



Polye-Flanagan seek to Undermine Economy for Political Self-Interest - PNG LNG Locked Into Forward Contracts so will not Affect Budget

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The Prime Minister's Chief of Staff, Amb. Isaac Lupari, has raised concerns at political interference by a former Australian Government Adviser working with the Leader of the Opposition to undermine the Government.

Ambassador Lupari said that as a close advisor to the former Treasurer, recent articles written by Paul Flanagan are more political spin than real analysis and these views are not impartial.

Importantly, Ambassador Lupari said despite claims by Mr Polye and Flanagan, Papua New Guinea is largely protected from oil price fluctuation because forward contracts were signed before the recent change in oil prices.

"Their argument is based around the claim that Papua New Guinea will receive substantially less income from LNG sales and this is simply not true," Ambassador Lupari said.

"PNG LNG exports and prices are predominantly locked into long-term forwards sales contracts. In simple terms this means that Papua New Guinea will receive the same price for LNG."

"Mr Flanagan should know that LNG prices are locked in but he continues to play politics with business perceptions and the Opposition is going along with this nonsense.

"Polye-Flanagan appear to have no conscience when it comes to talking down the economy for their own political self-interest, and do not care of harm this could cause to small business and jobs in Papua New Guinea.

"Almost every budget in ever country in the world is framed around a theory of market fluctuation and expectation that prices will change. The 2015 budget is designed according to these economic principles, so the Polye-Flanagan assertion that the 2015 budget is under threat is grossly misleading.

"Analysis and discussion on the economy is always welcome, but motive must be declared. Mr Flanagan's agenda is very clear - it is political and unprofessional. If Mr Flanagan was genuine, he could have sought to engage with the Government and voice his concerns instead of playing games in the media.

"If the Leader of the Opposition does not understand the subject matter there are a number of truly independent experts who live and work in Papua New Guinea from whom he could seek advice."

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