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U.S.–Papua New Guinea Relations: Issues for Congress

Overview

The Independent State of Papua New Guinea (PNG) lies in a region of the southwest Pacific known as Melanesia on the eastern side of the island of New Guinea. It is the most populous Pacific Islands country (PIC), with over 10 million inhabitants belonging to hundreds of tribes. In 1975, PNG gained independence from an Australian-administered United Nations trusteeship and became a member of the British Commonwealth. The country is a member of regional organizations such as the Pacific Islands Forum and the Melanesian Spearhead Group.

During World War II, 7,000 American soldiers and airmen died in the New Guinea campaign, and the nearby Battle of the Coral Sea was considered a turning point of the U.S. conflict with Japan. Since 1945, the United States has played a relatively minor role in PNG's economy and security, although U.S. entities have on occasion pursued economic opportunities such as investment in natural gas production. Since around 2018, U.S. engagement with PNG has expanded, driven in part by U.S. perceptions that the People's Republic of China (PRC, or China) is increasing its influence in both PNG and the Pacific Islands region.

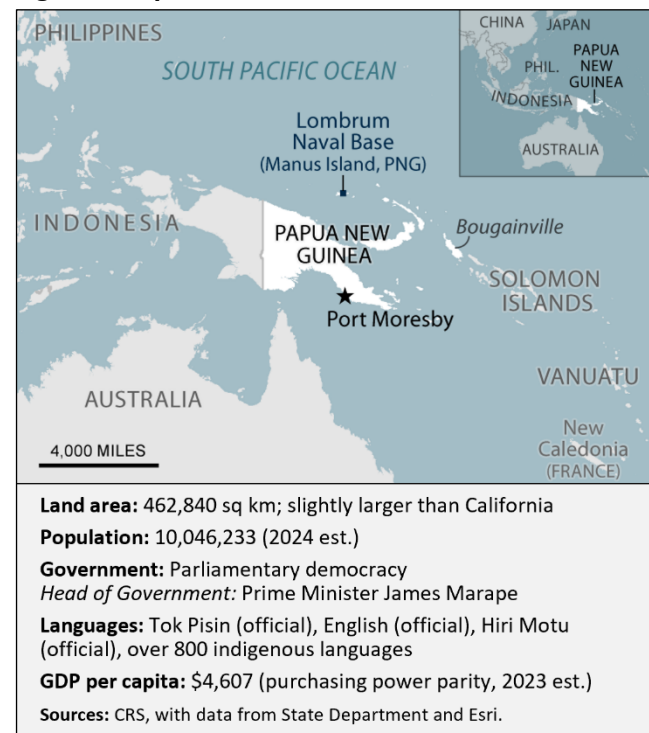
Previous U.S. Administrations and some Members of Congress have identified significant U.S. national security interests in the Pacific Islands region, including maintaining free and open waterways; supporting U.S. diplomatic engagement; and providing assistance in areas such as economic development, sustainable fisheries, and seabed mining. The State Department during the Biden Administration described PNG as a “likeminded democracy” and a “key partner for the United States in the Indo-Pacific region.” In May 2023, the two countries signed a defense cooperation agreement (DCA) and an Agreement Concerning Counter Illicit Transnational Maritime Activity Operations. PNG is one of three PICs that have military forces. (The other two are Fiji and Tonga.)

Government and Politics

PNG is a parliamentary democracy. Although its constitution promises free and fair elections, election-related violence and violations of secret balloting have routinely compromised this principle, according to the State Department. James Marape, the current head of government, became prime minister in 2019. The Marape government issued two states of emergency in 2024. In January 2024, police and security officials withdrew their services in response to problems with their pay, and internal cabinet discontent and riots in Port Moresby culminated in a 14-day emergency declaration and a September vote of no confidence against Marape, which he survived. In March 2024, the government declared a 30-day national emergency in response to fuel shortages. PNG's sole

aviation fuel and liquid gas supplier, Puma Energy, rationed fuel supplies due to an ongoing dispute with PNG's central bank. Puma claimed that the bank is restricting the company's access to foreign exchange needed to pay energy suppliers.

Figure 1. Papua New Guinea



Economy and Society

PNG is endowed with natural resources, including major commodity exports such as liquid natural gas, gold, and copper. PNG's economic engines are agricultural, forestry, and fisheries production as well as its mineral and energy extraction. PNG's largest trading partners are Australia, China, and Japan. PNG is the only PIC that is a member of the Asia-Pacific Economic Cooperation forum.

PNG ranks 160th out of 193 countries on the UN Development Human Development Index Program, which measures per capita gross national income, life expectancy, and educational attainment. PNG also has one of the highest levels of HIV/AIDS in the Indo-Pacific. Obstacles to PNG's development include poor infrastructure, lack of government capacity, inadequate supply of skilled workers, and unstable commodity prices.

PNG has one of the highest levels of income inequality in the Indo-Pacific, according to the Asian Development Bank. Unemployment is high, particularly among the large

youth population. PNG faces domestic security challenges including tribal violence, gender-based violence, and violence related to sorcery accusations. Tribal violence, often committed in remote highlands, is exacerbated by limited law enforcement capacity and an influx of firearms.

U.S.-PNG Economic Relations

According to the U.S. Census Bureau, U.S.-PNG goods trade totaled \$145.7 million in 2024 with a U.S. trade deficit of \$12.5 million. According to the U.S. embassy in PNG, U.S.-PNG bilateral trade includes U.S. exports of petroleum, mining machinery, and aircraft. PNG exports to the United States include gold, copper ore, cocoa, coffee, and other agricultural products. The Trump Administration has imposed a 15% tariff on all U.S. imports of PNG goods. Marape responded to the tariffs by stating that “we respect the right of the United States Government to make trade policy decisions in accordance with its national interest.”

U.S.-based multinational companies have a small presence in PNG due to political instability, lack of access to foreign exchange, and other operating challenges. Regardless, the U.S. private sector has invested in the natural gas and mining sectors. ExxonMobil signed a February 2022 deal to develop the P’nyang gas field in Western Province. In 2023, the Newmont Corporation acquired a PNG mining company for \$19.2 billion and seeks to expand in-country operations. In 2024, Google announced that a PNG company joined its Pacific Connect Initiative to develop subsea cables and strengthen PNG digital connectivity.

U.S.-PNG Relations

PNG’s strategic location in the Indo-Pacific between Australia and China is a key motivator for U.S. outreach to PNG. During the first Trump Administration, former Vice President Mike Pence announced that the United States, alongside Australia, would modernize the Lombrum naval base on Manus Island, PNG. The United States, which first established a base on Manus Island during World War II, has begun construction on two new facilities on Manus centered on maritime readiness and regional security.

Defense relations between the United States and PNG have expanded since the signing of the 2023 DCA. The DCA allows the U.S. military to develop and operate out of bases in PNG with the PNG government’s approval. The State Department has previously stated that the DCA will enhance security cooperation, improve the capacity of the PNG Defense Force, and facilitate bilateral and multilateral exercises and engagements, including disaster relief efforts. In August 2025, PNG hosted U.S. and Australian troops for the first time as part of Talisman Sabre exercises, the largest combined training activity between the United States and Australia. Also in 2025, the Department of Defense announced that it had awarded a \$400 million contract to develop a fuel storage facility in PNG for access by U.S. forces.

The 2023 Agreement Concerning Counter Illicit Transnational Maritime Activity Operations, or shiprider agreement, allows PNG law enforcement personnel to embark on U.S. naval and Coast Guard ships in order to

search vessels suspected of violating PNG laws and to combat illicit fishing.

U.S. development support to PNG has included a 10-year interagency strategic plan for PNG as part of a nine-nation U.S. Strategy to Prevent Conflict and Promote Stability (SPCPS). The strategic plan for PNG focuses on strengthening community capacity to prevent, mitigate, and respond to violence; supporting sustainable and equitable economic growth; improving justice systems; and professionalizing security forces. The Global Fragility Act, the authorizing legislation of the SPCPS, is being considered for a five-year extension under the Global Fragility Reauthorization Act (S. 2678/H.R. 3005).

China and PNG

China is one of PNG’s major trade and investment partners. According to the Lowy Institute, PRC aid and investment in PNG has included construction, infrastructure, mining, industrial zones, and telecommunications projects worth \$1.6 billion (including \$1.4 billion in loans) since 2008. PNG joined China’s Belt and Road Initiative in 2018 and participates in regional engagements with China, such as the China-Pacific Island Countries Foreign Ministers Meeting. China’s largest ongoing investment project in PNG is the Ramu nickel and cobalt mine.

Some analysts suggest that Prime Minister Marape has sought to balance relations with China on one hand and the United States and Australia on the other. Marape has reportedly stated, “We keep [China] in the space of the economy, we went with traditional security partners for security.” China in 2023 proposed a bilateral police agreement, but PNG shelved the agreement in 2024 after lobbying by Australia.

Bougainville Autonomy

Between 1988 and 1997, a secessionist movement on the island province of Bougainville fought the PNG Defense Force, resulting in an estimated 15,000-20,000 deaths. In 1997, the PNG government and Bougainville leaders brokered a ceasefire and, in 2001, signed a peace agreement. The Autonomous Bougainville Government was established in 2005. Bougainvilleans voted in favor of independence in a 2019 referendum, but the PNG government has not agreed. The Bougainvillean president has offered Bougainville as a site for a U.S. base in hopes of garnering U.S. support for independence.

Issues for Congress

Members of the 119th Congress may consider oversight of executive policies, including examining (1) how the U.S.-PNG DCA supports U.S. military force posture and planning in the region, (2) how the United States works with allies and partners in the Indo-Pacific to support PNG, (3) how U.S. policy toward PNG fits into overall Pacific Islands policy, and (4) how changes in U.S. assistance may affect economic and political development in PNG.

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