



*Creating Markets, Creating Opportunities*



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**Partnership Between IFC and PNGX to Deepen Papua New Guinea's Capital Market, Help Accelerate Economic Growth**

**Port Moresby, Papua New Guinea, May 16, 2022** — Papua New Guineans stand to benefit from a modernization of the nation's capital market that's expected to boost investment, accelerate economic growth and help support a sustainable economic recovery.

Under an agreement announced today, IFC, a member of the World Bank Group, will work with PNGX Markets Limited, the national stock exchange of Papua New Guinea (PNG), to deepen the nation's capital market and boost access to long-term financing for companies in PNG. IFC will provide additional advisory services to PNGX, including reviewing its listing rules and other technical elements related to the issuance of corporate bonds.

*"We are pleased to be drawing on IFC's global expertise to help develop PNG's capital market," said **PNGX Chairman David Lawrence**. "This crucial program is creating the potential for PNG investors and debt issuers to participate in a well-regulated, efficient and transparent corporate bond market, laying the ground for more international investment into the country and increased economic development across the nation."*

The reform program will pave the way for the issuance of green and sustainability-linked bonds (SLBs), enabling PNGX to tap the rapidly growing sustainable debt market. Green bond issuance surpassed US\$1.5 trillion last year, reflecting surging appetite among investors.

*"The market is still in its infancy in many emerging economies, or even non-existent, and so we are pleased to see PNGX taking steps that will see it offering sustainable investment options," said **Paramita Dasgupta, Manager, East Asia and Pacific, IFC Regional Advisory Services – Creating Markets**. "We need to build the capacity of capital markets, which are crucial conduits for investment and economic growth and are also an absolutely essential tool to finance the transition to net zero. That means rolling out green bonds, sustainability-linked bonds and other sustainable debt initiatives much more broadly."*

IFC will also provide an expert education program relating to the development of environmental, social and governance (ESG) rules which will help create appropriate disclosure standards for PNGX and its companies. This latest development comes after PNGX [announced in April](#) it had joined the United Nations Sustainable Stock Exchange initiative. Other areas of expert training will encompass board gender diversity. Strengthening PNGX's ESG standards will lay the foundations for a new corporate governance code that, importantly, will factor in gender.

*“Our work with PNGX will also help enable PNG companies to operate in line with global best practices, helping their corporate debt and equity become an attractive investment for international investors,” said John Imbal, PNG-based Operations Officer, East Asia and Pacific, IFC Regional Advisory Services – Creating Markets. “Environment and social governance disclosure is becoming mainstream for listed companies around the world, and many are now including the disclosures in their annual reports. This is because investors expect it and can then use them as part of their assessment of a company’s performance.”*

As part of the ongoing initiative to develop the PNG bond markets, IFC and PNGX are already strengthening the market’s legal and regulatory framework, modernizing bond market infrastructure and providing training and education for regulators and market participants.

### **About the PNG Partnership**

IFC’s work in Papua New Guinea is guided by the PNG Partnership. Australia, New Zealand and IFC are working together through the Partnership to stimulate private sector investment and reduce poverty in Papua New Guinea.

### **About IFC**

IFC—a member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2021, IFC committed a record \$31.5 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of the COVID-19 pandemic. For more information, visit [www.ifc.org](http://www.ifc.org)

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### **About PNGX Markets Limited – [www.pngx.com.pg](http://www.pngx.com.pg)**

PNGX Markets is the national stock exchange of Papua New Guinea. PNGX is responsible for providing an orderly and fair market for securities traded through its facilities and for acting in the public interest, recognizing the need to protect investors. PNGX is regulated and licensed by the Papua New Guinea Securities Commission. PNGX is the National Numbering Agency for Papua New Guinea.

