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Independent Audit required to get True Economic Story under PNC

“There is an urgent need for an independent audit of PNG’s economic statistics. There are very serious doubts about whether the PNG people are being told the truth. There is a genuine fear that even official statistics from once trusted institutions such as the Bank of PNG, PNG Treasury and even the PNG National Statistics Office are now fake.

“PNG National Statistics Office has finally confirmed that PNG faced a major recession in 2015 (a recession is when the key parts for supporting PNG living standards go backwards). Indeed, the key parts of the economy went backwards in total by an extraordinary 4.1%.

“This is bad news. But the bad news is probably even worse. PM O’Neill’s office carefully tries to hide the bad news about their continuing economic mismanagement. But sometimes the watchers and spin doctors in the PM’s office miss things. For example, in the most recent PNG National Statistics Office release, they speak of a better outcome for economic growth in 2016. But let’s just dig a bit deeper to find the inconsistencies and lies of this government which seep into all of PNG’s national institutions.

“The latest example of the word games of the O’Neill/Abel government, and how the PM’s office has the final say in what the NSO can release, is revealed by the extraordinary explanation for drivers of fake growth in 2016.

The NSO says in the same paragraph (see extract below from the official NSO report of movements in the “Extraction of Crude Petroleum and Natural Gas) that the oil sector led to a growth in the economy of K859 million in 2016. However, it then totally contradicts itself in the same paragraph saying the oil sector fell by 314 million. This is a difference of over 1.1 billion Kina! Come on – this is just not good enough. What can the people of PNG believe? And if we can’t

believe this number, what other economic statistics numbers have been manipulated to serve the O'Neill/Abel government?

GDP at Constant Price

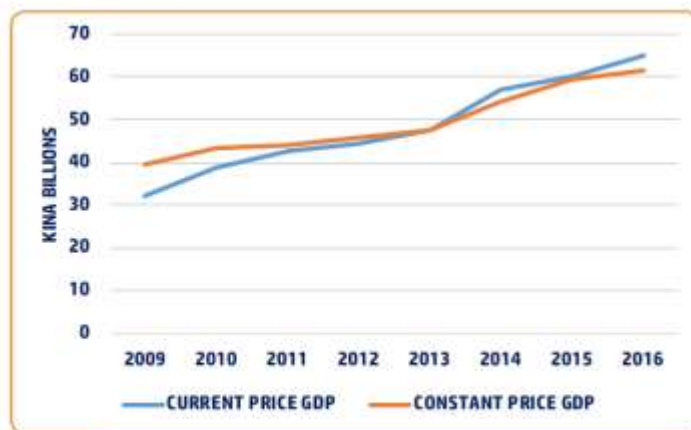
Constant Price GDP for 2016 is 61,742 million Kina, this is an increase of 2,419 million Kina or 4.1 % from 2015 Constant Price GDP.

Key contributing industries were:

- 245 million Kina or 2.7 % increase in Agriculture, Forestry and Fishing
- 859 million Kina or 6.7 % increase in Extraction of Crude Petroleum and Natural Gas
- 928 million Kina or 17.4 % increase in Other Mining

The main offset to this positive contribution was the Extraction of Crude Petroleum and Natural Gas with a fall of 314 million Kina or -3.1%.

FIGURE 1. GDP LEVELS 2009 to 2016



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National Account 2009 - 2016

“We need an independent audit of the national accounts, along with other recent economic statistical games by PNG Treasury and BPNG, to see what is really going on in PNG. There is strong evidence that PNG's economic statistics have been seriously corrupted. We need a new government to clean up the act. The PNG people deserve to know the truth. They will never get this under an O'Neill/Abel government. Knowing the truth is the first step to implementing better evidence-based policies. We need a change of leadership for the sake of the people of PNG and we need it now!” said Mr Ling-Stuckey.

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

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