



### Recommendations:

Papua New Guinea (PNG), which includes the Autonomous Region of Bougainville, is one of the most culturally diverse, rural, and underdeveloped countries in the Asia-Pacific. It offers abundant natural resources and unique opportunities for companies tolerant of its challenging operating conditions and high costs. **\*\*Good for risk tolerant companies looking for natural resources or access to a small but largely untapped market\*\***

- (+) Abundant natural resources
- (+) Strong English language skills
- (+) Strategic location between Asia and Oceania
- (+) U.S. companies are highly regarded in PNG

- (-) Endemic corruption, weak legal system, high crime, and lack of property rights protections
- (-) Poorly educated and mainly rural labor
- (-) High operating and living costs

### Highlights:

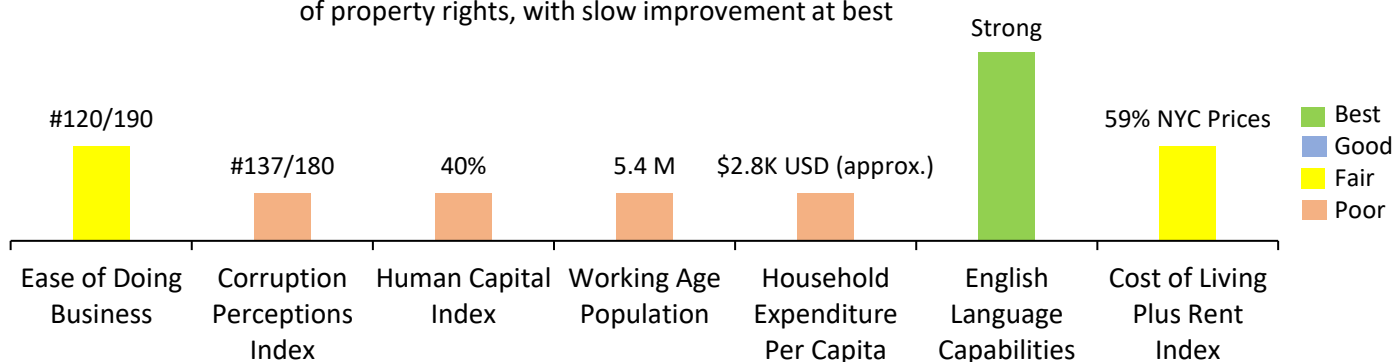
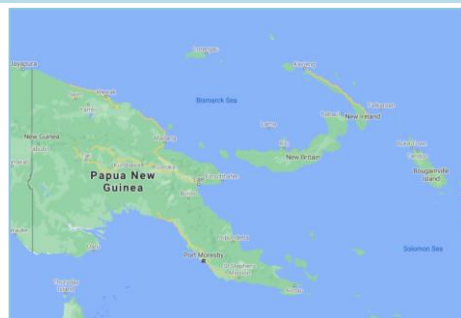
- Developing economy with weak legal system, corruption, high costs, and complex social construct, but creative companies have done well in PNG
- Emerging opportunities in Bougainville, especially if it ultimately becomes an independent country
- Limited labor availability; 75% of the population lives in rural areas and rely on subsistence agriculture

“PNG’s population of eight million people is young and growing. PNG’s **growth trajectory and abundant resource potential** provides a strong platform for greater economic engagement with Asia and beyond.”

- World Bank, 2021

### Country Facts:

**Population:** 8.9 million, 2% growth in 2019, 87% live in rural areas  
**GDP:** \$21.54 billion USD; GDP shrunk in 2019 and 2020, but 3.5% growth predicted for 2021  
**GNI per capita:** \$2,600 USD, 3.6% Inflation, lower-middle income economy  
**Industries:** Oil, natural gas, mining, timber, fish, and agriculture (coffee, oil, cocoa, copra, tea, rubber, and sugar)  
**Tourism:** Fledgling tourism industry, but growing ecotourism  
**Investment:** Challenging because of endemic corruption and lack of property rights, with slow improvement at best



### Marketing:

Per capita expenditure: \$2,800 USD (approximate)  
 Internet penetration: 11% (Southeast Asia 63%)  
 Shop online: Unknown, surged in 2020  
 Mobile ownership: 32%  
 Primary messaging: WhatsApp  
 Primary website: Facebook

### Average Labor:

Annual Labor Productivity: \$13,000  
 Prof. Salary: \$17,000  
 Worker Salary: \$3,700

### Infrastructure:

Ports: Fair  
 Roads: Poor  
 Airfields: Fair  
 Railroads: None

### Opening a Business:

**Relevant Laws:** Companies Act of 1997, Investment Act of 1992; Investment Promotion Authority (IPA) of the Companies Office is the key interlocutor for foreign companies  
**Time to Incorporate:** Normally quick, but 3-6 months process to apply for IPA certification if the company is less than 50% owned by a PNG citizen  
**Fees to Incorporate:** \$200-\$1000 USD depending on circumstances  
**Taxes:** 30%-40.5% taxes for resident companies, and 48% for nonresident companies, GST also due if annual revenue exceeds \$71K USD  
**Restrictions:** A PNG resident must be appointed a public officer in companies, foreigners can't own land  
**Trends:** The PNG Government is trying to attract FDI and improve the environment for investment, but so far has had little success in implementing its goals

### BBA Services:

BBA can help your business navigate the complex Papua New Guinea environment. Although BBA has no resident staff in country, some members of the BBA team have worked extensively in PNG to include the Autonomous Region of Bougainville. <https://businessbridgeasia.com>