

Papua New Guinea Snapshot

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Population: 7.3 million (2013)

GDP: \$15.4 billion USD (2013, current)

Total aid from China (2006-) \$440.30 million USD

Total number of Chinese aid projects (2006-) 22

Top 3 donors (2006-2013)

1	Australia	\$3.016.73 billion USD
2	China	\$251.45 million USD
3	EU Institutions	\$195.91 million USD

Context

China established diplomatic relations with Papua New Guinea in 1976 (although PNG switched to Taiwan for 6 days in 1999). In addition to its foreign aid program, there is significant Chinese investment, involving both state-owned enterprises and smaller traders. The largest investment project is the US\$1.6 billion Ramu Nickel mine in Madang province, which has been controversial, and caught up in local politics. China had a very strong relationship with former prime minister Sir Michael Somare, which was also subject to criticism within PNG. The country experienced a wave of 'anti-Asian' sentiment in 2009. China had to extend its 2006 concessional loan offer due to delays on the PNG side, with bureaucratic competition in selecting priority projects. Chinese companies are also successful in obtaining PNG Government and Asian Development Bank (ADB) contracts, particularly in the infrastructure sector. More than 50 per cent of ADB's current projects in PNG have been won by Chinese companies.

Top 3 sectors (number of projects)

Education; Government & Civil Society (4)

Agriculture, Forestry, Fishing; Other Social Infrastructure & Services; Health (3)

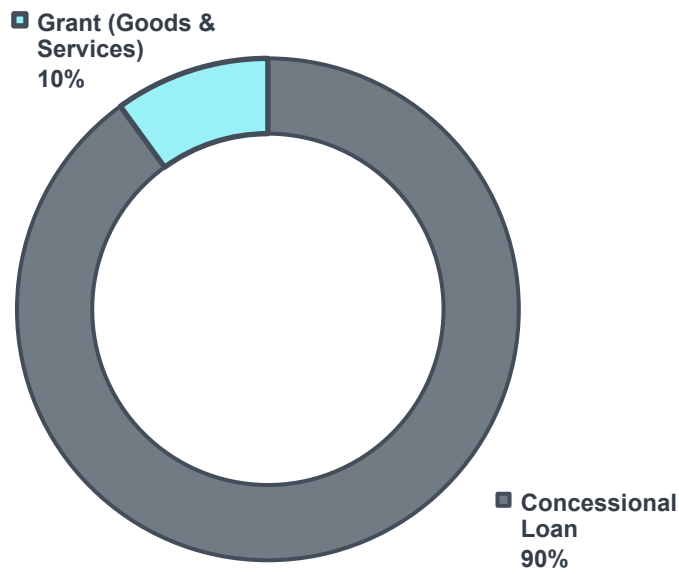
Top 3 sectors (% of total Chinese aid)

Transport (28.7%)

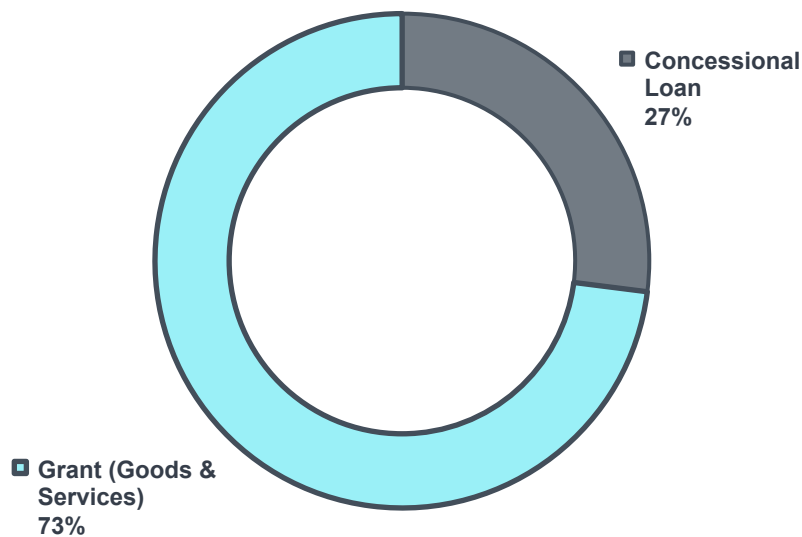
Education (18%)

Industry, Mining, Construction (16%)

Chinese aid by type (as % of total value)



Chinese aid by type (as % of number of projects)



For details on specific projects, please explore www.lowyinstitute.org/chinese-aid-map
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