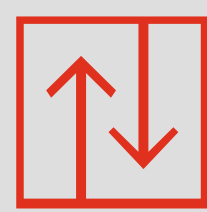
^ 4.0%

Economic growth
3.5% in 2021



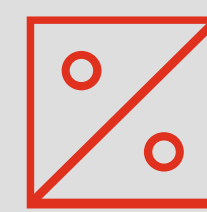
^ 13.2%

Tax revenue to
GDP 11.2% in
2021



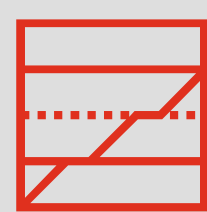
^ 20.5%

Debt service as a
Percentage of Opex
20.4% in 2021



^ 52.3%

Debt to GDP ratio
51.5% in 2021



^ 5.7%

Inflation 4.8% in 2021

Compared to 2022, how will the budget be spent?

^ 0.3%

More in debt service

▼ 1.2%

Less in health

▼ 0.1%

less in law and order

^ 2.9%

more in transport

^ 3.2%

more in education



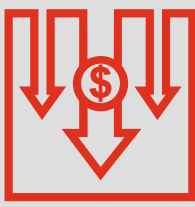
Staying the course?

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What were the key takeaways?



Relies on optimistic growth and non tax revenue assumptions



Continued reduction in average interest costs through cheaper debt



Described as budget repair, although a deficit budget



Banks will pay higher taxes



Debt to GDP ratio remains over 50% until 2026



What does this mean for PNG?



A number of significant downside risks remain, particularly from the global economy.



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



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



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