



# Investment Partnerships 2026

## MARKETS AND POLICIES

GOV INVESTMENT 26:  
AGRICULTURE EXTRACTIVES SOES

CONNECT PNG:  
TRANSPORT & UTILITIES

TECHNOLOGY AND GREEN  
BUSINESS.

DIASPORA AND THE WANTOK  
STORY

RUGBY LEAGUE ECONOMY

PNG INDO PACIFIC'S APEX  
DESTINATION.

2026  
ACTION ITEMS



## 5-YEAR STRATEGY 2022-2027

### THE 4 PILLARS



#### EMOTION VS. MERIT

Aims to boost citizen involvement in the economy and promote meritocracy through targeted financial support and G2B engagements.



#### ANALOG VS. SMART

Focuses on digitizing government services to reduce regulatory bottlenecks and leverage financial technology, big data, and emerging technologies to spur growth.



#### RED TAPE VS. DEREGULATION

Excessive regulations hinder performance and investment, advocating for G2B collaborations to identify sectors capable of self-regulation to foster growth.



#### G2G VS. G2B

The importance of G2G investments from the West and China in enhancing supply chains and utilities, while emphasizing the need for G2B efforts to maintain standards and safeguards for these infrastructures.

### ENGAGING WITH PURPOSE



#### EXECUTIVE

Prime Minister's Back-to-Business Breakfast **(PGK 1)**



#### LEGISLATIVE

Speaker's Business Breakfast - **PGK 2 - National Content Conference**



#### JUDICIAL

Chief Justice's Business Breakfast - **PGK 3 Futures Forum**

### TECHNICAL WORKING GROUPS

- Macro-Economy
- Revenue
- CapEx
- OpEx
- ESG & Social Enterprise
- Critical Infrastructure
- Digital Government
- Business Values
- International Business

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# PRESIDENT TAKE

The PNG government will be the largest investor in 2026 through its signature programmes of Connect PNG and the Medium Term Development 4. There will be a mixture of law reform, public asset upgrades and actively participating in resource projects to the tune of 10 billion Kina. Business investments will remain resilient in their expansion projects, as many will be timing the uptake and commencement of major projects.

To have a clearer view on what lies ahead in 2026, I'm delighted the Business Council and Legacy Group have put together this timely publication. Where public investment programmes are identified and more importantly, what are the market sentiments in collectively enhancing these opportunities.

We have also included emerging activities that will shape 2026: technology, green business, diaspora and the PNG Chiefs. New jobs, new sectors, new money and new ideas are all coming in and knowing the opportunity is vital.

It's been another big year on geopolitical posturing and we've thrown a few lines on the partnerships that will draw interest and perhaps investments in 2026.

Like all our Reports, we end with a list of Action Items for 2026. I look forward to advancing them with senior officials and economic ministers.



PRESIDENT:  
SUSIL NELSON KONGOI



## KEY VIEWS: LEGACY GROUP

# GAME ON



The Marape Rosso government is clear on its intent to drive economic growth through an expansive government. Its various state enterprises, statutory authorities and public bodies, with its 300,000 workforce, is going to action record budget in 2026 and most likely more record budgets in the coming years.

Coupled with the Albanese government's continued deeper integration policies on security, trade and government relations, PNG is entering uncharted waters with a leading OECD economy. As the market integration continues to go deeper, there is hope, capital flows from Sydney, Brisbane, Melbourne will come in the form of services, agriculture and tourism.

Both governments have demonstrated no hesitation in diving into big projects and this can only be good news for businesses in both markets.

## FINISH FIRST



The onus now sits with the private sector and broadly the people of Papua New Guinea. They must be the catalyst and only time will tell if they have been given the opportunity to finish first.



# 1: ECONOMY INVESTMENTS 2026

The aggregate Capital Investment Budget for 2026 is K10,866.0 million, which shows an increase of K523.3 million, which equates to 5 percent compared to the 2025 appropriation of K10,342.7 million. This comprises the Government's direct financing of K7,697.0 million, concessional loan funds of K1,226.0 million, and K1,943.0 million in grants from development partners. GoPNG Direct Financing comprises Government Fixed Commitments at 35 percent, and MTDPIV investments at 65 percent. The Infrastructure Tax Credit Scheme will complement the budget to deliver infrastructure initiatives in the districts and provinces

Over the past five years, more than K4.1 billion has been invested in key sectors through policy reforms, infrastructure development, and targeted programs. Through Kumul Holding Entities (KHEs), Statutory Authorities (SAs), and other Public Bodies (PBs), market reform and state participation have been established. These include the review and enforcement of updated laws in the alluvial mining sector, establishment of key state entities such as Kumul Petroleum Holdings and Kumul Agriculture Limited, regulation of key industries like coffee and fisheries, and the launch of financial mechanisms such as the Credit Guarantee Scheme and SME Agriculture Program.

Statutory Authorities and Public Bodies play a critical role in supporting sectoral development through their regulatory functions. They also generate non-tax revenues by collecting various fees, charges, and levies, helping to ease pressure on the national budget and improve service delivery.

At the core of the Government's investment strategy are the Kumul Holding Entities, which include:

- Kumul Consolidated Holdings (KCH)
- Kumul Mineral Holdings Limited (KMHL)
- Kumul Petroleum Holdings Limited (KPHL)

These efforts laid the foundation for the Medium-Term Development Plan IV (MTDP IV), which prioritizes long-term economic transformation, equitable wealth distribution, and national resilience.

Major initiatives such as the re-opening of the Pogera Gold Mine, development of Special Economic Zones, and infrastructure investments like the Tissue Culture Laboratory in Kainantu and the Coffee Export Office in Lae, further illustrate the Government's commitment to inclusive progress.



# 1.2: ABSORPTION CHALLENGES

## 1. Foreign Exchange Shortages

A major challenge for investors in PNG is the shortage of foreign exchange (FX). Businesses struggle to access sufficient foreign currency to pay for imports, service loans, or repatriate profits. This creates delays, raises costs, and weakens investor confidence, as it becomes difficult to plan and operate efficiently.

## 2. Fragile Security and Infrastructure Weigh on Investor Decisions

Security issues, including law-and-order concerns, combined with unreliable infrastructure such as roads and power supply, increase the risks and costs of doing business in PNG. Investors are often forced to spend more on private security or backup generators, which adds to overall project expenses.

## 3. Unreliable Utilities

Essential utilities like electricity, ports, water supply, and internet are often inconsistent. Power outages, shipping delays, and poor connectivity disrupt operations, increase costs, and discourage long-term investment commitments.

## 4. Regulatory and Policy Frameworks Still Weak

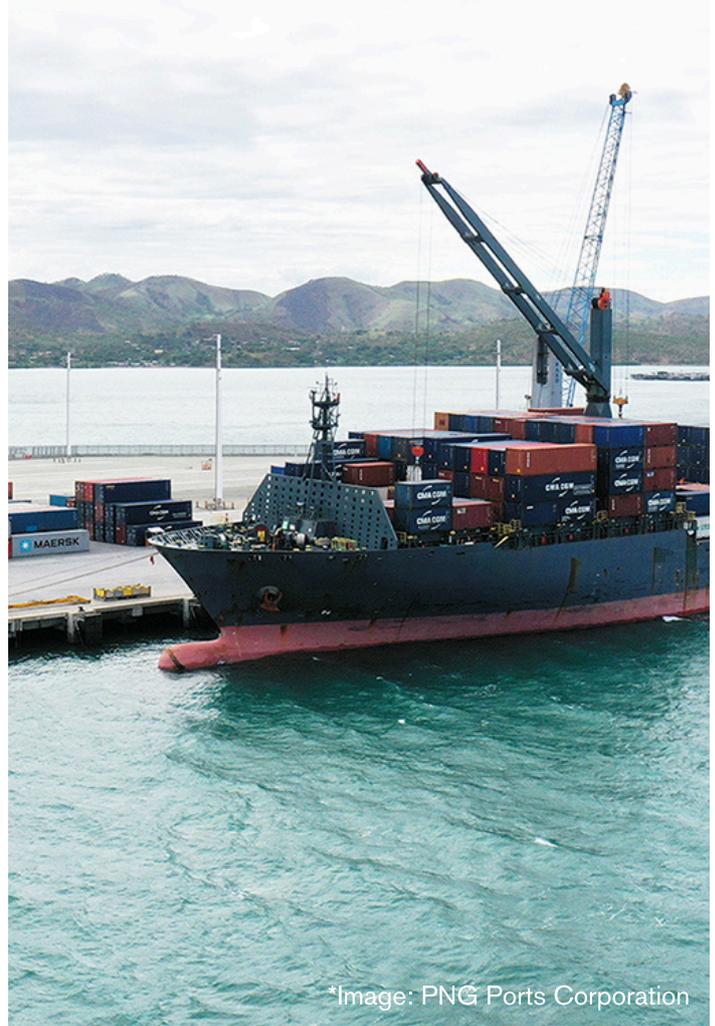
PNG's regulatory systems for FDI approvals, investor protection, and contract enforcement remain underdeveloped. Weak institutions and unclear rules create uncertainty, making the investment climate less attractive and predictable for foreign businesses.

## 5. Corruption and Weak Governance

High levels of corruption continue to be a major deterrent for investors. Weak governance systems mean that contracts, licenses, or permits may be influenced by favoritism or bribes, discouraging fair competition and damaging PNG's international reputation.

***Foreign Direct Investment in Papua New Guinea remains concentrated in the extractive industries, with around 80% of inflows directed towards mining, oil, and gas. This heavy reliance on resource-based projects has limited diversification into other sectors such as agriculture, manufacturing, and services, reducing the potential for broad-based economic development and job creation. At the same time, foreign exchange shortages, unreliable infrastructure, and weak regulatory frameworks continue to weigh on investor confidence, while corruption and governance challenges further discourage long-term commitments.***

*IBSU Working Paper, Foreign Direct Investment Trends in Papua New Guinea, 2025, p22*



## 6. Reliance on Extractive Sector with Limited Diversification

The majority of FDI in PNG is concentrated in mining, oil, and gas. This dependence creates vulnerability to global commodity price fluctuations and limits opportunities for foreign investors in other sectors such as agriculture, manufacturing, or services.

## 7. Skill Gaps and Labor Shortages

PNG faces a shortage of skilled workers across many industries. As a result, investors often need to bring in expatriates or spend heavily on training programs, which increases costs and slows down project execution.

## 8. Environmental & Land Rights Concerns

Customary land ownership dominates PNG, and disputes over land rights are common. At the same time, environmental concerns such as pollution, deforestation, and mining impacts often trigger resistance from communities. These factors can cause long delays, add legal challenges, and complicate project delivery.

# 2.1: AGRICULTURE INVESTMENTS 2026

In 2026, the Government will support additional programs to the tune of K992.1 million aim to increase internal revenue, create wealth, increase exports, and enhance the rural economy. The key investments include funding of the National Rice Development Program with K60.0 million; strengthening land reforms with K140.0 million; supporting State Equity Fund (agriculture and others) with K130.0 million; fostering economic investments through Special Economic Zones with K40.0 million; and reviving and strengthening commercial agriculture with K190.0 million.

- **Coffee** – The Government-led coffee initiatives through Coffee Industry Corporation (CIC) include establishment of Robusta nurseries in Central Province and Southern Highlands, the reopening of the Anego coffee factory in Eastern Highlands, and infrastructure projects like the new coffee export office complex in Lae and road improvements in Milne Bay and Gumine. The National Coffee Authority Bill, passed by Parliament in 2025 will be implemented in 2026.
- **Palm Oil** – The Government has approved the National Oil Palm Policy in 2025 and the legislative framework to establish a National Oil Palm Authority, which is currently being progressed and will continue in 2026. It aims to transform PNG's largest agricultural commodity.
- **Fresh Produce** – The fresh produce industry is regulated by the Fresh Produce Development Agency (FPDA). Currently the fresh produce market faces supply chain challenges. Since 2018, the Government has supported the Market for Village Farmers Project, which helps shift fresh food production from semi-subsistence to market-oriented farming. Some of the key priorities in 2026 include: developing the fresh produce value chain, value-adding to products, and reducing the country's reliance on imported vegetables.
- **Cocoa** – is PNG's third-largest agricultural export after oil palm and coffee. Current priorities include nursery development, freight subsidies, cocoa quality, and market promotion. The PNG Cocoa Board in 2026 will continue to distribute cocoa pod borer-tolerant seedlings and clone planting materials to rehabilitate existing farms, and provincial agreements will continue to support these initiatives.

***The Government of Papua New Guinea is intensifying its commitment to economic development by empowering Statutory Authorities (SAs) and Public Bodies (PBs) to invest strategically through their subsidiaries and commercial arms. These entities are actively engaged in sectors such as forestry, fisheries, agriculture, and renewable resources, aligning their operations with national priorities for policy reform, commercialisation, downstream processing, and regulatory enhancement.***

**Climate Change Development Authority (CCDA)** is currently working on several initiatives, including, Building Resilience to Climate Change (BRCC) Project, progressing the National Adaptation Plan (NAP) 2022-2030, and the PNG Forest Carbon Partnership Facility (FCPF) REDD+ Readiness Phase 2. These projects focus on community resilience, sustainable ecosystems, and climate-resilient infrastructure and their implementation will continue in 2026. Another initiative supported by the Government of New Zealand is Green Finance Policy. This policy was prepared and launched by the Bank of PNG and the Centre for Excellence in Financial Inclusion (CEFI) in 2023-2024 and its implementation is expected to continue in 2026.

- **Coconut** – In 2026, the Government will focus on value-added products through initiatives like new processing plants and nurseries to combat diseases like Bogia Coconut Syndrome. Policy initiatives are supporting this shift, emphasising investment in high-value products, improved farmer access to finance, and the development of biosecurity plans to protect crops. The Kokonas Industri Koporesen (KIK) is also initiating reforms to restructure and strengthen its operations in 2026.

- **Rubber** – The Rubber Industry Development Board aims to boost annual rubber production to over 12,000 metric tonnes by 2027. Key investment programs for 2026 include plantation rehabilitation, nursery development, and downstream processing. The Rubber Industry Development Act 2022 provides the regulatory framework to support sustainable growth, strengthen investment, and enhance landowner participation in the sector.

## Forestry

The Papua New Guinea Forestry Authority (PNGFA) is advancing key initiatives, including partnerships with SGS from Switzerland to improve forest monitoring and management including revenue generation, enforcement round log export ban, and review of the Forestry Act 1991. The revised Act, when enacted, will separate PNGFA's regulatory role from commercial activities. PNG Diwai Holdings Limited (PNGDHL), as a State Marketing Agency, is responsible for commercial activities. In June 2025, PNGFA and the Department of Trade and Investment signed an MOU to promote downstream processing, a critical strategy for achieving a revenue target of K25.0 billion by 2027 through value-added tax exports.

## Fisheries

PNG's National Fisheries Authority (NFA) is responsible for the management and development of the fisheries sector. NFA's 2026 initiatives include the Sirinumu Cage Culture Project for tilapia and barramundi, support for commercial farms like the Coconut Products Limited Prawn Farm, and the new Coastal and Inshore Fisheries Strategic Plan to empower coastal communities. NFA is also working on large-scale projects like the Pacific Marine Industrial Zone (PMIZ) and initiatives to combat illegal fishing, such as acquiring new patrol vessels. Other initiatives include the Fisheries Capital Limited Authorisation (FCLA) Bill 2024 that aims to establish Fisheries Capital Limited (FCL) as the commercial arm of the state in the fisheries sector. The FCLA bill is currently awaiting parliament deliberation. The NFA is also implementing the Kumul Fisheries Limited (KFL), a state-owned fishing company, formed through a joint venture with RD Group, Madang Provincial Government, and KCH. Its aim is to localise the fishing industry by building a new cannery in Madang. The company's long-term goal is to become a publicly listed company on the National Stock Exchange. The NFA will continue implementing this initiative in 2026.

Environment and Climate Change

## 2.2: The 3 No's

**No expansion farming projects.  
No new projects.  
No new jobs strategy.**

Papua New Guinea is currently facing a critical economic crossroads. Despite favorable global market conditions and commodity price booms, the country risks missing out on the potential benefits due to a lack of coherent strategy to expand its production base—particularly in agriculture, minerals, and energy. While commodity markets are delivering strong returns worldwide, Papua New Guinea remains unable to capitalize on these trends. This is largely due to decades of underinvestment in the expansion of farming, mineral extraction, and energy production. Key agricultural commodities like cocoa and coffee have followed the same outdated production models for over 50 years, yielding stagnant output levels for the past two decades.

Production data is showing signs of decline, with plantation closures and shrinking harvest volumes. Compounding the issue, societal shifts in job preferences have led to a diminishing pool of agricultural professionals, further weakening the sector's ability to grow. In the mineral and energy sectors, project delays and reduced investment appetite have stifled expansion. Notably, Papua New Guinea has now endured 18 years without a new greenfield foreign direct investment project in the resource sector—a concerning record that undermines long-term economic sustainability.

Perhaps the most pressing issue is the lack of job creation for PNG's youthful population. With over 7 million young people, the country's workforce is growing rapidly, but opportunities remain scarce. As outlined in the Q1 Business Protection Report, the current formal workforce of 1.5 million is at full capacity, and no comprehensive strategy exists to create new employment pathways for the next generation.

If Papua New Guinea is to avoid missing yet another commodity super cycle, bold action is needed. This includes:

- Strategic investment in agriculture transformation and industrialisation
- Policy certainty and facilitation of resource and energy project development
- Targeted strategies to create jobs for the emerging youth population

Without intervention, PNG risks not only missing out on the current boom but setting itself further back from future ones leaving millions behind and widening structural economic gaps.



# 3.1: KUMUL INVESTMENT'S 2026

The Government of Papua New Guinea remains committed to strengthening the performance and accountability of its State-Owned Enterprises (SOEs) through consistent policy direction, strategic oversight, and investment planning. As outlined in the 2026 National Budget, the Government will continue to provide targeted policy advice and guidance to Kumul Consolidated Holdings (KCH) and other SOEs, supporting their decisions around Public-Private Partnerships (PPPs), Community Service Obligations (CSOs), On-Lending frameworks, and State Guarantees.

## KCH: Leading Utility Infrastructure Expansion

In alignment with the Medium-Term Development Plan (MTDP) 2023–2027, KCH will prioritize the expansion and modernisation of critical utility infrastructure in 2026. A central component of its investment strategy is the Privatisation Roadmap, which aims to foster increased private sector participation in major SOEs, particularly PNG Power Ltd and Telikom Ltd. This approach seeks to improve service delivery, attract private capital, and enhance operational efficiency in the utilities sector.

Kumul Petroleum Holdings Limited (KPHL) will continue to implement its Strategic Plan 2023–2027, with a strong emphasis on national energy development and major petroleum initiatives. In 2026, key focus areas include the Papua LNG Project, which is targeting a Final Investment Decision (FID) in early 2026, and the Pasca A Project, which expects to reach FID by mid-2026. Both projects are in advanced stages, with engineering and tendering processes underway. In addition, KPHL will pursue offshore exploration via seismic surveys and potential drilling across its Petroleum Retention Licenses (PRLs). Continued investment in exploration and retention activities will ensure a robust pipeline of national energy projects.

Kumul Minerals Holdings Limited (KMHL) will focus on leveraging existing assets while expanding its project pipeline to minimise economic risk and uphold its social obligations. The reopening of the New Porgera Mine, in which the State holds a 36% equity stake through KMHL, is expected to generate substantial returns from 2026 onwards. However, initial State dividends will be withheld by Barrick Niugini Limited to offset startup costs. The mine's benefit-sharing arrangement grants a total of 51% equity to PNG stakeholders, including the National Government, Enga Province, and landowners, alongside a 3% royalty rate.

KMHL is also engaging with investors on equity participation in several high-impact mining projects, including Wafi Golpu, Woodlark, Frieda River, and the Simberi Expansion Project.



# 3.2: LIMITING THE PRIVATE SECTOR

The 2026 National Budget of Papua New Guinea reflects a strong and active role of the Government in driving national development through significant public investment. While these investments are critical for infrastructure, social services, and economic transformation, there is growing concern that the scale of public spending may be crowding out the private sector.

The PNG Government, through its State-Owned Enterprises (SOEs) and statutory bodies, continues to play a dominant role in sectors such as energy, transport, telecommunications, and natural resources. With Kumul Consolidated Holdings (KCH), Kumul Petroleum Holdings Limited (KPHL), and Kumul Mineral Holdings Limited (KMHL) managing vast state investments, the private sector often finds itself operating in an environment where the Government is both player and referee.

The 2026 Capital Investment Budget allocates over K10 billion to major infrastructure and strategic programs. While this spending addresses critical national needs, it also diverts financing, labor, and materials that might otherwise be mobilized by private businesses. In doing so, the Government may unintentionally crowd out private investment, especially in sectors where public entities dominate.

Small and Medium Enterprises (SMEs) are a vital engine of job creation and innovation. However, in an economy where the Government commands most of the fiscal and operational space, private enterprise often struggles to compete or scale. State-backed projects benefit from policy certainty and public funding, while private firms face regulatory hurdles, limited credit access, and uncertainty.

To unlock long-term, inclusive growth, there is a need to rebalance the role of the State and the private sector. This includes:

- Encouraging public-private partnerships (PPPs)
- Divesting from non-core commercial activities
- Strengthening regulatory transparency
- Promoting private sector-led development in agriculture, manufacturing, and services

While the 2026 Budget reflects strong government ambition, a large and expanding state footprint must be carefully managed to avoid suppressing private sector growth. A dynamic and competitive private sector is essential for innovation, employment, and sustainable development in Papua New Guinea.



# 4.1: PNG CONNECT TRANSPORT 2026

**The Transport Sector is allocated K2,033.0 million, which is 19 percent of the 2026 Capital Investment Budget. The key investments include the Connect PNG Program with K590.0 million, the Provincial and District Roads Program with K150.0 million, the National Bridges Program with K40.0 million, and the National Roads Maintenance Program with K150.0 million. The Government also funds the arrears of the Connect PNG Program with K100.0 million.**

In the 2026 National Budget, the transport sector has been allocated K2.033 billion, representing 19 percent of the total capital investment budget. Key programs and allocations include: K590 million for the Connect PNG Program; K150 million for the Provincial and District Roads Program; K150 million for the National Roads Maintenance Program; K40 million for the National Bridges Program; K100 million to settle Connect PNG Program arrears

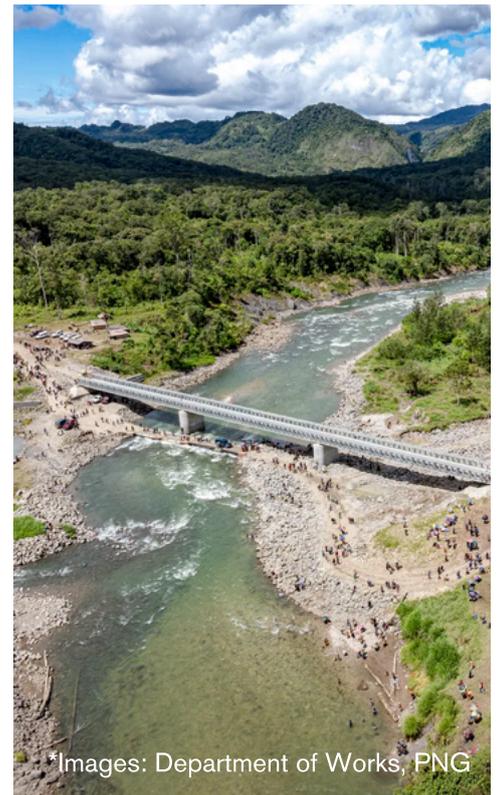
These investments are designed to ensure the continued rollout of strategic infrastructure across rural and urban centres.

Maritime investments also remain a priority. In 2026, the Government will fund:

- K6 million for the Vanimo and Manus Wharf developments; K20 million for the National Shipping Service Program; K3 million for the National Jetties Program; Replacement and construction of 72 bridges along the same route; Rehabilitation and completion of the Nadzab Tomodachi International Airport Terminal; Rehabilitation of 250 rural airstrips; Establishment of new maritime navigational aid facilities; Completion of Phase 1 of the Lae Tidal Basin.

Between 2018 and 2024, the Government invested approximately K9.1 billion in critical infrastructure across the country. These investments targeted all three modes of transport—road, air, and sea—with a focus on improving access and service reliability.

These projects are not only improving mobility but also stimulating job creation, market access, and private sector growth across Papua New Guinea.



\*Images: Department of Works, PNG

# 4.2: PNG CONNECT UTILITIES 2026

**The Utilities Sector is allocated K558.6 million, which is 5 percent of the total 2026 Capital Investment Budget. The key programs and projects include Power Sector Development Program with K51.0 million to increase electricity connectivity to 70 percent of households by 2030, National Water Supply Development Program with K10.0 million, and Air Niugini Re-fleeting with K200.0 million.**

The utilities subsector plays a vital role in Papua New Guinea's infrastructure development agenda, forming the backbone of the Government's efforts to improve living standards, drive economic growth, and deliver essential public services. Reliable communication systems, clean energy, safe water and sanitation, and affordable housing are key enablers that support national transformation and inclusive development.

In alignment with the Papua New Guinea Development Strategic Plan 2030 (PNG DSP 2030), the Government has committed to connecting 70 percent of households to electricity by 2030. To achieve this, investment priorities focus on expanding national energy grids and increasing access to power for both households and business establishments. Similarly, more targeted efforts are planned to scale up urban and rural water supply and sanitation services, addressing a critical development need for many communities.

In the 2026 National Budget, the utilities subsector is allocated K558.6 million, representing 5 percent of the total capital investment budget. Key investment highlights include: K51.0 million for the Power Sector Development Program, aimed at advancing the 70% electricity access target by 2030; K10.0 million for the National Water Supply Development Program, to expand access to clean water; K200.0 million for Air Niugini's Re-fleeting Program, supporting safe, reliable, and modern air transport as part of broader national connectivity goals. The Government remains committed to continuing its investments in the utilities subsector, recognising the central role it plays in facilitating economic activity, improving social services, and achieving broader development goals. Reliable infrastructure in energy, water, communication, and housing is not just a public service—it is a catalyst for national progress.

Between 2018 and 2024, a total of K3.9 billion was invested in the utilities subsector. These investments supported the implementation of major infrastructure projects, including:

Completion of the Port Moresby Grid Development Project, featuring the expansion of the Rouna 1-Sirinumu Dam to 8.5 MW and the establishment of the new Kilakila Substation; Implementation of the Hagen-Mendi-Tari Grid Development Project; Upgrades to the Ramu Transmission Reinforcement System; Strengthening of Energy Sector Coordination to streamline project delivery and regulatory oversight

These initiatives have enhanced energy distribution, improved system reliability, and laid the foundation for greater electrification across the country.



\*Images: PNG Power Limited

# 4.3: STANDARDS AND SUSTAINABILITY

The Connect PNG 2026 program represents one of the largest infrastructure investment initiatives in Papua New Guinea's history, with over K2 billion allocated for roads, bridges, ports, airports, and transport infrastructure. As the country undertakes this ambitious program to improve connectivity and drive economic transformation, a key question arises: How will Papua New Guinean engineers, planners, and infrastructure experts meaningfully participate?

Papua New Guinea has a growing pool of qualified engineers, architects, project managers, and construction professionals. However, large-scale infrastructure projects are often dominated by international firms due to capacity, financing, or technical requirements. Connect PNG presents a critical opportunity to engage and develop local technical expertise by ensuring they are embedded across all stages of project design, planning, execution, and evaluation.

Connect PNG 2026 is not just an infrastructure program—it is a nation-building effort. Ensuring the full participation of Papua New Guinean engineers and infrastructure experts will not only create jobs and build capacity but will ensure that development is locally led and sustainable. The challenge now is to turn policy ambition into practical opportunity for PNG's own professionals.

To enhance local participation, the Government must implement inclusive procurement policies that prioritize or require partnerships with locally registered engineering firms and contractors. This includes:

- Mandating local content quotas in project contracts
- Requiring international firms to partner with PNG professionals
- Creating opportunities for on-the-job training, mentoring, and technology transfer

## Investment in Training and Certification

Participation in large infrastructure projects requires high standards of professional certification and safety. The Government should invest in strengthening technical institutions, funding scholarships, and upskilling engineers and technicians to meet modern infrastructure standards. Supporting professional bodies like the Institution of Engineers PNG (IEPNG) is also crucial.

Beyond 2026, Papua New Guinea needs to foster a self-reliant engineering and infrastructure sector. This means encouraging local firms to scale up, investing in construction technology, and building a pipeline of skilled professionals who can not only implement projects but also design, supervise, and maintain them.



# 5: AHEAD OF THE PACT

The private sector continues to invest heavily in digital transformation projects of its core business systems. Leading the pact are banking and financial institutions pushing for efficient products to cater for millions of its customers.

Across all sectors adoption to cloud and its AI features are rapidly becoming business as usual and efficiency gains in sales, office solutions and key operational costs such as logistics are apparent.

Energy supply and quality of data supply remain challenge. Market is seeing solutions through telco and other providers expanding their product lines to offer energy and data centre solutions.

The government has made digital transformation a priority sector through stable and predictable policy and legislative systems to attract investment and partnership in the Information Communication Technology space.

Tier 1 operators Amazon Web Services, Huawei, Google, Oracle, Star Link and Microsoft have all entered into partnership with the government to explore various digital projects.

Coupled with critical systems of Servis Pas (National Digital ID) and Service Pei (Digital Payments) as well as cloud 1<sup>st</sup> government policy, the digital government and broadly the digital economy is rapidly becoming a reality.

With enhanced ICT comes enhanced crimes. Increase online misinformation, theft of copyright and cyber attacks are common occurrences.

Through the PNG National Cyber Security Center is an integral part of the Department Information Communication Technology. They have 4 Divisions: CyberSecurity, Cyber Safety, Cyber Crime and Government Social Media Desk coordinates with the market, regulators, law and enforcement agencies to ensure the digital economy of Papua New Guinea is safe. With collaborations from bilateral partners, cybersecurity professionals, social media companies, PNG National Cyber Security Center is the 1<sup>st</sup> Responder to Cyber Attacks.

Since its inception, they have actively coordinated recovery efforts of major attacks in government and business, promoted online safety and build and managed cybersecurity systems and ensured social media posts harmful to PNG values have been removed.



\*Images: Department of ICT, PNG

# 6. CLIMATE CHANGE BUSINESS

Trending in the market is a common adoption of the environment management system according to the ISO 14001 accreditation. Formal Private Sector multinational companies utilize key performance indicators to meet international standards in environment social governance, global reporting Initiative and net zero target. The informal private sector indicates limited awareness and the unregulated nature of government agencies not inspecting businesses that pollute and degrade the environment such as alluvial mining. Inclusively, most large government business enterprises have not adopted any additional international standards in environment management.

There are risks of limited interest by 39,000 registered businesses. Limited and non-existent operational models in the informal private sector and business government sector. The key existing barriers are awareness of opportunities, cost to establish business units, skilling executives and recruiting personal. Such limited uptakes affect unachievable national commitment targets.

The product has no development in the market scale, despite commitments made within the formal private sector. Including no fiscal or related government initiatives to invest in green business within both the informal private and government business sector.

Thus far investments on decarbonization in solar and lite fuel have been indicated. Inclusive of limited business unit dedicated with management entities dynamic, keen to adopt and support initiatives to bring social and economic empowerment to their participants.

Currently there are four mechanisms the government uses to support investment in climate action:

1. The Green Finance Center under the Center for Excellence Financial Inclusion focuses on pooling resources and opportunities domestically and abroad.
2. CCDA's consultation advocates and supports private sector investment and interest in climate change. Principal agency implementing MTDP 4 SPA 10, where climate action is the core consideration in the public and private sector.
3. Issuance of environment permit from conservation environment protection authority requires proof of ISO 14001 accreditation. Businesses use this standard to incorporate green business initiatives.
4. Through various aid procurement rules, standards of climate action are been included.

The formal private sector currently limit investment in green business standards and models. These transition may encourage government through corporate tax breaks in establishing divisions, cost of skilling employees and tariff reductions of importing green goods and reduce green trade in service barriers.

A current lending product in green business is the solar power space. A small scale household connection in Mama Bank and several larger banks in their secure loan books larger scale projects. Much of the green business have been financed internally.

There may be further room to draft standards for private sector capital expenditure projects to include green business models.



## Recommendation

- Policy and financial incentives for the private sector: through cooperate tax incentives by establishing sections to implement green agenda, provide grants to train institutions, inserting green standards as mandatory requirement under ISO 14001 accreditation, and providing green standards as a condition to access government grants, a target to informal private sector who account the market significantly.
- De-risking: cost implementing green standards is high as well as lack of skills.
- Upskilling: a grant to training institutions and professional bodies will be critical. Government business formulating a green business model strategy.

Increased public and private sector engagement including opportunities with Business Council of Papua New Guinea.

# 6: DIASPORA AND THE WANTOK STORY

The Papua New Guinea (PNG) diaspora in Australia represents a growing and dynamic community with significant potential to contribute to the country's development. Comprising professionals, students, entrepreneurs, and skilled workers, the PNG diaspora maintains strong cultural, familial, and economic ties with home, making it a valuable asset in national progress.

One of the most visible impacts of the diaspora is through remittances. PNG nationals living and working in Australia regularly send money home to support families, education, small businesses, and community needs. These remittances, while often informal and underreported, help reduce poverty and increase household spending in key areas such as education, health, and housing. With better tracking mechanisms and financial literacy programs, this flow of funds can be more effectively harnessed as a development tool.

Beyond economics, the diaspora serves as cultural ambassadors and informal diplomats. They help promote PNG's identity abroad, influence public perceptions, and foster stronger people-to-people links with Australia. Their role is especially important in promoting bilateral cooperation, educational exchanges, and regional understanding, particularly under frameworks like the Pukpuk Treaty.

To fully leverage the potential of the PNG diaspora in Australia, the Government can consider establishing a National Diaspora Policy. Such a policy would outline ways to strengthen engagement, improve data collection, and facilitate diaspora-led development initiatives. Platforms such as a Diaspora Investment Desk, a skills registry, and re-entry incentives for returning professionals can further enable productive contributions.

Papua New Guinea's diaspora in Australia is a valuable and largely underutilized resource. With clear policy direction and practical engagement mechanisms, the diaspora can play a greater role in shaping the nation's future—contributing skills, investment, and influence to accelerate inclusive and sustainable development.

A significant portion of the PNG diaspora in Australia includes highly educated and experienced individuals across sectors such as health, education, law, finance, engineering, and technology. These professionals are well-positioned to contribute to PNG's development through structured knowledge exchange, mentorship, and capacity-building initiatives. Strategic partnerships between PNG institutions and diaspora professionals can address local skills shortages and improve public service delivery.

Members of the diaspora also present untapped potential for foreign direct investment and entrepreneurship in PNG. Many are interested in investing in agriculture, tourism, SMEs, and housing but are often discouraged by regulatory and governance challenges. Establishing diaspora-focused investment platforms or incentives can channel their capital, ideas, and networks into productive sectors of the economy.

## PNG DIASPORA DEMOGRAPHICS (AUS)



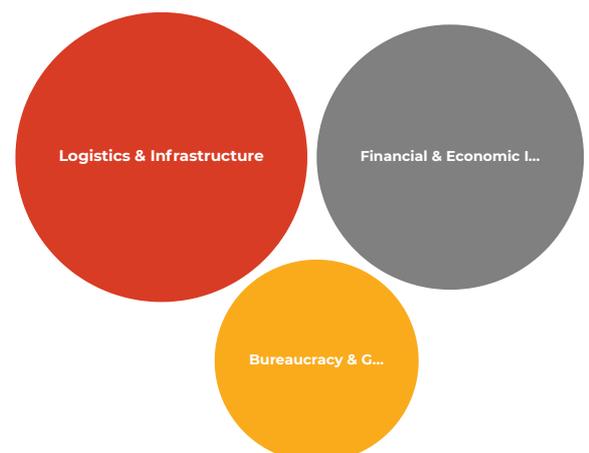
## HERITAGE & CULTURAL CONNECTIVITY



## TRADE CHALLENGES



## KEY TRADE CHALLENGES



# 7: RUGBY LEAGUE ECONOMY

It is estimated that over 80% of the population engages with the sport in some capacity, making PNG potentially home to the largest fan base for any National Rugby League (NRL) team.

The PNG Chiefs would bring rugby league directly to one of its most passionate audiences. With proposed stadium upgrades, average match attendance could reach 22,000—an increase of 40% from current figures. The annual economic contribution from attendees is projected to exceed AUD 5 million, with a present value of 38 million over a 30-year period.

Between 2025 and 2049, projections indicate:

AUD 517 million in additional activity within recreational services, representing a 158%

- AUD160 million added to the professional services sector.
- AUD 52 million boost to government services.

Currently, these sectors contribute just 5.4%.



\*Image: Mark Nolan, Getty Images

The new franchise is expected to create between 2,500 and 2,800 full-time equivalent (FTE) jobs by 2028. Considering PNG's large informal economy—estimated to be 1.2 to 1.8 times the size of its formal economy—actual job creation could exceed 5,000 FTEs, providing critical employment opportunities.

The economic contribution of the NRL team is projected to reach between AUD553 million and 651 million in present value over 25 years. This represents a potential 0.115 million.

Beyond economic metrics, the franchise offers intangible benefits including:

- Urban precinct revitalisation
- National pride and identity
- International branding and soft power
- Improved public health and wellbeing
- Progress on gender inclusion
- Strengthened Australia–PNG relations

For PNG to fully realise the economic potential of an NRL franchise, supportive domestic policies are crucial. These include developing a sustainable tourism ecosystem, investing in sports talent, promoting gender equality in sports, and enhancing governance in sport and public investment.

A PNG NRL franchise is more than a sporting venture—it is a catalyst for economic diversification, job creation, social cohesion, and national development. If supported with sound policy and infrastructure, this initiative could be a transformative chapter in PNG's development story.



# 7. Indo Pacific Gateway

The Pukpuk Treaty offers more than a defence guarantee—it is a platform for economic diplomacy. With stronger ties to Australia and an open stance toward Asian investment, PNG is now positioned to attract high-value, long-term partnerships that can accelerate its development. By aligning national policy, infrastructure, and investor engagement strategies, PNG can fully leverage this opportunity to grow its economy and build resilience for the future.

The Puk Puk Treaty signals greater collaboration in economic security, infrastructure, cyber resilience, and market stability. Market security is not limited to physical protection but includes economic stability, reliable infrastructure, digital security, and investment confidence. Under the Puk Puk Treaty: Critical infrastructure like ports, energy systems, and communication networks will receive support for resilience and protection. Enhanced cybersecurity cooperation will help protect PNG's financial and trade systems from digital threats. Joint efforts in law enforcement and border control improve the safety of commercial supply chains, boosting investor and trader confidence.

PNG is geostrategically located between Asia and the Pacific, rich in natural resources and close to major export markets. Australian and Asian investors are showing interest in: Critical minerals (copper, nickel, cobalt) essential for clean energy; Agribusiness and food security partnerships; Logistics and infrastructure under Connect PNG and Special Economic Zones; Green energy projects, including hydro, solar, and gas transitions

The Pukpuk Treaty complements this by reinforcing rules-based cooperation, enabling investment protection and dispute resolution mechanisms.

As global demand rises for critical minerals and artificial intelligence (AI) integration across industries, Papua New Guinea (PNG) is uniquely placed to harness these twin opportunities for national development. With abundant natural resources and a youthful, growing population, PNG can carve out a strategic role in both sectors—but this will require deliberate investment, policy reform, and global partnerships.

PNG holds significant deposits of minerals essential to clean energy and digital technologies—such as nickel, cobalt, copper, and rare earth elements. These are crucial inputs for batteries, electric vehicles, wind turbines, and AI hardware.

\*Image: PNG Business News



# 2026 Action Items



Low	Medium	High
<p><b>Key stakeholders to participate in the G2B engagements with BCPNG and GoPNG</b></p>	<p><b>Quarterly Updates on the digital transformation projects and market participation uptake.</b></p>	<p><b>Establish Kumul Investments 2026 public private dialogue to steer public private partnerships</b></p>
<p><b>Key stakeholders to participate in the G2B engagements with BCPNG and GoPNG</b></p>	<p><b>Quarterly Updates on climate business investments and government participation uptake.</b></p>	<p><b>Establish agriculture investments 2026 public private dialogue to steer public private partnerships</b></p>
<p><b>Key stakeholders to participate in the G2B engagements with BCPNG and GoPNG</b></p>	<p><b>Quarterly Updates on PNG Chiefs Investment Programme and market participation uptake.</b></p>	<p><b>Establish Connect PNG investments 2026 public private dialogue to steer public private partnerships</b></p>

**Advancing these Action Items in the Economic Task Force is essential for 2025.**





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