



# **PAPUA NEW GUINEA NATIONAL INTELLIGENCE ORGANISATION (NIO) QUARTERLY INTELLIGENCE REPORT**

**Quarter 2 | April – June 2025**

## **Executive Abstract**

The second quarter of 2025 underscored both progress and persistent risks in Papua New Guinea's security and governance landscape. Economic stability, supported by international partnerships and climate finance, offers opportunities for resilience and sustainable development, yet political instability, corruption, social unrest, and transnational crime—particularly drug trafficking and illicit trade across porous borders—continue to pose serious threats. Biosecurity risks and vulnerabilities at critical border posts add further complexity. To address these challenges, the National Intelligence Organization prioritizes intelligence-led election security planning for 2027, a joint taskforce against transnational crime, reinforced border surveillance and infrastructure, monitoring of Bougainville's political transition, and integration of climate and biosecurity considerations into national security frameworks. Sustained vigilance and coordinated action remain essential to converting vulnerabilities into resilience and national stability.



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# TABLE OF CONTENTS

<b>FORWARD</b> .....	<b>4</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>5</b>
<b>POLITICAL GOVERNANCE ISSUES</b> .....	<b>6</b>
<b>SOCIAL ISSUES</b> .....	<b>8</b>
<b>LAW AND ORDER &amp; TRANSNATIONAL CRIMES</b> .....	<b>10</b>
<b>ECONMOMIC &amp; RESOURCE SECURITY</b> .....	<b>12</b>
<b>INTERNATIONAL &amp; REGIONAL SECURITY</b> .....	<b>14</b>
<b>CLIMATE CHANGE AND ENVIRONMENT</b> .....	<b>16</b>
<b>SUMMARY AND OUTLOOK</b> .....	<b>18</b>





## FOREWORD

The Second Quarter 2025 National Intelligence Assessment highlights the complex interplay of political, economic, social, and international factors shaping Papua New Guinea's security landscape. Electoral processes, the looming Vote of No Confidence, and persistent governance challenges were central themes, compounded by law and order issues, transnational crime, and rising public dissatisfaction. These dynamics underscored the fragility of political stability and the importance of intelligence-led planning to mitigate risks.

While economic projections were revised upward, underlying vulnerabilities persisted. Illegal economic activities, weak regulatory enforcement, landowner disputes, and biosecurity gaps threatened to undermine gains. At the same time, climate change impacts, resource security disputes, and instability in neighboring West Papua added layers of complexity to the national security environment, reinforcing the need for coordinated responses at both domestic and regional levels.

The assessment calls for proactive measures, including early election security preparations for 2027, strengthening anti-corruption mechanisms, establishing a joint counter-narcotics taskforce, and reinforcing border surveillance. NIO staff remain focused on ensuring accurate and timely intelligence to inform Government decision-making and safeguard Papua New Guinea's long-term stability and resilience.

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Acting Director General  
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Date:...../...../2025

Signature.....



## EXECUTIVE SUMMARY

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The Second Quarter of 2025 was characterized by a complex interplay of political, economic, social, security, and international factors that collectively shaped Papua New Guinea's national security landscape. The NIO maintained an active posture in monitoring and assessing these developments, with a particular focus on election-related risks, transnational threats, governance concerns, and emerging security vulnerabilities.

Politically, the quarter was dominated by the conduct of the Local Level Government (LLG) elections, five national by-elections, and the Motu Koitabu Assembly election. These processes were hampered by underfunding, logistical constraints, and delays in updating electoral rolls, with allegations of external influence and interference by District Development Authorities (DDAs) and Local Level Governments. Simultaneously, national attention was drawn to the looming Vote of No Confidence (VoNC). Through its open-source intelligence (OSINT) operations, NIO observed heightened anti-government sentiment on social media, with calls for public demonstrations and silent protests. While these did not materialize into mass action, the narratives indicated an undercurrent of public dissatisfaction that has long-term implications for political stability.

Governance and accountability issues also remained at the forefront. Persistent allegations of corruption involving senior government officials, alongside funding and bureaucratic delays hampering the operations of the Independent Commission Against Corruption (ICAC), undermined public trust in institutions. NIO identified these developments as significant risks to state legitimacy and recommended urgent measures to address systemic corruption vulnerabilities.

On the economic front, while the National Statistical Office (NSO) revised the 2025 GDP growth projection upward to 4.7%, structural risks persisted. The depreciation of the Kina, combined with inflationary pressures in essential goods such as food and clothing, placed added strain on households. Illegal economic activities, including unlicensed alluvial gold mining in Morobe and the importation of poultry in defiance of government restrictions, highlighted weak regulatory enforcement and the loss of government revenue. These activities also created local community grievances and environmental damage, particularly in areas where foreign operators were exploiting natural resources without regard to sustainability or social responsibility.

The social and security environment was equally challenging. Rising lawlessness in urban settlements, tribal fighting in the Highlands, and criminal activities around resource extraction sites continued to undermine public confidence in state authority. Public health risks were elevated with the re-emergence of the polio virus, a mysterious respiratory illness reported in Gulf and Morobe provinces, and the increasing prevalence of methamphetamine and other narcotics in local communities. Jacksons International Airport again emerged as a focal point for attempted smuggling of cocaine and undeclared gold, demonstrating the ongoing exploitation of PNG's porous borders by transnational criminal networks.

Internationally, the escalating conflict in West Papua between the Indonesian military and the West Papua Liberation Army (TPNPB-OPM) resulted in significant civilian displacement, raising the likelihood of refugee flows into PNG. Arrests of PNG nationals in Jayapura for involvement in drug smuggling further exposed the cross-border criminal dimension. At the same time, volatility in global oil markets, driven by the Middle East crisis, threatened PNG's economic stability through higher fuel, transport, and freight costs. Subnational partnerships between PNG provinces and Chinese provinces also drew scrutiny, with NIO noting the potential for foreign interference through uncoordinated and opaque engagements.

Throughout the quarter, NIO sustained its intelligence collection posture, employing a mix of field operations, inter-agency liaison, and OSINT monitoring. This enabled timely reporting to government, with recommendations ranging from the need for intelligence-led election security planning for 2027, to the recommendation for the establishment of a joint counter-narcotics taskforce, and reinforcement of border surveillance infrastructure.

Overall, the Q2 assessment demonstrated that while PNG's economic outlook was cautiously positive, governance weaknesses, law and order challenges, and transnational crime remained acute vulnerabilities. Coupled with the enduring risks posed by climate change and biosecurity gaps, these factors underscored the necessity for intelligence-led, whole-of-government approaches to safeguard national stability.





## POLITICAL GOVERNANCE ISSUES

### Elections

The second quarter of 2025 saw sustained monitoring of electoral activities, with particular focus on the Local Level Government (LLG) elections, the Motu Koitabu Assembly election, and five by-elections in Aitape Lumi, Usino Bundi, Kabwum, Pogera Paiela, and Central Bougainville. Each of these electoral processes faced significant challenges, reflecting systemic weaknesses in PNG's electoral management.

A shortage of funding delayed the timely procurement of critical election materials, while logistical issues—particularly in remote and difficult-to-access electorates—threatened the smooth conduct of polling. The failure to update voter rolls on schedule risked disenfranchising legitimate voters and inflating opportunities for double voting and manipulation. Additionally, there were reports of foreign involvement, particularly in resource-rich electorates, raising concerns about external actors influencing domestic outcomes. Security risks also remained high, with threats to election officials and law enforcement personnel noted in several hotspots.

The Motu Koitabu Assembly election, which historically carries strong cultural and political significance, mirrored these challenges. NIO observed localised attempts by political and business actors to exert undue influence on the process, often leveraging financial inducements and clan-based loyalties. These developments underscored the urgent need for stronger institutional safeguards and the integration of intelligence-led risk assessments into election planning.

### Special Parliamentary Committee on Elections Review

The deliberations of the Special Parliamentary Committee on Elections Review reinforced NIO's earlier assessments of structural weaknesses in PNG's electoral system. Recurring risks identified included the proliferation of illegal firearms during elections, shortfalls in operational funding for security personnel, and widespread administrative failures. These vulnerabilities were most starkly visible in the 2022 national election, widely regarded as one of the most violent and poorly managed in PNG's history, with over 60 confirmed deaths, rampant electoral fraud, and breakdowns in logistics and administration.

The Committee highlighted that without substantial reforms, including the adequate resourcing of security forces and robust controls against armed interference, PNG risked a repeat of the 2022 crisis. NIO's recommendations emphasized the importance of commencing preparations early for the 2027 general election, with an intelligence-led approach guiding deployment, logistics, and the identification of high-risk electorates. Proactive measures, rather than reactive responses, were deemed essential to safeguard electoral integrity and public confidence.

### Vote of No Confidence (VoNC)

The period also coincided with heightened political tensions around the Vote of No Confidence (VoNC) against the government. Through open-source intelligence (OSINT) collection and social media monitoring, NIO tracked the spread of anti-government narratives, including coordinated messaging calling for public demonstrations and silent protest actions. While these campaigns did not result in large-scale mobilization, they revealed a growing capacity among political actors and civil society networks to exploit online platforms for political influence.

NIO assessments indicated that while the immediate VoNC-related risks were contained, the underlying public sentiment reflected frustration with governance failures, economic hardship, and perceptions of elite impunity. The VoNC episode underscored the importance of sustained monitoring of both online and offline spaces for signs of mobilization, particularly given the fluid nature of PNG's parliamentary politics and the capacity for rapid shifts in allegiances.

### Governance and Accountability

Governance remained under strain throughout Q2, with several high-profile corruption cases dominating public discourse. These cases, coupled with long-standing perceptions of impunity for political elites, reinforced the public narrative of a government unable or unwilling to hold its leaders accountable.

The Independent Commission Against Corruption (ICAC), though formally established, continued to face structural barriers to effective operation. Internal leadership tussle, funding delays and bureaucratic red tape significantly hindered its investigative capacity, raising doubts about its ability to fulfill its mandate in the short term. NIO noted that these limitations have created a governance gap, allowing corruption networks to continue unchecked, with direct implications for public confidence in democratic institutions and the rule of law.

### Summary of Risks and Implications

The combination of poorly resourced electoral processes, widespread corruption allegations, and heightened political tensions around the VoNC illustrated the fragility of PNG's political governance environment in Q2 2025.

These developments not only undermined public trust in institutions but also created potential triggers for instability. NIO concluded that unless addressed through targeted reforms, early intelligence-driven preparations, and robust institutional strengthening, these vulnerabilities could manifest in greater insecurity during the 2027 general election cycle and beyond.





## SOCIAL ISSUES

### Law and Order at Resource Sites

Resource extraction sites continued to be flashpoints for social unrest and criminal activity throughout Q2. The Pogera Mine remained a hotspot, where disputes between landowners, illegal miners, and security forces often escalated into violent confrontations. These clashes were compounded by tribal rivalries, access disputes over mining royalties, and perceptions of inequitable benefit-sharing arrangements.

The LNG sites also reported recurring security incidents, ranging from sabotage of infrastructure to intimidation of workers. NIO assessed that the fragile balance between local communities, resource companies, and the state remained vulnerable to breakdowns, with implications not only for investor confidence but also for the broader economic stability of PNG. The growing sense of disenfranchisement among local landowners risked feeding grievances that could be exploited by issue-motivated groups.

### Urban Settlements

The NIO in the Q2 also focussed on highlighting issues surrounding the rapid growth of urban settlements in major centers such as Port Moresby, Lae, and Mt Hagen continued to strain state capacity and create breeding grounds for criminal activity. Informal settlements, often lacking basic infrastructure and police presence, became hubs for petty crime, organized gangs, and trafficking of drugs and weapons.

The unregulated nature of these communities also complicated service delivery, making them highly vulnerable to public health crises and law enforcement breakdowns. NIO recommended that government prioritize the formalization of these settlements into planned suburbs, ensuring the provision of utilities, legal land tenure, and policing. Without such interventions, urban lawlessness is expected to escalate, undermining both public safety and social cohesion.

### Public Health Risks

Public health issues posed an emerging dimension of national security risk in Q2.

- **Re-emergence of Polio Virus:** After years of eradication, cases of polio resurfaced, raising fears of a wider outbreak. The virus particularly threatened children under five, with the potential for severe long-term disability and death. NIO emphasized the urgency of nationwide vaccination drives, combined with awareness campaigns to address vaccine hesitancy and ensure high coverage in both rural and urban communities. The resurgence of polio highlighted systemic weaknesses in PNG's immunization programs and underscored the need for sustained investment in public health infrastructure.
- **Mysterious Respiratory Illness:** Reports from the Gulf-Morobe border indicated a cluster of cases involving persistent cough, breathing difficulties, and fatigue. Preliminary assessments suggested the illness could be linked to environmental factors, zoonotic transmission, or an emerging infectious disease. The NIO flagged the issue as a potential cross-border health threat, recommending urgent epidemiological investigation and inter-agency coordination with the Department of Health and WHO. Left unchecked, the outbreak risked spreading to other provinces, overwhelming already fragile health services.

### Narcotics and Illicit Substances

The narcotics landscape continued to deteriorate, with methamphetamine becoming increasingly prevalent in urban communities. The affordability and accessibility of the drug, coupled with limited law enforcement capacity, heightened the risk of addiction, crime, and social disintegration.



Jacksons International Airport once again emerged as a focal point for illicit trafficking. Attempts to smuggle cocaine and undeclared gold were intercepted, indicating that PNG remained a strategic transit hub for international criminal networks. NIO assessed that weak screening procedures, suspected corruption within enforcement agencies based at Jacksons International Airport, and the sheer volume of passenger and cargo flows made airports particularly vulnerable. These trends highlighted the need for stronger intelligence-led border security operations, as well as collaboration with regional partners such as Australia to disrupt transnational trafficking corridors.

### Other Concerns

Several additional social issues of national significance were identified:

- Unregulated E-cigarette Imports:** The influx of electronic cigarettes into the local market occurred without regulation or public health oversight. With no controls on importation, advertising, or distribution, e-cigarettes posed unknown but potentially serious health risks, particularly to youth populations. NIO assessed that without regulation, the issue could escalate into a long-term public health burden. This also successfully resulted in Health Department's ban on e-cigarettes outlawing the import of e-cigarettes.
- Social Media Corruption Advocacy Coalitions:** Online coalitions advocating against corruption gained traction, using social media platforms to mobilize public sentiment and expose alleged misuses of state resources. While largely peaceful, NIO noted that such activism had the potential to evolve into organized protest movements, particularly in the context of wider political dissatisfaction.
- Security Gaps at Wutung Border Post:** Intelligence monitoring revealed persistent weaknesses at the Wutung border post, a critical entry point for both legitimate trade and illicit activity. The lack of sufficient surveillance infrastructure along the border, personnel, and coordination among border agencies created opportunities for cross-border smuggling of goods, narcotics, and people. NIO assesses these vulnerabilities lay exposed, will continue to be exploited by transnational criminal syndicates, and in the event of health emergencies, significantly delay detection and response.

### Summary of Risks and Implications

Social issues in Q2 2025 illustrated the interconnectedness of law and order, public health, and border security challenges. The combination of unrest at resource sites, expanding unregulated settlements, rising narcotics trafficking, and health crises posed cumulative risks to national stability. NIO concluded that unless addressed through coordinated whole-of-government strategies—including investment in public health, urban planning, and intelligence-led law enforcement—social vulnerabilities would remain a persistent driver of insecurity.





## LAW AND ORDER & TRANSNATIONAL CRIMES

### Human Smuggling and Trafficking:

Cross-border human trafficking remains a pressing concern, with increasing activity along the PNG–Australia and PNG–Indonesia routes. Syndicates facilitating these operations are highly organized, frequently involving African, Asian, and Eastern European nationals. Tactics include forged travel documents, clandestine maritime voyages, and exploitation of migrants' socio-economic vulnerabilities.

Vulnerable populations, particularly women and children, are targeted for forced labor, sexual exploitation, or illegal recruitment. Intelligence indicates a growing trend of transnational networks collaborating to bypass law enforcement checkpoints, highlighting the need for strengthened border surveillance, joint operations with regional partners, and robust public awareness campaigns.

### Persistent Criminality:

The country continues to experience high levels of violent crime. Armed robberies, murders, and tribal conflicts dominate criminal activity, with urban centers and resource extraction zones being particularly vulnerable. Cybercrime has emerged as a new dimension of criminality, targeting banks, government agencies, and private enterprises, often facilitated through international networks.

VIPs and political figures also face targeted threats, including extortion and politically motivated attacks. Addressing these challenges requires enhanced law enforcement capacity, community policing strategies, and integration of intelligence-led policing models.

### Transnational Drug Trafficking:

PNG's geographic position and porous borders make it a prime transit and distribution point for international narcotics syndicates. Intelligence reports confirm the smuggling of cocaine, methamphetamine, and precursor chemicals via maritime routes, small aircraft, and remote landing zones. Syndicates exploit weak enforcement in isolated regions and collaborate with local facilitators to move illicit substances into regional and international markets. Key mitigation measures include joint taskforces, institutional strengthening of customs and border agencies, enhanced maritime patrols, and targeted enforcement operations.

### Significant Incidents:

Recent security events highlight the multifaceted challenges confronting law enforcement and community safety:

- **Kidnappings in Western Province and Mt. Bosavi:**  
Multiple abductions have been reported, frequently associated with ransom demands or inter-tribal disputes. These kidnappings often involve coordinated groups familiar with remote terrain, complicating rescue efforts. The incidents have generated fear among local populations and disrupted economic activity, particularly in rural and resource-rich areas.
- **Prison Break in Baisu:**  
The Baisu correctional facility experienced a major escape involving multiple high-risk inmates. This incident exposed systemic vulnerabilities in prison security protocols, staffing levels, and facility infrastructure. The escape posed immediate public safety risks and highlighted the need for urgent reforms, including increased staffing, upgraded security systems, and improved intelligence coordination between correctional and law enforcement agencies.



- **Ethnic Violence in Port Moresby:**

Urban ethnic tensions have escalated into violent clashes, resulting in injuries, property damage, and displacement of residents. These incidents underscore persistent challenges in urban governance, law enforcement presence in high-density settlements, and the integration of diverse ethnic groups within the capital city. Proactive community engagement and conflict resolution mechanisms are necessary to prevent recurrence.

- **Sorcery-Related Killings in Highlands and NCD:**

Alleged sorcery practices have continued to lead to violent attacks, including killings, of individuals – mostly the elderly including woman and children, accused of witchcraft. These incidents highlight the intersection of cultural beliefs, fear-driven violence, and criminality. They have significant social implications, including undermining public trust in law enforcement, fueling vigilante behavior, and threatening community cohesion. Addressing this requires culturally sensitive law enforcement strategies, community education, and engagement with traditional leadership structures.

- **Other Notable Security Events:**

- ▶ Armed robberies targeting commercial hubs and transport routes have increased, disrupting business operations and local economies.
- ▶ Tribal clashes around resource extraction areas, particularly in mining provinces, continue to flare, often exacerbated by disputes over land ownership, royalties, and local representation.

### Kumul 23 Force:

Public reception in regards to the inception of the Kumul 23 Force has been largely positive, reflecting confidence in its operational effectiveness. However, concerns persist regarding its precise mandate, legal authority, oversight mechanisms, and accountability frameworks. Clarifying these elements is critical to ensuring sustained effectiveness, community trust, and alignment with national security objectives.







## ECONOMIC AND RESOURCE SECURITY

### Economic Outlook

The economic trajectory of Papua New Guinea in the second quarter of 2025 reflected cautious optimism, with the National Statistical Office (NSO) revising its GDP growth projection upward from 3.8% to 4.7%. This revision was largely attributed to stronger-than-expected performances in both resource and non-resource sectors. Increased consumer demand, robust export receipts from the minerals and petroleum industries, and signs of renewed investor confidence all contributed to this more favorable outlook.

However, beneath these headline figures lay underlying vulnerabilities. While inflation was reported to be low overall, households continued to face persistent cost-of-living pressures, particularly in essential goods such as food, clothing, and household items. The depreciation of the Kina against major currencies posed medium-term risks, increasing the cost of imports and reducing consumer purchasing power. If unmitigated, this could lead to inflationary surges later in the year.

NIO noted that while macroeconomic indicators signaled resilience, the benefits of growth remained unevenly distributed. Urban centers benefited more from economic activity, while rural communities remained heavily constrained by limited infrastructure, high costs of services, and weak market access. This disparity, if not addressed, could continue to fuel grievances and undermine public confidence in government economic management.

### Illegal Activities

Two major areas of illegal economic activity emerged prominently during the quarter:

#### **Alluvial Gold Mining in Morobe:**

Intelligence-gathering operations in June revealed widespread illegal alluvial mining in Mumeng, Bulolo, and Wau, primarily conducted by Chinese nationals. These operators were reportedly exploiting local communities, paying minimal compensation, and engaging in environmentally destructive practices without licenses or oversight. The absence of regulation not only deprived the state of significant revenue but also created conditions for conflict between local landowners, foreign operators, and state authorities. Water contamination, land degradation, and health risks for surrounding communities were also identified as pressing concerns.

#### **Illegal Importation of Poultry:**

Despite an existing ban on poultry imports, the Poultry Industry Association reported increasing volumes of foreign chicken products being supplied to local markets. These imports undermined domestic producers, distorted market prices, and reduced incentives for investment in local agribusiness. NIO assessed that weak border enforcement, possible collusion with corrupt officials, and poor regulatory oversight facilitated this trend. The implications extended beyond economics, touching on food security and public health standards.

### Resource Sector Developments

The resource sector remained a key driver of economic activity, yet also a persistent source of law and order challenges. Security incidents at resource extraction sites disrupted operations, destroyed public infrastructure, and threatened investor confidence. The Ok Tedi Mining Limited's proposed acquisition of Misima Mines was strongly opposed by traditional landowners, who expressed concerns over environmental damage, lack of consultation, and insufficient benefit-sharing arrangements. From NIO's experience, the failure to properly address landowner grievances have lead to escalation of protests or sabotage, resulting in the destabilizing of critical resource operations.

### Biosecurity Risks

NIO identified biosecurity as an underappreciated but strategic national security vulnerability. PNG currently lacks adequate systems to prevent the introduction of pests and diseases that could devastate agriculture, livestock, and ecosystems. In the absence of strong border quarantine and monitoring mechanisms, the risk of invasive species or animal diseases entering the country remained high. This not only posed threats to food security but also jeopardized trade, as PNG's agricultural exports depend on meeting international sanitary and phytosanitary standards. NIO recommended that biosecurity be mainstreamed into national security planning, with investments in surveillance, laboratories, and enforcement capacity.

### Green Finance

In line with global shifts toward sustainability, PNG continued to explore avenues for aligning its financial systems with green policy goals. NIO noted the critical role of the Bank of Papua New Guinea in steering policies that promote climate resilience, carbon reduction, and sustainable development financing. These initiatives were consistent with PNG's commitments under the Paris Agreement and Sustainable Development Goals (SDGs). NIO assessed that the effective mobilization of green finance could unlock significant investment for renewable energy, climate adaptation, and resilience-building projects. However, this would require coherent policy frameworks, safeguards against misuse, and partnerships with international financial institutions.

### Deep Sea Mining

The Solwara 1 deep sea mining project remained a contentious issue. NIO reviewed the current state of legislative and technological preparedness and found that significant gaps persisted. Environmental impact studies were either insufficient or inconclusive, while mitigation technologies to prevent irreversible damage to marine ecosystems remained unproven. The lack of a comprehensive legislative framework to regulate seabed mining further compounded risks. Given the potential for long-term ecological damage and community backlash, NIO recommended that the moratorium on deep sea mining be extended until all environmental, legislative, and technological safeguards were firmly established.

### Summary of Risks and Implications

The economic and resource security landscape in Q2 2025 highlighted the dual nature of opportunities and risks. While macroeconomic trends pointed to growth and resilience, the persistence of illegal economic activities, landowner disputes, biosecurity gaps, and unregulated industries threatened to undermine these gains. NIO concluded that sustained intelligence monitoring, stronger enforcement of regulations, and integration of environmental and biosecurity considerations into economic planning would be essential to safeguard PNG's long-term stability and prosperity.





## INTERNATIONAL AND REGIONAL SECURITY

### West Papua Conflict:

The security situation in West Papua has continued to deteriorate, with escalating armed clashes between the Free Papua Movement (Organisasi Papua Merdeka, OPM)/Tentara Pembebasan Nasional Papua Barat (TPNPB) and Indonesian security forces. Recent reports indicate that operations by Indonesian military units have intensified in the highland and lowland regions, resulting in widespread displacement. Nearly 100,000 civilians have reportedly fled conflict zones, creating potential humanitarian and security implications for neighboring Papua New Guinea.

The risk of refugee influx into PNG is heightened by the proximity of border communities, particularly in Sandaun Province, and by porous and under-resourced border posts. Intelligence also highlights the arrest of PNG nationals in West Papua for involvement in smuggling, suggesting transnational criminal elements exploiting the conflict environment for illicit activities. The situation underscores the need for vigilance at key entry points such as Wutung and Scotchio, where border capacity is limited and rapid response to irregular movements is challenging. Cross-border security coordination and community monitoring will be critical in preventing spillover effects from West Papua.

### Bougainville:

The autonomous region of Bougainville recently conducted elections that proceeded peacefully, demonstrating a positive step in consolidating democratic processes. However, underlying security and governance challenges persist. The Mekamiau faction continues to engage in lawless activities, including intimidation, criminal enterprises, and sporadic violence, undermining local stability.

Additionally, the Autonomous Bougainville Government (ABG) faces capacity constraints in governance, service delivery, and preparations for the region's impending independence. Limited resources, underdeveloped institutional frameworks, and border control weaknesses at key points such as Kangu and Siriwai contribute to vulnerabilities in law enforcement, smuggling prevention, and regional security oversight. Strengthening Bougainville's governance structures, security apparatus, and inter-agency cooperation with PNG is essential to mitigate law and order risks during the transition period.

PNG-China Subnational Engagements:

Recent trends indicate growing activity in subnational diplomacy and economic engagement with China, particularly through opaque sister-city partnerships, provincial cooperation agreements, and unofficial development projects. While these initiatives are framed as cultural or economic exchanges, intelligence assessments indicate potential risks of foreign influence and interference in local governance, decision-making, and resource management. The lack of transparency and oversight in these engagements raises concerns about strategic leverage, economic dependency, and information security at provincial and national levels.

### Middle East Crisis and Global Economic Impacts:

Ongoing geopolitical instability in the Middle East has generated volatility in global oil and energy markets. Fluctuating oil prices directly affect PNG through increased energy costs, freight charges, and operational expenditures, particularly in mining, transport, and energy-intensive industries. The economic pressures from rising fuel costs may exacerbate domestic inflation, increase public dissatisfaction, and indirectly influence social stability and national security. Monitoring global commodity trends, energy markets, and supply chain vulnerabilities remains critical for strategic planning and economic resilience.

### Regional Treaties and Strategic Partnerships:

PNG continues to maintain strategic security partnerships with key regional actors, most notably through the PNG-Australia Defence Treaty. This agreement provides a framework for cooperation in safeguarding national sovereignty, enhancing maritime and border security, and supporting joint exercises and capacity-building initiatives. Continued engagement under this treaty strengthens PNG's defense posture and provides a platform for intelligence-sharing, coordinated responses to transnational threats, and regional stability efforts.



## Broader Security Implications:

The intersection of these regional and international dynamics—ranging from conflict-driven displacement in West Papua, political and security transitions in Bougainville, potential foreign interference, to economic shocks from global crises—creates a complex and multi-layered security environment for PNG. Cross-border coordination, intelligence integration, and proactive engagement with regional partners will continue to be essential in mitigating risks, safeguarding national sovereignty, and ensuring stability in both domestic and regional contexts.





## CLIMATE CHANGE AND ENVIRONMENT

### Climate Change Impacts:

Climate change continues to pose significant environmental, social, and security challenges across Papua New Guinea (PNG). The country's vulnerability stems from its geographic dispersion, high dependency on natural resources, and limited adaptive capacity in many communities. Increasingly erratic weather patterns, rising temperatures, and sea-level rise are directly affecting livelihoods, infrastructure, and the broader stability of communities.

- **Carteret Islands Displacement:**

The Carteret Islands have become emblematic of climate-induced displacement in PNG. Rising sea levels, intensified storm surges, and ongoing coastal erosion have rendered large portions of the islands uninhabitable. This threatens traditional subsistence livelihoods, particularly small-scale fishing and gardening, and has forced relocation of communities to other areas, creating socio-economic and cultural stress.

The displacement process has also raised issues of land access and tenure in host areas, while displaced populations face increased vulnerability to poverty, marginalization, and exploitation. The situation in the Carteret Islands highlights the complex intersection between environmental change, human security, and long-term community resilience.

- **Infrastructure and Operational Risks:**

Climate variability is increasingly impacting critical infrastructure and operational capabilities. Roads, bridges, and transportation networks are vulnerable to flooding, landslides, and extreme weather events, particularly in rural, highland, and coastal regions. Damage to infrastructure disrupts mobility, impedes access to essential services, and affects emergency response and law enforcement operations. For example, landslides in highland provinces have periodically cut off remote communities, delaying medical aid, supply deliveries, and law enforcement interventions. Similarly, extreme rainfall events can damage accommodation facilities, transport hubs, and public buildings, affecting both civilian and official operations.

- **Green Climate Fund Engagement:**

Papua New Guinea's participation in the Green Climate Fund (GCF) demonstrates the country's proactive approach to addressing climate change at a strategic and institutional level. Current engagement at the board level is assessed as low risk in the short term; however, medium- and long-term vulnerabilities are significant. These include challenges related to project implementation, monitoring, and community adaptation. The ability of local institutions to manage climate funds effectively, deliver on adaptation projects, and ensure equitable distribution of resources is critical to reducing environmental stress and its indirect effects on human and national security.

### Broader Environmental Security Considerations:

The impacts of climate change extend beyond immediate environmental damage and threaten broader security stability:

- **Resource Conflicts:**

Shifts in rainfall patterns, water availability, and arable land are intensifying competition over natural resources, particularly in densely populated or resource-rich regions. Tensions over land, rivers, and forest resources have the potential to escalate into localised conflicts.

- **Food Security:**

Disruption to agricultural cycles and decreasing yields caused by droughts, flooding, and changing weather patterns threaten subsistence farming and national food security. Reduced food availability has socio-economic and security implications, including increased reliance on aid, migration pressures, and potential civil unrest.



- **Disaster Preparedness:**

PNG's susceptibility to cyclones, floods, and landslides underscores the importance of effective disaster preparedness and response. Inadequate early warning systems or delayed emergency response can exacerbate the humanitarian and security impacts of natural disasters.

- **Migration and Urban Pressure:**

Climate-induced displacement is contributing to increased migration to urban centers, placing added pressure on housing, infrastructure, and public services. Cities such as Port Moresby and Lae are experiencing growing informal settlements, heightened social tension, and increased vulnerability to crime and civil unrest.

The cumulative effect of these environmental changes is the amplification of both direct and indirect security threats. Rising sea levels, extreme weather events, and resource scarcity intersect with social, economic, and political vulnerabilities, creating complex challenges that require multi-dimensional attention.







## SUMMARY AND OUTLOOK – Q2 2025

The second quarter of 2025 presented a complex mix of opportunities and challenges for Papua New Guinea's security, governance, and socio-economic landscape. On the positive side, the country benefited from a relatively stable economic outlook, bolstered by international partnerships and continued engagement with climate finance initiatives, such as the Green Climate Fund. These developments offer opportunities to strengthen resilience, support sustainable development, and enhance regional engagement.

However, persistent and emerging threats continue to shape the national security environment. Political instability, corruption, and social unrest remain salient risks, particularly in urban centers and resource-rich provinces. Transnational crime—including human smuggling, drug trafficking, and illicit trade—exploits the country's porous borders and limited enforcement capacity. Biosecurity risks, exacerbated by climate variability and international travel, pose additional challenges to public health and operational continuity. Border vulnerabilities, especially at key posts such as Wutung, Scotchio, Kangu, and Siritwai, further compound these threats, highlighting the need for strategic reinforcement and sustained monitoring.

Looking forward, the NIO emphasizes a proactive and integrated approach to national security. Key strategic priorities include:

- **Election Security Planning:** Strengthening intelligence-led measures to safeguard the 2027 elections, ensuring early identification and mitigation of political and social risks.
- **Transnational Crime Mitigation:** Establishing a joint taskforce dedicated to combatting transnational drug trafficking, with enhanced inter-agency coordination, intelligence-sharing, and targeted operations.
- **Border Surveillance and Infrastructure:** Upgrading capacity, monitoring systems, and infrastructure at critical border posts to prevent illicit movements, enhance national security, and support orderly migration.
- **Bougainville Independence Monitoring:** Continuously tracking developments related to Bougainville's political transition, assessing law and order risks, and supporting stability through engagement with local and national authorities.
- **Climate and Biosecurity Integration:** Incorporating climate-related and biosecurity risks into the national security framework, ensuring preparedness for environmental hazards, population displacement, and emerging public health threats.

Overall, Q2 2025 underscores that PNG's security environment is multi-dimensional, shaped by the interplay of domestic, regional, and international factors. Sustained vigilance, adaptive strategies, and coordinated action across intelligence, law enforcement, and governance institutions will be critical to transforming potential vulnerabilities into opportunities for resilience, stability, and national development.

End of Report

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