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Alternative Government has Better Policies for PNG Businesses

"The Alternative Government welcomes Prime Minister's increasing engagement with PNG businesses and a renewed understanding that PNG must embrace the opportunities of the Indo-Pacific region. The Alternative Government also agrees that the key issues facing PNG businesses include on-going foreign exchange shortages, a lack of support for PNG's small and medium-sized enterprises, a slowdown in the economy, and the importance of trade and investment. Unfortunately for the people of PNG, the O'Neill/Abel government then puts forward policies that undermine these good intents. Only the Alternative Government has the policies that PNG businesses really need to get sales and profits and jobs growth going back to 5% again" said the Shadow Minister for Treasury and Finance, Ian Ling-Stuckey.

"Prime Minister O'Neill returned from the recent World Economic Forum meeting in Davos talking up the importance of the APEC meeting and the opportunities it provides to PNG. In particular, he stated "Having closed economies has never been any good for any country. History shows that countries that have not opened up to free trade and investment have suffered as a result of the opportunities they have missed." So why then has Treasurer Abel been allowed to start closing down the economy with over 900 tariff increases from 1 January 2018" asked the Shadow Treasurer.

"Why is the government refusing to cancel the extraordinarily bad Naima rice deal with its threat of an 80 per cent import quota? This is exactly what closing down an economy means – building great big walls around the economy that closes down the real options for engaging in trade and investment with our neighbours. If things can't get in called imports, then other countries will make it hard for things to get out called exports. It also leads to upward pressures on the exchange rate and cuts off options for rapidly growing agriculture and tourism exports through a more people-focused, inclusive form of development. The Alternative Government opposes such poor policies for PNG, and has proposed better solutions" said Mr Ling-Stuckey.

"In my Budget Response on 5 December 2017, I set out specific solutions to deal with PNG's budget crisis, the jobs and standards of living crisis facing PNG families, and the crippling foreign exchange crisis. For example, on foreign exchange, why do we need to borrow yet another K1.9 billion to add to our explosive debt as outlined recently by the Prime Minister? What are these funds for? If it is indeed for direct budget support, a form of financing for the largest and most irresponsible budget deficits ever endured by this country, then this will require approval from the International Monetary Fund. This is unlikely given the fake 2018 Budget delivered by the Treasurer, who totally overshoot what the IMF considered responsible. And if we don't act responsibly, then we cannot expect a bail-out from the international community.

"The Alternative Government instead says we need to get our house in order, using the resources we have available to us, and then seek international assistance. This is the approach that would be required of the type of businesses that I am used to running. Face up to any mistakes, learn from errors, start steering a better course using one's own resources, and then look for support to gear up one's new strategy. We can start drawing down \$US50 million in our foreign exchange reserves every month to help solve the growth-killing foreign exchange crisis while moving back to a market exchange rate" said Mr Ling-Stuckey whose family has been successfully running businesses in PNG for over 80 years.

"So in my budget reply, to sort out the foreign exchange issue, I stated we need to start addressing the fundamental problems of a central banking act that doesn't give enough priority to growth in our economy. I understand the need to balance inflation and growth but PNG has the balances dramatically wrong. As we put better policies in place, let's start using our foreign exchange reserves to remove the foreign exchange crisis which is crippling growth. But we must also put in a review to see how we move towards fixes to our underlying balance of payments and foreign exchange problems. These are issues of subtle differences in policy balances – the Alternative Government has proven itself to be able to do much better. Where were the foreign exchange crises during the National Alliance government from 2002 to 2011? Why was that government able to deliver growth in the key non-resource economy of 5 per cent while the current government has driven the economy into recession according to independent external commentary?

"The Prime Minister's recent breakfast speech to the PNG business community also indicates his government wishes to walk down again failed roads. PNG knows about Waigani paper farmers yet this government is back into picking winners! The picks haven't been very good – a loss of over K800m on what has transpired into a foolish Oil Search investment that should have been left to the private sector, a hasty K400m injection into the failing Nautilus project with very unpredictable environmental impacts yet almost no gains for the people of PNG, the nationalisation of the Ok Tedi mine that has seen a drastic reduction in revenues to the government. Why is the government now expanding into equity investments in agriculture such as the proposed Naima project or the dairy industry backed by massive closed door approaches of high tariffs? There are better policies available for PNG.

"I and im confident, many of my colleagues in the alternative government, would be happy to set out in even greater detail the Alternative Government plans for a better future for PNG businesses and PNG families at a future breakfast for the PNG business community as Shadow Treasurer. Let us truly engage in democratic discussions of how to make our future better for our children. It seems the current government has not learnt from its mistakes and lacks the understanding to transform visions and ideals into practical gains for the people of PNG" said the Shadow Treasurer.

Hon.Ian Ling-Stuckey,CMG.MP
Shadow Minister for Treasury & Finance

2 February 2018

O'Neill quotes on free trade 25 Jan 18 following WEF

<http://www.pm.gov.pg/world-economic-forum-engagement-success-for-papua-new-guinea/>

PM O'Neill said globalisation is a reality, and Papua New Guinea will take advantage of the opportunities that are evolving through the global economy.

"Having closed economies has never been good for any country," the Prime Minister said.

"History shows that countries that have not opened up to free trade and investment have suffered as a result of the opportunities they have missed.

"APEC has seen much higher growth than non-APEC members and we must continue to drive and advance our economies."

PNG Alternative Government Budget Response Speech available at:

<http://www.opposition.gov.pg/2017/12/07/shadow-treasurers-actual-response-in-parliament-for-you-to-download/>