



# TOPIC:PAPUA NEW GUINEA COUNTRY PRESENTATION



GROUP & REGION-FOCUSED TRAINING HOSTED  
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# CONTENT:



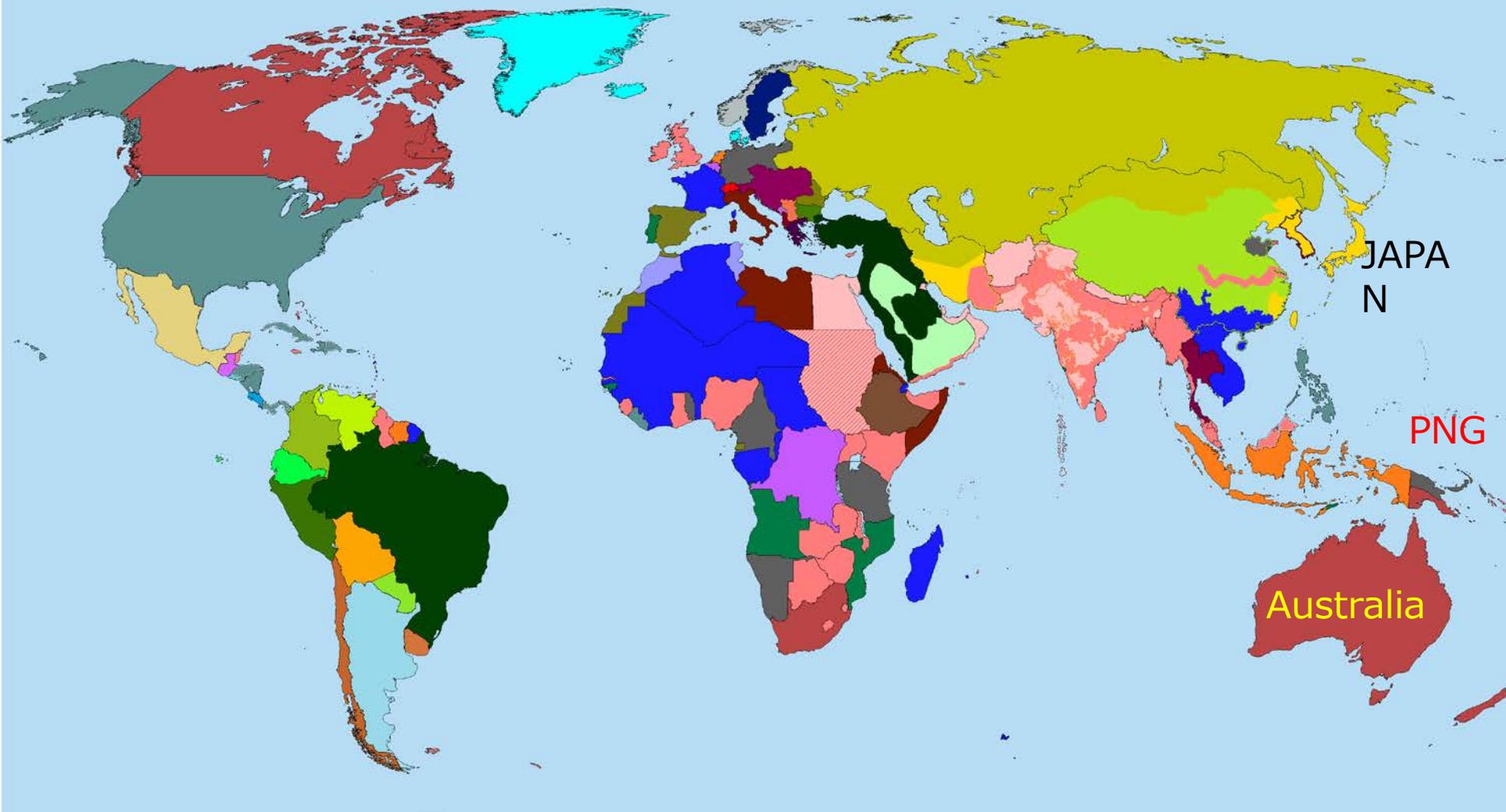
1. General Information- PNG
2. Current Energy Policy & Measures
3. Energy Demand & Supply Status
4. Outlook of Energy Supply & Demand
5. Major Challenges
6. Conclusion





# 1. GENERAL INFORMATION

- ❑ Located north of Australia & 6° south of equator
- ❑ Political Independence in 1975
- ❑ Mining & Petroleum sectors contribute over 70% country's export earnings
- ❑ PNG joined the exclusive club of LNG Producers in May 2014.
- ❑ GDP Growth rate at 10% last 3 years
- ❑ Income per capita: US\$3,000.
- ❑ 800 Tribes & Languages



# GENERAL INFORMATION

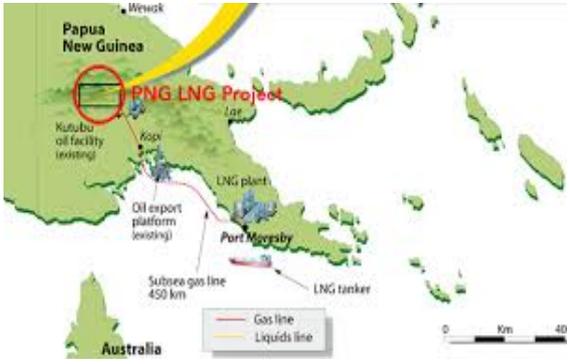
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## PNG LNG Project

- World-Class Project
- World-class Operator
- US\$20 Billion Capex
- Foundation Gas Infrastructure
- May 2014- First LNG Cargo
- Project provides solid platform for economic growth.





World Class Infrastructure developed by PNG LNG Project



# 2. CURRENT ENERGY POLICY



- ❑ No clear Policy in the past
- ❑ Draft National Energy Policy in place now
- ❑ Key features of new Policy are:
  - Promote PNG's development aspiration & energy security
  - Coordinated and sustainable development
  - Making PNG industries and exports internationally competitive
  - Increased electricity accessibility to entire nation and that 70% of Population to Access Electricity by 2030

### 3. Energy Demand & Supply Status



- ❑ Current Installed Capacity is 580MW
  - 52% Regulated & 48% unregulated
  
- ❑ Demand Growth from 2010-2015 was 12%.
  - Annual demand growth for period was 6%
  
- ❑ Demand projected to reach 36% by 2020 based on 2015 demand

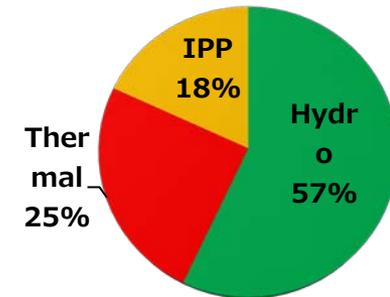
# Demand & Supply...co



Year	Annual Generation (MWhr)	Annual Peak Demand MW	% Annual Growth
2000	796,301.18	126	
2001	769,955.50	124	-3%
2002	780,003.38	126	1%
2003	770,619.78	122	-1%
2004	772,125.40	125	0%
2005	778,800.69	123	1%
2006	784,776.58	124	1%
2007	819,492.75	130	4%
2008	851,453.22	140	4%
2009	897,966.34	157	5%
2010	964,541.14	160	7%
2011	1,017,656.41	162	6%
2012	1,079,981.84	178	6%
2013	1,209,435.41	216	12%
2014	1,226,721.53	224	1%

**Generation Composition – 2014 in regulated market**

Hydro	699,256
Thermal	305,048
IPP	222,418



Source: PNG Power Limited

# 4. Demand & Supply Outlook



- ❑ Demand growth expected to double
  - Strong economic growth
- ❑ Demand growth from Mining, Industries and Commercial Sectors.
- ❑ Natural gas new but strong p in Power Generation in years ahead.
- ❑ Potential Growth in IPP sector
- ❑ Potential in Large-scale Hydro





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# 5. MAJOR CHALLENGES



- ❑ Slowness in Energy Policy Development
  - Cumbersome bureaucratic process
  - Political Views
  - Funding
  - Job Knowledge
  
- ❑ Investment in new Power Infrastructure
- ❑ High Cost versus High Price
  - Unit cost of power production to be addressed
  - Price for feed gas for Power Generation needs policy intervention
- ❑ Improving Living Standards of Ordinary People by providing energy that is affordable, accessible and reliable.



# 6. CONCLUSION

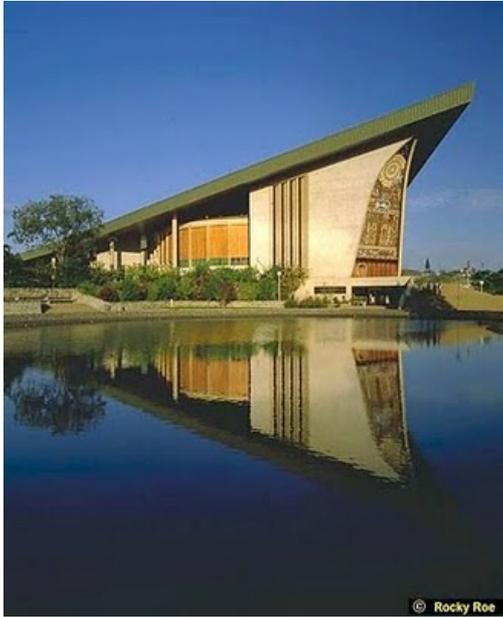


- ❑ Government addressing issues of the sector – policy development
- ❑ PNG one of the rapidly growing economies in the region
- ❑ Negotiating Deals requires Appropriate Skills & Job Knowledge
- ❑ Power Demand projected to grow significantly over the next decade and beyond
- ❑ PNG offers Great Opportunity for Investment



# Planning Vital

- Having a precise Plan as to how to develop a National Energy Policy is significantly important.



**Thank you!!!**

