



Supporting Private Sector Development in PNG Improving the Business Enabling Environment

The Australian Government’s aid policy places private sector-led economic growth at the heart of the aid programme. All new aid investments must consider ways to engage the private sector and promote private sector growth — to create jobs and reduce poverty.

- PNG has one of the more difficult environments in the world for businesses. PNG is ranked 133 out of 189 countries, in the World Bank 2015 *Ease of Doing Business* report. PNG’s ‘Enforcing contracts’ ranking of 181 out of 189 highlights one of the challenges facing PNG businesses.
- Governance and regulatory issues, law and order, transport and electricity infrastructure and services, and skills development are all critical enablers of doing business in PNG.
- Australia’s support will focus on strengthening the capacity of the PNG government, including supporting its reform agenda.



The four pillars of Australia’s Private Sector engagement in PNG



Key Initiatives

PROGRAM	DESCRIPTION	ESTIMATED
ADB Private Sector Development Initiative (PSDI)	PSDI is a regional technical assistance facility providing advisory services, especially where there is a demonstrated appetite for reform. Key priorities include financial services reform, opportunities for private sector market access and economic empowerment of women.	\$10 m (2015–19)
IFC Pacific Partnership	Pacific Partnership is a regional technical assistance facility that provides investments and advisory services to generate private sector activity and economic growth.	\$17 m (2015–19)
Strongim Gavman Program (SGP)	SGP deploys Australian Government officials to PNG government agencies to support reform of the business regulatory environment.	



International Finance Corporation (IFC)

IFC supported the creation of an online business registry in PNG that dramatically reduced the time it takes to register a business and start trading.

The registry caters for over 100,000 entities and allows on-line business registration, maintenance of details and free of charge online public searching.

IFC has also supported the establishment and growth of PNG Micro Finance Limited (PML) through equity and technical assistance over a 4 year period.

PML provides savings, credit, and insurance to 55,000 households. PML also provides finance to the transport, agricultural and SME sectors – all critical to employment. Over 60% of PML's customers are women.

Private Sector Development Initiative (PSDI)

Australia is supporting the Asian Development Bank's (ADB) regional Private Sector Development Initiative.

The ADB has identified that women are severely disadvantaged in the private sector economy. One of the core focus areas of the PSDI is promoting the economic empowerment of women.

In 2013, PSDI began an Economic Empowerment of Women (EEOW) program, which initiates pilot programs that encourage women's engagement in the private sector.

One recent project was the 'Women in fishing production by strengthening the supply chain'. The aim is to assist women in two small fishing villages to gain entrepreneurial skills and take their produce to market.



Photo: IFC 2015



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