



Media Release

PNGX welcomes Ministerial support for the public capital market

Port Moresby, 17 July 2025: PNGX Group Limited (**PNGX Group**), holding company of Papua New Guinea's national stock exchange, welcomes Wednesday's statement by Hon. William Duma, Minister for State Enterprises, and his strong support for market development and the deepening of Papua New Guinea's capital markets.

Encouraging greater public and institutional participation in BSP Financial Group Limited (**BSP**) shareholdings is a positive step that broadens investment opportunities for all Papua New Guineans.

We also commend the Minister's support for investment through PNGX, which is essential for building a vibrant and inclusive financial ecosystem. The reaffirmation of intent to partially privatise quality state-owned enterprises through the capital market is especially encouraging. This approach promotes transparency, strengthens corporate governance, and provides the public with a chance to own a stake in nationally significant enterprises.

We welcome the acknowledgement that the private sector is well positioned to drive innovation, efficiency and ensure long-term value creation. A strong private sector, enabled by a functioning capital market on PNGX, is key to unlocking economic growth and long-term national prosperity.

We stand ready to support these initiatives and contribute to a robust, resilient, and accessible capital market for PNG's future.

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About PNGX Group Limited

PNGX Group is a diversifying business services company based in Port Moresby.

PNGX Markets Limited (**PNGX Markets**), a wholly owned subsidiary of PNGX Group, is the operator of Papua New Guinea's national stock exchange and is responsible for providing an orderly and fair market in relation to securities which are traded through its facilities and for acting in the public interest having regard to the need for protection of investors. PNGX Markets is regulated and licensed by the Papua New Guinea Securities Commission. PNGX Markets is the National Numbering Agency for Papua New Guinea.

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MINISTER FOR STATE ENTERPRISES

MEDIA RELEASE

Motor Vehicle Insurance Limited Shares in BSP Sold to PNG Citizens and Institutions Generating Investment Funds for Improving State Enterprise Service Delivery

16 July 2025

The Honourable William Duma, MP, Minister for State Enterprises, has announced that only PNG citizens and institutions, and not foreign investors, were the buyers and main beneficiaries of the recent sale of BSP shares previously owned by MVIL.

“Ownership of these shares in BSP remains within our country, giving the opportunity for everyday Papua New Guineans to own part of BSP,” Minister Duma confirmed.

“The sale has provided much-needed funding to enhance State Owned Enterprises as part of reforms to modernise technology and service delivery without having to rely upon allocations from the National Budget and expensive borrowings from banks requesting State guarantees. More specifically, most of the proceeds of the sale will be used to invest in improving the reliability and efficiency of services provided by PNG Power Ltd and Water PNG Ltd mainly in Port Moresby and Lae.

“This decision is properly timed and grounded in economic prudence. It further takes into consideration the investment principles in KCH’s Strategic Asset Allocation (SAA) in terms of exposure and the Marape-Rosso Government’s vision to re-invest in the infrastructure asset stock of the country towards doubling Gross Domestic Product (GDP) over the next 10 years.”

In the commercial world, no share investor in companies trading in a stock exchange sells its shares when share values are down. Smart investors sell shares when the share values on the stock market are trading well.

Background

Motor Vehicle Insurance Limited (MVIL) and Kumul Consolidated Holdings (KCH) have held significant shareholdings in BSP for many years, and Minister Duma said now is the right time to evolve this ownership.

“This investment in BSP has delivered solid returns to the State and contributed to the growth of PNG’s financial sector.

“This was right for the time, however, the concentration of risk and the role of State as a shareholder in commercial enterprises must and has been reassessed.

“The private sector is well positioned to drive innovation, efficiency and ensure long-term value creation.”

Rationale for the Sale

Minister Duma said the decision to sell a portion of BSP shares was guided by a series of objectives.

1. **Fiscal Consolidation:** The proceeds from the sale will be re-invested in priority service delivery areas sectors that are moving into new technologies and delivery models such as power and water infrastructure without putting stress on the National Budget and expensive borrowings from banks requiring guarantees from both KCH and the State.
2. **Portfolio Rebalancing:** Kumul Consolidated Holdings is streamlining its asset portfolio and reducing what could be considered over-exposure to single commercial investments. This is the people’s investment money and must be managed effectively.
3. **Market Development:** This sale provides an opportunity to deepen PNG’s capital markets by encouraging greater public and institutional participation in BSP shareholding. This includes investment through the PNGX stock exchange. KCH recently signed a partnership with PNGX to prepare SOEs for compliance to its Corporate Governance Code in preparation for partial privatisation.
4. **Focus on Core Functions:** State Owned Enterprises’ role is to provide public goods and services to the public, to advance development that at times required direct investment in business. But we are not to be a long-term commercial investor playing the market. Divesting from non-core assets enables us to refocus resources on service delivery and nation-building in priority areas. In doing so, KCH is reallocating factors of production such as capital to push the production possibility frontier and make gains for the state in as far as Total Factor Productivity (TFP) growth for the country is concerned.



Attention to Detail and Process

“The sale process was transparent, competitive, and compliant with all relevant laws, including the Kumul Consolidated Holdings Act,” Minister Duma confirmed.

“Priority was given to domestic investors, particularly PNG citizens, superannuation funds, and local institutions, to ensure that ownership remains largely within Papua New Guinea.

“The shares were purchased by over 50 different PNG investors, made up of PNG companies and individuals through JMP Securities Limited (JMP) as one of the country’s two licensed stockbrokers.

The shares were not sold to a foreign investor as has been speculated in the social media. Contrary to the assertion by Post Courier, the shares were not sold to only one investor.

“Our people should not be influenced by misleading and baseless allegations mainly in the social media.”

“It must be stated that it is because of BSP’s strength and stability, that this divestment decision could be made in the interests of our country and BSP.

“KCH will retain an appropriate level of interest in BSP which is currently above 18 percent, to maintain its voice in strategic matters where necessary, while stepping back from material ownership.

“This divestment is about responsible economic management. It is about transforming state assets into development capital and creating room for the private sector to lead in areas where it has comparative advantage and improve the comparative Total Factor Productivity (TFP) of the country.

“We remain accountable to the people of Papua New Guinea, and we are confident this decision will support our medium-term fiscal strategy, restore macroeconomic stability, and contribute to a stronger, more resilient economy.



Hon. William Duma, LLB, LLM, CMG, MP

Minister for State Enterprises

16 July 2025