



**BUSINESS COUNCIL  
OF PAPUA NEW GUINEA**  
VOICE OF THE PRIVATE SECTOR

# **2026 PM'S BREAKFAST & PRAIVET GAVAMANI KONEKT 1 (PGK1)**

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**OUTCOMES REPORT**

**THEME: HARMONIZING ECONOMY- ALIGNING  
PARTNERSHIPS, INVESTMENTS, AND THE NATIONAL  
PRIORITIES FOR SHARED PROSPERITY**

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**PRAIVET GAVAMANI KONEKT 1 (PGK1)**  
**2026 Outlook**  
**Tuesday 03rd February, 2026**  
**Stanley Hotel**

**THEME: “HARMONIZING ECONOMY- ALIGNING PARTNERSHIPS,  
INVESTMENTS, AND THE NATIONAL PRIORITIES FOR SHARED PROSPERITY”**

To kick off Business Council PNG’s 2026 *Praivat Gavamani Konekt (PGK)* series, the Department of Prime Minister and National Executive Council, in collaboration with the Business Council PNG, is pleased to host the 2026 Outlook under the theme Harmonized Economy – Aligning Partnerships, Investments, and National Priorities for Shared Prosperity. PGK 1 will be convened following the 16th Prime Minister’s Back to Business Breakfast. The Prime Minister’s participation in the Breakfast reaffirms the Government’s commitment to working closely with the private sector to advance shared national priorities.

Speakers and panelists will provide insights on PNG’s economic priorities and strategic imperatives for 2026. Discussions will focus on Investment Outlook 2026 which will examine key sectors and opportunities to drive sustainable economic growth; Partnerships Outlook 2026, which will explore strategic collaborations across public, private, and development sectors; and the 2026 Action Items, which will translate discussions into clear, actionable priorities, further elaborated by the Executive Director of the Business Council PNG.

The engagement will bring together senior government officials, business executives, investors, development partners, and thought leaders to foster alignment, collaboration, and action.

The aim is clear: by harmonizing investments, partnerships, and national priorities, PGK 1 will drive sustainable growth, strengthen economic resilience, and deliver shared prosperity for Papua New Guinea.

# 16<sup>th</sup> Prime Minister's Back-To-Business Breakfast

**Master of Ceremony:** Sova Amet, General Manager for Credit, Kina Bank Limited

## OPENING REMARKS

### **Mrs. Susil Nelson-Kongoi - President of Business Council PNG**

Mrs. Susil Nelson-Kongoi opened the session by welcoming the business community, leaders, diplomats, and investors, noting that this gathering serves as a critical anchor for the private sector as the nation enters its 51<sup>st</sup> year. Her remarks focused on the theme of "Moving Beyond Dialogue," stressing that while 2025 was a year of celebration for the 50th anniversary, 2026 must be a year of disciplined execution and alignment between public investment and private sector capability. She emphasized the Business Council's role in anchoring the private sector and facilitating a structured bridge to the government. Her remarks set a tone of accountability, urging the government to retrospectively assess the journey taken and put in place the "nuts and bolts" for a stronger, more resilient PNG economy.

## KINA BANK'S 2026 OUTLOOK

### **Mr. Ivan Vidovich - CEO & Managing Director at Kina Bank**

Representing the event's major sponsor for 40 years, Mr. Vidovich reflected on Kina Bank's journey since its founding in 1985, when the national economy was valued at less than K10 billion. He highlighted the bank's growth as a "proof of concept" that the PNG market has ample room for more banking competition and local financial success. He advocated for regular, structured dialogue between all market participants, including regulators and the private sector—to recognize "small wins" that build the positive reinforcement and confidence needed to lead the nation ahead.

## FORMAL ADDRESS

### **Hon. James Marape – Prime Minister of Papua New Guinea**

Prime Minister Marape opened his address by acknowledging the PNG Business Council, its President Mrs. Susil Nelson-Kongoi, and the event's main sponsor, Kina Bank. He noted that as the nation enters its 51<sup>st</sup> year of independence, it is time for a national "reset" to assess past journeys and build foundations for a stronger PNG.

## Agenda items

### **1. Economic Resilience and "Reset 50"**

Since 2019, Papua New Guinea's economy has shown significant progress, growing from K79 billion to over K122 billion, as highlighted by the Prime Minister. The government remains firmly committed to its ambitious target of reaching a K200 billion economy by 2029 or 2030. To help

achieve this and tackle persistent challenges, a key “hard decision” was taken to unpeg the Kina, allowing the currency to find its true market value and thereby addressing long-standing foreign exchange backlogs. Furthermore, the non-resource sector has demonstrated remarkable resilience, maintaining consistent growth above 4% for four consecutive years for the first time, reflecting successful efforts toward broader sector diversification.

## **2. Innovation and Technology (ICT & AI)**

Following his recent trip to Davos for the World Economic Forum, the Prime Minister announced ambitious plans to integrate Artificial Intelligence (AI) into government operations. This initiative aims to enhance public service efficiency, secure state contracts, and eliminate human bias by creating more objective, merit-based decision-making processes. AI will play a key role in streamlining regulatory processes, including land applications, company registrations, licensing in sectors such as mining, forestry, and fisheries, as well as fiscal planning and other administrative functions. By reducing human emotion, interference, nepotism, delays, and perceptions of unfairness, these measures form part of broader efforts to modernize the public sector and drive greater transparency, fairness, and productivity across Papua New Guinea's governance systems.

## **3. Law and Order Sector**

Law and order continues to stand as the government's foremost priority in securing Papua New Guinea's future and fostering national stability. In a landmark move, the administration has allocated a record K703 million to the Royal Papua New Guinea Constabulary in the 2025 national budget—the highest funding ever provided to the police force—supporting comprehensive reforms, including a targeted expansion to reach 10,000 personnel through increased recruitment, wage rises, and enhanced operational capacity. Complementing these efforts, judicial reforms are advancing with the establishment of a streamlined three-tier higher court system comprising the Supreme Court, a new Court of Appeals, and the National Court. This restructuring aims to create a more efficient, independent, and effective judiciary by bridging the gap between trial and final appellate levels, reducing case backlogs, and strengthening the overall administration of justice across the country.

## **4. Infrastructure and Human Capital**

The government is sustaining strong momentum in strategic infrastructure development through the flagship Connect PNG program, which continues to prioritize nationwide connectivity. A notable highlight is the ongoing investment in the road link from Port Moresby to Alotau, a transformative project that has already achieved a historic milestone with the completion of the Magi Highway missing link, enabling direct overland travel for the first time and unlocking significant economic potential—particularly in tourism—by connecting the capital to Milne Bay's renowned beaches, cultural sites, and natural attractions, while also supporting agriculture, fisheries, and rural industries along the corridor.

In parallel, a landmark commitment has been made to the education sector with Cabinet approval of a K11 billion investment over the next 10 years (from 2026 to 2035), aimed at delivering comprehensive reforms and ensuring quality, accessible education for all. This major funding package will focus on rebuilding infrastructure—such as modern classrooms and teachers' houses—enhancing teacher recruitment, salaries, and professional development,

overhauling the curriculum to incorporate practical life skills alongside core subjects, and aligning the system with national goals for skill development, youth empowerment, and long-term human capital growth to support Papua New Guinea's broader economic ambitions.

## **5. Business Engagement and Export Focus**

The government is prioritizing export-led growth combined with aggressive import replacement strategies to strengthen Papua New Guinea's economic resilience and reduce reliance on foreign goods. Particular emphasis is being placed on key areas such as food security—through increased domestic production of staples like rice and beef to curb imports—and the energy sector, where value addition and local generation aim to enhance self-sufficiency and export potential. This approach aligns with broader efforts to boost foreign exchange earnings through agriculture, manufacturing, fisheries, and downstream activities.

To incentivize private sector participation and accelerate these priorities, the Prime Minister has extended attractive tax relief measures alongside government guarantees for companies committing to downstream processing and local production. These fiscal supports are designed to encourage investment in value-adding industries, promote manufacturing within the country, create jobs, and drive sustainable economic diversification, ultimately contributing to the nation's ambitious goal of a K200 billion economy.

## **Conclusion**

The Prime Minister concluded by emphasizing that “when the economy grows, business grows, and the country grows”. He urged the business community to move from dialogue to delivery, aligning private sector capability with public investment to turn opportunities into shared prosperity.

## **PANEL DISCUSSION BETWEEN PRIME MINISTER & CEO KINA BANK**

### **Moderator: Courtney Boustridge, Treasurer of Business Council PNG**

#### **Agenda Items**

- 1. Investment locally and abroad brings optimism for PNG’s economic growth and future prosperity. But at the same time, something that has been talked about in recent times is the potential gray-listing of Papua New Guinea’s financial sector set to be announced in the early part of this year. What is Kina Bank’s view of the risk this poses to businesses and the broader economy?**

Mr. Ivan Vidovich, CEO and Managing Director of Kina Bank, noted that the industry is working constructively and collaboratively with relevant authorities, including the Bank of PNG and the Financial Analysis and Supervision Unit (FASU), to take a unified national approach to the likely gray-listing. He emphasized several key points regarding resilience and customer impact.

The banking sector in Papua New Guinea continues to demonstrate resilience amid evolving regulatory demands and global financial pressures, particularly in anticipation of the country's potential grey-listing by the Financial Action Task Force (FATF) in early 2026. Financial

institutions, including major players like Kina Bank, are actively fulfilling their obligations through strengthened customer onboarding processes, enhanced due diligence measures, and robust transaction monitoring systems, while simultaneously advancing future-oriented reforms such as improved information sharing among financial institutions to bolster overall sector integrity and combat financial crime risks.

On correspondent banking relationships, both of Kina Bank's key international correspondent partners have reaffirmed their continued commitment and appetite to engage in emerging and frontier markets, including through periods of heightened scrutiny. This assurance supports uninterrupted access to essential global services for PNG customers, such as foreign exchange transactions, international payments, and trade facilitation, thereby mitigating potential disruptions associated with regulatory developments.

While elevated compliance and administrative requirements are expected to impose additional operational burdens on the sector, Kina Bank has confirmed that it has no intention of passing these incremental costs onto its customers, reflecting a customer-centric approach and confidence in absorbing such pressures through internal efficiencies.

Investor sentiment remains broadly supportive, with local stakeholders maintaining strong backing for the sector and the broader economy. However, some international investors may adopt a cautious “wait-and-see” stance concerning sovereign risk factors, including those linked to ongoing AML/CTF reforms and macroeconomic stability, underscoring the importance of sustained progress in governance and compliance to preserve and enhance long-term confidence.

**2. One of the major challenges that we might face this year is the potential gray-listing of Papua New Guinea’s financial sector. How do you see the private sector stepping in to actively participate in this with the government?**

Hon. James Marape addressed the role of the private sector in the Public Investment Program (PIP) and the government’s efforts to combat financial crime. The Prime Minister underscored the government’s strong commitment to fostering private sector participation in national development, particularly through the Public Investment Program (PIP). With the national budget supported by a substantial K30 billion allocation—including over K10 billion dedicated to the PIP—government contracts are deliberately structured to prioritize engagement from the private sector and small-to-medium enterprises (SMEs). A key mechanism to ensure broad-based benefits is the embedded 40% local content requirement in contracts awarded to non-PNG contractors, mandating significant involvement of local businesses, suppliers, and labor to build domestic capacity and economic inclusion. To further enhance transparency, fairness, and integrity in public procurement processes, the government plans to deploy Artificial Intelligence (AI) as early as next year. This technology will assist in evaluating and securing contracts by objectively assessing proposals, minimizing human bias and corruption risks, and ensuring that only the highest-quality and most compliant bids succeed.

Addressing the impending FATF grey-listing—anticipated in early 2026 due to identified deficiencies in anti-money laundering and counter-terrorism financing frameworks—the Prime Minister framed it as a strategic opportunity to eliminate longstanding economic “sinkholes”

stemming from money laundering, illegal transactions, and related illicit activities. He has directed the Royal Papua New Guinea Constabulary and relevant agencies to intensify investigations and prosecutions of such offenses, reinforcing enforcement efforts to close these vulnerabilities.

On matters of corruption and transparency, the Prime Minister called on the business community to actively report any suspected illegal financial activities, emphasizing a zero-tolerance stance. He assured stakeholders that major infrastructure and development projects would remain unaffected by these reforms. The government aims to swiftly strengthen the economy's integrity frameworks, targeting an exit from any grey-listing within one to two years through sustained compliance improvements, enhanced oversight, and decisive action against financial crime.

## **CLOSING REMARKS**

### **Courtney Boustridge, Treasurer of Business Council PNG**

Courtney Boustridge concluded the session by reinforcing the move “beyond dialogue to delivery”. She emphasized that progress comes when the government sets a clear direction and enabling conditions, while business brings the capital and innovation. She reaffirmed the Council’s commitment to strengthening structured engagement and harmonizing public investment with private sector capability to turn opportunities into shared prosperity for all citizens.

# Praivet Gavamani Konekt 1: 2026 Outlook

**Master of Ceremony:** Desmond Yaninen, Chief Executive Officer, Pacifund

## OPENING REMARKS

**Amb. Ivan Pomaleu OBE, Chief Secretary to Government PM & NEC**

### Agenda Items

#### **1. PGK 01 as a Platform for Government–Business Collaboration**

In his opening remarks, Mr. Pomaleu emphasised the importance of PGK 01 as a platform for strengthening collaboration between government and business, which he described as critical to Papua New Guinea’s future. He noted that the forum’s theme accurately reflected the country’s current outlook and development priorities.

#### **2. National Development Milestones: 50-Year Review and 20-Year Roadmap**

He highlighted PNG’s 2025 50-Year Review and the launch of the 20-Year Roadmap as major milestones in the nation’s development journey. These initiatives, he explained, not only recognised past achievements but also addressed missed opportunities and long-standing structural weaknesses that had constrained progress.

Mr. Pomaleu explained that the 20-Year Roadmap serves as a national reference framework to anchor reforms and support long-term stability. He stressed that the roadmap is not a political document but is built on the principle of private sector–led, government-facilitated growth, which he described as the new operating model for Papua New Guinea. For business to thrive, he noted, the government must create clear and reliable pathways.

#### **3. Public Investment and Infrastructure as Growth Foundations**

Turning to investment, Mr. Pomaleu stated that the government is expected to be the largest investor in the economy in 2026. Through key initiatives such as Connect PNG and Medium-Term Development Plan IV, more than K10.8 billion has been committed to capital investments, particularly in roads, bridges, sports infrastructure, airports, and utilities. These investments, he said, form the foundation for productivity and competitiveness.

#### **4. Strategic Projects and Capital Attraction**

He also highlighted major projects gaining momentum, including the reopening of Porgera, Papua LNG, PASCA A, and the expansion of Special Economic Zones, noting that these developments position Papua New Guinea to capitalise on the next commodity cycle and attract global capital.

## **5. Shared Responsibility and Constraints to Business Growth**

Mr. Pomaleu stressed that delivering these outcomes requires joint effort between government and the private sector. He outlined challenges facing businesses, including foreign exchange shortages, infrastructure reliability, regulatory uncertainty, skills gaps within government, and corruption concerns. He also acknowledged the crowding out of private initiative due to the State's footprint in the economy.

## **6. Restoring Balance and Building Investor Confidence**

To restore balance, he stated that the private sector must expand public-private partnerships, support divestment from non-core state activities, and promote transparency, predictability, and efficiency. He emphasised that investor confidence depends not on the absence of reform, but on certainty and consistency in implementation.

## **7. Youth Employment as an Economic and Security Priority**

Addressing social and economic risks, Mr. Pomaleu described the youth population as both the country's greatest asset and its greatest risk. He warned that without sufficient employment opportunities; Papua New Guinea faces social instability and lost economic potential. Job creation, he stressed, has now become a security issue, and sectors such as agriculture, SMEs, business services, and technology must become engines of youth employment. He added that the success of reforms should ultimately be measured by whether they create jobs.

## **8. Diaspora Engagement, Digitalisation, and Sustainable Growth**

He also highlighted the diaspora as an untapped national asset, noting that with the right policy settings, skills, networks, and capital could be mobilised to transform brain drain into brain gain. He identified digitalisation of government services, improved financial systems, and technology adoption as key enablers, while stressing that climate resilience and green business practices are no longer optional. Sustainable growth, he concluded, is now a global expectation.

## **Conclusion**

In closing, Mr. Pomaleu stated that while the 20-year roadmap has provided direction and the medium-term framework has supplied the tools, Papua New Guinea is now entering a narrow window of opportunity. With elections approaching, he warned that decisive action is required to lay foundations that will outlast political cycles. He urged the Government-Business Consultative Forum to move from dialogue to delivery, emphasising that the time for execution has begun. He concluded that if government enables and business drives growth, 2026 would be remembered as the year Papua New Guinea accelerated its future.

# **SESSION 1: INVESTMENT OUTLOOK 2026**

**Moderator: Dr. Deane Woruba, Director, Nabre Enterprise Limited**

The 2026 investment landscape presents significant opportunities across both public and private sectors in Papua New Guinea. Economic investments are expected to be driven by ongoing reforms, capitalisation of government agencies, and a strategic focus on high impact

sectors, although absorption challenges remain that may affect overall performance. Agriculture continues to be the cornerstone of the economy, with growth dependent on coordinated investment frameworks and productivity strategies. In the utilities and extractive sectors, Kumul Investments remain high on the agenda, but there is a growing need to balance public initiatives with private sector participation to ensure sustainable and inclusive economic growth. The speakers in this session will provide an investment outlook for 2026.

## **Revenue Creation and Investment Expectations**

### **Speaker 1: Rhonda Karl, First Assistant Secretary, Department of Treasury**

#### **Agenda Items**

##### **1. Economic Mandate and Partnerships**

The government reaffirmed its economic mandate and emphasised that growth, development, and revenue creation are shared responsibilities between the public and private sectors. Appreciation was expressed to the PNG Business Council and private sector partners for their continued engagement.

##### **2. Economic Outlook and Growth Drivers**

The economy is projected to grow at approximately 4 percent in 2026, supported by strong domestic demand, increased government spending, and sustained commodity prices. Growth is expected to be broad-based, with non-resource sectors growing faster than the resource sector.

##### **3. Resource Sector and Commodity Prices**

Commodity prices, excluding LNG and oil, are expected to remain elevated through 2026 due to global supply constraints. Full-capacity production at Porgera is expected to be a key contributor to resource sector growth.

##### **4. Inflation and Exchange Rate Management**

Inflation is forecast to average 4.2 percent in 2026, remaining below historical averages. Government measures to manage cost pressures include household assistance programs, PIT threshold adjustments, and exchange rate stabilisation efforts.

##### **5. Fiscal Consolidation and Debt Position**

Fiscal consolidation has reduced the budget deficit from approximately 9 percent in 2020 to an expected 1.1 percent in the current budget year. Debt remains at high risk, primarily due to upcoming Eurobond repayments, necessitating continued fiscal discipline.

##### **6. Revenue Outlook and Reforms**

Total revenue and grants are projected to reach approximately K29.3 billion by 2026, driven by economic growth, improved tax compliance, and increased dividends from state-owned

enterprises. Key reforms include the implementation of the new Income Tax Act and enhanced funding for tax administration and digital systems.

## 7. Key Risks

Major risks include global economic uncertainty, commodity price volatility, reduced investment flows, and Papua New Guinea's grey-listing status, which may affect investor confidence.

## Recommendations

- 1. Maintain Strong Public–Private Dialogue**  
Continue structured engagement with the private sector to align investment plans with national revenue and growth objectives.
- 2. Prioritise Economic Diversification**  
Support investment in non-resource sectors, particularly ICT, logistics, retail, and digital services, to strengthen economic resilience.
- 3. Sustain Fiscal Discipline**  
Adhere to the fiscal consolidation path to manage debt risks and ensure long-term sustainability.
- 4. Implement Revenue Reforms Effectively**  
Ensure the timely and effective implementation of the new Income Tax Act and digital tax administration reforms to improve compliance and revenue outcomes.
- 5. Mitigate External Risks**  
Accelerate efforts to address grey listing concerns and manage exposure to global economic shocks.

## Q&A

### **Dr. Deane Woruba: What specific actions would you prioritise to support revenue creation and capital expenditure?**

In response, the Treasury explained that the budget focuses on providing relief to households, particularly through GST relief on selected essential items, which has been extended to include additional products. The government is also supporting industries affected by illicit trade, particularly in the alcohol and tobacco sectors, by freezing excise increases to improve competitiveness.

Increased funding for the Connect PNG program was highlighted as a key driver of economic activity. Of the total K10.8 billion budget allocation, approximately 71 percent is directed toward capital expenditure. Treasury noted that successful outcomes will depend on effective implementation and coordination across all stakeholders.

## **Conclusion**

The government presented a positive but cautious economic outlook for 2026, underpinned by steady growth, improving revenue performance, and ongoing fiscal consolidation. The private sector was reaffirmed as a critical partner in driving investment, employment, and sustainable revenue growth.

## **Kumul Investments: Pathways for Private Sector Participation**

### **Speaker 2: Deputy Secretary Michael Kumung, Policy Branch, Department of National Planning**

#### **Agenda Items**

##### **1. Alignment of Partnerships and National Priorities**

Deputy Secretary Kumung emphasised the importance of aligning partnerships and investments with the government's development direction and national priorities, while strengthening collaboration between the public and private sectors.

##### **2. Long-Term Development Frameworks**

He outlined Papua New Guinea's long-term development vision under Vision 2050 and the Strategic Development Plan (2010–2030), noting that the country is currently implementing the Medium-Term Development Plan IV (2023–2027).

- Economic growth targets include expanding the economy to K200 billion, creating one million jobs, and improving overall quality of life.
- Law and order reforms include plans to expand the police force from 6,500 to 8,000 officers, targeting a ratio of one officer per 400 citizens.
- Energy sector development includes major investments such as the Ramu power project, valued at over K3 billion, with a target of 70 percent nationwide electricity access.

##### **3. Ease of Doing Business and Institutional Reforms**

Reforms were highlighted to improve transparency and efficiency, including strengthening Customs, the Internal Revenue Commission, and Migration Services.

##### **4. Resource Sector Growth**

Major mining projects such as Porgera and Wafi-Golpu were identified as key drivers of increased gold and copper exports.

##### **5. Tourism and Services Sector Expansion**

Tourism was identified as a growth sector, with increased visitor arrivals and expansion of employment-related and business travel.

##### **6. Private Sector Investment and Financing Models**

Deputy Secretary Kumung emphasised the role of public–private partnerships, blended finance, and tax incentives in attracting private investment into health, education, and infrastructure.

## **7. Efficiency and Productivity in Public Investment**

He stressed the importance of value for money, productivity, and commercial discipline to ensure public spending delivers measurable and lasting outcomes.

### **Recommendations**

1. Deputy Secretary Kumung recommended strengthening private sector participation in service delivery and infrastructure development, supported by improved policy coordination to ensure alignment with the Medium-Term Development Plan.
2. He called for enhanced law and order capacity through the recruitment and training of additional police officers, and accelerated reforms in the energy sector to expand access to reliable electricity.
3. He further recommended streamlining customs, tax, and migration processes to attract investment, while supporting mining and resource projects through infrastructure development and policy alignment.
4. Finally, he emphasised the importance of sustainable, long-term partnerships between government and the private sector, and urged the application of efficiency principles in public service to reduce wastage and ensure that public investment delivers measurable returns.

### **Q&A**

#### **Dr. Deane Woruba: How will private sector participation be structured to ensure alignment with the Medium-Term Development Plan?**

Deputy Secretary Kumung responded that the government is shifting from direct delivery toward an enabling role. He explained that the Public Investment Program will increasingly rely on private sector delivery, supported by strong policy coordination and strengthened national planning frameworks.

### **Conclusion**

In closing, Deputy Secretary Kumung emphasised that Papua New Guinea's future growth depends on sustained partnerships between government and the private sector. He stressed the need for efficiency, transparency, and discipline in public investment, while encouraging private sector alignment with national development priorities to achieve long-term prosperity.

## **Micro Investment and the Government Reform Agenda**

### **Speaker 3: Prof. David Kavanamur, Managing Director, Kumul Consolidated Holdings (KCH)**

#### **Agenda Items:**

##### **1. Alignment of National Development Priorities**

Professor Kavanamur highlighted a persistent challenge in aligning national development priorities with private sector capabilities. He noted that government departments often operate in isolation rather than through coordinated, sector-based approaches, which limits the effective deployment of capital and weakens the achievement of broad development outcomes.

## **2. Budgetary and Resource Allocation**

He emphasised the critical importance of aligning the national budget with clearly defined development priorities. Drawing on resource-based theory, he noted that without such alignment, intended economic outcomes cannot be achieved. The objective, he explained, is to maximise total factor productivity, ensuring that output exceeds input costs and generates efficiency and spillover benefits across the economy.

## **3. The State's Role in Commercial Transformation**

Professor Kavanamur explained that Kumul Consolidated Holdings' role extends beyond asset ownership. Its mandate is to transform public assets into commercially viable enterprises through professional governance and financial discipline, enabling them to deliver sustainable social and economic returns for Papua New Guinea.

## **4. Government Reform and Privatisation Roadmap**

He outlined the government's reform agenda, which is anchored around five key outcomes: improved service delivery, reduced fiscal pressure on the State, expanded pathways for private sector participation, strengthened governance and transparency, and the modernisation of national infrastructure.

## **5. Critical Infrastructure Gaps**

Significant gaps between demand and supply in essential services were highlighted. For example, Port Moresby requires approximately 300 million litres of water per day, while current capacity stands at around 90 million litres. Similar constraints exist in telecommunications, with internet penetration at approximately 20 percent, and in the power sector, where generation capacity of about 600 megawatts falls short of an estimated demand of one gigawatt.

## **Recommendations**

### **1. Adopt a Sectoral Cluster Model**

Professor Kavanamur recommended adopting a sectoral cluster model, like that used in New Zealand, where Cabinet assigns objectives by sector. This approach enables more coordinated capital deployment and improves the effectiveness and impact of public and private investment.

### **2. Expand Public–Private Partnerships (PPPs)**

Building on the success of the PNG Ports and ICTSI concession at Lae Port, he recommended reviewing similar PPP models for bulk cargo operations. He noted that these arrangements have significantly improved productivity and vessel turnaround times, with local ports now outperforming some Australian ports on key performance indices.

### **3. Integrate the Supply Chain through Connect PNG**

He emphasised the importance of leveraging the Connect PNG program to ensure that road infrastructure links directly to ports and airports. This integration addresses structural constraints, supports export logistics, encourages the private sector to utilise outbound containers, reduces business costs, and helps moderate inflationary pressures.

#### **4. Utilise Special Economic Zones (SEZs)**

Professor Kavanamur recommended designating strategic locations, such as Lae Port and the former Comport site, as Special Economic Zones. These zones would attract private investment through targeted tax and regulatory incentives and support industries including logistics, processing, and maritime services.

#### **5. State De-risking of Large-Scale Investments**

In sectors characterised by high risk, particularly agriculture, he noted that the State should take an initial leadership role in large-scale investments. Through partnerships in areas such as cattle and oil palm, the State can absorb early-stage risk, stimulate employment, and enable more effective private sector participation, particularly for most of the population outside the formal workforce.

### **Q&A**

**Dr. Deane Woruba:** The roadmap for micro investment is compelling, particularly in relation to utilities. What are the key entry points for private investment in utilities and agriculture?

**Response:** Agriculture is a long-term investment with relatively low initial returns. As such, the State is partnering with private operators, including Ramu Agri and Sime Darby, to assume large-scale risk where market failures exist. This approach creates a stable operating environment and employment opportunities, allowing the private sector to participate more effectively over time.

### **Conclusion**

Professor Kavanamur concluded by reaffirming that the government's reform roadmap is clear and that opportunities for private sector participation are open. He emphasised that the State's role is to intervene where market failures persist, ensuring inclusive development and laying the foundations for economic transformation through strategic partnerships and commercially sustainable public assets.

## **Government Crowding Out**

### **Speaker 4: Wayne Osterberg, Partner for Advisory Services, KPMG**

#### **Agenda Items**

##### **1. Balancing Public vs. Private Investment**

Mr. Osterberg notes that the current government has been disciplined in its plans over the last few years, which has led to a more positive outlook. However, the private sector remains sensitive to how government actions shape the investment climate.

Government involvement remains essential and indispensable in several critical areas to drive Papua New Guinea's sustainable development, stability, and long-term prosperity.

In nation-building infrastructure, the government continues to play a pivotal role in enhancing connectivity across the country. Through flagship initiatives like the Connect PNG program, substantial investments are directed toward building and upgrading roads, highways, and

transport corridors to link urban centers with rural and remote regions, facilitating trade, mobility, and economic integration.

Significant work persists in the health and education sectors, where the government maintains a strong commitment to improving service delivery and outcomes. Record budget allocations in the 2026 National Budget prioritize expanded health infrastructure, rural facilities, medicines, and workforce development alongside major reforms in education—including infrastructure upgrades, teacher support, curriculum enhancements, and skill-building programs—to ensure quality, accessible services that build human capital and empower future generations.

A renewed focus on security and governance underscores the administration's top priority of restoring law and order nationwide. This is evidenced by unprecedented funding for policing, judicial reforms (including the establishment of a three-tier court system), defense, and correctional services, aimed at strengthening institutional integrity, reducing crime, and fostering a safer environment conducive to investment and community well-being.

Finally, in the provision of public goods and the advancement of major resource projects, the government actively supports strategic developments such as the Papua LNG (Liquefied Natural Gas) project. Recognized as a critical national resource initiative, Papua LNG—led by TotalEnergies and partners—continues to progress toward key milestones in 2026, including potential Final Investment Decision advancements, cost optimizations, and regulatory preparations. Government engagement ensures maximum national benefits, community involvement, and alignment with broader economic goals, positioning the project as a cornerstone for revenue generation, energy security, and downstream opportunities despite ongoing global financing and environmental discussions.

The balance shifts negatively if the government becomes the main borrower in domestic markets, if the public sector crowds out local contractors, or if State-Owned Enterprises (SOEs) enter commercial spaces that the private sector can manage. The goal is not to reduce government involvement but to balance it: a healthy economy requires the government to set the stage while the private sector performs.

## **2. Five Main Areas of Focus for 2026**

The private sector is looking for progress in five key areas:

### **i. Predictability and Stability**

The private sector has outlined several key priorities to foster a more stable and attractive investment climate in Papua New Guinea, building on the government's ongoing reform agenda. Following the introduction of the Income Tax Act 2025, businesses are seeking tax stability to support reliable long-term planning and avoid abrupt fiscal shifts, while effective foreign exchange (FX) management remains vital for operational certainty, ensuring timely access to currency for imports, repatriation, and trade as reforms progress. State-owned enterprise (SOE) restructuring is essential to deliver reliable basic utilities such as power and water, with current governance reviews aimed at addressing persistent service challenges. Public-Private Partnership (PPP) frameworks—exemplified by successful developments at PNG Ports—should be leveraged more widely to efficiently deliver infrastructure while appropriately sharing risks. In the resource sector, advancing major projects such as Wafi-Golpu and Papua LNG is critical, with predictability in policy, agreements, and regulation deemed paramount, as unpredictability continues to be the single biggest deterrent to private capital inflows.

## **ii. Enabling Infrastructure**

The private sector has emphasized the critical need for reliable power, transport, logistics, and the expansion of Information and Communication Technology (ICT) as foundational enablers of sustainable economic growth in Papua New Guinea. These infrastructure pillars are seen as essential to reduce operational costs, improve efficiency, enhance connectivity, and unlock opportunities across all sectors, from agriculture and manufacturing to tourism and digital services. Rather than the government competing directly with private entities in these areas, the private sector urges the government to prioritize strategic investment and policy support in these domains—through targeted public funding, regulatory reforms, and effective public-private partnerships—to create a conducive environment that attracts and sustains private investment and drives broader national development.

## **iii. Efficient Regulatory Frameworks**

Requests for faster permit processing, less bureaucracy, clear investment rules, and functional digital systems (potentially involving AI) to reduce the cost of compliance.

## **iv. SOE Reform and Competition**

Aims include improved governance, increased private investment to reduce monopolistic barriers, and enhanced reliability of essential services.

## **v. Clear PPP Pathways**

Seeking clarity on models, shared project risks, and robust finance structures to shift the government's role from "operator" to "enabler".

## **Conclusion**

The private sector envisions a government that enables rather than replaces market activity, focuses on core public goods, maintains predictable economic policies, reforms SOEs, and fosters meaningful collaboration.

## **Q&A**

**Dr. Deane Woruba: How can the private sector identify and adapt to "crowding out" by the government?**

Mr. Osterberg emphasized the need for continuous engagement between the private sector, the government, and all relevant actors. He concluded with an African proverb: "If you want to go fast, go alone; but if you want to go far, go together," suggesting this is the necessary path for PNG's development.

## **Rugby League Economy: Aligning Sport, Investment, and National Priorities**

### **Speaker 5: Lorna McPherson, Chief Executive Officer (CEO), PNG Chiefs**

#### **Agenda Items**

##### **1. Rugby League as a National Unifier**

Before delving into the economic aspects, McPherson observed that one thing she had learned about Papua New Guinea was that it did not just have millions of Rugby League fans but also millions of Rugby League advisors. She said that everywhere she went, people offered her game plans, suggestions for the coach, and team lists, noting that such team lists would blow her budget on day one if followed.

She stated that she did not think any other nation in the world lived and breathed Rugby League as Papua New Guinea did, and that it remained the only country where Rugby League was the national sport. In a nation with more than 800 languages, she described Rugby League as possibly the greatest unifier they had. She mentioned that some estimates suggested up to 80% of the population engaged with the sport in some form, giving PNG the potential to have the largest fan base of any team in the NRL. She emphasized that this passion was more than just cultural—it was a strategic national asset.

##### **2. Economic and Social Transformation through the PNG Chiefs**

McPherson explained that with the establishment of the PNG Chiefs, there was now an opportunity to transform the economy through the energy of Rugby League. She highlighted the potential social impact on communities at an unprecedented scale. Referring to slides, she said that once the Santos Football Stadium upgrade was completed, it would hold between 22,000 and 24,000 people per match—a 40% increase in capacity—which would create a new buzz, an electric atmosphere, and a significantly improved match experience.

She clarified that, as CEO, she saw herself as the conductor of the orchestra rather than the coach of the team. Focusing on revenues, OPEX, and business operations, she projected around \$5 million in stadium dollars annually, equating to about \$38 million in present-term value over the next 30 years.

She described every home match as a mini economic engine, benefiting vendors, hotels, transport operators, and local businesses in a full ecosystem whenever the Chiefs played. She pointed out that even currently, airlines like Qantas and Air Niugini were increasing flights because they anticipated the upcoming opportunities.

She added that through the NRL and NRLW programs, they expected to create around 2,500 to 2,800 full-time jobs by 2028, with broader economic impacts potentially affecting up to 5,000 people (or in some estimates, expanding to 138,000). She stressed that these were not just numbers but real opportunities for families, young people, and communities who had long awaited something like this. She reminded everyone that there were only 25 months left until the first kick-off, underscoring the pressure on all involved.

##### **3. Long-Term Economic Projections**

McPherson referred back to the slides and reported that from 2025 to 2049, Rugby League in PNG was projected to contribute \$517 million in additional activity to the recreational services

sector—a 158% boost—along with \$160 million to professional services and around \$52 million to government services.

Over a 25-year period, she said the Chiefs were expected to add between \$553 million and \$651 million in economic value to PNG, averaging an annual increase of about 0.1% of GDP. To provide perspective, she noted that current figures (from Lloyds' analysis) stood at around \$15 million, highlighting the massive projected jump. She expressed the desire to build on and even exceed these forecasts, describing it not merely as growing an industry but as creating a proper industry.

#### **4. Rugby League Academy and Youth Engagement**

She highlighted that the Rugby League Academy currently operated across six centres—something most people did not know—and that they had already engaged more than 960 young people under a strict "no-school, no-train" policy, meaning participants had to attend school and bring their books to be allowed on the field.

She mentioned that five new regions had applied to join, with two to be added immediately, aiming for 1,420 kids by 2028. This, she said, would make it the largest single-club Rugby League pathways system in the world. She added that 104 staff were currently supporting these young people across Papua New Guinea, investing their time and knowledge to develop the next generation.

#### **Conclusion**

McPherson emphasized that sport was not a charity—it was smart economics. Every kina invested in Rugby League multiplied across hospitality, retail, tourism, aviation, media, and local businesses. She said hosting international tournaments would drive significant revenue into Papua New Guinea, and as CEO, she was fully committed to fostering partnerships to help PNG and its businesses grow stronger. She concluded by describing it as more than a game—it was a platform for national transformation—and expressed hope that everyone would join the journey, thanking them for their support.

#### **Q&A**

##### **Dr Deane Woruba: How do we structure investments to deliver both commercial and social returns?**

McPherson replied that commercial and social benefits went hand in hand. She explained that structuring partnerships involved sitting down, planning carefully, and considering initiatives like building a centre of excellence, upgrading the stadium, launching accommodations, and improving Port Moresby overall. She gave the example that for night games, reliable transportation (such as better buses and PMVs) was essential, which would have both commercial benefits and social impacts by making the city safer and more accessible for everyone. She stressed that making Port Moresby safe was key and that many elements of the plan would have varied but interconnected impacts.

## **SESSION 2: PARTNERSHIP OUTLOOK 2026**

**Moderator: Douveri Henao, Director, Legacy Group**

2026 offers a pivotal opportunity for PNG to align government priorities with private sector expectations across strategic sectors. With utilities, extractive ventures, agriculture, transport, and technology investments high on the agenda, this session will explore how businesses can meaningfully participate in these initiatives while navigating challenges such as government crowding out. Speakers will highlight the private sector's outlook on key projects, from climate-smart operations and the Indo-Pacific gateway to emerging opportunities in the rugby league economy and diaspora-led ventures. The discussion will focus on actionable steps to unlock investment, enhance efficiency, and create sustainable value through effective collaboration between government and private stakeholders.

### **Agriculture Investment Models and Opportunities**

**Speaker 1: Dr. Sergie Bang, Secretary, Department of Agriculture and Livestock (DAL)**

#### **Agenda Items**

##### **1. National Economic Ambition and the Value of Agriculture.**

Dr. Bang emphasized that agriculture is fundamental to Papua New Guinea's GDP, jobs, MSMEs, food security, and the livelihoods of those in rural areas. He outlined a high-level national ambition to increase the sector's contribution to 30 billion, create one million jobs, and lift the Human Development Index (HDI) from its current state to 0.7. This represents a significant challenge that requires exploring new structures and frameworks for driving investment.

##### **2. The Strategic Role of Public Funding.**

A key concern for Dr. Bang was shifting the perception of public sector investment from a mere "spending pool" to a strategic signal. He argued that public funding is intended to catalyze productivity, scale, and investor confidence rather than attempting to replace private capital. The goal is for public investment to be structured in a specific way that "crowds in" private and partner capital through disciplined sequencing.

##### **3. Lessons from Past Partnership Failures.**

Dr. Bang identified three critical areas where past collaborations between the government and the private sector have failed.

1. Efforts consisted of fragmented projects that failed to attract capital.
2. Weak project preparation limited the ability to scale.
3. Most importantly, the government often brought the private sector in too late—only after priorities, designs, and budgets were already set. He noted that late engagement causes projects to struggle, risks to be miscalculated, and investment confidence to be lost.

#### **4. Addressing Systematic and Multi-sectoral Challenges.**

Dr. Bang observed that the challenges facing the agriculture sector are systemic and multi-sectoral. Because of this, he argued that the solutions must also be systemic and multi-sectoral, moving away from fragmented efforts toward structured, investable delivery. He believes that a "de-fragmented" government is necessary because the current lack of coordination acts as a cost to the economy.

#### **5. Meeting Private Sector Expectations.**

For investment to succeed, Dr. Bang highlighted four specific areas where the private sector requires improvement. These include clarity and transparency in decision-making pathways, consistency in policy signals and follow-through, the bankability of prepared projects, and genuine partnership involving early engagement and shared accountability. He clarified that investors are not asking the government to take all the risks, but rather to manage the "right risks" early and consistently.

### **Recommendations**

#### **1. Establish a Disciplined Investment Architecture.**

Dr. Bang proposed a "partnership investment model" or a "disciplined investment architecture" to translate national policy ambitions into federated, investable projects. This model centers on national priorities, such as the National Agriculture Sector Plan, to increase food security and nutrition while ensuring all-of-government alignment and clear accountability.

#### **2. Prioritize Early Private Sector Engagement.**

To fix previous errors, Dr. Bang recommended that the private sector be involved much earlier—specifically during the planning, structuring, and sequencing phases, rather than just during implementation. This "upstream" involvement is essential for projects to scale and for maintaining investment confidence.

#### **3. Implement a Phased Approach to Systemic Strengthening.**

Dr. Bang recommended a deliberate, phased transition to strengthen government systems and processes. This includes piloting automation in key areas such as finance, food security, infrastructure, and provincial delivery. As confidence builds, coordination should expand through shared plans, shared budgets, and shared accountability rather than just adding more committees.

#### **4. Utilize Multi-Phase Programmatic Approaches.**

To attract large-scale capital, Dr. Bang recommended channeling funds through priority platforms like multi-phase programmatic approaches where public investment is used to de-risk projects. This approach aims to direct and sequence public, private, and international capital (from partners like the ADB, World Bank, and IFC) into clear national priorities.

#### **5. Deploy Structured Investment Models.**

Instead of funding isolated projects, Dr. Bang suggested deploying capital through several structured models, including:

- Co-investment platforms for government and private sector scale.

- Delivery projects that specifically "crowd in" MSMEs and farmers.
- Value chain finance models that link production directly to markets.
- Blended finance specifically tailored for frontier regions.

## **6. Enhance Governance through Digitization.**

To protect capital and build trust, Dr. Bang advocated for clear project ownership, transparent procurement, and strong monitoring. He specifically recommends the use of digitized data and information systems to ensure that investment decisions are disciplined and informed.

### **Conclusion**

Dr. Bang concluded by defining what success will look like for Papua New Guinea by 2026 and beyond. He envisions a future characterized by well-prepared investments, measurable productivity growth, and a robust environment where private and partner capital are consistently "crowded in" to the agricultural sector. Ultimately, he believes this organized, investable approach is the only way agriculture can deliver the shared prosperity, jobs, and improved livelihoods the nation aspires to achieve.

## **Activating the Diaspora as a Strategic Investment Partner**

### **Speaker 2: Malinda Kopi (Board Member – PNG Diaspora Business Council of Australia)**

#### **Agenda Items**

##### **1. Diaspora Economic Activation**

The PNG Diaspora represents a vital but underused economic asset that needs structured engagement to boost trade and investment. The PNG Diaspora numbers between 300,000 to 500,000 globally with strong communities in Australia, New Zealand, US and Europe. Many diaspora members run successful business in sectors like logistics, agribusiness and technology. Their dual knowledge of international standards and PNG's local context reduces cultural and commercial risks by aiding SMEs to meet compliance and scale. This creates opportunities for investors by lowering execution risk and for government by improving policy outcomes. The diaspora's ongoing connection to home communities ensures jobs and sustainable opportunities locally.

The current diaspora engagement is informal, fragmented and focused on remittances rather than trade or investment without formal structure, capital and expertise leak out and SME's struggle to meet regulatory standards in PNG and abroad. The shift from aid dependence to trade and partnership requires diaspora members to act as buyers, distributors, joint venture partners and technical advisors. Structured participation will turn goodwill and capital into scalable economic outcomes. This transition is critical for long term economic independence and growth.

##### **2. The Establishment of PNG Diaspora Business Council of Australia**

The proposal to formalize the PNG Diaspora Business Council of Australia as peak body that supports businesses with training, compliance, trade regulations, export-import readiness and product development. The council will offer mentoring, certification programs and market facilitation to improve business viability. An e-Hub will be created to host a directory of diaspora

and PNG businesses by linking resources with government support. This model aims for global expansion beyond Australia by leveraging government partnerships. Backing from both PNG and Australian governments is crucial for funding, technical help and creating an enabling environment.

The government reforms and policy changes are needed to remove barriers to diaspora engagement. Dual citizenship restrictions under the PNG Constitution and Citizen Act 2016 limit diaspora participation in investment and trade. A recent survey highlighted citizenship status as a key barrier to formal business involvement. The consideration of diaspora visa or business visa category was raised as a possible interim solution. Reforming these legal constraints will open pathways for diaspora-led economic partnerships.

### **3. Policy and Legislative Reforms**

Addressing citizenship and legal barriers is critical to unlock diaspora investment and trade potential. The current citizenship laws prevent many diaspora members from fully engaging in PNG's economy. Attempts over the years to regain PNG citizenship have mostly failed in which it is restricting business activities. A diaspora specific visa could provide a practical interim fix while broader reforms are pursued. These legal changes are necessary to recognize diaspora as key economic stakeholders and partners.

A strong collaboration between the PNG government and Australian governments is essential to facilitate trade and investment partnerships. Australian government support can improve market access, trade facilitation and investment partnerships. Coordinated diplomatic engagement will increase diaspora business credibility and operational opportunities. Joint policies can reduce friction and create a smoother pathway for diaspora contributions. This partnership will strengthen bilateral relations and economic ties.

### **4. Long-Term Economic Impact and Vision**

Activating the diaspora strategically will drive sustainable growth, reduce aid dependence and empower communities. Leveraging the diaspora will increase trade, foreign exchange and job creation in PNG and host countries. A structured diaspora engagement strengthens SME development and economic independence. It helps shift PNG's economy away from the extractive industries toward diversified and inclusive growth. The initiative restores pride and identity for younger diaspora generations by fostering long-term commitment. This aligns with PNG's post-50-year vision to connect policy, capital and people for shared prosperity. The initiative's is on strategy and trade not sentiment or aid. It moves from informal dialogue to concrete action and implementation. The goal is to convert "brain drain" into "brain gain" by turning diaspora connections into capital. Recognizing diaspora as partners is essential for PNG's future economic architecture. This approach creates a stronger and a more connected PNG inside and beyond its borders.

### **Recommendations**

1. PNG Diaspora Business Council of Australia to formalize as peak body and develop capacity-building programs including training, certification, mentoring and logistics support.
2. Develop and launch the e-Hub digital platform with business directories and resource linkage for diaspora and PNG businesses.
3. Advocate for PNG government policy reform to address dual citizenship barriers and support diaspora engagement in trade and investment

4. Explore and propose creation of a diaspora visa or diaspora business visa category as temporary solution to citizenship
5. Engage PNG and Australian governments to secure policy backing, funding and diplomatic support for diaspora-led economic initiatives.
6. Prepare and release results of the Australia Wine Diaspora Survey to inform policy and diaspora engagement strategies.
7. Promote inclusion of diaspora as official key stakeholders in PNG's national economic development policy and trade dialogues.

## **Conclusion**

Activating the PNG Diaspora through structured policy supported engagement offers a practical pathway to increase trade, investment and SME competitiveness while reducing dependence on aid and extractive industries. Establishing a formal Diaspora Business Council which is supported by digital infrastructure, capacity building and enabling legal reforms will convert existing goodwill and skills into scalable economic outcomes. By recognizing the diaspora as a strategic economic partner and aligning bilateral support with Australia, Papua New Guinea can build a stronger and more connected resilient national economy.

## **Collaborative Development Initiatives with PNGCPN**

### **Speaker 3: Mr. Wikai Membi, Operations Manager, PNG Christian Professionals Network (PNGCFN)**

#### **Agenda Items**

##### **1. Contextualising National Development.**

Mr. Membi expressed concern that PNG often attempts to use global standards to quantify the country's quality, which may not be effective because the local value system is different. He argued that for growth to be sustainable and tangible at the rural level, development must be contextualised using a bottom-up approach that involves villages and partners.

##### **2. Minimal Economic Participation.**

A major challenge identified is the minimal participation of average citizens at both the policy and economic levels. Mr. Membi highlighted the need to bridge the gap between high-level visions and the "sphere of influence" of individual citizens to ensure that those in rural areas can access basic services and participate equally.

##### **3. Unlocking Agricultural Potential.**

Mr. Membi identified agriculture as the key sector for national growth, noting that PNG was an agricultural leader 7,000 to 10,000 years ago as evidenced by the Kuk Agricultural Site. He believed the country must transition from a subsistence-based mindset to semi-commercial and eventually commercial mindsets to reach a \$200 billion economic mark.

#### **4. Deficiencies in Enabling Infrastructure.**

A significant concern raised was the lack of basic enabling infrastructure, such as roads, water, and power. He specifically pointed out failures in the agricultural supply chain, such as the lack of cold storage at Mount Hagen airport, which results in food rotting despite the region being the country's "food basket".

#### **5. Institutional Silos and Bureaucracy.**

Mr. Membi critiqued the territorial nature of state agencies, which he views as a "stumbling block" to national interest. He argued that agriculture cannot move forward if different stakeholders, such as those involved in standards, food security, and energy, continue to work in isolation rather than collaboratively.

#### **6. The "Youth Bulge" and Social Stability.**

Drawing on the events of January 10th as a warning, Mr. Membi noted that the youth can be either an asset or a liability. He viewed the "youth bulge" as a topic of concern that can be addressed by rerouting their engagement toward the land and agriculture, which he described as the "lowest standing fruit" for employing those with various skill sets.

#### **7. Food Security and Public Health.**

There is a critical concern regarding domestic food security and the high cost of healthy food in urban areas like Port Moresby. Mr. Membi noted that a lack of efficient logistics leads to a reliance on imports (like eggs from New Zealand) while local produce rots, and this lack of access to affordable organic food contributes to lifestyle-induced diseases such as kidney disease.

### **Recommendations**

#### **1. Adopt a Bottom-Up Partnership Model.**

To achieve the national vision, Mr. Membi recommended that the government and private sector work through established networks like churches, which remain in rural areas long-term. This approach ensures that development reaches the 90% of the population still living in traditional settings.

#### **2. Prioritise Basic Infrastructure Investment.**

He appealed to the government to provide safe streets and basic infrastructure, specifically roads, water, and power. Furthermore, he recommended that infrastructure planning for transport hubs (like airports) must include essential agricultural facilities like cold storage.

#### **3. Shift Mindsets Toward Commercialisation.**

Mr. Membi proposed a deliberate effort to change the mindset of rural citizens from subsistence living to a semi-commercial and commercial focus. This is necessary to ensure the consistency, volume, and quality required by modern markets.

#### **4. Foster Inter-Agency Collaboration.**

He recommended that state agencies stop being "territorial" and instead work collaboratively on matters of national interest. He suggested that a unified approach involving various line agencies is essential for a functioning agricultural sector.

## **5. Strengthen Domestic Supply Chains and Logistics.**

To reduce the foreign exchange (FX) outflow and improve health, Mr. Membi recommended creating efficient logistic supply chains. This would allow for the effective distribution of healthy, organic food to densely populated urban areas, making it cheaper and more affordable than unhealthy alternatives like noodles.

## **6. Engage the Private Sector for Market Access.**

He encouraged the private sector to take a lead role in achieving market access. He also invited private players to reach out to the Christian Professional Network (CPN) to help bridge the gap between rotting rural produce and urban market demand.

## **Conclusion**

In his concluding remarks, Mr. Membi emphasized that while the challenges faced by current leaders differ from those at the time of independence, the country now possesses a more educated population and a smaller, more connected world through the internet. He stressed that the "backbone" of the country lies in the provinces and districts rather than just the major cities. Ultimately, his plea is for all stakeholders to work together, specifically noting that the church is a permanent stakeholder that was present before independence and will remain thereafter.

Please note that this Q&A session pertains to Session 2 and encompasses general commentary and recommendations not specifically directed towards any individual speaker.

## **Q&A Session**

### **Question 1: Lonnie Hames**

Mrs Hames commented on the untapped market within the PNG diaspora in Australia, specifically in Brisbane. Her key points included:

1. **Market Demand:** There is a significant population of Papua New Guineans in Brisbane, yet there is a notable absence of PNG food in local stores. Currently, the diaspora must purchase taro and other staples from Fiji or Tonga via Indian shops.
2. **Export Barriers:** She highlighted a "missing link" in the supply chain, sharing an account of a local producer who was told they could not export taro to Australia or New Zealand because they were not citizens of those countries.
3. **Offer of Partnership:** As an Australian citizen with established networks, Lonnie offered to act as a contact person and partner for those in PNG looking to navigate the Australian market. She urged those in charge to network with the skilled PNG diaspora across Australia, including those in Perth, to establish proper supply channels.

### **Question 2: Ms. Damares Ora**

The second speaker, a PNG citizen and accountant residing in Australia, proposed a shift toward self-sustaining, ground-up economic models. Her commentary included:

1. **The Kibbutz Model:** Drawing from a 2022 trip to Israel, she suggested PNG look into agricultural communities that operate on a complete share of wealth. In this model, the community does not invest outside; instead, agricultural funds pay for school fees, housing, and local infrastructure.

2. **Internal Development:** She advised against seeking external models, arguing that PNG should "look within society" to build its own people first. She emphasised that development must come from the ground up and resources should remain within the country to build a strong foundation.
3. **Historical Precedent:** As "food for thought", she cited China's history as a closed economy. She noted that by focusing on internal growth for 40 years before opening to trade, China transformed into a global manufacturing powerhouse.

## Conclusion and 2026 Action Items

### Mrs. Carmella Gabina, Executive Director, Business Council of PNG

In her closing remarks, **Carmella Gabina, Executive Director of the Business Council of PNG**, thanked the Chief Secretary, senior government officials, partners, and participants for their constructive engagement during PGK 1 (2026). She emphasized that discussions were practical, forward-looking, and aligned with the shared goal of achieving sustainable, inclusive economic growth for Papua New Guinea.

Looking ahead to 2026, priority actions include strengthening structured public–private engagement across key national platforms such as Kumul Investments, Agriculture Investments, and Connect PNG. These efforts aim to enhance transparency, unlock priority projects, create employment, and ensure long-term community benefits. Over the medium term, focus areas will also include digital transformation, climate and green business initiatives, rugby league–related investments, and opportunities arising from the Puk Puk Treaty, supported by regular progress updates and coordination mechanisms.

She reaffirmed that the Government–Business Consultative Forum remains the central platform for coordination and information sharing, with the Business Council committed to working alongside government and partners to translate dialogue into tangible outcomes. The session concluded with a call for continued collaboration and decisive action, and an invitation to participants to proceed to the Praivat Gavmani Konekt session for further practical discussions.

## Summary

The PGK01 on the 2026 Investment and Partnership Outlook highlighted Papua New Guinea's urgent opportunity to accelerate growth through deeper government–private sector collaboration. Chief Secretary Amb. Ivan Pomaleu framed the event as a vital platform, highlighting the 50-Year Review, the new 20-Year Roadmap (private sector-led, government-enabled), and over K10.8 billion in public infrastructure spending (Connect PNG and beyond) to support major projects like Porgera, Papua LNG, and SEZs. He stressed addressing FX shortages, regulatory uncertainty, corruption, and crowding out, while positioning youth employment as a security priority and calling for diaspora engagement, digitalisation, and decisive action before elections.

The Treasury projected 4% growth in 2026, driven by domestic demand, commodity prices, and fiscal consolidation (deficit ~1.1% of GDP), with revenue nearing K29.3 billion via tax reforms and SOE dividends. National Planning aligned efforts with Vision 2050 and MTDP IV targets (K200 billion economy, 1 million jobs), emphasizing PPPs, resource projects, tourism, and ease-

of-doing-business reforms. Kumul Consolidated Holdings advocated commercialising state assets, closing infrastructure gaps (water, power, telecoms), and using sectoral clusters, expanded PPPs, and state de-risking in agriculture. KPMG warned against excessive state dominance in commercial spaces and urged predictability in tax/FX policy, reliable infrastructure, streamlined regulations, SOE reform, and clear PPP frameworks.

Lorna McPherson presented the PNG Chiefs' NRL entry as a national unifier and economic catalyst, projecting stadium upgrades, match-day ecosystems, youth academies (1,420 participants by 2028 with "no-school, no-train"), and \$553–651 million in long-term value (2025–2049), creating thousands of jobs and multiplier effects across tourism, hospitality, and aviation.

In the Partnership session, Agriculture Secretary Dr. Sergie Bang targeted K30 billion sector contribution and 1 million jobs, advocating public funding to crowd in private capital through early engagement, disciplined investment architecture, phased reforms, programmatic approaches, and digitised governance. Malinda Kopi called for activating the 300,000–500,000-strong diaspora via a formal PNG Diaspora Business Council, e-Hub platform, capacity building, and policy reforms (e.g., diaspora visas to overcome citizenship barriers) to drive trade, investment, and brain gain. Wikai Membi urged bottom-up rural development through church networks, critiquing subsistence mindsets, infrastructure shortfalls (e.g., no cold storage), silos, and youth risks, while recommending commercial agriculture shifts, inter-agency collaboration, stronger supply chains, and private market linkages.

The forum consensus: 2026 must shift from dialogue to delivery, with early private engagement, infrastructure investment, diversification, youth opportunities, and predictable reforms essential for inclusive, resilient prosperity.