



## Media Release

For Release: 15 October 2013

### **ANZ report outlines significant potential for PNG to capitalise on the Asian Century**

- **Potential export revenues could grow 400% to US\$23 billion by 2030 with US\$112 billion in new investment**
- **National development conversation needs focus on balanced growth and reform in resources, infrastructure and agriculture**

ANZ today released a major new report on Papua New Guinea's future highlighting the significant potential which exists for the nation to benefit from Asia's growing demand for natural resources and agricultural commodities.

The ANZ insight report, *Bold Thinking: Imagining PNG in the Asian Century* was commissioned by ANZ and completed by Port Jackson Partners.

#### **Report Key Findings**

- PNG's resources sector has the potential to grow export revenues at least fourfold to US\$23 billion per annum by 2030.
- The natural resources export opportunity will require an estimated US\$112 billion in capital investment to 2030.
- Natural resources have a key initial role in generating the wealth needed to invest in infrastructure and to create an environment for agricultural development.
- Agriculture is a longer-term opportunity which can drive sustained growth by facilitating agribusiness entrepreneurship and business scale.
- Essential infrastructure improvement can be achieved through a fresh approach to delivery through prioritisation, private sector involvement and improved governance.

ANZ Chief Executive Officer Mike Smith said: "Asia's industrialisation and urbanisation is creating a unique opportunity for Papua New Guinea in natural resources and agriculture.

"Although there are many challenges in realising this opportunity, continued action to put in place the right policy and institutional settings could see sustained national economic growth and significant improvements in the prosperity of PNG's people.

"A key issue from this report is that mobilising foreign capital will be critical to realising the opportunity that Asia's growth is creating in PNG. Capital goes where there is stability and certainty, and if PNG can consistently demonstrate this the potential is enormous.

"Many stakeholders need to contribute to realising this bold and positive vision for PNG. Our aim with this report is to make a significant contribution to the national conversation that is underway about PNG's future success and to create a fresh perspective on the nation and the opportunities it has," Mr Smith said.

The *Bold Thinking* report highlights the need for balanced long-term growth across the natural resources, infrastructure and agricultural sectors. According to the report, if PNG can overcome some of the challenges it faces, including the increasing global competition for capital, the need to create connective and world-class infrastructure and to build a more productive, export-oriented agricultural industry, the potential prize for PNG is enormous.

Speaking at the launch of the report at the Port Moresby Chamber of Commerce and Industry today, ANZ Pacific CEO Vishnu Mohan said: "The *Bold Thinking* report highlights PNG's potential to grow resource sector export revenues to four to six times their current levels, or around US\$23 billion to US\$36 billion by 2030.

"For example, by 2030 LNG could be the largest source of export income and could grow to around half of resources sector revenue. Copper exports could triple from US\$1.1 billion today to US\$3 billion in 2030.

"To do this, PNG must deliver the current pipeline of projects and continue to establish itself as a credible investment destination," Mr Mohan said.

In agriculture there is a similarly significant prize on offer following estimations that half of global growth in food demand will come from Asia until 2030.

"The opportunity for PNG is not just about natural resources. Half of global growth in demand for food will come from Asia over the next 20 years. PNG has ample land capacity and water and there is enormous potential for agriculture," Mr Mohan said.

"However a number of key challenges will need to be met including creating the necessary scale, attracting agribusiness entrepreneurs and investors, continuing co-ordinated reform, and improving transport infrastructure and logistics.

"The government has already set ambitious agricultural targets that reflect this potential and realising the significant increases in agricultural production that are envisaged will be critical to protect PNG's economy from an overdependence on natural resources," Mr Mohan said.

ANZ CEO Papua New Guinea Mark Baker added: "Now is the time for PNG to foster a bold national conversation about the opportunities open to it as part of the Asian Century. Business also needs to play its role in supporting that discussion in order to help create an attractive investment environment, build strong institutions and contribute to balanced economic development.

"Asia will become the world's major supplier of capital in the coming years and continuing to build closer trade and investment ties, while maintaining PNG's important and long-standing relationships with traditional neighbours like Australia, will be critical to its future economic success," Mr Baker said.

*Bold Thinking: Imagining PNG in the Asian Century* and an interview with Vishnu Mohan and the report's author Grant Mitchell from Port Jackson Partners are available at [anz.com/insight](http://anz.com/insight).

For media enquiries contact:

Paul Edwards  
Group GM Corporate Communications  
Tel: +61-434-070101  
Email: [Paul.Edwards@anz.com](mailto:Paul.Edwards@anz.com)

Stephen Ries  
Senior Manager Media Relations  
Tel: +61-409-65551  
Email: [Stephen.Ries@anz.com](mailto:Stephen.Ries@anz.com)