

PNG Micro, Small and Medium Enterprise and Informal Sector Study



Australia – Papua New Guinea
Economic Partnership

The Australian Government, through the Australia PNG Economic Partnership, has commissioned a landmark study into PNG's micro, small and medium enterprises (MSMEs) and informal sector.

The survey of more than 2,600 businesses across 21 provinces, conducted between 10 June and 30 July 2024, found that MSMEs are active in more than 16 industries and help provide access to vital goods and services, as well as much-needed employment, for communities in urban, rural and remote locations.



Key Findings*

Who are PNG's micro, small and medium business owners?

97% are Papua New Guinean
Most (**85%**) operate as sole traders.

They are optimistic about the future...



79%

Expect business to improve in the year ahead



64%

Plan to hire more staff

But they face several obstacles to growth, including most commonly...



56%

Difficulty accessing loans/credit



80%

Government corruption



71%

Late or no payment



65%

Government regulations



62%

Crime and security issues

And they encounter a significant array of other challenges...



80%

of women MSME owners say they have to overcome bigger hurdles than their male competitors, eg more onerous family/wantok obligations, workplace discrimination and disrespect, threats and abuse



45%

of MSME owners have been impacted by climate change



3%

of MSME owners are with a disability, most commonly vision or mobility issues



56%

of MSMEs experienced difficulties getting a loan

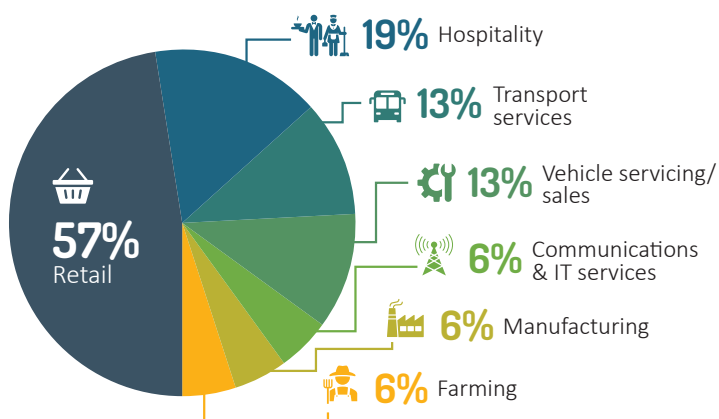
What MSMEs want is...



Better access to finance was the top priority for half of MSMEs, followed by improved training and opportunities, particularly in management and financial skills.

Formal sector

Gender (Women)	35%
Age (39 years or less)	44%
Education (University/technical/ trade qualifications)	41%
Paid Employees	Average of 7%
Turnover (annual) (Less than K60,000)	67%
No loans/credit (Outstanding)	76%



* Data applies to formal MSMEs

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The study included responses from 1,302 informal businesses across 21 provinces. It found that informal businesses are active in more than 12 industries and help provide access to vital goods and services, as well as much-needed employment, for communities in urban, rural and remote locations.

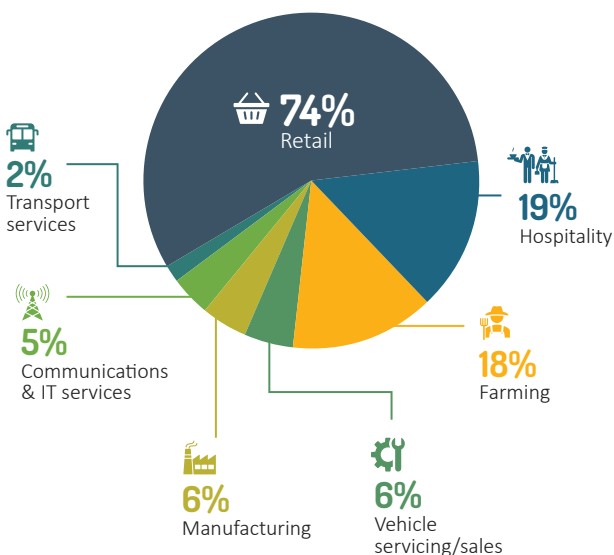
Key Findings*

Who are PNG's informal sector business owners?

92% are Papua New Guinean

Informal sector

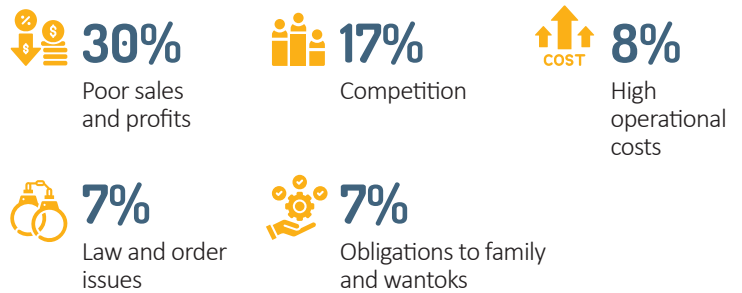
Gender (Women)	50%
Age (39 years or less)	57%
Education (University/technical/ trade qualifications)	11%
Paid Employees	Average of 2.4
Turnover (annual) (Less than K60,000)	91%
No loans/credit (Outstanding)	94%



They are optimistic about the future...

80% Expect business to improve in the year ahead

But they face several challenges to growth, including most commonly...



What informal MSMEs want is...

Improved financial accessibility (**18%**), followed by assistance to promote business development and expansion (**13%**) and training in business management (**9%**).

Formalising informal businesses

61% of informal business show interest in formalising their business and **37%** indicate they are unlikely to formalise because...



Scan the QR code to view the full report, or visit dfat.gov.au/geo/papua-new-guinea/australia-papua-new-guinea-documents

* Data applies to informal MSMEs