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**TABLE 1: GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT CURRENT AND CONSTANT PRICES (Kina Million)**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	Actual	Prelim.	Prelim.	Est.	Proj	Proj	Proj	Proj	Proj	Proj
Agriculture, Forestry and Fishing										
nominal	4428.0	4819.4	4550.8	5683.2	5819.5	6110.7	6503.6	6922.8	7389.7	7923.7
deflator	158.8	164.6	148.6	182.5	181.7	184.1	189.1	193.5	198.9	205.0
real	2788.8	2927.2	3062.1	3114.6	3203.4	3318.8	3438.8	3577.6	3714.8	3865.2
rate of real growth	-4.1	5.0	4.6	1.7	2.9	3.6	3.6	4.0	3.8	4.0
Oil and Gas Extraction										
nominal	897.5	853.0	738.4	1728.0	2350.9	2228.7	1794.2	1935.9	2155.6	1955.9
deflator	329.2	317.8	300.5	619.4	741.2	726.3	670.4	430.3	330.2	309.3
real	272.6	268.4	245.7	279.0	317.2	306.9	267.6	449.9	652.9	632.3
rate of real growth	-36.1	-1.5	-8.5	13.6	13.7	-3.2	-12.8	68.1	45.1	-3.2
Mining and Quarrying										
nominal	1252.1	1398.8	1652.7	1903.9	2610.9	2563.4	2240.3	2245.4	2354.2	2465.6
deflator	186.9	199.6	227.7	257.1	369.8	325.9	273.5	238.2	213.6	205.4
real	669.9	700.7	725.9	740.7	704.2	786.5	819.2	942.5	1102.0	1200.3
rate of real growth	-3.5	4.6	3.6	2.0	-4.9	11.7	4.2	15.0	16.9	8.9
Manufacturing										
nominal	729.3	820.8	848.3	942.5	999.5	1065.5	1135.9	1216.7	1315.9	1423.2
deflator	130.2	139.8	141.3	142.7	144.1	148.5	152.9	157.5	162.2	167.1
real	560.0	587.1	600.4	660.4	693.5	717.7	742.9	772.6	811.2	851.8
rate of real growth	-5.8	4.8	2.3	10.0	5.0	3.5	3.5	4.0	5.0	5.0
Electricity, gas and water										
nominal	193.8	228.7	263.7	284.4	301.7	320.1	342.8	370.8	401.0	433.7
deflator	181.6	189.0	209.0	219.4	226.0	232.8	239.7	246.9	254.3	262.0
real	106.7	121.0	126.2	129.6	133.5	137.5	143.0	150.2	157.7	165.5
rate of real growth	-0.4	13.4	4.3	2.7	3.0	3.0	4.0	5.0	5.0	5.0
Construction										
nominal	995.7	1128.9	1177.0	1245.8	1411.5	1599.3	1762.5	1906.2	2061.5	2229.6
deflator	123.7	133.0	134.4	135.8	139.8	144.0	148.3	152.8	157.4	162.1
real	805.0	848.7	875.7	917.7	1009.5	1110.5	1188.2	1247.6	1310.0	1375.5
rate of real growth	34.0	5.4	3.2	4.8	10.0	10.0	7.0	5.0	5.0	5.0
Wholesale and retail trade										
nominal	745.5	849.9	890.5	944.6	1011.7	1083.7	1160.9	1243.6	1332.1	1427.0
deflator	141.9	157.6	160.0	163.2	166.5	171.5	176.7	182.0	187.4	193.0
real	525.5	539.4	556.4	578.7	607.6	631.9	657.2	683.5	710.8	739.2
rate of real growth	22.7	2.6	3.2	4.0	5.0	4.0	4.0	4.0	4.0	4.0
Transport, storage and communication										
nominal	268.0	293.9	304.7	317.0	326.2	349.4	374.3	404.8	437.8	473.4
deflator	130.4	140.1	141.5	142.9	140.1	144.3	148.6	153.1	157.7	162.4
real	205.5	209.8	215.3	221.8	232.8	242.2	251.8	264.4	277.7	291.5
rate of real growth	-2.0	2.1	2.6	3.0	5.0	4.0	4.0	5.0	5.0	5.0
Finance, real estate and business services										
nominal	407.0	422.9	415.2	449.0	490.3	525.2	562.6	602.6	645.5	691.5
deflator	125.5	135.0	137.3	141.4	145.6	150.0	154.5	159.1	163.9	168.8
real	324.2	313.3	302.5	317.6	336.7	350.1	364.2	378.7	393.9	409.6
rate of real growth	-5.5	-3.4	-3.4	5.0	6.0	4.0	4.0	4.0	4.0	4.0
Community, social and personal services										
nominal	1351.8	1403.1	1395.0	1427.2	1514.0	1575.2	1638.8	1705.0	1773.9	1845.6
deflator	115.2	123.9	126.2	126.9	132.0	134.7	137.4	140.1	142.9	145.8
real	1173.7	1132.9	1105.5	1124.3	1146.8	1169.7	1193.1	1217.0	1241.3	1266.1
rate of real growth	2.9	-3.5	-2.4	1.7	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL GDP*										
nominal	11655.5	12567.3	12652.1	15339.2	17269.2	17885.5	18015.5	19090.5	20442.9	21466.9
rate of nominal growth	11.3	7.8	0.7	21.2	12.6	3.6	0.7	6.0	7.1	5.0
deflator	150.8	159.2	156.0	183.0	198.8	197.0	191.7	190.2	190.3	192.0
real	7728.5	7895.7	8110.5	8380.4	8686.8	9081.2	9395.7	10037.5	10742.7	11182.5
rate of real growth	-0.2	2.2	2.7	3.3	3.7	4.5	3.5	6.8	7.0	4.1
Total non-mining GDP										
nominal	9505.9	10315.5	10261.0	11707.3	12307.4	13093.4	13981.0	14909.2	15933.1	17045.3
rate of nominal growth	17.7	8.5	-0.5	14.1	5.1	6.4	6.8	6.6	6.9	7.0
deflator	140.1	148.9	143.7	159.1	160.6	163.9	168.3	172.5	177.3	182.3
real	6786.0	6926.6	7138.9	7360.7	7665.4	7987.8	8308.9	8645.1	8987.9	9349.9
rate of real growth	2.5	2.1	3.1	3.1	4.1	4.2	4.0	4.0	4.0	4.0

\*Sum of industries less imputed bank service charge, plus import duties, less subsidies.

Source: Actual data for 2002 and preliminary data for 2003 &amp; 2004: National Statistical Office. Estimates and projections: Dept. of Treasury

**TABLE 2: CONTRIBUTIONS TO GROWTH IN REAL GROSS DOMESTIC PRODUCT**  
(Percentage points)

	2002 Actual	2003 Prelim.	2004 Prelim.	2005 Est	2006 Proj	2007 Proj	2008 Proj	2009 Proj	2010 Proj	2011 Proj
Agriculture, Forestry and Fishing	-1.6	1.8	1.7	0.6	1.1	1.3	1.3	1.5	1.4	1.4
Oil and Gas Extraction	-2.0	-0.1	-0.3	0.4	0.5	-0.1	-0.4	1.9	2.0	-0.2
Mining and Quarrying	-0.3	0.4	0.3	0.2	-0.4	0.9	0.4	1.3	1.6	0.9
Manufacturing	-0.4	0.4	0.2	0.7	0.4	0.3	0.3	0.3	0.4	0.4
Electricity, gas and water	0.0	0.2	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Construction	2.6	0.6	0.3	0.5	1.1	1.2	0.9	0.6	0.6	0.6
Wholesale and retail trade	1.3	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Transport, storage and communication	-0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Finance, real estate and business services	-0.2	-0.1	-0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1
Community, social and personal services	0.4	-0.5	-0.3	0.2	0.3	0.3	0.3	0.3	0.2	0.2
<b>TOTAL GDP</b>	<b>-0.2</b>	<b>2.2</b>	<b>2.7</b>	<b>3.3</b>	<b>3.7</b>	<b>4.5</b>	<b>3.5</b>	<b>6.8</b>	<b>7.0</b>	<b>4.1</b>
Total Non-mining GDP	2.5	2.1	3.1	3.1	4.1	4.2	4.0	4.0	4.0	4.0

\*Sum of industries less imputed bank service charge, plus import duties, less subsidies.

**Source:** Actual data for 2002 and preliminary data for 2003 & 2004: National Statistical Office. Estimates and projections: Dept. of Treasury

**TABLE 3: PRICES OF MAIN EXPORT COMMODITIES**  
(Kina per tonne fob, unless otherwise specified)

	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Proj	2007 Proj	2008 Proj	2009 Proj	2010 Proj	2011 Proj
<b>AGRICULTURE</b>										
Copra	677	776	889	776	720	705	663	633	615	603
Cocoa	6484	6388	5259	4495	4431	4482	4538	4566	4566	4566
Coffee	4384	4337	4514	6533	6288	5831	5556	5281	4951	4951
Palm Oil	1204	1289	1295	1146	1173	1155	1155	1161	1164	1170
Rubber	2316	2996	3575	3750	5407	5033	4769	4504	4239	3974
Tea	3481	2962	2819	2905	3033	2688	2649	2636	2623	2610
Copra Oil	1181	1413	1794	1722	1597	1565	1471	1405	1364	1338
Logs (K/m <sup>3</sup> )	199	183	175	178	198	195	204	208	212	217
<b>MINERALS</b>										
Gold (US\$/oz)	311	363	409	445	600	600	550	500	450	450
Copper (US\$/lb)	0.71	0.81	1.30	1.67	2.99	2.49	1.81	1.45	1.27	1.09
Oil (Kutubu Crude: US\$/barrel)	24.0	27.4	42.1	53.4	65.0	65.0	60.0	60.0	60.0	60.0

**Source:** Actuals from BPNG. Projections from IMF and Dept. of Treasury.

**TABLE 4: VOLUME OF MAIN EXPORT COMMODITIES**  
('000 tonnes, unless otherwise specified)

	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Proj	2007 Proj	2008 Proj	2009 Proj	2010 Proj	2011 Proj
<b>AGRICULTURE</b>										
Copra	15.8	8.4	19.2	22.3	23.0	23.7	24.4	25.1	25.9	26.6
Cocoa	34.9	40.3	41.5	44.2	44.3	44.1	45.0	45.0	45.5	46.4
Coffee	63.1	68.8	63.0	72.1	66.3	70.3	69.6	73.3	72.0	72.7
Palm Oil	323.9	326.9	339.0	345.8	381.1	417.1	435.4	463.8	482.4	506.5
Rubber	3.8	4.2	3.8	4.8	4.9	5.1	5.2	5.4	5.6	5.8
Tea	5.2	6.6	8.1	6.9	5.7	6.6	6.7	6.8	7.0	7.1
Copra Oil	28.2	47.7	45.1	54.4	49.6	50.1	50.1	50.2	50.3	50.3
Logs	1834.0	2016.0	2012.1	2270.0	2497.0	2809.1	2668.7	2535.2	2408.5	2288.0
<b>MINERAL</b>										
Gold (tonnes)	59.1	68.4	67.3	70.5	63.4	75.0	79.7	97.0	97.3	102.9
Copper	170.1	230.6	173.9	226.1	196.7	192.7	191.1	190.3	190.3	190.3
Oil (million barrels)	15.4	15.0	12.6	13.3	15.1	14.6	12.8	10.9	9.2	7.8

**Source:** Actuals from BPNG. Projections from Dept. of Treasury.

**TABLE 5: VALUE OF MAIN EXPORT COMMODITIES**  
(Kina Million)

	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Proj	2007 Proj	2008 Proj	2009 Proj	2010 Proj	2011 Proj
<b>AGRICULTURE, FORESTRY, FISHERIES</b>										
Copra	10.7	6.5	17.2	17.3	16.5	16.7	16.2	15.9	15.9	16.0
Copra Oil	33.3	67.4	81.0	93.7	79.2	78.4	73.8	70.5	68.6	67.3
Cocoa	226.3	257.7	218.0	198.7	196.2	197.5	204.1	205.4	207.5	211.8
Coffee	276.6	298.5	283.8	471.0	417.1	410.0	386.7	387.2	356.5	360.0
Palm Oil	389.9	421.3	438.7	391.4	446.9	481.7	502.8	538.5	561.4	592.5
Rubber	8.8	12.3	13.8	18.0	26.7	25.6	25.0	24.3	23.6	23.0
Tea	18.1	19.3	22.9	20.2	17.4	17.6	17.7	18.0	18.3	18.5
Other Agriculture (a)	121.2	307.8	409.8	242.8	301.6	322.6	341.3	365.8	387.0	413.5
Forest Products	414.1	416.0	459.5	476.3	580.6	645.6	655.2	635.4	615.9	596.8
Marine Products	94.1	125.3	58.2	69.4	74.1	79.0	85.5	92.4	100.0	108.1
<b>Total Agricultural, Forestry, Fishing Exports</b>	<b>1593.1</b>	<b>1932.1</b>	<b>2002.9</b>	<b>1998.8</b>	<b>2156.2</b>	<b>2274.7</b>	<b>2308.3</b>	<b>2353.5</b>	<b>2354.7</b>	<b>2407.6</b>
<b>MINERAL</b>										
Gold	2294.8	2811.2	2779.5	2834.1	3488.0	4044.9	3939.2	4358.1	3935.1	4161.3
Copper	1018.7	1415.0	1544.2	2497.7	3955.8	3164.2	2281.9	1818.0	1590.7	1363.5
Silver	29.3	31.9	31.6	37.0	39.2	48.2	48.2	48.2	48.2	48.2
Refined Petroleum Products			202.8	496.8	675.9	662.2	623.5	636.0	648.7	661.7
Other	29.3	31.9	31.6	37.0	39.2	48.2	48.2	497.8	1762.7	1991.3
<b>Total Mineral Exports</b>	<b>4774.0</b>	<b>5890.0</b>	<b>6210.3</b>	<b>8148.7</b>	<b>11409.2</b>	<b>11001.0</b>	<b>9373.6</b>	<b>9422.4</b>	<b>9731.4</b>	<b>9695.7</b>
<b>TOTAL EXPORT VALUE</b>	<b>6367.1</b>	<b>7822.1</b>	<b>8213.2</b>	<b>10147.5</b>	<b>13565.5</b>	<b>13275.7</b>	<b>11681.9</b>	<b>11775.9</b>	<b>12086.1</b>	<b>12103.4</b>

Source: Actuals from BPNG. Projections from Dept. of Treasury.

(a) Includes Oil Palm by-products, canned tuna and vanilla.

**TABLE 6: SUMMARY OF THE BALANCE OF PAYMENTS**  
(Kina Million)

	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Proj	2007 Proj	2008 Proj	2009 Proj	2010 Proj	2011 Proj
<b>CURRENT ACCOUNT BALANCE</b>	<b>-502</b>	<b>496</b>	<b>393</b>	<b>1986</b>	<b>2456</b>	<b>1415</b>	<b>419</b>	<b>1921</b>	<b>1913</b>	<b>1540</b>
<b>Balance of Trade in Goods and Services</b>	<b>180</b>	<b>1348</b>	<b>969</b>	<b>2753</b>	<b>4099</b>	<b>2992</b>	<b>1699</b>	<b>3158</b>	<b>3176</b>	<b>2784</b>
<i>Goods Balance</i>	2190	3611	3530	5436	7504	6446	4974	6108	6109	5786
Credit (Exports)	6387	7842	8233	10168	13565	13276	11682	11776	12086	12103
Debit (Imports)	-4197	-4231	-4703	-4732	-6061	-6830	-6708	-5668	-5977	-6317
<i>Services Balance</i>	-2010	-2263	-2561	-2683	-3405	-3453	-3275	-2951	-2933	-3002
Services Credit	630	829	656	938	1055	1098	1116	1174	1250	1331
Services Debit	-2640	-3092	-3217	-3621	-4461	-4552	-4391	-4125	-4183	-4333
<b>Income Balance</b>	<b>-787</b>	<b>-1699</b>	<b>-1406</b>	<b>-1670</b>	<b>-2552</b>	<b>-2507</b>	<b>-2220</b>	<b>-2243</b>	<b>-2342</b>	<b>-2346</b>
Income Credit	106	58	64	81	83	89	92	110	132	141
Income Debit	-894	-1757	-1470	-1751	-2635	-2596	-2312	-2353	-2473	-2487
<b>Transfers Balance</b>	<b>106</b>	<b>847</b>	<b>830</b>	<b>903</b>	<b>909</b>	<b>930</b>	<b>940</b>	<b>1007</b>	<b>1079</b>	<b>1102</b>
Transfers Credit	334	1137	1080	1193	1198	1241	1258	1423	1617	1678
Transfers Debit	229	-290	-250	-290	-289	-311	-317	-417	-538	-576
<b>CAPITAL AND FINANCIAL ACCOUNT<sup>(a)</sup></b>	<b>615</b>	<b>-549</b>	<b>-410</b>	<b>-1986</b>	<b>-2456</b>	<b>-1415</b>	<b>-419</b>	<b>-1921</b>	<b>-1913</b>	<b>-1540</b>
<b>NET ERRORS AND OMISSIONS</b>	<b>-57</b>	<b>53</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Current account balance as percentage of Gross Domestic Product (GDP)	-4.3	3.9	3.1	12.9	14.2	7.9	2.3	10.1	9.4	7.2

**Source:** Actuals from BPNG. Projections from Dept. of Treasury.

(a) Capital and Financial Account includes changes in reserves.

**TABLE 7: EMPLOYMENT CLASSIFIED BY INDUSTRY**  
**(March 2002 = 100)**

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
	<b>Annual</b>	<b>Annual</b>	<b>Annual</b>	<b>Annual</b>	<b>Annual</b>	<b>June Qtr</b>
Retail	100.6	97.9	96.9	93.1	93.7	96.1
Wholesale	102.7	103.3	113.3	123.8	130.7	145.7
Manufacturing	99.5	104.1	110.9	117.7	127.5	134.0
Building and Construction	92.9	99.0	124.1	107.9	98.4	124.6
Transportation	99.4	106.3	106.1	106.8	106.1	105.9
Agriculture, Forestry, Fisheries	102.2	103.9	114.1	112.9	112.9	127.0
Financial and Business	100.5	99.1	100.8	104.7	105.7	112.7
<b>TOTAL NON-MINERAL</b>	<b>100.6</b>	<b>102.2</b>	<b>108.5</b>	<b>109.2</b>	<b>111.0</b>	<b>120.4</b>
Mineral	96.9	98.8	97.6	95.6	101.5	109.4

**Source:** BPNG.



**TABLE 8: CENTRAL GOVERNMENT REVENUE AND GRANTS**  
(Kina Million)

	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Proj	2007 Proj	2008 Proj	2009 Proj	2010 Proj	2011 Proj
<b>TAX REVENUE</b>	<b>2369.9</b>	<b>2677.9</b>	<b>3220.1</b>	<b>3744.0</b>	<b>4725.0</b>	<b>4129.9</b>	<b>3918.9</b>	<b>3932.9</b>	<b>3985.9</b>	<b>4113.3</b>
TAX ON INCOME AND PROFITS	1491.1	1786.6	2223.4	2770.8	3644.1	3071.6	2820.5	2761.6	2732.1	2771.7
Personal Income Tax	694.3	758.4	826.5	841.0	878.6	890.3	944.8	1007.0	1072.4	1141.0
Company tax	310.9	334.5	436.7	516.5	477.7	511.7	547.6	585.8	626.8	672.1
DWT	62.1	117.2	123.2	154.7	176.3	168.1	160.3	162.7	167.3	171.7
Mining and Petroleum Taxes	258.9	396.5	634.3	1076.8	1900.6	1292.8	948.1	774.7	622.0	530.2
Interest withholding tax	21.9	41.4	33.3	17.9	18.2	21.9	21.9	21.9	21.9	21.9
Other Direct	69.0	55.3	78.6	72.1	91.8	80.8	86.5	92.5	99.0	106.0
Gaming Tax	73.9	83.3	90.7	91.9	101.0	106.0	111.3	116.9	122.7	128.9
DOM. TAXES ON GOODS AND SERVICES	575.7	596.0	620.8	657.3	760.1	758.0	800.2	864.2	935.8	1010.4
Excise	178.8	174.7	203.1	255.9	304.2	309.8	342.1	366.0	391.6	419.3
GST	289.6	311.8	315.7	326.2	390.2	420.0	455.2	495.2	541.0	587.7
Mining Levy	105.9	101.8	101.3	73.1	62.8	25.6	0.0	0.0	0.0	0.0
Other Indirect	1.4	7.8	0.7	2.1	2.9	2.6	2.8	3.0	3.2	3.4
TAXES ON INTERNATIONAL TRADE	303.2	295.3	375.9	315.9	320.7	300.3	298.2	307.1	318.0	331.2
Import Duty	79.5	73.7	151.1	101.1	89.5	96.9	101.0	108.0	115.6	123.7
Export Duty	106.7	111.8	101.5	136.3	150.0	118.0	105.9	101.3	97.8	95.4
Excise Duty on Imports	117.0	109.8	123.3	78.5	81.2	85.4	91.4	97.8	104.6	112.0
<b>NON TAX REVENUE</b>	<b>169.9</b>	<b>239.2</b>	<b>245.1</b>	<b>279.3</b>	<b>371.7</b>	<b>327.2</b>	<b>293.5</b>	<b>281.2</b>	<b>266.6</b>	<b>245.8</b>
PROPERTY INCOME	74.4	159.7	164.7	188.2	290.1	242.8	203.9	188.7	171.0	147.1
Dividends	64.0	85.7	105.0	50.0	81.0	73.5	73.5	73.5	73.5	73.5
Mining and Petroleum Dividends	10.4	74.0	59.7	138.2	209.1	169.3	130.4	115.2	97.5	73.6
Other*										
INTEREST AND FEES FROM LENDING	1.3	4.3	2.8	0.5	3.8	2.6	5.0	5.0	5.0	5.0
OTHER NON TAX REVENUE	72.2	75.2	77.6	90.7	77.8	81.8	84.6	87.5	90.5	93.7
ASSET SALES	22.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL REVENUE</b>	<b>2539.8</b>	<b>2917.13</b>	<b>3465.2</b>	<b>4023.4</b>	<b>5096.6</b>	<b>4457.1</b>	<b>4212.5</b>	<b>4214.1</b>	<b>4252.5</b>	<b>4359.1</b>
% of GDP	21.8%	23.2%	27.4%	26.2%	29.5%	24.9%	23.4%	22.1%	20.8%	20.3%
<b>INFRASTRUCTURE TAX CREDITS</b>	<b>55.2</b>	<b>40.0</b>	<b>34.7</b>	<b>20.3</b>	<b>71.1</b>	<b>85.4</b>	<b>73.7</b>	<b>68.3</b>	<b>57.0</b>	<b>53.4</b>
<b>GRANTS</b>	<b>691.4</b>	<b>693.0</b>	<b>849.7</b>	<b>1283.1</b>	<b>994.0</b>	<b>879.1</b>	<b>905.9</b>	<b>941.4</b>	<b>952.9</b>	<b>963.1</b>
Budgetary Support	20.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Support Grants	670.5	693.0	849.7	1283.1	994.0	879.1	905.9	941.4	952.9	963.1
<b>TOTAL REVENUE AND GRANTS</b>	<b>3286.4</b>	<b>3650.1</b>	<b>4349.6</b>	<b>5326.8</b>	<b>6161.8</b>	<b>5421.6</b>	<b>5192.1</b>	<b>5223.8</b>	<b>5262.4</b>	<b>5375.6</b>
% of GDP	28.2%	29.0%	34.4%	34.7%	35.7%	30.3%	28.8%	27.4%	25.7%	25.0%
<b>PRINCIPAL RECEIPTS FROM LENDING</b>	<b>4.8</b>	<b>9.6</b>	<b>10.4</b>	<b>2.7</b>	<b>4.0</b>	<b>6.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>
<b>GROSS BORROWING</b>	<b>1011.4</b>	<b>813.7</b>	<b>1433.7</b>	<b>1602.3</b>	<b>1292.8</b>	<b>2277.7</b>	<b>2239.9</b>	<b>1598.9</b>	<b>1443.6</b>	<b>1394.7</b>
<b>ASSET SALES</b>	<b>201.0</b>	<b>40.0</b>	<b>25.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL RECEIPTS</b>	<b>4503.7</b>	<b>4513.4</b>	<b>5818.7</b>	<b>6931.8</b>	<b>7458.6</b>	<b>7705.3</b>	<b>7436.0</b>	<b>6826.7</b>	<b>6710.0</b>	<b>6774.3</b>
% of GDP	38.6%	35.9%	46.0%	45.2%	43.2%	43.1%	41.3%	35.8%	32.8%	31.6%

Source: Department of Treasury.

**TABLE 9: CENTRAL GOVERNMENT EXPENDITURE**  
(Kina Million)

	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Proj	2007 Proj	2008 Proj	2009 Proj	2010 Proj	2011 Proj
<b>RECURRENT BUDGET</b>										
NATIONAL DEPARTMENTS	1357.1	1192.4	1555.1	2233.1	2428.6	1929.2	1816.2	1896.1	1949.0	2002.7
Personal Emoluments <sup>(a)</sup>	574.3	618.0	682.2	690.5	754.4	816.2	840.7	895.8	922.7	950.4
Goods and Services	782.8	574.4	872.9	1142.6	991.7	1112.9	975.5	1000.3	1026.3	1052.3
General Goods and Services	554.0	489.9	534.9	904.0	823.0	948.4	821.3	845.9	871.3	897.4
Education Subsidies	134.7	29.9	39.5	40.9	43.0	43.0	44.3	45.6	47.0	48.4
Pre-March 2003 Arrears Payments	12.0	20.6	141.8	36.2	5.0	0.0	0.0	0.0	0.0	0.0
Structural Adjustment Payments	68.0	9.7	66.7	104.5	68.7	69.6	58.0	56.8	56.0	54.5
Court Orders	14.1	24.2	90.0	57.0	52.0	52.0	52.0	52.0	52.0	52.0
Gas Project Acquisition				400.0						
Supplementary Budget					682.5					
PROVINCIAL DEPARTMENTS	562.9	563.3	656.0	632.5	715.7	696.6	737.9	775.0	811.2	847.9
Personal Emoluments	467.2	482.9	580.2	543.4	620.9	576.0	593.2	611.0	629.4	648.2
Staffing Grants	156.4	160.7	183.0	162.5	202.4	156.4	161.1	165.9	170.9	176.0
Teachers' Salaries	310.8	322.2	397.2	380.9	418.5	419.6	432.2	445.1	458.5	472.2
Goods and Other Services	45.7	53.4	54.0	54.6	57.9	63.4	67.1	71.0	75.1	79.0
Administration / Block Grants	35.6	34.0	17.5	11.8	11.8	14.2	15.1	15.9	16.8	17.3
Health Function Grant	0.0	0.0	9.1	11.8	12.5	13.4	14.2	15.0	15.9	16.8
Education Subsidies / Function Grant	0.0	11.0	16.9	19.8	21.2	21.6	22.8	24.2	25.6	27.0
Derivation Grants	10.1	8.5	10.5	11.2	12.4	14.2	15.0	15.9	16.8	17.8
Conditional Grants	50.0	26.9	21.8	34.5	37.0	57.2	60.5	64.0	67.7	71.6
Provincial Infr / Transp Maint Grants	22.3	13.9	12.5	12.7	13.0	15.3	16.1	17.1	18.1	19.1
Local & Village Services / Rural LLG	24.5	8.1	3.8	15.4	16.9	32.5	34.4	36.4	38.5	40.7
Town and Urban Services	3.2	4.8	5.6	6.4	7.1	7.2	7.6	8.1	8.5	9.0
Village Court Function Grant						2.2	2.4	2.5	2.6	2.8
Qualification Grant							17.0	29.0	39.0	49.0
AUTONOMOUS BOUGAINVILLE GOVERNMENT	25.0	31.3	35.0	45.3	40.8	50.7	53.7	56.7	60.0	61.6
Police Grant					2.0	2.5	2.6	2.8	3.0	3.0
Recurrent Grant	25.0	26.3	30.0	40.3	38.8	48.0	51.0	53.9	57.1	58.6
Conditional Grant						0.2				
TRANSFERS TO STAT. INS.	164.9	178.4	207.9	206.7	211.2	221.6	226.4	233.2	240.2	247.4
INTEREST PAYMENTS AND FEES	436.4	739.6	377.0	332.8	432.2	475.9	478.8	484.5	486.1	499.3
Domestic	248.0	578.8	239.0	216.1	319.8	358.8	368.8	373.8	379.8	396.8
External	188.4	160.8	138.0	116.7	112.4	117.1	110.0	110.7	106.3	102.5
NET LENDING TO CSAs	-4.8	-9.6	-10.4	-2.7	-4.0	-4.0	-4.0	-4.0	-4.0	-4.0
<b>TOTAL RECURRENT</b>	<b>2541.5</b>	<b>2695.5</b>	<b>2820.4</b>	<b>3447.6</b>	<b>3824.6</b>	<b>3370.0</b>	<b>3309.0</b>	<b>3441.5</b>	<b>3542.4</b>	<b>3654.8</b>
% of GDP	21.8%	21.4%	22.3%	22.5%	22.1%	18.8%	18.4%	18.0%	17.3%	17.0%
<b>DEVELOPMENT BUDGET</b>										
GoPNG FUNDED PROJECTS	524.5	386.0	477.6	588.4	693.2	757.5	753.4	755.8	752.4	757.6
DOMESTIC FUNDS	236.8	207.3	331.6	431.8	459.1	509.1	516.7	524.5	532.4	541.2
INFRASTRUCTURE TAX CREDITS	55.2	40.0	34.7	20.3	71.1	85.4	73.7	68.3	57.0	53.4
CONCESSIONAL LOANS	97.5	82.8	94.6	134.3	163.0	163.0	163.0	163.0	163.0	163.0
COMMERCIAL LOANS	135.0	55.9	16.8	2.0	0.0	0.0	0.0	0.0	0.0	0.0
DONOR FUNDED PROJECTS										
PROJECT GRANTS	670.5	693.0	849.7	1283.1	994.0	879.1	905.9	941.4	952.9	963.1
<b>TOTAL DEVELOPMENT (PIP)</b>	<b>1195.0</b>	<b>1079.0</b>	<b>1327.4</b>	<b>1871.5</b>	<b>1687.2</b>	<b>1636.6</b>	<b>1659.3</b>	<b>1697.2</b>	<b>1705.3</b>	<b>1720.7</b>
% of GDP	10.3%	8.6%	10.5%	12.2%	9.8%	9.2%	9.2%	8.9%	8.3%	8.0%
<b>ADDITIONAL PRIORITY EXPENDITURE</b>					<b>650.0</b>	<b>450.0</b>				
% of GDP					3.8%	2.5%				
<b>REQUIRED ADJUSTMENT MEASURES</b>										
% of GDP										
<b>TOTAL EXPENDITURE AND NET LENDING</b>	<b>3736.5</b>	<b>3774.4</b>	<b>4147.8</b>	<b>5319.1</b>	<b>6161.8</b>	<b>5456.6</b>	<b>4968.4</b>	<b>5138.8</b>	<b>5247.7</b>	<b>5375.6</b>
% of GDP	32.1%	30.0%	32.8%	34.7%	35.7%	30.5%	27.6%	26.9%	25.7%	25.0%
<b>AMORTISATION</b>	<b>764.0</b>	<b>729.4</b>	<b>1613.2</b>	<b>1529.2</b>	<b>1392.8</b>	<b>2242.7</b>	<b>2463.6</b>	<b>1683.9</b>	<b>1458.3</b>	<b>1394.7</b>
Domestic	404.9	283.7	1176.4	1229.8	1006.2	1996.0	2226.9	1414.9	1187.9	1131.9
External	359.1	445.6	436.8	299.4	386.6	246.7	236.7	269.0	270.4	262.8
<b>LOAN REPAYMENTS</b>	<b>4.8</b>	<b>9.6</b>	<b>10.4</b>	<b>2.7</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>	<b>4.0</b>
<b>TOTAL PAYMENTS</b>	<b>4505.3</b>	<b>4513.4</b>	<b>5771.4</b>	<b>6851.0</b>	<b>7558.6</b>	<b>7703.3</b>	<b>7436.0</b>	<b>6826.7</b>	<b>6710.0</b>	<b>6774.3</b>
% of GDP	38.7%	35.9%	45.6%	44.7%	43.8%	43.1%	41.3%	35.8%	32.8%	31.6%

Source: Department of Treasury.

(a) National Departments salary and wages includes provisions for superannuation contributions, retirement payments and future pay rises for both national and provincial government employees, including school teachers.

**TABLE 10: CENTRAL GOVERNMENT FINANCING**  
(Kina Million)

	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Proj	2007 Proj	2008 Proj	2009 Proj	2010 Proj	2011 Proj
TOTAL REVENUE AND GRANTS	3231.2	3650.1	4349.6	5326.8	6161.8	5421.6	5192.1	5223.8	5262.4	5375.6
TOTAL EXPENDITURE AND NET LENDING	3681.3	3774.4	4147.8	5319.1	6161.8	5456.6	4968.4	5138.8	5247.7	5375.6
<b>DEFICIT (-) / SURPLUS (+)</b>	<b>-450.0</b>	<b>-124.3</b>	<b>201.8</b>	<b>7.6</b>	<b>0.0</b>	<b>-35.0</b>	<b>223.7</b>	<b>85.0</b>	<b>14.7</b>	<b>0.0</b>
% of GDP	-3.9%	-1.0%	1.6%	0.0%	0.0%	-0.2%	1.2%	0.4%	0.1%	0.0%
<b>NET EXTERNAL FINANCING</b>	<b>-126.6</b>	<b>-307.0</b>	<b>-325.4</b>	<b>-163.1</b>	<b>-223.6</b>	<b>-83.7</b>	<b>-73.7</b>	<b>-106.0</b>	<b>-107.4</b>	<b>-99.8</b>
CONCESSIONAL FINANCING	-177.9	-136.5	-147.2	-83.5	-139.3	-4.3	-0.2	-31.2	-30.0	-27.4
New Borrowing	97.5	82.8	94.6	134.3	163.0	163.0	163.0	163.0	163.0	163.0
Less Amortisation	-275.4	-219.3	-241.8	-217.8	-302.3	-167.3	-163.2	-194.2	-193.0	-190.4
COMMERCIAL FINANCING	51.3	11.3	-9.9	-18.4	-17.8	-18.2	-18.5	-18.9	-19.3	-19.3
New Borrowing	135.0	55.9	16.8	2.0	0.0	0.0	0.0	0.0	0.0	0.0
Less Amortisation	-83.7	-44.6	-26.7	-20.4	-17.8	-18.2	-18.5	-18.9	-19.3	-19.3
EXTERNAL EXTRAORDINARY FINANCING	0.0	-181.8	-168.3	-61.3	-66.5	-61.2	-55.0	-55.9	-58.1	-53.1
New Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less Amortisation	0.0	-181.8	-168.3	-61.3	-66.5	-61.2	-55.0	-55.9	-58.1	-53.1
<b>NET DOMESTIC FINANCING</b>	<b>576.6</b>	<b>431.3</b>	<b>123.5</b>	<b>236.2</b>	<b>123.6</b>	<b>118.7</b>	<b>-150.0</b>	<b>21.0</b>	<b>92.7</b>	<b>99.8</b>
DOMESTIC MARKET BORROWING	300.7	361.5	154.1	268.6	123.6	118.7	-150.0	21.0	92.7	99.8
New Borrowing	705.5	645.2	1377.9	1498.4	1129.8	2114.7	2076.9	1435.9	1280.6	1231.7
Less Amortisation	-404.8	-283.7	-1223.8	-1229.8	-1006.2	-1996.0	-2226.9	-1414.9	-1187.9	-1131.9
MRSF NET DRAWDOWN										
TEMPORARY ADVANCE	74.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
End period balance	74.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
less: Beginning period balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ASSET SALES FINANCING	201.0	40.0	25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OTHER DOMESTIC FINANCING		29.8	-55.6	-32.4	0.0	0.0	0.0	0.0	0.0	0.0
Change in check float		44.0	87.8	-102.8	0.0	0.0	0.0	0.0	0.0	0.0
End period stock		165.0	252.8	150.0	150.0	150.0	150.0	150.0	150.0	150.0
less: Beginning period stock		-121.0	-165.0	-252.8	-150.0	-150.0	-150.0	-150.0	-150.0	-150.0
POSF financing (a)		0.0	-63.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BPNG financing		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing Discrepancy		-14.2	-80.4	70.4	0.0	0.0	0.0	0.0	0.0	0.0
<b>NET FINANCING</b>	<b>450.0</b>	<b>124.3</b>	<b>-201.9</b>	<b>73.1</b>	<b>-100.0</b>	<b>35.0</b>	<b>-223.7</b>	<b>-85.0</b>	<b>-14.7</b>	<b>0.0</b>
<i>MEMO:</i>										
FINANCING REQUIREMENT	576.6	431.3	123.6	155.5	223.6	118.7	-150.0	21.0	92.7	99.8
% of GDP	5.2	3.5	1.0	1.0	1.3	0.7	-0.8	0.1	0.5	0.5
NET DOMESTIC FINANCING BEFORE ASSET SALES	375.6	391.3	98.5	236.2	123.6	118.7	-150.0	21.0	92.7	99.8
GROSS BORROWING	1012.9	813.7	1433.7	1602.3	1292.8	2277.7	2239.9	1598.9	1443.6	1394.7
Domestic	780.4	675.0	1322.3	1466.0	1129.8	2114.7	2076.9	1435.9	1280.6	1231.7
External	232.5	138.7	111.4	136.3	163.0	163.0	163.0	163.0	163.0	163.0
Concessional	97.5	82.8	94.6	134.3	163.0	163.0	163.0	163.0	163.0	163.0
Commercial	135.0	55.9	16.8	2.0	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financing gap										
GROSS AMORTIZATION	763.9	729.4	1660.6	1529.2	1392.8	2242.7	2463.6	1683.9	1458.3	1394.7
Domestic	404.8	283.7	1223.8	1229.8	1006.2	1996.0	2226.9	1414.9	1187.9	1131.9
External	359.1	445.6	436.8	299.4	386.6	246.7	236.7	269.0	270.4	262.8
Concessional	275.4	219.3	241.8	217.8	302.3	167.3	163.2	194.2	193.0	190.4
Commercial	83.7	44.6	26.7	20.4	17.8	18.2	18.5	18.9	19.3	19.3
Extraordinary	0.0	181.8	168.3	61.3	66.5	61.2	55.0	55.9	58.1	53.1

Source: Department of Treasury.

Note: 2005 includes the issuance of K457 million in Inscribed stocks to replace Treasury bills.

(a) In 2004 the Government provided a Bond issue of K63 million to the POSF in consideration of the obligation owed by the Government for accumulated superannuation contribution to the POSF scheme.

**TABLE 11: MONETARY AGGREGATES**  
**(Kina Million, unless otherwise stated)**

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>June</b>
Domestic Credit	1911.4	1792.8	1798.9	2241.1	2723.6
% Change	2.2%	-6.2%	0.3%	24.6%	21.5%
Net Credit to Central Government	1366.0	1253.0	1293.5	1114.1	1302.3
% Change	114.4%	-8.3%	3.2%	-13.9%	16.9%
Credit to Private Sector	1780.2	1707.4	1723.6	2132.8	2623.9
% Change	1.4%	-4.1%	0.9%	23.7%	23.0%
Money Supply	3569.2	3410.5	3914.8	5069.3	5751.1
% Change	7.3%	-4.4%	14.8%	29.5%	13.4%
Money Velocity (M3*) (average)	2.0	2.3	2.2	1.9	1.8

**Source:** BPNG

**TABLE 12: PUBLIC DEBT**  
(Kina Million, unless otherwise stated)

	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Proj	2007 Proj	2008 Proj	2009 Proj	2010 Proj	2011 Proj
Domestic	2,588.3	3,022.9	3,181.2	3,546.8	3,670.4	3,789.1	3,639.1	3,660.1	3,752.8	3,852.6
Treasury Bills***	2,169.1	2,755.3	2,236.2	1,937.5	1,767.5	1,591.8	1,146.4	870.7	666.7	466.5
Inscribed Stock	283.8	174.7	898.0	1,569.9	1,879.2	2,179.2	2,479.2	2,779.2	3,079.2	3,379.2
Other Domestic debt**	135.4	92.9	47.0	39.4	23.7	18.1	13.5	10.2	6.9	6.9
<i>Domestic debt as % GDP</i>	22.2%	24.1%	25.1%	23.1%	21.3%	21.2%	20.2%	19.2%	18.4%	17.9%
External	5,777.0	4,901.1	4,409.5	3,856.0	3,670.6	3,586.9	3,513.2	3,407.2	3,299.8	3,200.0
International Agencies	5,553.4	4,717.4	4,239.5	3,723.0	3,547.1	3,479.5	3,421.4	3,331.8	3,240.9	3,157.8
Commercial Loans	223.6	183.7	170.0	133.0	123.5	107.4	91.8	75.4	58.9	42.2
Other Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<i>External debt as % GDP</i>	49.6%	39.0%	34.9%	25.1%	21.3%	20.1%	19.5%	17.8%	16.1%	14.9%
<b>Total Public Debt Outstanding</b>	<b>8,365.3</b>	<b>7,924.0</b>	<b>7,590.7</b>	<b>7,402.8</b>	<b>7,341.0</b>	<b>7,376.0</b>	<b>7,152.3</b>	<b>7,067.3</b>	<b>7,052.6</b>	<b>7,052.6</b>
<i>As % GDP</i>	71.8%	63.1%	60.0%	48.3%	42.5%	41.2%	39.7%	37.0%	34.5%	32.9%

Source: BPNG and Department of Treasury.

\*\*Includes Temporary Advance Facility

TABLE 13: OTHER MAJOR ASSUMPTIONS UNDERLYING THE BUDGET

	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Proj	2007 Proj	2008 Proj	2009 Proj	2010 Proj	2011 Proj
<b>Inflation</b>										
Average on Average (%)	11.8	14.7	2.1	1.7	1.7	1.5	3.0	3.0	3.0	3.0
Dec on Dec (%)	14.8	8.5	2.4	4.5	0.0	1.5	2.9	3.0	3.0	3.0
<b>Exchange rate</b>										
Real Exchange Rate Index (2007 = 100)	70.8	86.7	95.7	97.6	99.4	100.0	100.0	100.0	100.0	100.0
<b>Interest rate</b>										
T/Bills (average for the year)	13.3	18.3	9.0	4.5	5.0	6.0	6.0	6.0	6.0	6.0
Inscribed Stock (3 year yield)					6.0	6.0	6.0	6.0	6.0	6.0
<b>Mineral Prices</b>										
Gold (US\$/oz)	311	363	409	445	600	600	550	500	450	450
Copper (US\$/lb)	0.71	0.81	1.30	1.67	2.99	2.49	1.81	1.45	1.27	1.09
Oil (Kutubu Crude: US\$/barrel)	24.0	27.4	42.1	53.4	65.0	65.0	60.0	60.0	60.0	60.0

Source: Department of Treasury.