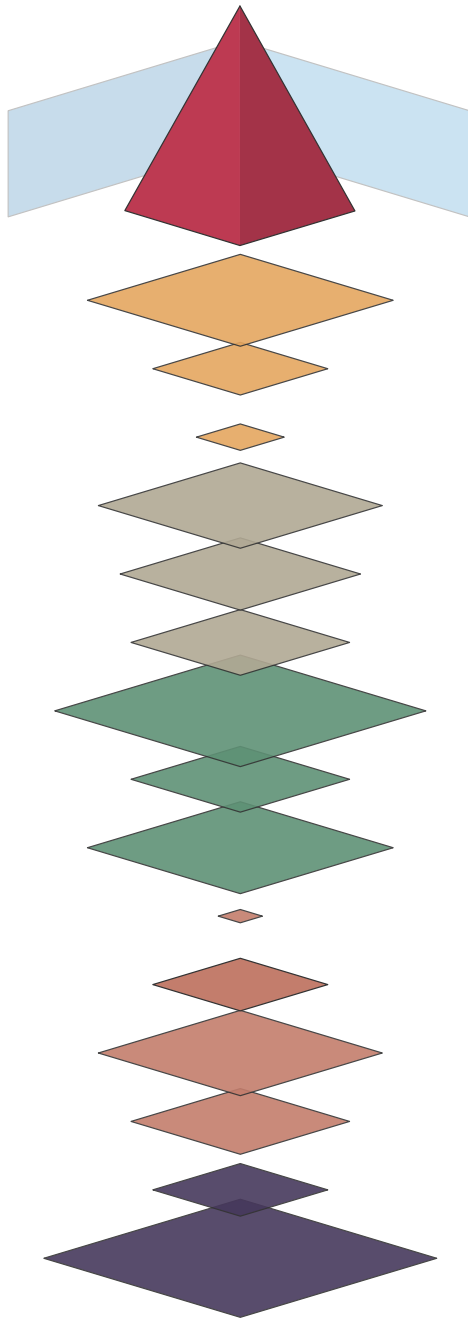




PAPUA NEW GUINEA



5.72
CRIMINALITY SCORE

63rd of 193 countries
1st of 14 Oceanian countries
1st of 4 Melanesian countries



CRIMINAL MARKETS **5.33**

HUMAN TRAFFICKING	7.00
HUMAN SMUGGLING	4.00
EXTORTION & PROTECTION RACKETEERING	2.00
ARMS TRAFFICKING	6.50
TRADE IN COUNTERFEIT GOODS	5.50
ILLICIT TRADE IN EXCISABLE GOODS	5.00
FLORA CRIMES	8.50
FAUNA CRIMES	5.00
NON-RENEWABLE RESOURCE CRIMES	7.00
HEROIN TRADE	1.00
COCAINE TRADE	4.00
CANNABIS TRADE	6.50
SYNTHETIC DRUG TRADE	5.00
CYBER-DEPENDENT CRIMES	4.00
FINANCIAL CRIMES	9.00



CRIMINAL ACTORS **6.10**

MAFIA-STYLE GROUPS	1.00
CRIMINAL NETWORKS	8.00
STATE-EMBEDDED ACTORS	8.50
FOREIGN ACTORS	6.50
PRIVATE SECTOR ACTORS	6.50



3.29
RESILIENCE SCORE



Funding provided by the United States Government.

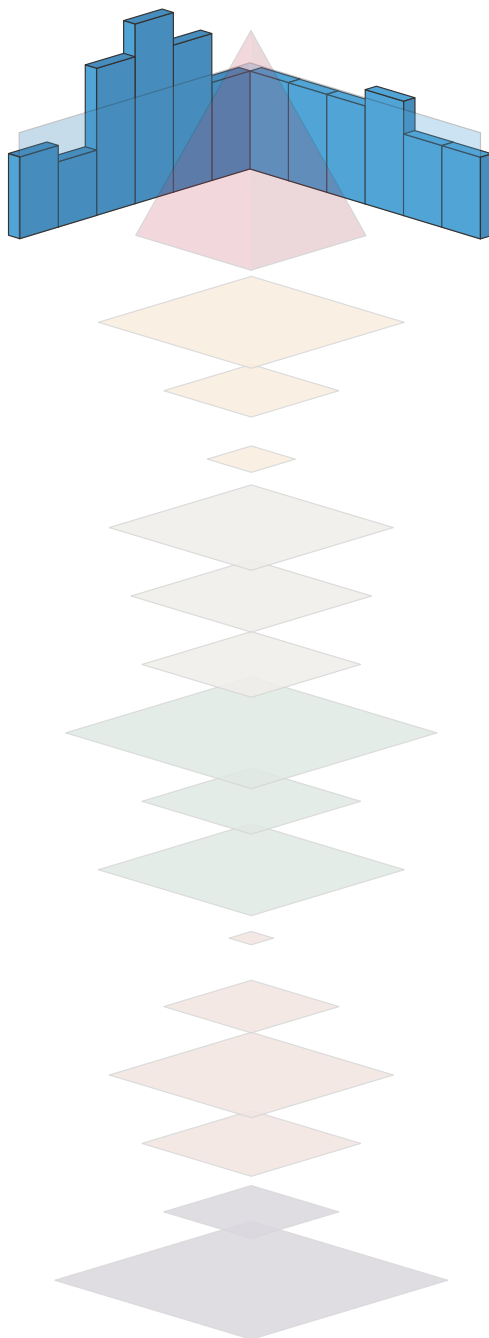


Funded by the European Union

ENACT is funded by the European Union and implemented by the Institute for Security Studies and INTERPOL, in affiliation with the Global Initiative Against Transnational Organized Crime.



PAPUA NEW GUINEA



3.29

RESILIENCE SCORE

155th of 193 countries

14th of 14 Oceanian countries

4th of 4 Melanesian countries

POLITICAL LEADERSHIP AND GOVERNANCE	2.50
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	2.00
INTERNATIONAL COOPERATION	4.50
NATIONAL POLICIES AND LAWS	5.50
JUDICIAL SYSTEM AND DETENTION	4.50
LAW ENFORCEMENT	3.00
TERRITORIAL INTEGRITY	3.00
ANTI-MONEY LAUNDERING	3.00
ECONOMIC REGULATORY CAPACITY	3.00
VICTIM AND WITNESS SUPPORT	3.50
PREVENTION	2.50
NON-STATE ACTORS	2.50



5.72

CRIMINALITY SCORE



CRIMINAL MARKETS 5.33



CRIMINAL ACTORS 6.10



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CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Human trafficking is a pervasive and multifaceted crime in Papua New Guinea, targeting local and foreign victims alike. It takes many forms, including labour exploitation, sexual exploitation, forced marriage, child labour and domestic servitude. Papua New Guinea also serves as a transit point for traffickers who exploit individuals in other countries. Cross-border trafficking often takes place in the forestry, mining and fishery sectors; women are trafficked into the country for forced prostitution and domestic servitude around logging and mining sites. There are also reports of small but powerful cartels from Asia playing a significant role in human trafficking within Papua New Guinea; most victims come from South East Asia. Despite some progress in anti-trafficking efforts, endemic corruption among officials, especially in the logging sector, enables human trafficking to continue.

When it comes to human smuggling, Papua New Guinea is thought to be a minor transit country for people heading to Australia, as well as a destination country for individuals seeking work in sectors such as logging, mining and fishing. The lack of resources and security measures in Papua New Guinea makes it an attractive country for smugglers to move people. There is little evidence of widespread extortion and protection racketeering in Papua New Guinea. Other than historical and sporadic incidents, there are no further reports of this crime.

TRADE

Arms trafficking is a serious issue in Papua New Guinea. Criminal gangs are reported to be well-armed; some even manufacture their own handguns. The proliferation of automatic weapons has led to a substantial increase in gun violence in certain regions, exacerbating intertribal conflicts. Illicit, mass-manufactured firearms are often diverted from state armouries through theft and corruption; the police and military lose a high proportion of their stockpiles this way. The main sources of illicit arms and ammunition are police and military personnel, licensed arms dealers and licensed gun owners. The cost of black-market firearms has increased, leading to a negative impact on supply. Arms trafficking increases during election times as politicians arm their supporters. The US has banned firearm exports to Papua New Guinea due to a corrupt police official selling guns to third parties. Despite calls for action, little has been done to address the issue.

Illicit trade of counterfeit goods and excise goods is also a major problem in Papua New Guinea, significantly impacting the country's economy and public health. The production and sale of counterfeit goods such as pharmaceutical products, branded textile goods and bilums (traditional woven string bags) not only result in tax evasion but also harm public health and local manufacturers who may struggle to compete with the cheaper products. In addition to counterfeit goods, the illicit trade in excise goods, particularly tobacco and alcoholic beverages, is prevalent. It is estimated that for every three cigarettes in the market, one is illegal.

ENVIRONMENT

Papua New Guinea is the world's largest tropical timber exporter. Almost three quarters of its yield is produced illegally. Despite recent acknowledgments of the urgent need to halt and reverse forest loss by 2030, little action has been taken due to state-embedded actors benefiting from the trade. Illegal logging is largely conducted by foreign timber companies that have been granted legal concessions but do not follow regulations. Much of the timber is destined for Asian markets. The palm oil industry in Papua New Guinea is also plagued by criminality: tainted palm oil and its derivatives are sold to well-known brands. The high commercial value of coffee, copra and cocoa may further increase the risk of future criminality in the agricultural industry.

Fauna crimes are also prevalent in Papua New Guinea, including the illegal trade in exotic species and illegal, unreported and unregulated (IUU) fishing. The government lacks the resources to monitor the vast number of vessels operating in and around its waters, particularly in the Torres Strait. While the extent of cross-border trade in rare and exotic animals is difficult to determine, there is evidence of the capture and trade of turtles and the sale of dead or living animals brought in as 'spare parts' for cultural shows. Despite international agreements to the contrary, Papua New Guinea still exports wild-harvested and captive-bred crocodile products. IUU fishing is driven by the desire to maximize benefits; slave labour is often used to lower costs.

Papua New Guinea's extractive industries, including gold and other precious metals, contribute significantly to the country's economy but also drive corruption, environmental damage and human rights abuses. Mining companies often receive favourable treatment and pay little tax, while mining development disrupts communities and generates social conflict. There are serious human rights concerns, such as rape and shootings, around some of Papua New Guinea's major mines. The nation's economy remains dominated by

agriculture, fishing and natural minerals such as copper and gold. The illegal export of gold is thought to have increased due to Papua New Guinea's foreign exchange crisis and the gold price increase during the COVID-19 pandemic. Certain gold-production industries use mercury, which is illegal in the country. Its use indicates the extent of the black-market trade.

DRUGS

Heroin is not a major drug market in Papua New Guinea. Local demand is virtually non-existent due to the high cost of the drug compared to the average income. However, reports suggest that kratom, an opioid substitute, is popular.

Papua New Guinea is a trans-shipment point for cocaine destined for more lucrative markets in the region, such as Australia and possibly New Zealand. The COVID-19 pandemic did not weaken demand for illicit drugs, or their trade. If anything, local markets in the Pacific have grown and drug abuse has emerged as a problem among the youth. Existing links to Australian crime groups that are connected to the Italian mafia are a concern, indicating the potential growth of the cocaine trade in Papua New Guinea. As with heroin, local demand for cocaine is not high due to the cost of the drug compared to the average income.

Recent reports indicate that Papua New Guinea is a major source country for cannabis. While it is mostly produced for local consumption, foreign criminals have been smuggling cannabis from Papua New Guinea to other markets. Synthetic drugs have also been reported in the country, although there is little evidence of local production. Papua New Guinea is mostly a transit point for methamphetamine from South East Asia destined for Australia. Methamphetamine is becoming increasingly available in the Pacific region due to its easy accessibility within the Mekong region – a cause for concern.

CYBER-DEPENDENT CRIMES

Cyber-dependent crimes are becoming more prevalent in the country; the government of Papua New Guinea has experienced multiple cyberattacks, including ransomware attacks. These have disrupted essential state services, including the payment system of the Department of Finance. The attacks were not intended to steal funds directly, but they did encrypt crucial information and the attackers demanded payment in Bitcoin and other cryptocurrencies as ransom.

FINANCIAL CRIMES

Papua New Guinea has the largest economy of all Pacific Island countries due to its vast reserves of natural resources, which makes it increasingly vulnerable to financial crimes. Corruption and mismanagement of state resources have

significantly dented the country's potential wealth. In 2021, police investigated the biggest fraud in the country's history in which hundreds of millions of dollars were transferred illegally from a mining project community trust fund to private bank accounts. Typically, misappropriated government funds are used to purchase real estate or high-value vehicles and goods within the country, or the funds are moved to Australia. It is worth noting that most of the illicit funds circulating in the country are domestic. Papua New Guinea is not a financial centre like other countries in the region, which attract foreign illicit flows.

CRIMINAL ACTORS

Papua New Guinea might not currently have domestic mafia-style groups, but criminal networks still dominate the country's landscape. These loosely organized groups are known as 'raskols' and are composed of various street gangs. They operate along highways, in coastal and island provinces, and in bigger cities such as Port Moresby and Lae. Tribal clans operate in the Highland region and mostly engage in petty crime but they are also involved in organized crime such as the drug market. As Papua New Guinea becomes more industrialised, and as synthetic drugs and raw material extraction increase, a countrywide criminal fraternity might develop. The level of violence among street gangs in Papua New Guinea is high, often driven by revenge which plays a fundamental role due to the tribal nature of gang relations. The gangs are heavily armed and often make their own weapons in response to the high cost of importing weapons into the country. Milne Bay, in particular, has suffered ongoing criminal gang activity including raids on local businesses and gangs taking control of the provincial capital.

Corruption is pervasive in Papua New Guinea. Fraud and the mismanagement of funds are common among public officials. The police force is considered the most corrupt public agency in the country. Law enforcement officers regularly receive bribes to ignore human trafficking. Sometimes they are even involved directly in drug trafficking, illegal arms trading and the theft of fuel. Foreign actors, particularly Asian crime syndicates, play a dominant role in organized criminal activity, mainly in the drug trade and human trafficking markets. Private-sector actors, specifically those involved in logging, also cooperate with criminal organizations and are considered high-risk for money laundering. Real estate and legal professionals in Australia have been identified as facilitators of money laundering. Banks aid and abet criminal activity by providing their services to entities involved in criminal activities.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Papua New Guinea is an unstable and partly free country, which faces increasing corruption, political instability and a deterioration of law and order. Since gaining independence in 1975, all subsequent governments have been coalitions of multiple political parties and independent members who often change allegiances for pragmatic reasons. Corruption in the non-renewable resources sector is a pervasive problem that affects all levels of the state. While public perception of corruption has worsened over the past two decades, very few corruption cases have been successfully prosecuted. Simultaneously, funding for anti-corruption organizations has fallen to its lowest level in recent times. The business sector is also seen as corrupt. Papua New Guinea is perceived to be the most corrupt nation in the region, along with Solomon Islands. Vote-buying is widespread.

Papua New Guinea is not a signatory of the UN Convention against Transnational Organized Crime, nor is it a signatory of the Arms Trade Treaty. Its obligations to international treaties concerning the repatriation of fugitives have also faltered in recent years. Overall, the country's commitment to international efforts is moderate at best. China, Australia and other members of the Commonwealth are key aid partners and Papua New Guinea has extradition treaties in place with certain countries. Yet, it does not have such treaties in place with other countries whose citizens are heavily involved in organized crime. Legislation addressing organized crime in Papua New Guinea is poor and outdated; little has changed since 2005. The country might have laws and relevant agencies, but there are significant gaps. For example, there is no freedom of information legislation and the working procedures are weak between key agencies like the police, courts and government. Other major issues include political interference in government agencies, and insufficient funding allocated to government departments.

CRIMINAL JUSTICE AND SECURITY

Despite often facing pressure from the executive, the judicial system in Papua New Guinea remains generally independent, as evidenced by several recent rulings against government officials. However, the judiciary is poorly resourced, leading to lengthy detentions and trial delays. Courts are slow to administer justice and backlog cases go back several years. Additionally, there is an inadequate number of judges and magistrates, and the system is considered to be antiquated. Prison conditions are poor, understaffed, unhygienic and overcrowded. More than ever, correctional services are struggling to prevent mass prison escapes. Lengthy delays in cases and pretrial

detentions lead to frustration and many people attempt to run away. Arbitrary detention is common.

The capacity of law enforcement to tackle organized crime is extremely limited due to a lack of resources, training and infrastructure. Law enforcement agencies are rife with corruption – officers are routinely involved in drug trafficking, illegal arms trading and fuel theft, even murder and rape.

Papua New Guinea is the largest country in the South Pacific and is made up of many small islands. Its location between source countries of illicit commodities in Asia and large destination markets like Australia (and to a lesser extent New Zealand) makes it an attractive transit location. The key factor in the country's vulnerability to transnational organized crime is its border with Indonesia, which is an important crossing point for several illegal goods, mainly arms. Additionally, Daru, on the country's southern coast in the Torres Strait, is considered a hotspot for the smuggling of drugs, arms and people to and from Australia and Indonesia. Regarding physical and cyber infrastructure, the country is considered vulnerable as it has to rely on external partners for technological development. The obsolete technological infrastructure that Papua New Guinea has been using, such as expired operating systems, has exposed government institutions to cyber attacks.

ECONOMIC AND FINANCIAL ENVIRONMENT

Even though Papua New Guinea is no longer officially considered to have strategic money laundering deficiencies, profits from forestry crimes still exceed those generated by the legal timber market. Money-laundering prosecutions carried out by the country's financial intelligence unit (FIU) have been hindered by the lack of cooperation between the law enforcement and the FIU. Ironically, Papua New Guinea receives anti-money laundering assistance from Australia and has agreements with other international partners, yet most of the proceeds from corruption and criminal activity end back in developed countries like Australia and Singapore. Papua New Guinea does not have any measures in place, nor legislation, to prevent crowdfunding or online gambling from being used as money-laundering channels.

Papua New Guinea's economy is the third-largest in Oceania after Australia and New Zealand, driven heavily by agricultural, forestry, fishing and mining. While these sectors employ most of the labour force, chronic youth unemployment remains a significant issue. More than three-quarters of the population is employed in the informal sector, which lacks regulation and enforcement, leading to widespread labour and sexual exploitation. The COVID-19 pandemic has further worsened the job crisis in both formal and

informal sectors. Political instability, global uncertainty and legal disputes over resource projects pose significant challenges to Papua New Guinea's growth prospects.

CIVIL SOCIETY AND SOCIAL PROTECTION

State support for victims of organized crime is extremely limited, especially for victims of human trafficking. Most services are provided by international and local civil society organizations (CSOs). There is no witness protection programme, which deters people from reporting and testifying. The government has modestly increased its efforts to prevent trafficking, but the impact of these efforts has been hindered by a lack of resources and political will. Measures to prevent forced labour in the logging industry are negligible and the government has not reported on its regulation of recruitment fees, which continue to contribute to debt-based coercion among foreign workers.

The media environment in Papua New Guinea is relatively free: journalists often criticise the government and cover controversial topics like police brutality and state corruption. However, there have been some cases of targeted abuse towards journalists; attacks on the media in general have increased slightly in recent years. Additionally, the impartiality of certain outlets has been called into question, with some daily newspapers accused of providing overly positive coverage to the government. CSOs, particularly churches, are the most prominent providers of victim support in Papua New Guinea, but their capacity is limited due to a lack of funding. Likewise, CSOs working on issues related to organized crime are few in number.

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