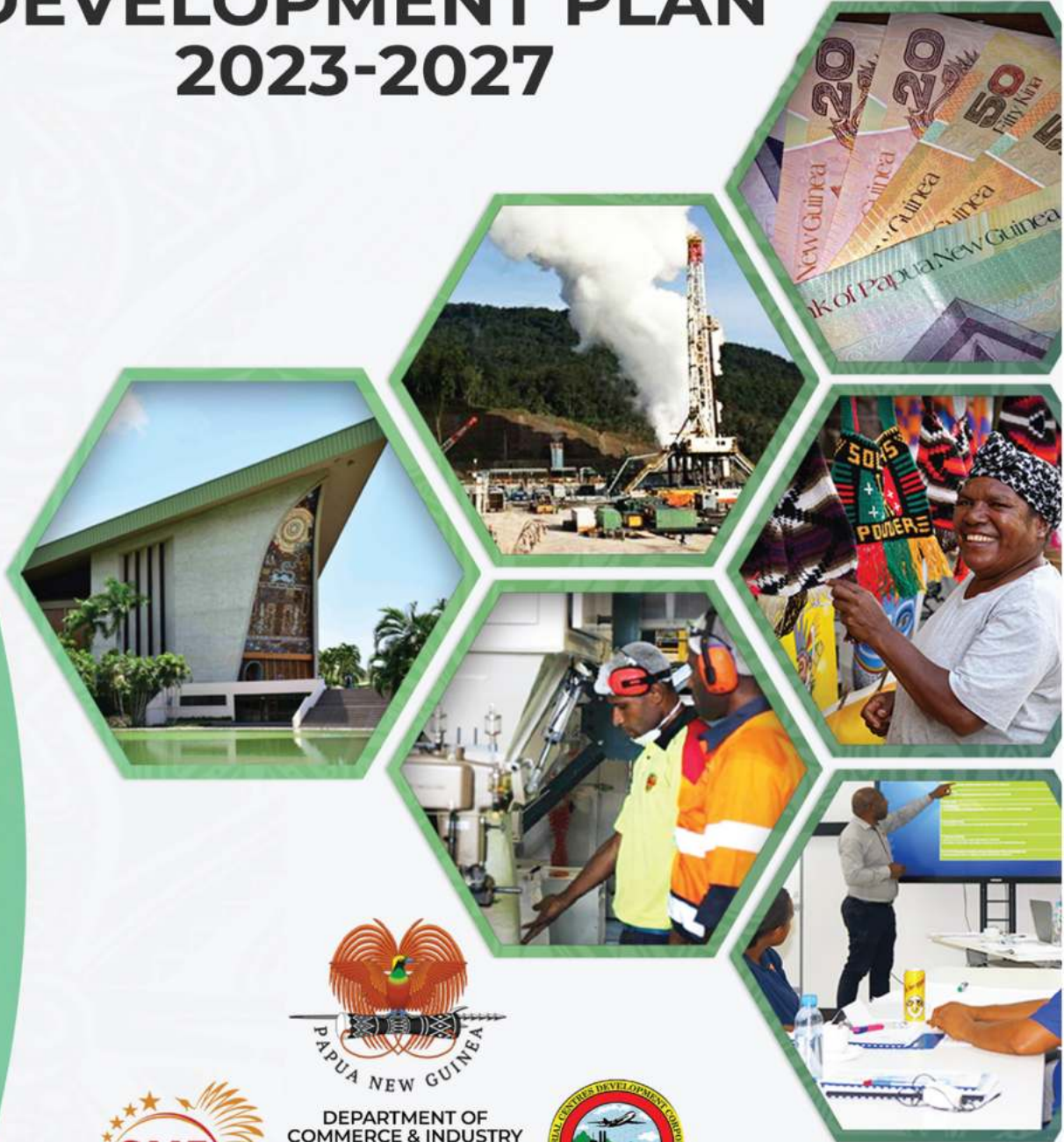




MINISTRY OF COMMERCE & INDUSTRY

ECONOMIC SUB-SECTOR DEVELOPMENT PLAN 2023-2027



DEPARTMENT OF
COMMERCE & INDUSTRY



DRIVING GROWTH & PROSPERITY
THROUGH SECTOR-SPECIFIC DEVELOPMENT

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ACRONYMS

Abbreviations	Acronyms
BSP	Bank of South Pacific
CSAs	Commercial Statutory Authorities
CSU	Co-operative Societies Unit
DCI	Department of Commerce and Industry
DITI	Department of International Trade and Investment
DNPM	Department of National Planning and Monitoring
ESSDP	Economic Sub-Sector Development Plan
FDI	Foreign Direct Investment
GoPNG	Government of Papua New Guinea
ICDC	Industrial Centre Development Corporation
IPA	Investment Promotion Authority
MTDP	Medium Term Development Plan
MSER	Manus Special Economic Region
MSME	Micro, Small and Medium Enterprise
NCP	National Content Policy 2023
NEC	National Executive Council
NISIT	National Institute of Standards and Industrial Technology
NDB	National Development Bank
NTO	National Trade Office
PPP	Public Private Partnership
PSC	Project Steering Committee
RAL	Reserved Activity List
RSF	Risk Share Facility
SEZ	Special Economic Zone
SME	Small and Medium Enterprise
SMEC	Small Medium Enterprise Corporation
SDGs	Sustainable Development Goals
SPP	Strategic Priority Pillar

FOREWORD BY THE MINISTER



The Ministry of Commerce & Industry; comprises the Department of Commerce & Industry, the Investment Promotion Authority (IPA), the National Institute of Standards & Industrial Technology (NISIT), the Small & Medium Enterprise Corporation (SMEC), and the Industrial Centres Development Corporation (ICDC).

Over the years, our Ministry lacked a proper economic development plan that would holistically guide the Department and line agencies (CSAs) to work together and to complement each other in our economic development aspirations for the country.

Since then, the Department and line agencies had been working on an ad-hoc bases. As a result, many key activities and projects were duplicated and not delivered as expected.

With these hard learned lessons, the Economic Sub-Sector Development Plan (ESSDP) was developed to somewhat, guide the Department and line agencies to use as an overarching plan that would provide the pathway for respective government departments and agencies with their respective programmes and activities for a certain period.

The ESSDP is therefore an impetus for economic growth, economic industrialization, greater investment innovations, increase MSME participation in economic aspirations, employment creation and downstream processing to name a few.

While the way forward may not necessarily be affluent, my Ministry, nonetheless, is unswerving and devoted to utilize the country's untapped potential and to maximize the available resources in all facets of the economy by enhancing domestic & international trade, PNG's bilateral, multilateral and global engagements through the Government of Papua New Guinea.

This development plan is backed by Prime Minister James Marape's two main agendas that focus on "Take Back Papua New Guinea" from an economy of dependency to an inclusive and citizen participatory economy with the aim to "Make PNG the Richest Black Nation." This requires the participation and or involvement of all citizens including, public and private sectors to drive these initiatives alongside all other sectoral plans.

I am not only delighted, as Minister responsible to assure every one of my high expectations to achieve our goals, however, strongly believes that this Economic Sub-Sector Development Plan will certainly pave the pathway for the economic sector.

In addition, this plan will guide to, provide the needed advice and administer to deliver on the Government's priorities. It is my concern, therefore to work with all concerned parties under my Ministry to diligently serve the people of Papua New Guinea.



HON. WIN BAKRI DAKI, MP
Minister for Commerce and Industry

SECRETARY'S ACKNOWLEDGMENT



As Secretary for the Department of Commerce and Industry, I am honored to lead our dedicated team as we embark on this important journey towards achieving sustainable economic growth and development in our beloved country.

The ESSDP serves as a roadmap, outlining our vision, mission, and goals for the economic sub-sectors under our Ministry's purview. It is a strategic framework that sets the stage for unlocking the immense potential within our economy and creating a favourable environment for businesses to thrive.

The Economic Sub-Sector Development Plan was coordinated and developed by the Ministry of Commerce and Industry to align all our Public Investment Programs.

The success of the ESSDP relies on the Ministry's collaboration and partnerships with various stakeholders, including private sector entities, development partners, and our esteemed line agencies. Together, we can foster an enabling business environment, improve infrastructure, enhance skills development, and expand market access to fully realize the potential of our sub-sectors.

Transparency, accountability, and effective financial management are essential elements in our journey towards achieving the goals outlined in the ESSDP. Regular monitoring, evaluation, and financial reporting will ensure that we remain on track and enable us to make informed decisions for the benefit of our economy and its stakeholders.

I would like to express my sincere gratitude to all those who have contributed to the development of the ESSDP. Your commitment, expertise, and dedication are instrumental in shaping the future of our economic sub-sectors.

I acknowledge and appreciate the Department of National Planning and Monitoring (DNPM) for their guidance and support towards the development of this ESSDP. I also acknowledge and thank the Management and the team from the Department of Commerce and Industry, Investment Promotion Authority, Small Medium Enterprise Corporation, National Institute of Standards and Industrial Technology and Industrial Center Development Corporation for the drafting, formulation and production of the first ESSDP 2023-2027.

Let us work hand in hand to transform our vision into a reality, building a prosperous and resilient economy that uplifts the lives of our people.

Thank you and I look forward to our collective efforts in driving the Economic Sub-Sector Development Plan towards success.

A handwritten signature in blue ink, appearing to read 'David Ganaii'.

DAVID GANAII
SECRETARY
Department of Commerce and Industry

ENDORSEMENT BY THE SECRETARY, DEPARTMENT OF NATIONAL PLANNING AND MONITORING



CERTIFICATE OF ALIGNMENT TO MTDP IV (2023-2027)

I, Mr. Koney Samuel, by virtue of the powers vested in me as Secretary for the Department of National Planning and Monitoring and in compliance with the Papua New Guinea Planning and Monitoring Responsibility Act 2016, hereby approve and certify the **DEPARTMENT OF COMMERCE AND INDUSTRY'S ECONOMIC SUB-SECTOR DEVELOPMENT PLAN (2023-2027)** for implementation.

KONEY SAMUEL

SECRETARY

DEPARTMENT OF NATIONAL PLANNING AND MONITORING

08 APRIL 2024

SERIAL NO: MTDP IV-S001



VISION

To create a dynamic and resilient economy, driven by innovation and sustainable development of the economic sub-sector, where it thrives and contributes to inclusive growth, prosperity, and improved livelihoods for the people of Papua New Guinea.

MISSION

To drive sustainable and inclusive economic growth by promoting and supporting the development of economic sub-sector. To formulating effective policies, facilitating strategic investments, and fostering partnerships with the private sectors and development partners, with the aim of creating a conducive business environment, promoting standardization of PNG products, enhance competitiveness, and improving the livelihoods of our people. Through our proactive and collaborative approach, we strive to ensure equitable distribution of wealth and opportunities, promote innovation and entrepreneurship, and foster responsible and sustainable economic development for the benefit of all Papua New Guineans.



EXECUTIVE SUMMARY

This is the first Economic Sub-Sector Plan for the Ministry of Commerce and Industry. The Ministry over the years lacked an appropriate economic sector plan that would holistically guide the Department of Commerce and Industry and the Commercial Statutory Authorities (CSAs) including Investment Promotion Authorities (IPA), Small and Medium Enterprise Corporation (SMEC), Industrial Centres Development Cooperation (ICDC) and National Institute of Standards and Industrial Technology (NISIT) to collaborate, coordinate and complement each other's programs with the aim of achieving the economic development aspirations for Papua New Guinea.

Through this plan, it aims to foster an inclusive and resilient economy that benefits all stakeholders, particularly our citizens, entrepreneurs, and investors. The Ministry recognizes the importance of harnessing the power of innovation, promoting entrepreneurship, and facilitating investment to drive economic prosperity and create employment opportunities.

The primary objective is to stimulate growth and stability across the economic sub-sector under the Ministry's mandate, including downstream processing, MSMEs, trade and investment, national business protection and effective management and coordination of the ESSDP.

The ESSDP is aligned to the national overarching framework including the Vision 2050, PNG Development Strategic Plan 2010-2030, and the Medium Term Development Plan IV with the aim to ensure a coordinated and integrated approach to achieving its development goals.

There are total of 33 capital investment programs under the Ministry of Commerce and Industry. All these programs fall under the MTDP IV's Strategic Priority Areas (SPAs) One and Six. The SPA 1 includes Micro Small Medium Enterprise, Trade and Investment, Manufacturing and Downstream Processing, while the SPA 6 includes National Business Protection under the National Security.

The National Government's development agenda is to grow the economy by K200 billion double both internal and external revenue and create an additional one million jobs by 2027. These achievements or outcomes will assist us achieve our dream of becoming a middle-income country by 2030.

The Ministry will contribute its part in achieving a robust and sustainable economy through effective delivery of the economic sub-sector programs.

The total estimate budget to implement the capital investment programs of the ESSDP is K2.343 billion.

The ESSDP captures monitoring, evaluation and risk management to ensure that it is successfully delivered.



1 INTRODUCTION

1.1. Background

The Department of Commerce and Industry (DCI) and the Agencies under the Ministry of Commerce and Industry are lead economic sector players in Papua New Guinea. Their core mandates are drawn from the various Acts of Parliament, National Executive Council's Decisions and Ministerial Determinations and Directions to facilitate and promote the growth of Commerce, Industries and Investments. These mandates are relevant to the development of the economic sub-sector. It is therefore, imperative to recognize the importance of the core mandates and formulate an Economic Sub-Sector Development Plan (ESSDP) that will guide the Ministry to aligning with the nation's economic goals; Vision 2050, PNG Development Strategic Plan 2010-2030 and the Medium-Term Development Plan IV.

PNG's economic sector encompasses diverse industries such as agriculture, mining, forestry, fisheries, manufacturing, tourism, and services sectors. The nation is rich in natural resources, providing opportunities for resource extraction and export.

PNG's economic sub-sector holds vast potential for development and plays a crucial role in the country's overall economic landscape. The Department of Commerce and Industry, along with its Commercial Statutory Authorities (CSAs), namely IPA, SMEC, NISIT, and ICDC, collectively contribute to shaping and supporting the growth of the economic sector in the country.

However, despite the existing potential, there are challenges that need to be addressed. These challenges include; limited access to finance, inadequate infrastructure, lack of skilled labour, and limited market integration. The current economic sector heavily relies on the extraction and export of raw materials, leading to limited value addition and missed opportunities for economic growth and diversification. There is a pressing need to transform our economic landscape by promoting downstream processing, which involves adding value to our natural resources through industrial activities. The ESSDP aims to address these challenges and capitalize on opportunities to drive sustainable growth and development.

To ensure the success of the ESSDP, collaboration and coordination among various stakeholders are essential. DCI, in collaboration with its CSAs, will develop strategies to enhance investment promotion, improve the business environment, promote entrepreneurship and innovation, facilitate market access and development, and strengthen the capacities of Micro, Small and Medium Enterprises (MSMEs) and Small to Medium Industries (SMIs). The IPA will play a crucial role in attracting domestic and foreign investments into the downstream processing and value addition sector as well as safeguarding Intellectual Property and Personal Property Securities, while SMEC will support the growth of MSMEs within respective industries. The NISIT will contribute to quality assurance and standardization, ensuring that our finished products meet international standards. Additionally, the ICDC will play a vital role in providing infrastructure and support for industrial development and business growth.

Figure 1: The key implementing agencies for the ESSDP



The ESSDP will focus on targeted interventions to promote sustainable and responsible economic development, foster strategic partnerships with the private sector, and ensure the integration of gender considerations to achieve inclusive growth. It will also emphasize the importance of compliance with national standards and quality assurance to enhance the competitiveness of Papua New Guinea's products and services in domestic and international markets.

By implementing the ESSDP, the Ministry of Commerce and Industry aims to unlock the full potential of its economic sub-sector, create employment opportunities, attract investments, promote value addition, and contribute to the overall economic growth and development of the nation.



1.2. Core Functions of Commercial Statutory Authorities (CSAs) under the Ministry



Figure 2: Core functions of the CSAs

1.3 Rationale for ESSDP

It is crucial to recognize the need for an ESSDP and understand the reasons behind its implementation. The rationale for the ESSDP is as follows:

Addressing Historical Lack of Comprehensive Plan: Acknowledge the fact that the ministry has experienced a lack of an organized and strategic approach towards economic sub-sector development for a number of years. The ESSDP aims to rectify this gap by providing a comprehensive plan for the promotion and development of economic sub-sectors.

Maximizing Economic Potential: Recognize the untapped potential within the Ministry's economic sub-sector and the opportunity to stimulate economic growth and development. The ESSDP will facilitate targeted interventions to unlock the potential of these sub-sectors, leading to increased productivity, job creation, and revenue generation.

Coordinated and Integrated Approach: Establish a coordinated and integrated approach towards sub-sector development, bringing together DCI, IPA, SMEC, NISIT, and ICDC. This collaboration will ensure a synergistic effort to address challenges, pool resources, and achieve shared goals.

Support for MSMEs and Start-ups: Recognize the vital roles of MSMEs and start-ups in fostering economic growth, innovation, and job creation. The ESSDP will provide a strategic framework to

support the growth and development of MSMEs, including access to finance, capacity building, information and market opportunities.

Improved Policy Formulation: Emphasize the importance of evidence-based policy formulation and implementation within the Ministry of Commerce and Industry. The ESSDP will provide a platform for research, analysis, and data-driven decision-making to ensure that policies and interventions are targeted, effective, and aligned with national development priorities.

Enhanced Coordination and Collaboration: Encourage enhanced coordination and collaboration among relevant stakeholders, including government agencies, private sector entities, civil society organizations, and development partners. The ESSDP will facilitate partnerships and joint initiatives to leverage resources, expertise, and knowledge for the development of economic sub-sectors.

Monitoring and Evaluation: Establish a robust monitoring and evaluation framework to track progress, measure impact, and ensure accountability in the implementation of the ESSDP. Regular assessments will allow for the identification of challenges, necessary adjustments, and continuous improvement.

1.4. Formulation Process

The Formulation Process of the ESSDP 2023-2027 has involved consultative and participatory approaches between the Department of Commerce and Industry and the Department of National Planning and Monitoring plus the Commercial Statutory Authorities of the Ministry of Commerce and Industry.

- a) December 2022, the DNPM advised the DCI on the importance of having a sub sector plan and to develop one.
- b) ESSDP was initially developed using the toolkit of MTDP I and II. Later the structure of the ESSDP was rearranged as advised by the DNPM. This is because the DNPM was developing a toolkit specifically for the formulation of sectoral and provincial and district development plans.
- c) An internal working group for the development of the ESSDP was established comprising officers from various divisions and project units within the Department. From the internal working group, the first draft was developed and awaited Medium Term Development IV to be launched.
- d) The drafting of the ESSDP came to a halt because DCI needed to align its investment programs to the new MTDP IV which was yet to be launched.
- e) Following the launching of the MTDP IV in July 2023, DCI recommenced on the drafting of the ESSDP by slotting in its programs to align with MTDP IV Strategic Priority Areas that are relevant to DCI and CSAs' functions.
- f) The draft ESSDP was circulated out to all the CSAs and the DNPM to provide feedbacks also in July of 2023. Responses were incorporated into the draft ESSDP.
- g) DCI had two separate meetings with DNPM in September 2023 regarding the structure and the log frame. DNPM submitted the required structure for the sub-sector plan which DCI had to restructure and update the draft version of the ESSDP.



- h) From 2nd February 2024, a validation workshop was held at Crown Plaza for all CSAs and DNPM to provide their final inputs.
- i) Comments from the validation workshop were incorporated. Draft was finalized and endorsed by Secretary DCI and Secretary National Planning for launching.
- j) The launching of the ESSDP was held at the Dynasty Seafood Restaurant, Vision City Mega Mall, Port Moresby, on the 23rd of April 2024. The Plan was launched by Hon. Win Bakri Daki, MP, Minister for Commerce & Industry.

1.5. Goals

- i. To support and promote quality products and enhance the growth and competitiveness of economic sub-sector that has the potential to contribute significantly to the overall economy;
- ii. To encourage and support the establishment and growth of new businesses, as well as promote innovation within existing businesses. This will foster economic diversification and stimulate job creation;
- iii. To stimulate growth and sustainable development of SME sector;
- iv. To improve the capacity of concern institutions to generate good outcome on their corporate plans; and
- v. To increase the government institutional support to the Ministry of Commerce and Industry.

1.6. Purpose

- i. Underpin the Medium-Term Development Strategy (MTDS) of the Government.
- ii. Guide the development of the sub-sector through alignment of resource with identified priorities.
- iii. Determine the planning process and institutionalize the planning system to coordinate SME sector development.
- iv. Determine institutional set-up/arrangements for implementation of the national plans.
- v. Contribute to promoting protections of local Papua New Guinea businesses.
- vi. Ensure that economic sector policies, programs and development agendas are based on participatory approaches that involve all stakeholders.

1.7. Development Objectives

- i. **Promote Economic Growth:** Foster sustainable inclusive economic growth by identifying and nurturing economic sub-sectors with high potential for development and investments.
- ii. **Enhance Competitiveness:** Improve the competitiveness of identified economic sub-sectors through targeted policies, interventions, and strategic partnerships to drive innovation, productivity, and efficiency.
- iii. **Foster Entrepreneurship and Innovation:** Create an enabling environment that supports and promotes entrepreneurship and innovation within the identified economic sub-sectors, facilitating the growth of new businesses and the commercialization of innovative ideas.



- iv. **Increase Investment and Trade Opportunities:** Attract domestic and foreign investments, as well as expand domestic and international market access for the local businesses by implementing effective investment promotion strategies, providing international standards and trade facilitation measures.
- v. **Ensure Inclusive Economic Development:** Promote inclusive economic development by providing equal opportunities and support for marginalized and disadvantaged groups, ensuring that the benefits of economic growth and development are shared equitably.
- vi. **Encourage Sustainable and Responsible Economic Practices:** Integrate environmental and social considerations into the development and operation of the identified economic sub-sectors, promoting sustainable and responsible practices that minimize negative impacts on the environment and preserve natural resources.
- vii. **Strengthen Public-Private Partnerships:** Enhance collaboration and partnership between the government, private sector, and other stakeholders to leverage resources, expertise, and knowledge for the successful implementation of the ESSDP.
- viii. **Improve Governance and Regulatory Frameworks:** Develop and implement effective governance mechanisms, policies, and regulations that provide a transparent, accountable, and conducive business environment for the identified economic sub-sectors.
- ix. **Enhance Capacity and Skills Development:** Strengthen the capacity and skills of individuals and organizations involved in the identified economic sub-sectors through targeted training, education, and capacity-building programs to enhance their competitiveness and productivity.
- x. **Monitor and Evaluate Progress:** Establish a robust monitoring and evaluation system to regularly track the progress, effectiveness, and impact of the ESSDP, ensuring that objectives are met and necessary adjustments are made to achieve desired outcomes.



1.8. Core Values

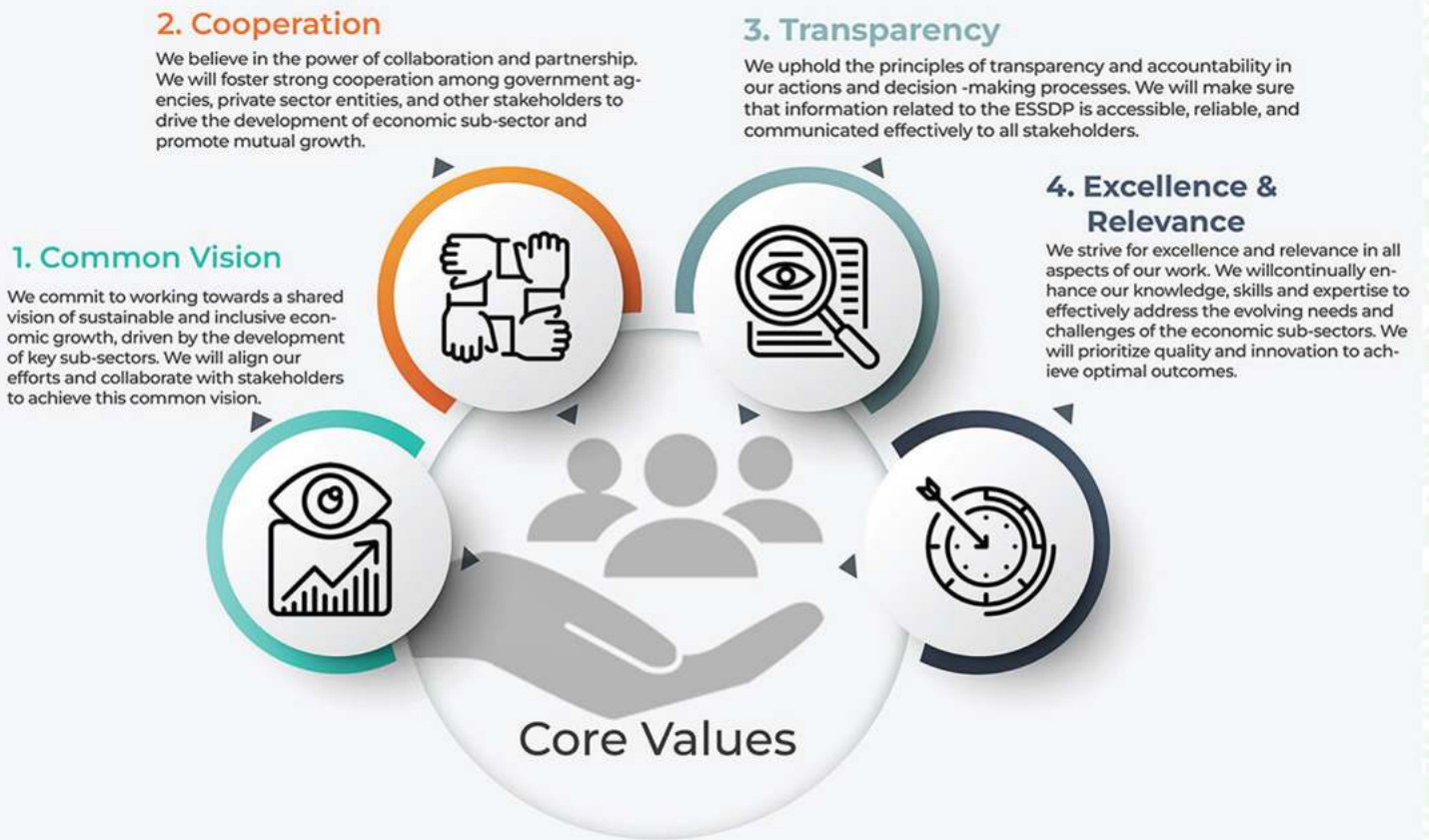


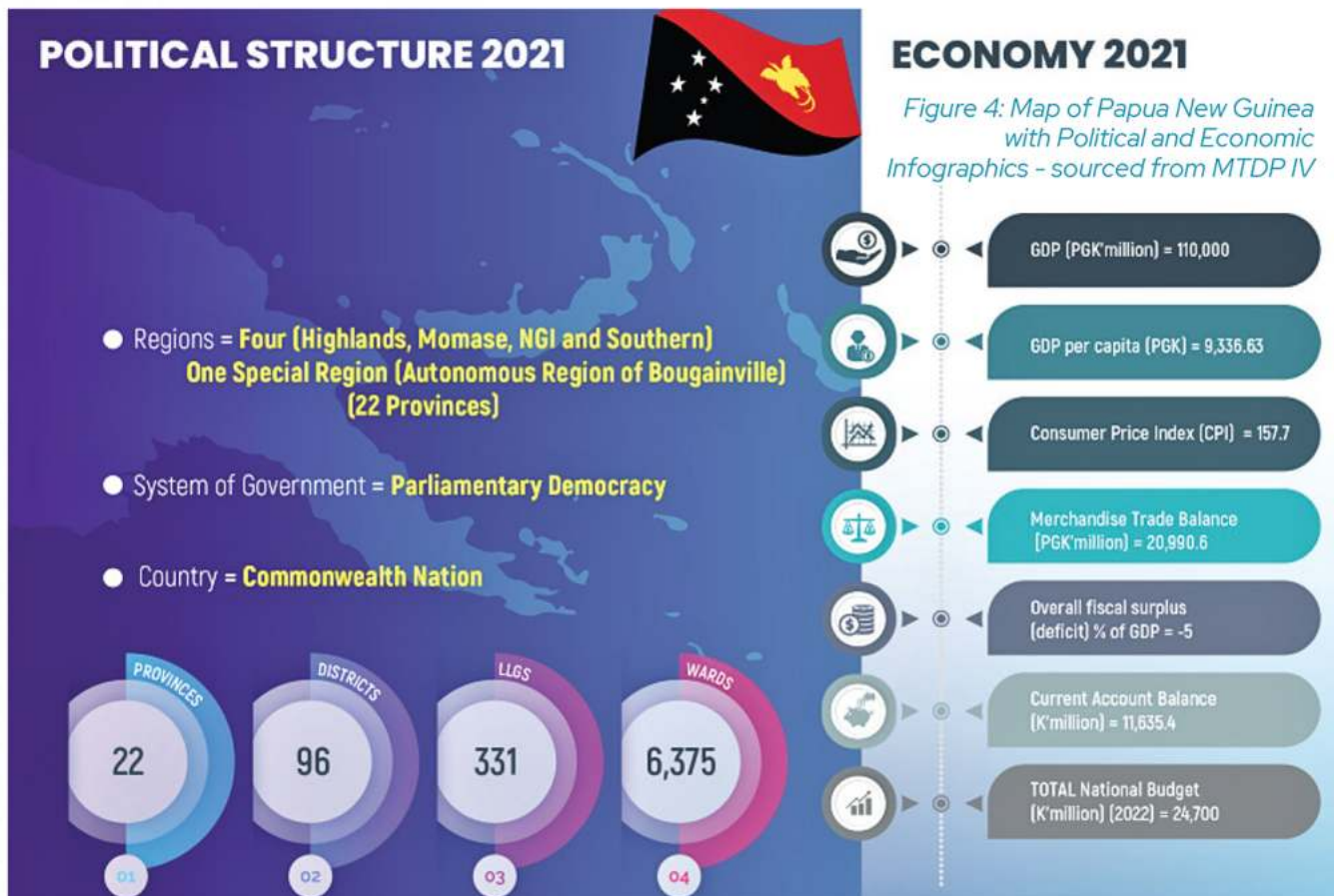
Figure 3: Governing Values of ESSDP

By adhering to these core values, we aim to create a conducive environment for economic sub-sector development, promote sustainable and inclusive growth, and drive positive changes in the commerce and industry sector of Papua New Guinea.



2 SITUATION ANALYSIS

2.1. Economic Overview of Papua New Guinea



Papua New Guinea, located on the eastern half of the island of New Guinea, is a country in the Pacific region with a population of approximately 8.8 million people. The country comprises both the mainland and around 600 offshore islands. The major urban centers include Port Moresby (the capital), Lae, Mt Hagen, Madang, Wewak, and Goroka. Other main centers include Rabaul/Kokopo, Alotau, and Kimbe. PNG's economy is characterized by a dualistic structure, with a traditional subsistence rural sector supporting about 85 percent of the population and a formal monetary sector employing the remaining population. The formal sector primarily consists of workers engaged in mineral production, a small manufacturing sector, public sector, and service industries such as finance, construction, transportation, and utilities.

In recent years, PNG's economy has faced challenges, including economic contraction. However, there has been some positive growth, with PNG's economy has recovered above its pre-pandemic GDP, with high commodity prices and the removal of COVID-19 restrictions accelerating economic growth to 4.5 percent for 2022, while in 2023 the economic growth is expected to slow to 3.7 percent due to lower global demand and supply constraints as per the World Bank's latest Economic Update for Papua New Guinea.

	2018	2019	2020	2021	2022	2023	2024	2025
					Est.	Projections		
GDP growth (percent)	-0.3	4.5	-3.2	0.1	4.5	3.7	4.4	3.1
Extractive sector	-9.2	11.3	-9.2	-11.0	4.7	0.3	5.1	0.1
Non-extractive economy	4.1	1.6	-0.4	4.8	4.5	4.9	4.2	4.2
Consumer price inflation (percent, period average)	4.6	3.7	4.9	4.5	6.6	5.3	4.9	4.6
Overall fiscal deficit (percent of GDP)	-2.6	-5.0	-8.9	-6.8	-5.4	-4.3	-3.9	-2.3
Public debt, net (percent GDP)	36.7	40.2	48.8	52.2	47.9	49.8	54.2	51.1
Current account balance (percent of GDP)	22.6	22.1	19.4	21.9	33.2	22.7	22.9	21.9

Note: the share of extractive sector in gross value added was 29.7 percent in 2019

Sources: PNG National Statistics Office; World Bank staff estimates and projections.

Table 1: Key Macro-Fiscal Indicators (2018-2025)



In addition, PNG’s fiscal deficit is estimated to have narrowed to 5.4 percent of GDP in 2022, compared to 6.8 percent in 2021. This reflects the Papua New Guinea Government has continued fiscal consolidation and work to safeguard macroeconomic stability. Nevertheless, PNG remains highly dependent on price fluctuations in the external sector, particularly in export earnings. The country’s economic prospects are influenced by international commodity prices, such as gold, oil, copper, logs, coffee, copra, cocoa, and petroleum products.

These exports contribute to 42 percent of PNG’s GDP and account for 90 percent of its total exports.

Geographically, volcanic mountains and low coral atolls characterize PNG. The country has 22 provinces, with 1 Autonomy Region. The challenging geography necessitates a significant reliance on air transport for passenger transportation and to some extent cargo movement, including the transportation of labour and inputs for the mining and minerals sector.

Moving forward, it is important for PNG to focus on diversifying its economy and reducing its dependency on volatile commodity prices. The government should prioritize efforts to strengthen the manufacturing sector, enhance agricultural productivity, and promote tourism. Investment in infrastructure development, particularly in remote areas, is essential to improve connectivity and unlock the economic potential of all regions in the country. Additionally, there should be a focus on developing human capital through education and skills training to support sustainable economic growth and reduce reliance on imports of skilled labour.

PNG’s economy has faced challenges; there are opportunities for growth and development. Having in place the ESSDP should address the country’s economic diversification, infrastructure development, and human capital requirements. By leveraging its abundant natural resources and strategic location, PNG has the potential to achieve sustainable and inclusive economic growth in the coming years.

2.2. Overview of Government Policy

The PNG government has established a comprehensive framework of policies to guide the development and growth of the country. These policies encompass a range of areas, including social, economic, and environmental aspects. Here is an overview of the national policy framework:

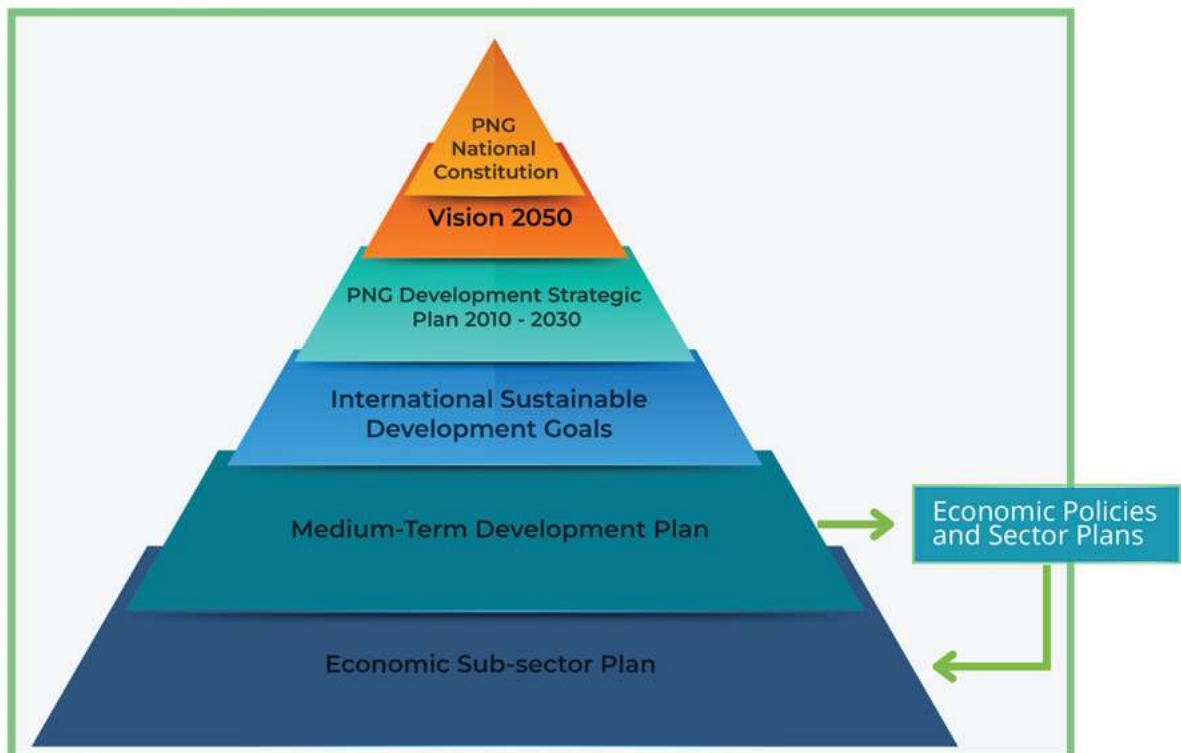


Figure 5: Overarching Policies



1. **National Goals and Directive Principles of the PNG National Constitution:** Part of the Papua New Guinea National Constitution is the National Goals and Directives. These goals outline the principles and aspirations of the country, including the promotion of social justice, equality, and participation in national development. They emphasize the importance of sustainable development, cultural diversity, and self-reliance.
2. **Vision 2050:** This long-term development plan sets out the government's vision for Papua New Guinea to become a "Smart, Wise, Fair, Healthy, Wealthy, and Happy Society" by 2050. It highlights key development pillars, such as human capital development, infrastructure development, sustainable resource management, and good governance.
3. **Medium Term Development Plan IV:** This plan outlines the government's priorities and strategies for a five-year period. It aims to achieve broad-based economic growth, improve service delivery, strengthen governance, and promote social development.
4. **PNG Development Strategic Plan 2010-2030:** This long-term plan provides a roadmap for sustainable and inclusive development. It focuses on key sectors, including agriculture, fisheries, tourism, infrastructure, and human development, with a goal of poverty reduction and improving the quality of life for all Papua New Guineans.
5. **International Sustainable Development Goals:** PNG is committed to achieving the United Nations Sustainable Development Goals (SDGs). These global goals address a wide range of social, economic, and environmental challenges, including poverty reduction, education, gender equality, climate action, and sustainable economic growth.
6. **Economic Policies:** The existing economic policies, such as the Micro Small and Medium Enterprise Policy 2023, National Trade Policy 2017-2030, Investment Policy Volume 1 & Volume 2, PNG Gold Bullion Policy and PNG National Content Policy for Resource Sector 2023, aim to promote inclusive economic growth, attract investments, facilitate trade, and maximize the benefits of the country's natural resources.
7. **Proposed Policies:** The proposed policies, including the National Co-operative Development Policy, Construction Industry Policy and National Manufacturing Policy, aim to further enhance economic development, promote local content participation, strengthen the co-operative sector, construction industry sector, SMEs and MSMEs, SMIs, manufacturing sector, and increase value addition in key primary industries.

These overarching policies provide a comprehensive framework for the government's development efforts, encompassing social, economic, and environmental dimensions. They highlight the importance of sustainable development, inclusive growth, good governance, and international cooperation. By aligning the ESSDP with these policies, the government aims to ensure a coordinated and integrated approach to achieving its development goals.



3 ALIGNING AGENCY SPAS TO THE MTDP IV

3.1 Alignment of ESSDP to National Development Plans.



Figure 6: Alignment of ESSDP to National Development Plans

The ESSDP under the Ministry of Commerce and Industry in Papua New Guinea will align with the national development plans and other economic sector policies and programs in several ways, ultimately benefiting the ministry and the people.

Here's how: Alignment with National Development Plans: The ESSDP will align with the broader national development plans of Papua New Guinea, ensuring that the goals, strategies, and priorities outlined in the ESSDP are in line with the overall development objectives of the country. This alignment ensures a coordinated and integrated approach to economic development.

Synergy with other Economic Sectors Policies and Programs: The ESSDP will work in synergy with other economic sector policies and programs, such as industrial development policies, trade policies, investment promotion policies, and small and medium enterprise development policies. This alignment ensures that efforts across various sectors are complementary and mutually reinforcing, leading to more effective and efficient outcomes.

Coordinated Efforts for Economic Growth: The ESSDP will facilitate coordination and collaboration among different entities, such as the DCI, IPA, SMEC, NISIT, and ICDC. This coordination enhances the collective effort towards economic growth and development.

Strategic Resource Allocation: The alignment of the ESSDP with national development plans and economic sector policies enables strategic resource allocation. It ensures that resources, both financial and human, are directed towards the priority areas identified in the ESSDP, maximizing the impact of investments and interventions.



Enhanced Policy Implementation: The alignment of the ESSDP with other policies and programs enhances policy implementation and enforcement. It ensures that policies and programs are implemented consistently and effectively, resulting in tangible outcomes and benefits for the Ministry of Commerce and Industry and the people.

Streamlined Monitoring and Evaluation: The alignment of the ESSDP with national development plans and economic sector policies allows for a streamlined monitoring and evaluation process. This enables the tracking of progress, identification of challenges, and adjustment of strategies as needed, ensuring continuous improvement in economic sector development.

Ultimately, the alignment of the ESSDP with national development plans and economic sector policies and programs enhances the effectiveness and efficiency of the Ministry of Commerce and Industry's efforts. It promotes coordination, collaboration, and strategic resource allocation, leading to sustainable economic growth, job creation, and improved livelihoods for the people of Papua New Guinea.

3.2. Aligning Agencies KRAs to the MTDP IV

According to the MTDP IV, there are twelve Strategic Priority Areas (SPAs) and based on the Ministry's mandatory roles and responsibilities, the Ministry falls under SPAs One and Six. The first SPA which is the Strategic Economic Investment with Deliberate Intervention Programs (DIPs) in Medium-Term Development Plan IV (MTDP IV) including; 1. Manufacturing; 2. Growth of MSMEs, 3. Trade and Investment, and 3. Downstream Processing. SPA Six of the MTDP IV is on National Security with DIP 6.5 on National Business Protection.

As a strategy plan, the ESSDP aims to align the Key Result Areas (KRAs) of the Department and CSAs with the goals and priorities outlined in the MTDP IV. The ESSDP focuses on four DIPs known as the strategic pillars: Manufacturing and Downstream Processing, Growth of Micro Small and Medium Enterprises (SMEs), Trade and Investment, and National Business Protection. **Note that the DIPs on Manufacturing and Downstream Processing are combined to be one pillar.**

The first strategic pillar, Manufacturing and Downstream Processing aims to promote the transformation of raw materials and resources into finished or semi-finished products within the country. This will add value and standards to the products, create employment opportunities, and increase the country's export potential. By aligning the agencies' KRAs to this pillar, the Ministry intends to prioritize initiatives and interventions that support the development of downstream processing industries.

The second strategic pillar focuses on the Growth of MSMEs, recognizing their significance as drivers of economic growth, employment generation, and poverty reduction. The agencies' KRAs will be aligned to support the growth and development of MSMEs through initiatives such as access to finance, business development services, capacity building programs, and market linkages. This will enable MSMEs to thrive, contribute to the economy, and create more job opportunities.

The third strategic pillar, Trade and Investment, recognizes the importance of attracting foreign investment to stimulate economic growth, create employment, and foster technological advancements. The agencies' KRAs will be aligned to facilitate and promote trade and investment through investment promotion activities, improving the investment climate, providing investment-related services, and creating a favourable business environment that attracts both domestic and international investors.



The fourth strategic pillar, recognizes the protection and preservation of locally owned businesses that will empower and increase their participation in the economic development. The agency's KRAs will be aligned to protect and encourage the growth of local businesses/MSMEs.

By aligning the agencies' KRAs with the strategic pillars of the ESSDP, the Ministry of Commerce and Industry aims to ensure that its activities, programs, and policies are directly contributing to the achievement of the goals and priorities outlined in the MTDP IV. This alignment will create a cohesive and coordinated approach towards sub-sector development, leveraging the resources, expertise, and partnerships of the Ministry and its agencies to achieve sustainable and inclusive economic growth in Papua New Guinea.

Table 2: Action Plan for Economic Sub-Sector Development Plan

STRATEGIC PILLARS	Pillar 1: Manufacturing and Downstream Processing	Pillar 2: Growth of Micro Small and Medium Enterprises (MSMEs)	Pillar 3: Trade and Investment	Pillar 4: National Business Protection
EXPECTED OUTCOMES	<ul style="list-style-type: none"> Increased value addition and processing of raw materials within PNG. Development of downstream processing industries. Creation of employment opportunities. 	<ul style="list-style-type: none"> Development of a diverse, dynamic, and innovative MSME sector. Increased production of goods and services for domestic and foreign consumption. Generation of employment. 	<ul style="list-style-type: none"> Attraction of foreign direct investments (FDIs) to stimulate economic growth. Creation of employment opportunities. Technological advancements. 	<ul style="list-style-type: none"> Generation of employment. Growth of innovative and vibrant SME sector
MAJOR ACTIVITIES	<ul style="list-style-type: none"> Promote policies and regulations that support value addition and downstream processing. Facilitate access to finance and resources for downstream processing industries. Provide capacity building programs for entrepreneurs in the manufacturing sector. 	<ul style="list-style-type: none"> Facilitate access to finance and business development services for MSMEs. Provide capacity building programs for MSMEs. Foster entrepreneurship and innovation in the SME sector. 	<ul style="list-style-type: none"> Improve the investment climate and promote investment opportunities. Strengthen investment promotion activities. Develop and implement investment friendly policies and regulations. 	<ul style="list-style-type: none"> continuous review of the Reserved Business Activities List, instituting policy and legislative reforms.
DELIVERABLES	<ul style="list-style-type: none"> Increased participation of SMEs in the manufacturing of value-added products. Implementation of policies and regulations to support downstream processing. Number of downstream processing industries established. Increased employment opportunities in downstream processing industries. 	<ul style="list-style-type: none"> Establishment of business incubation centres for MSMEs. Inclusion of MSME curriculum in secondary schools. Improved access to finance for MSMEs. Increased number of successful MSMEs. 	<ul style="list-style-type: none"> Establishment of special economic zones to attract FDIs. Increased number of strategic trade agreements. Implementation of trade remedies legislation. Creation of networking opportunities between PNG and other countries. 	<ul style="list-style-type: none"> Restriction of foreign firms/companies to take over reserved businesses from the local companies/SMEs



<p>DELIVERABLES</p>	<ul style="list-style-type: none"> • Increased participation of SMEs in the manufacturing of value-added products. • Implementation of policies and regulations to support downstream processing. • Number of downstream processing industries established. • Increased employment opportunities in downstream processing industries. 	<ul style="list-style-type: none"> • Establishment of business incubation centres for MSMEs. • Inclusion of MSME curriculum in secondary schools. • Improved access to finance for MSMEs. • Increased number of successful MSMEs. 	<ul style="list-style-type: none"> • Establishment of special economic zones to attract FDIs. • Increased number of strategic trade agreements. • Implementation of trade remedies legislation. • Creation of networking opportunities between PNG and other countries. 	<ul style="list-style-type: none"> • Restriction of foreign firms/companies to take over reserved businesses from the local companies/SMEs
<p>ORGANISATIONS</p>	<ul style="list-style-type: none"> • DCI • NISIT • ICDC 	<ul style="list-style-type: none"> • DCI • SMEC • National Development Bank (NDB) • Bank of South Pacific (BSP) • Women's Micro Bank (WMB) 	<ul style="list-style-type: none"> • DCI • IPA • NTO 	<ul style="list-style-type: none"> • DCI • IPA
<p>KEY INSTRUMENTS</p>	<ul style="list-style-type: none"> • Policy initiatives and advisory services. • Sector budget coordination. • Program-based operations. • Technical assistance and capacity building. • Economic sector work. • Investment trade promotion. • Business and trade regulation. 	<ul style="list-style-type: none"> • Direct financing assistance: long-term debt, equity, guarantees, loan syndications, and underwriting. • Advisory services. • Technical assistance and capacity building. • Project loans and grants. 	<ul style="list-style-type: none"> • Program-based operations. • Advisory services. • Project and technical assistance. • Economic sector work. 	<ul style="list-style-type: none"> • Advisory services • Investment trade promotion • Program-based operations.

3.3. Sector Priority Areas

The strategic direction of PNG Vision 2050 has provided the framework in alignment with respective sectors to develop these revenue-based sectors from 2010 to 2050.

The ESSDP is underpinned by four pillars (1) Manufacturing and Downstream Processing, (2) Micro Small and Medium Enterprises (MSMEs), (3) Trade and Investments, and (4) National Business Protection to achieve broad based economic growth. The key priority areas of the ESSDP will focus on the Strategic Economic Investments.



The priority areas within the ESSDP will primarily focus on Strategic Economic Investments. These priority areas have been identified under each of the three strategic pillars, as outlined in Table 3 below:

Pillar 1: Manufacturing & Downstream Processing

- Promote downstream processing and value addition of raw materials to generate wealth for Papua New Guineans.
- Enhance the capacity and capabilities of downstream processing industries through technology transfer, research and development.
- Facilitate the establishment of downstream processing facilities and industrial clusters to create employment opportunities and enhance local value chains.
- Promote development and growth of Small Medium Industries
- Encourage and conform to local and international standards.

Pillar 2: Micro, Small and Medium Enterprises (MSMEs)

- Support the growth and development of MSMEs across various sectors through access to finance, business development services, and capacity building programs.
- Promote entrepreneurship, innovation, and skills development to enhance the competitiveness and sustainability of MSMEs.
- Foster collaboration and partnerships between MSMEs, larger companies, and government agencies to create a supportive ecosystem for MSMEs.

Pillar 3: Trade and Investments

- Attract foreign investments in key economic sectors to spur economic growth, create jobs, and facilitate technology transfer.
- Develop and implement investment promotion strategies to showcase Papua New Guinea as an attractive investment destination.
- Strengthen institutional frameworks and policies to provide a conducive and secure environment for foreign investors.
- Promote PNG products and securing niche markets for our products
-

Pillar 4: National Business Protection

- Preserve and protect businesses for local companies/SMEs.
- Empowering entrepreneurship to support the growth of the SME sector.
- Promote innovation and skills of local business through PNG products.

The ESSDP, through these priority areas and strategic pillars, aims to drive economic growth, enhance competitiveness, create employment opportunities, and promote inclusive development in Papua New Guinea. It will be continuously monitored and evaluated using key indicators to track progress and ensure the effective utilization of renewable natural resources for the benefit of all citizens.



Table 3: Sector Priority Areas under the four (4) Strategic Pillars

Goal	Strategic Pillars	Sector Priority Areas	Outcome
Broad based and diversified economic growth	Pillar 1: Manufacturing and downstream processing	National Manufacturing Policy	Increased manufacturing activities and value addition to raw materials within PNG.
		Gold Bullion Policy	Development and promotion of gold bullion trading and processing in PNG.
		National Lime Stone	Exploration and utilization of national lime stone resources for value-added products.
		Downstream Research Centre	Support economic sectors that are involved in downstream processing to comply with safety and standards.
	Pillar 2: Micro, Small and Medium Enterprises (MSMEs)	Business Incubation Centre Program	Establishment of four regional incubation centres for MSMEs
		MSME Accelerator Program	Support MSMEs to transition into formal businesses
		MSME Technology Acquisition, Transfers, and Diffusion Program	Establishment of distributor agreements with suppliers to act as onshore distributors of small-scale technologies for application in MSME activities. Target a minimum of 1000 MSME client sales per year
		National Content Policy	Establishment of a policy framework to promote local content and participation in economic activities
		MSME Development Fund	Programs developed for niche market MSMEs and for product development. Establishment of credit guarantee and seed capital programs with Micro banks and other foreign investments. Establishment of export financing program with one commercial bank. Establishment of subsidy program within SMEC to support market access costs for export-ready MSMEs.
		MSME Capacity Building Program	Delivery of 22 provincial MSME trainings targeting 3000 participants annually. Annual conduct of regional M&E exercises. Annual delivery of TOT training
		MSME Access Market Program	Regional standards and quality and conformance training run for MSMEs annually. MSME export information guide was developed and disseminated. Business seminar, Expo, or matchmaking event hosted annually.
		MSME Professional Services Program	Partnership agreements established with professional service providers annually. 1000 MSME clients receive professional services support annually.
		MSME ICT Program	E-MSME marketplace created. Information and one stop portal created for MSME registration and business compliance purposes.
		SME Baseline Survey	Comprehensive understanding of the current status and needs of SMEs in the sector
MSME Policy Dialogue and Advocacy Program	Support complementary policy development across all sectors. Pursue partnerships for mutual beneficial program development and delivery. Establishing of networks and advocacy groups to pursue MSME development interests.		



Broad based and diversified economic growth

Pillar 2: Micro, Small and Medium Enterprises (MSMEs)	MSME Sector Governance Program	MSME Development Authority bill enacted to facilitate SMEC transition to MSME Development Authority. Support for complimentary policy development, RAL, NCP, Manufacturing, Investment, Industry and ICT policy developments. Facilitate Ministry Institutional capacity development programs to capacitate officers to implement the MSME MTDP.
	SME Agriculture Funding	Increased funding support for agricultural MSMEs
	MSME Funding	Improved access to financing options for MSMEs
	SME Credit Enhancement	Strengthened creditworthiness of MSMEs
	Cooperative Models for Rural Development.	Development of cooperative models to foster economic growth in rural areas
	Bougainville Economic Development Summit	Facilitate discussions and initiatives for economic development in Bougainville
Pillar 3: Trade and Investment	Institutional Strengthening	Improved governance, systems and processes
	Standards and Measurements	Establishment of a metrology facility to provide accurate and reliable information on measurement for the products/resources in the country
	Strengthening Investment Promotion & Facilitation	Increased foreign direct investments through the profiling of the economic sub-sectors with feasible projects and better understanding of the investment opportunities in the country.
	Investment Policy	To maximize the potential gains of FDIs, including productivity improvements, better jobs and knowledge transfer.
	Manus Special Economic Region (MSER)	Increased FDIs in the MSER
	Labu Special Economic Zone Project	Development of the Labu Special Economic Zone, attracting FDIs and stimulating economic growth.
	Gazelle Argo Industrial Park Project	Establishment of the Gazelle Argo Industrial Park, attracting FDIs and promoting industrial development.
	Ulaveo Industrial Center	Development of the Ulaveo Industrial Center, attracting FDIs and creating employment opportunities.
	Malahang Industrial Center Road Rehabilitation Project	Rehabilitation of roads in the Malahang Industrial Center, improving accessibility and promoting economic activities.
	Port Moresby National Industrial Centre	Attracting FDIs and creating employment opportunities.
	Korofegu Industrial Centre	Attracting FDIs and creating employment opportunities.
Pillar 4: National Business Protection	Nation-Wide Awareness on the reserved business listing by industries	<p>Reduced number of foreign entities engaged in reserved business Activities</p> <p>Publish and advocate the reserved business listing by industries</p> <p>Tighten the Business Registration process to filter all reserved business for nationals only</p> <p>Registration of businesses to be done by NID card system</p> <p>IPA system to integrate with NID System as part of Digital Government</p> <p>Reserved business to be part of the National MSME program development</p> <p>Foreigners who violate the laws and regulations and conduct any form of business under the "reserved business "category will be prosecuted and assets coinvestigated as State property.</p>



3.4. ESSDP log frame alignment to MTDP IV

SPA1: Strategic Economic Investments Micro Small Medium Enterprise

Table 1: Investment

DIP Reference	MTD IV Investment Programs	Sector Aligned Programs/Projects	Implementing Agency	Location	Annual Funding Estimates (K'mil)					Total Est. Cost (K'mil)	Funding Source(s)
					2023	2024	2025	2026	2027		
1.6	1.6.1. National Business Incubation Hubs and MSME Accelerator Program	1.6.1.1. Business Incubation Center Program	SMEC/ICDC	National	5	10	10	10	10	45	GoPNG/PPP
		1.6.1.2. MSME Accelerator Program	SMEC	National	-	5	5	5	5	20	GoPNG/PPP
		1.6.1.3. MSME Technology Acquisition, transfers, and diffusion program	SMEC	National	-	5	5	5	5	20	GoPNG/PPP
	1.6.2. Medium Enterprise Support Program	1.6.2.1. National Content Policy	DCI	National	10	10	10	10	10	50	GoPNG
		1.6.2.2. MSME Development Fund	SMEC	National	-	80	80	80	80	320	GoPNG/PPP
		1.6.2.3. MSME Capacity Building Program	SMEC	National	-	5	5	5	5	20	GoPNG/PPP
		1.6.2.4. MSME Access to Market Program	SMEC	National	-	5	5	5	5	20	GoPNG/PPP
		1.6.2.5. MSME Professional Services Program	SMEC	National	-	5	5	5	5	20	GoPNG/PPP
		1.6.2.6. MSME ICT Program	SMEC	National	-	5	5	5	5	20	GoPNG/PPP



1.6.3. SME Funding for Agriculture & Cottage	1.6.3.1. SME Baseline Survey	DCI/CSAs	National	2	2	2	2	2	10	GoPNG
	1.6.3.2. MSME Policy Dialogue and Advocacy Program	SMEC/DCI	National	2.5	2.5	2.5	2.5	2.5	12.5	GoPNG/PPP
	1.6.3.3. MSME sector governance program	SMEC	National	2.5	2.5	2.5	2.5	2.5	12.5	GoPNG/PPP
	1.6.3.4. SME Agriculture Funding	DCI	National	200	200	200	200	200	1,000	GoPNG
	1.6.3.5. MSME Funding	DCI	National	20	20	20	20	20	100	GoPNG
	1.6.4.6. SME Credit Enhancement	RSF - DCI	National	8.5	8.5	8.5	8.5	8.5	42.5	GoPNG
	1.6.4.7. Cooperative Models for Rural Development.	DCI	National	5	5	5	5	5	25	GoPNG
	1.6.4.8. Bougainville Economic Development Summit	DCI	National	3	0	0	0	0	3	GoPNG

Table 2: Key Result Areas

No.	Key Performance Indicator	2023	2024	2025	2026	2027	Responsible Agency/ies
1	Number of registered MSMEs accessing financial service	5,000	6,000	7,000	8,000	10,000	NDB, BSP, Women's Micro Bank
2	Number of Growth Centres inclusive of incubation centres	3	6	9	12	15	SMEC
3	Number of informal businesses formalized	500	1,000	1,500	2,000	2,500	IPA, CSU - DCI

Table 3: Strategies

No	Implementation Strategy	Policy Reference
1	Business Enabling Policy, Legal and Regulatory Framework	MSME Policy 2016, National Content Policy 2023
2	Access to financial services and products (Financial inclusion)	MSME Policy 2016, National Content Policy 2023
3	Create & establish central database centre	MSME Policy 2016, National Content Policy 2023
4	Access to market and market information	MSME Policy 2016, National Content Policy 2023
5	Infrastructure to promote growth of MSMEs	MSME Policy 2016, National Content Policy 2023
6	Training and Capacity Building	MSME Policy 2016, National Content Policy 2023



Table 4: Indicators

Project Link	Indicator	Source	Baseline (2020)	Annual Targets				
				2023	2024	2025	2026	2027
1.6.1., 1.6.2, and 1.6.3.	1. Total Registered MSMEs:	MSME Database	150,000	160,000	180,000	200,000	220,000	240,000
	- Proportion of MSMEs owned by nationals (%)	MSME Database	53	75	77	80	81	83
	- Proportion of MSMEs owned by foreigners (%)	MSME Database	47	25	23	20	19	17
	- Proportion of MSMEs owned by women (%)	MSME Database	24.8	27	29	31	33	35
1.6.1., 1.6.2, and 1.6.3.	2. Share of population employed by MSME sector (%)	MSME Database	18	25	27	30	32	35
1.6.1., 1.6.2, and 1.6.3.	3. MSME sector contribution to GDP (%)	MSME Database	6.3	8	10	12	14	16
Executing Agencies:		SMEC, NDB, Bank of PNG, Credit Guarantee Corporation, ICDC, Department of Agriculture and Livestock, National Fisheries Authority, Internal Revenue Commission, IPA						
Sector Coordination Mechanism:		Finance and Banking Sector Coordination Committee						
Lead Sector Agencies:		Bank of PNG, Department of Commerce and Industry and DNPM (oversight)						



SPA 1: Strategic Economic Investment Trade and Investment

Table 1: Investment

DIP Reference	MTDP IV Investment Programs	Sector Aligned Programs/Projects	Implementing Agency	Location	Annual Funding Estimates (K'mil)					Total Est. Cost (K'mil)	Funding Source(s)
					2023	2024	2025	2026	2027		
1.8	1.8.1. National Trade Facilitation Program	1.8.1.1. Institutional Strengthening	NISIT	National	-	3	2	2	1	8	GoPNG
		1.8.1.2. Standards and Measurements Lab	NISIT	National	-	3	2	2	1	8	GoPNG
		1.8.1.3. Strengthening Investment Promotion & Facilitation	IPA	National	-	2	1	1	1	5	GoPNG
		1.8.1.4. Investment Policy	IPA/DCI	National	-	2	2	2	2	8	GoPNG
1.8.2. Special Economic Zone Development	1.8.2.1. Manus Special Economic Region	1.8.2.1. Manus Special Economic Region	DCI	National	5	5	5	5	5	25	GoPNG
		1.8.2.2. Labu SEZ Project	ICDC	National	0	20.5	15	10	5	50.5	GoPNG
		1.8.2.3. Ulaveo Industrial Center	ICDC	National	0	15	10	10	5	40	GoPNG
		1.8.2.4. Malahang Industrial Center Road Rehabilitation Project	ICDC	National	0	4	2	2	1	9	GoPNG
		1.8.2.5. Port Moresby Industrial Centre Project	ICDC	National	0	25	8	5.5	5.5	44	GoPNG
		1.8.2.6. Korofeigu Agro Industrial Park Project	ICDC	National	0	20	10	10	10	50	GoPNG
		1.8.2.7. Nadzab Industrial Park Project	ICDC	National	0	20	15	10	10	55	GoPNG



Table 2: Key Result Areas

No.	Key Performance Indicator	2023	2024	2025	2026	2027	Responsible Agency/ies
1	Number of FDIs	3	4	10	20	30	DCI, DITI, IPA
2	Number of National Joint Ventures with FDIs	2	5	10	20	30	DCI, DITI, IPA
3	Number of Nationally Owned Businesses having access to investment financing in Credit Guarantee Corporation	4	8	16	25	40	DCI, DITI, IPA
4	Number of Special Economic Zones developed	3	3	3	3	3	DCI, DITI, IPA
5	Number of Licensed Exporters	4	10	20	30	40	DCI, DITI, IPA
6	Export-Import Credit Facility established	0		√			DCI, DITI, IPA

Table 3: Strategies

No.	Implementation Strategy	Policy Reference
1	Increasing enabling and ease of doing business	National Trade Policy and National Investment Policy I and II
2	Review and change policy and legislative framework to encourage foreign investment	National Trade Policy and National Investment Policy I and II
3	Support and encourage large-scale investment in renewable sectors	National Trade Policy and National Investment Policy I and II
4	Ease tariff barriers	National Trade Policy and National Investment Policy I and II
5	Effective management of monetary Policy (Foreign Exchange)	National Trade Policy and National Investment Policy I and II
6	Special Economic and Free trade Zones	National Trade Policy and National Investment Policy I and II
7	Establishment of Foreign Investment Review Board	National Trade Policy and National Investment Policy I and II
8	Review and strengthen favorable international and Regional Trade Agreement and Treaties	National Trade Policy and National Investment Policy I and II
9	Development of Institutional Capacity Building	National Trade Policy and National Investment Policy I and II
10	Establish Export-Import Credit Facility	National Trade Policy and National Investment Policy I and II



Table 4: Indicators

Project Link	Indicator	Source	Baseline (2020)	Annual Targets				
				2023	2024	2025	2026	2027
	Trade							
1.8.1.	1. Balance of Trade (K'mil):	QEB	18, 846.5	38, 494.9	42, 323.5	46, 767.9	51, 450.9	56, 227.1
	- Value of total exports (K'mil)	QEB	31, 491.1	35, 094.9	43, 671.5	45, 498.5	48, 008.4	50, 728.9
	- Value of imports (K'mil)	QEB	12, 644.6	12, 600.0	12, 348.0	11, 730.6	10, 557.5	9, 501.8
1.8.1.	2. Import Duty Revenue (K'mil)	ASYCUDA ++	361	420	440	460	480	500
1.8.1.	3. Excise Duty Revenue (K'mil)	ASYCUDA ++	310	360	380	400	415	430
1.8.1.	4. Export Duty Revenue (K'mil)	ASYCUDA ++	408	499	530	560	590	620
	Investment							
1.8.2.	5. Value of FDI stock (USD billion)	ASYCUDA ++	6	8	9	10	11	12
1.8.2.	6. Ratio of Foreign Investment to GDP (%)	QEB	0.5	1.0	2.0	2.5	3.0	4.0
1.8.2.	7. Ease of Doing Business Index	QEB	0.3	0.4	0.5	0.6	0.8	0.9
Executing Agencies:		DCI, DITI, NAQIA, PNG Customs, NISIT, IPA, IPO, ICC, Department of Treasury, BPNG						
Sector Coordination Mechanism:		Trade and Investment Coordination Committee						
Lead Sector Agencies:		Department of Commerce and Industry, Department of International Trade and Investment and DNPM (oversight)						

SPA 1: Strategic Economic Investment Manufacturing and Downstream Processing

Table 1: Investment

DIP Reference	MTD IV Investment Programs	Sector Aligned Programs/Projects	Implementing Agency	Location	Annual Funding Estimates (K'mil)					Total Est. Cost (K'mil)	Funding Source(s)
					2023	2024	2025	2026	2027		
1.9 and 1.11	1.9.1. Manufacturing Hubs and Downstream processing programs	1.9.1.1. National Manufacturing Policy & Plan	DCI	National	50	50	50	50	50	250	GoPNG
		1.9.1.2. National Gold Bullion Policy	DCI	National	3	3	3	3	3	15	GoPNG
		1.9.1.3. National Limestone	DCI	National	3	3	3	3	3	15	GoPNG
		1.9.1.4. Downstream Research, Development and Technology Transfer	NISIT	National	3	3	3	3	3	15	GoPNG



Table 2: Key Result Areas

No.	Key Performance Indicator	2023	2024	2025	2026	2027	Responsible Agency/ies
1	Number of Manufacturing companies engaged in the sector	50	100	100	100	100	DCI/DITI
2	Number of Manufacturing/Downstream Hubs developed		1	2	3	4	DCI/DITI
3	Number of State Equity Participation in Manufacturing Sector	1	2	4	6	8	DCI/DITI

Table 3: Strategies

No.	Implementation Strategy	Policy Reference
1	Development of Downstream Processing Hub	National Content Policy 2023
2	Review and Development of Appropriate Legislation and Policies	DCI
3	Provision of enabling infrastructure and utilities, and social environment	DCI
4	Unlocking of land	DLPP
5	Private Sector Partnerships	DCI
6	Promotion and Marketing of PNG as an investment destination	IPA

Table 4: Indicators

Project Link	Indicator	Source	Baseline (2020)	Annual Targets				
				2023	2024	2025	2026	2027
1.9.1.	1. Aggregate value of merchandise imports and exports (K'mil):	ASYCUDA++/QEB	13896.2	13184	12585	11492	10846	10000
	-Value of PNG made exports (K'mil)	QEB	573.2	4000	4200	4400	4800	5000
	-Value of merchandised imports (K'mil)	QEB	13323	9184	8385	7092	6046	5000
1.9.1.	2. Volume of goods manufactured domestically ('000 tonnes)		N/A	Dept of Commerce and Industry and NSO to provide data				
1.9.1.	3. Share of population engaged in the sector (%)	Business Survey	3.65	4	5	6	8	10
1.9.1.	4. Manufacturing sector contribution to GDP (%)	QEB	2.0	2.4	2.8	7	8.5	10
Executing Agencies:		Manufacturing Industry, ICDC, IPA, DITI, SEZ Authority and relevant partners						
Sector Coordination Mechanism:		Trade and Investment Coordination Mechanism						
Lead Sector Agency:		Department of Commerce and Industry						



SPA 6: National Security National Business Protection

Table 1: Investment

DIP Reference	MTD IV Investment Programs	Sector Aligned Programs/Projects	Implementing Agency	Location	Annual Funding Estimates (K'mil)					Total Est. Cost (K'mil)	Funding Source(s)
					2023	2024	2025	2026	2027		
6.5	6.5.1.Reserved Business program	6.5.1.1. Carryout Nation-Wide Awareness on the reserved business listing by industries	IPA	National	1	1	1	1	1	5	CoPNG

Table 2: Key Result Areas

No.	Key Performance Indicator	2023	2024	2025	2026	2027	Responsible Agency/ies
1	Number of foreign entities engaged in reserved business entities	Reduced by 100%					IPA/DCI

Table 3: Strategies

No.	Implementation Strategy	Policy Reference
1	Publish and advocate the reserved business listing by industries	Reserved Business Legislation & Policy, DCI, MTDP III, NCP 2023
2	Tighten the Business Registration process to filter all reserved business for nationals only	
3	Registration of businesses to be done by NID card system	
4	IPA system to integrate with NID System as part of Digital Government	
5	Reserved business to be part of the National MSME program development	
6	Foreigners who violate the laws and regulations and conduct any form of business under the "reserved business" category will be prosecuted and assets coinvestigated as State property	

Table 4: Indicators

Project Link	Indicator	Source	Baseline (2020)	Annual Targets				
				2023	2024	2025	2026	2027
6.5.1.	1.Proportion of reserved businesses illegally owned and operated by foreigners (%)	IPA, IRC, PNG Immigration and Citizenship Authority (PNGICA), SMEC	Responsible agencies to enforce the reserved business laws and provide report as part of MTDP IV indicator reporting					
Executing Agencies:		PNG Defence Force, PNG Customs, PNGICA, Department of Foreign Affairs, DITI, National Agriculture Quarantine Inspection Authority, National Intelligence Office, Department of Information Communication and Technology, National Information Communication and Technology Authority, Royal PNG Constabulary,						
Sector Coordination Mechanism:		National Coordination Mechanism (NCM) for the Law and Justice Sector						
Lead Sector Agencies:		Department of Justice and Attorney General and DNPM (oversight)						



4 FINANCING THE PLAN

The ESSDP has been strategically crafted to achieve the policy objectives of the economic sector over a five-year period, from 2023 to 2027. The ESSDP centres around four key pillars, namely (1) Manufacturing and Downstream Processing, (2) MSME, (3) Trade and Investments, and (4) National Business Protection which are crucial for driving economic growth and development.

In terms of implementation, a phased approach will be adopted to ensure the successful execution of program and project activities. It is recognized that not all activities can be carried out immediately and simultaneously. Priority actions will be implemented in the short-term, while others may necessitate further development, advocacy, preliminary research, or pilot phases. This approach allows for effective resource allocation and maximizes the impact of each initiative.

The estimated total cost for implementing the ESSDP is approximately K2.343 billion. Each pillar has specific cost implication: ESSDP Pillar 1 (Manufacturing and Downstream Processing) requires approximately K295 million, ESSDP Pillar 2 (MSME) necessitates around K1, 740.5 million, ESSDP Pillar 3 (Trade and Investment) has an estimated cost of about K302.5 million, and Pillar 4 on National Business Protection has an estimated cost of K5 million.

Percentage to deliver ESSDP’s Investment Project of K2.343 Billion

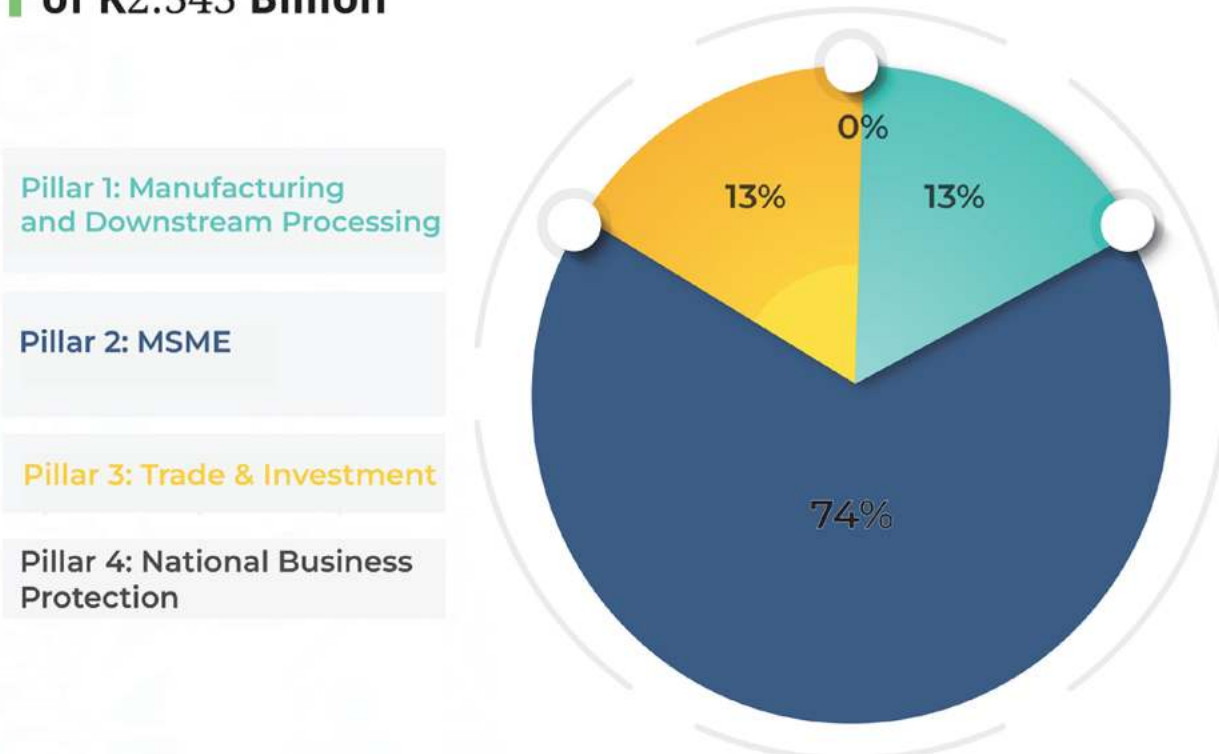


Figure 7: Percentages of proposed capital investment funds under the four Pillars.

These allocated funds will be utilized to support various activities and initiatives within each pillar, such as infrastructure development, capacity building programs, investment promotion efforts, and market access facilitation.



The investment in each pillar is expected to generate substantial returns in terms of economic growth, job creation, technological advancements, and enhanced competitiveness.

Furthermore, the ESSDP is aligned with national policy frameworks and plans, ensuring that it creates an enabling environment for sub-sector development. This alignment fosters synergy and coordination among relevant stakeholders and ministries, maximizing the impact and effectiveness of the plan.

By successfully implementing the ESSDP, Papua New Guinea aims to drive economic transformation, diversify its economic base, promote entrepreneurship, and attract domestic and foreign investments. This will lead to sustainable economic growth, increased job opportunities, improved standards of living, and overall socioeconomic development for the country and its people.

4.1. Financing & Implementation

The Government of Papua New Guinea (GoPNG) through the government budget process will primarily fund the implementation of the ESSDP strategic programs. However, financial assistance from external sources such as development partners, donors, or the private sector is also welcome to support the GoPNG in implementing impact projects within the economic sector.

In cases where external aid is received, it should be non-distorting and aligned with the sector policy. This aid should also be reflected in the government's books to ensure compatibility and provide a comprehensive overview of all public expenditure. To ensure effective resource allocation, the sector approach aims for a comprehensive budget that includes all available resources to the sector, including aid if any, and all expenditures made in the sector (both capital and recurrent). Developing a medium-term income and expenditure framework (MTEF) will enable actions to be prioritized based on a realistic estimate of government and external resources.

Over the next five years, the sector prioritizes fiscal resilience and sustainability. Fiscal policy is an essential tool used by the government to influence the direction of the economy through strategies tied to government spending and taxation. The Public Finance Management Act (PFM Act) regulates any proposed changes to government spending and revenue in the PNG economy.

The sector aims to strengthen budget documentation and formulation to enable effective resource allocation for all planned activities annually. This financial enablement extends to other sectors, allowing the whole of government to achieve its national priorities outlined in the MTDP IV. Monitoring the government's budget performance is also a priority for the sector, ensuring that variances between estimates and actual spending are in line with the available resources planned for each fiscal year.

Recognizing the crucial role of public investments and programs in generating social and economic growth, the sector emphasizes the timely review of the government's project planning and programming manual (PPPM). The PPPM includes a key element, the appraisal, which requires cost-benefit analysis (CBA) for all major public investments and projects. The sector also emphasizes the need to ensure value for money investments, where the benefits outweigh the costs and are well aligned with the government's development priorities in the MTDP IV.



Therefore, private sectors and development partners are invited to collaborate with the GoPNG to drive the implementation of these economic sector intervention programs. Their partnership will contribute to the successful achievement of the ESSDP goals and promote sustainable economic growth in Papua New Guinea.

4.2. Estimated Budget requirements for financing ESSDP

The estimated five-year budget for the Economic Sub-Sector Development Plan is **K2.343 billion** for 5 years. This budget has been allocated based on the priorities identified during the annual budget process consultations within the Ministry of Commerce and Industry.

The financing framework for the ESSDP ensures that **K323.5 million** is allocated for ESSDP budgetary requirement for 2023, **K550 million** for 2024, **K502.5 million** for 2025, **K490 million** for 2026 and **K477 million** for 2027 to manage and implement capital investments as well as the work programs and development plans of the sub-sectors under CSAs within the Ministry. This financial commitment will support the growth and development of the economic sub sector over the next five years.

The annual financing requirements outlined in Table 5 reflect the specific budget allocations needed to support the implementation of each program or project within the ESSDP. These allocations have been carefully determined to ensure the effective execution of the plan and to contribute to the desired outcomes in terms of sub-sector growth and development.

The financing framework follows a strategic approach to resource allocation, aiming to support the objectives of each sub-sector and ultimately contribute to the overall economic goals of Papua New Guinea. The allocated budget will enable the necessary investments and interventions to be made, fostering sustainable economic development, job creation, and improved livelihoods.

By adhering to this financing framework and effectively utilizing the allocated resources, the ESSDP can make significant progress in promoting inclusive economic growth, diversifying the economy, and enhancing the competitiveness of Papua New Guinea's commerce and industry sector.



Table 4: Budgetary Requirements for 5 years (K'O'000 million)

DIP Reference	ESSDP Component	Annual Funding Estimates (K'mil)					Total Est. Cost (K'mil)
		2023	2024	2025	2026	2027	
1.6	Business Incubation Center Program	5	10	10	10	10	45
	MSME Accelerator Program	-	5	5	5	5	20
	MSME Technology Acquisition, transfers, and diffusion program	-	5	5	5	5	20
	National Content Policy	10	10	10	10	10	50
	MSME Development Fund	-	80	80	80	80	320
	MSME Capacity Building Program	-	5	5	5	5	20
	MSME Access to Market Program	-	5	5	5	5	20
	MSME Professional Services Program	-	5	5	5	5	20
	MSME ICT Program	-	5	5	5	5	20
	SME Baseline Survey	2	2	2	2	2	10
	MSME Policy Dialogue and Advocacy Program	2.5	2.5	2.5	2.5	2.5	12.5
	MSME sector governance program	2.5	2.5	2.5	2.5	2.5	12.5
	SME Agriculture Funding	200	200	200	200	200	1,000
	MSME Funding	20	20	20	20	20	100
	SME Credit Enhancement	8.5	8.5	8.5	8.5	8.5	42.5
	Cooperative Models for Rural Development.	5	5	5	5	5	25
	Bougainville Economic Development Summit	3	0	0	0	0	3
SUB TOTAL	Seventeen (17)	258.5	370.5	370.5	370.5	370.5	1,740.5
1.8	Institutional Strengthening	-	3	2	2	1	8
	Standards and Measurements Lab	-	3	2	2	1	8
	Strengthening Investment Promotion & Facilitation	-	2	1	1	1	5



	Investment Policy	-	2	2	2	2	8
	Manus Special Economic Region	5	5	5	5	5	25
	Labu SEZ Project	0	20.5	15	10	5	50.5
	Ulaveo Industrial Center	0	15	10	10	5	40
	Malahang Industrial Center Road Rehabilitation Project	0	4	2	2	1	9
	Port Moresby Industrial Centre Project	0	25	8	5.5	5.5	44
	Korofeigu Agro Industrial Park Project	0	20	10	10	10	50
	Nadzab Industrial Park Project	0	20	15	10	10	55
SUB TOTAL	Eleven (11)	5	119.5	72	59.5	46.5	302.5
1.9 and 1.11	National Manufacturing Policy & Plan	50	50	50	50	50	250
	National Gold Bullion Policy	3	3	3	3	3	15
	National Limestone	3	3	3	3	3	15
	Downstream Research, Development and Technology Transfer	3	3	3	3	3	15
SUB TOTAL	FOUR (4)	59	59	59	59	59	295
6.5	Nation-Wide Awareness on the reserved business listing by industries	1	1	1	1	1	5
SUB TOTAL	ONE (1)	1	1	1	1	1	5
GRAND TOTAL	Thirty-three (33)	323.5	550	502.5	490	477	2,343

The total estimate budget for the ESSDP over the 5-year period is **K2.343 billion**.



5

MANAGING THE IMPLEMENTATION OF THE ESSDP

Ensuring the effective implementation of the ESSDP is crucial for achieving our economic growth objectives. Under the Ministry of Commerce and Industry, the Department of Commerce and Industry will take the lead in managing the implementation of the plan.

To ensure the successful execution of the ESSDP, a robust and coordinated management framework will be established. This framework will involve close collaboration and coordination among the DCI, IPA, SMEC, NISIT, and ICDC.

The DCI, in collaboration with the relevant CSAs, will be responsible for overseeing and monitoring the implementation of the plan's strategies and initiatives. This will involve regular assessment, tracking of progress, and identifying any challenges or bottlenecks that may hinder effective implementation.

Effective project management methodologies, such as setting clear objectives, establishing timelines, allocating resources, and establishing accountability mechanisms, will be employed to ensure that the plan is executed efficiently and within the specified timeframes.

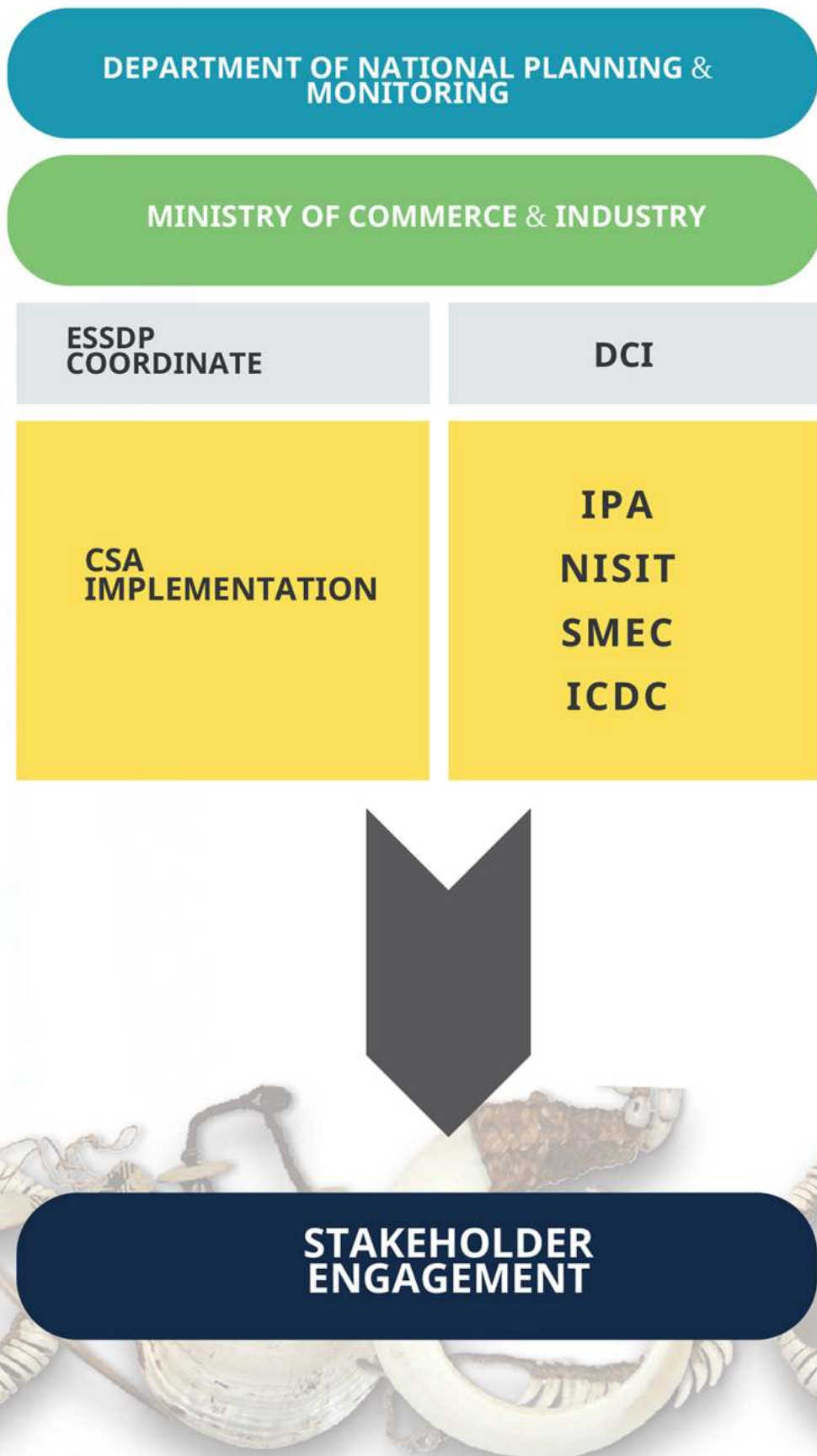
Additionally, regular communication and consultation with key stakeholders, including the private sector, civil society organisations, faith-based organisations, provincial governments, districts and local level governments, DNPM, development partners, communities, etc. will be prioritized to ensure their active participation and support in the implementation process.

Regular reporting on the progress and achievements of the ESSDP will be provided to the Ministry of Commerce and Industry and other relevant government entities, facilitating transparency and accountability in the management of the plan.

By adopting a comprehensive and coordinated approach to managing the implementation of the ESSDP, we are confident that we will achieve our goals of fostering economic growth, promoting entrepreneurship, and driving sustainable development in key sub-sectors under the Ministry of Commerce and Industry."



Figure 8: Shows implementation framework of DCI and CSAs in collaboration with key stakeholders to deliver the ESSDP.



6

MONITORING, EVALUATION AND REPORTING OF THE ESSDP

6.1. Monitoring and Evaluation

The purpose of monitoring the ESSDP is to ensure effective implementation of capital investment programs and sector work plans. It is essential to monitor progress and ensure that the set objectives are achieved.

To ensure successful implementation, a Project Steering Committee for the economic sub-sector PIP (Public Investment Program) programs should be established and led by the Secretary of the Department of Commerce and Industry. This committee will oversee the delivery of the ESSDP in partnership with DNPM.

Each sub-sector agency under the Ministry of Commerce and Industry, including the IPA, SMEC, NISIT, and ICDC, should have its own monitoring and evaluation mechanism in place. This mechanism will allow for effective monitoring and evaluation of their respective capital investment programs.

Adequate budgetary allocation should be provided to each sub-sector agency to conduct their own monitoring and evaluation activities. This will ensure that sufficient resources are available for timely system analysis, monitoring, and evaluation.

It is crucial to address the past issue of insufficient funding for monitoring and evaluation, which resulted in a lack of monitoring of certain capital investment programs. Without proper monitoring and evaluation, issues hindering program implementation were not identified and addressed, and there was a lack of reporting on program performance.

Constant monitoring, evaluation, and reporting on the performance of each program by responsible agencies are essential. This will help identify any issues, measure success, and rectify any mistakes that may have been made.

Monitoring and evaluation are critical for the implementation of the ESSDP. They help determine the effective utilization of project inputs, identify challenges during planning or implementation, ensure projects are assigned to the correct agencies, and track progress within specified timeframes.

By prioritizing monitoring and evaluation, the economic sector and sub-sector agencies can effectively identify issues, measure success, and learn from mistakes to drive the successful implementation of the ESSDP.

The ESSDP will be reviewed every year for necessary adjustments to its capital investment programs based on the outcomes of the evaluation reports.

6.2. Financial Reporting

Financial reporting aims to track, analyze, and report financial information, with a strong emphasis on transparency. This enables all stakeholders, including the government, to effectively manage the ESSDP and work towards achieving key result areas, such as economic growth and stability in PNG.

In compliance with the Public Financial Management Act and the DNPM's Monitoring and Evaluation framework, all line agencies and statutory authorities receiving funding from the Annual Development Budget, particularly under the Ministry of Commerce and Industry, are expected to provide financial information on a quarterly basis. This ensures that financial reporting is given paramount importance, considering the significance of the ESSDP for the Ministry.

To facilitate effective financial management, quarterly and yearly financial reports are required from relevant entities within the Ministry. These reports contribute to monitoring and assessing the progress of the ESSDP and provide valuable insights for decision-making and planning purposes.

Transparency and adherence to financial reporting requirements play a crucial role in ensuring accountability and effective utilization of resources allocated to the Department and its associated CSAs.

Monitoring, evaluation and financial reporting mechanisms will define the outcome and justify the effectiveness of this ESSDP.



7

RISK MANAGEMENT

It is inevitable for DCI and the CSAs to face challenges when implementing the ESSDP. The Ministry must be prepared to mitigate the risks by using the Risk Management Process. The Risk Management Process will assist in identifying, assessing, managing, monitoring and reporting the risks.



Figure 9: Risk Management Process that the Ministry will use to mitigate risks in implementing the ESSDP

7.1. Key Risk Factors

- 1. Human Resource Constraints:** Talent acquisition and retention has become an issue. Finding and rendering qualified persons within the DCI and the CSAs is one of the major challenges confronted by the human resource managers.
- 2. Time Management Issue:** Poor time management practices and procedures have resulted in missed deadlines, delayed projects and reduced productivity.
- 3. Project/Program Implementation Challenges:** Project/Program implementation refers to the managing of a specific project to ensure it meets the objectives outlined in the planning phase. Inconsistency specifically in the implementing stages of the projects/programs has led to uneven outcomes, missed targets and blundering project results within the Ministry.
- 4. Economic downturn:** The implementation of the Economic Sub Sector Development Plan may coincide with a period of economic recession or slowdown, which could negatively impact the success of the plan.
- 5. Policy changes:** Shifts in government policies or regulations could pose a risk to the implementation of the plan, leading to delays or modifications in strategy.

6. **Funding constraints:** Insufficient funding or budget cuts may hinder the effective execution of the plan, limiting resources for key initiatives.
 7. **Lack of stakeholder support:** Resistance or lack of buy-in from key stakeholders, such as business leaders or community members, could impede progress and collaboration on the plan.
 8. **External shocks:** External factors such as natural disasters, political turmoil or global economic crises could disrupt the implementation of the plan and require adaptive strategies.
 9. **Escalating Law & Order:** Escalating law and order issues, such as unrest or security threats, can disrupt project activities, delay progress and jeopardize project safety, leading to increased costs and instability.
 10. **Limited capacity and expertise:** Insufficient skilled manpower and expertise within the implementing agencies or relevant stakeholders could hinder the effective execution of the plan.
 11. **Lack of coordination and collaboration:** Inadequate coordination among various government departments, agencies, and stakeholders involved in the implementation process may result in overlapping responsibilities and conflicting priorities.
 12. **Poor infrastructure and logistics:** Inadequate infrastructure, transportation, and logistical challenges may impede the timely delivery of resources and services required for the successful implementation of the plan.
 13. **Political instability:** Political instability, policy uncertainty, and governance issues can create a volatile environment that disrupts the implementation process and investment climate.
- Technological disruptions:** Rapid advancements in technology and digital transformations may require continuous adaptation and investment in new technologies, posing challenges for traditional industries and businesses.
14. **Utilizing developed IT Systems and Infrastructure:** inadequate and outdated IT systems that continue to hinder the effective management of data, communication and technological advancement within the Ministry.
 - 15.

7.2. Risk Management Strategy

Risk Management Strategy:

1. Economic downturn:

- Monitor economic indicators and trends to anticipate potential downturns and adjust strategies accordingly.
- Diversify revenue streams and funding sources to mitigate the impact of economic fluctuations.
- Implement cost-cutting measures and efficiency improvements to maintain financial stability during economic downturns.

2. Policy changes:

- Stay informed about government policies and regulations that could affect the plan and engage with policymakers to advocate for favourable policies.

- Develop contingency plans and alternative strategies to adapt to sudden policy changes.
- Build strong relationships with key government officials and stakeholders to influence policy decisions.

3. Funding constraints:

- Create a diversified funding strategy by securing grants, partnerships and other sources of funding.
- Prioritize initiatives that deliver the highest value and impact to maximize the effective use of limited resources.
- Develop a fundraising plan and cultivate relationships with potential donors and investors.

4. Lack of stakeholder support:

- Conduct stakeholder engagement activities to build trust, gain buy-in and address concerns.
- Communicate the benefits and value of the plan to stakeholders through targeted messaging and engagement strategies.
- Establish feedback mechanisms and channels for stakeholders to voice their opinions and contribute to the planning process.

5. External shocks:

- Develop a risk management plan that includes scenarios for potential external shocks and outlines response strategies.
- Build resilience by diversifying supply chains, partnerships and markets to mitigate the impact of external shocks.
- Collaborate with regional and international partners for support and resources during emergencies.

6. Limited capacity and expertise:

- Provide training and capacity-building programs for staff and stakeholders to enhance their skills and knowledge.
- Recruit external experts and consultants to fill knowledge gaps and build a strong implementation team.
- Foster a culture of continuous learning and innovation to adapt to changing circumstances.

7. Lack of coordination and collaboration:

- Establish clear roles, responsibilities and communication channels among all parties involved in the implementation process.
- Facilitate regular coordination meetings and collaboration sessions to align priorities and address potential conflicts.
- Use technology and digital platforms to streamline coordination and promote transparency among stakeholders.



8. Poor infrastructure and logistics:

- Conduct a thorough assessment of infrastructure needs and develop a plan to address deficiencies.
- Invest in upgrading and expanding infrastructure to support the successful implementation of the plan.
- Collaborate with public and private sector partners to leverage resources and expertise for infrastructure improvements.

9. Political instability:

- Monitor political developments and assess their potential impact on the plan and business environment.
- Engage with political stakeholders and build relationships based on trust and mutual understanding.
- Develop contingency plans and strategies to navigate political uncertainties and maintain business continuity.

10. Technological disruptions:

- Stay informed about emerging technologies and trends that could affect traditional industries and businesses.
- Invest in research and development to adopt new technologies and stay competitive in the market.
- Create a culture of innovation and digital transformation to adapt to technological disruptions and capitalize on opportunities for growth.

Table 5: Risk Management Table

KEY RISK	CONSEQUENCE 1. Extreme 2. High 3. Medium 4. Low	PROBABILITY 3. Almost certain 3. Likely 2. Possible 1. Unlikely	RATING	STRATEGY GOING FORWARD
1. Economic downturn	2	3	6	<ul style="list-style-type: none"> • Monitor economic indicators and trends to anticipate potential downturns and adjust strategies accordingly
2. Policy changes	3	3	9	<ul style="list-style-type: none"> • Stay informed about government policies and regulations that could affect the plan and engage with policymakers to advocate for favourable policies
3. Funding constraints	4	4	16	<ul style="list-style-type: none"> • Create a diversified funding strategy by securing grants, partnerships and other sources of funding
4. Lack of stakeholder support	3	3	9	<ul style="list-style-type: none"> • Conduct stakeholder engagement activities to build trust, gain buy-in and address concerns.
5. External shocks	4	4	16	<ul style="list-style-type: none"> • Develop a risk management plan that includes scenarios for potential external shocks and outlines response strategies.



6. Limited capacity and expertise	3	3	9	<ul style="list-style-type: none"> • Provide training and capacity-building programs for staff and stakeholders to enhance their skills and knowledge.
7. Lack of coordination and collaboration	3	3	9	<ul style="list-style-type: none"> • Establish clear roles, responsibilities and communication channels among all parties involved in the implementation process.
8. Poor infrastructure and logistics	4	4	16	<ul style="list-style-type: none"> • Conduct a thorough assessment of infrastructure needs and develop a plan to address deficiencies.
9. Political instability	4	4	16	<ul style="list-style-type: none"> • Monitor political developments and assess their potential impact on the plan and business environment
10. Technological disruptions	4	4	16	<ul style="list-style-type: none"> • Stay informed about emerging technologies and trends that could affect traditional industries and businesses.

Rating: If total rating falls between, 13-16 serious concern, 9-12 Concerning, 5-8 Cause for Concern



8 MARKETING AND COMMUNICATION STRATEGY

A well-planned and executed Marketing and Communication Strategy will achieve a greater ownership of the ESSDP Programs and Capital Investment Projects from the Ministry of Commerce and Industry. It will create wider awareness and understanding and solicit support in resource mobilization and implementation.

8.1. Objectives

To solicit, mobilise wider ownership and support; to forge synergy and complement DCI and CSAs in achieving greater development results. The aim is to accomplish:

- Wider ownership with better informed and understanding of ESSDP objectives, scope and KRAs;
- Effective implementation with better understanding of roles, responsibilities and expectations within the Ministry;
- Efficient and effective mobilization and use of scarce public resources;
- Forge stronger partnerships at political level (Ministers) and administrative leadership levels (Secretary and MDs); and
- Deeper understanding of respective roles and functions of CSAs and the Department within the Ministry including other relevant stakeholders.

Challenges in the effective implementation of the Communications Strategy include availability of funding, the ability to reach remote and rural SMEs in the country in partnership with the sub-national stakeholders, and institutional capacity. The Ministry through the Department and CSAs will address these challenges under the ESSDP.

8.2. Target Groups

The strategy involves informing and educating specific target groups that have a direct or indirect role in the implementation of the ESSDP, as well as raising public awareness through common mass media and large events.

Table 6: Identification of some of these target groups and the respective outreach strategies.

Target Stakeholders/Institutions	Target Audience	Method of communication	Key communication messages
Members of Parliament/Politicians	Members of Parliament	<ul style="list-style-type: none"> • NEC Policy submission • NEC Information paper • Participate in Regional/Sub-national workshops • Publication in National Newspaper 	<ul style="list-style-type: none"> • ESSDP Objectives, priority areas of Department and CSAs interventions projects and programs • DCI/CSAs KRAs, strategies & indicators • DCI/CSAs roles and responsibilities
DCI/CSAs	DCI Secretary, Managing Directors & Public Servants	<ul style="list-style-type: none"> • Regular DCI/CSAs ministerial meetings for feedbacks on the funding allocation, implementations, and on progress of development Programs and capital investment projects. 	<ul style="list-style-type: none"> • ESSDP Objectives, priority areas of Department and CSAs interventions projects and programs • DCI/CSAs KRAs, strategies & indicators • DCI/CSAs roles and responsibilities



<p>Sub-National Level</p>	<p>Provincial Government Administrator, Provincial & District public servant</p>	<ul style="list-style-type: none"> • Workshops • Sub-sector economic Policy alignment • Regional/provincial sub-economic development forums 	<ul style="list-style-type: none"> • Information on sub-sector development policy priorities • Partnership in financing of PPP
<p>Development Partners</p>	<p>Country Directors, Country Manager, sector specialists, finance specialist, and technical advisors</p>	<ul style="list-style-type: none"> • High Level Development Forums • Sector Group Meetings • Consultative Meetings • Sector conferences • Newspapers • Radio Programs 	<ul style="list-style-type: none"> • Information on development priorities • Partnership modalities, including Financing models of PPP
<p>Private Sector</p>	<p>Extractive Industries; Manufacturing companies; multi-national corporations; and M/MSMEs</p>	<ul style="list-style-type: none"> • Meetings • Newspaper articles • Radio Programs • Newspaper, TV and radio talk-back show • to highlight key achievements 	<ul style="list-style-type: none"> • MTDP IV objectives, priority areas of • intervention, KRAs, strategies and indicators • Alignment of development priorities • Development financing and space for each partner • Investment Plan and commitment • Ownership, Drive and Accountability



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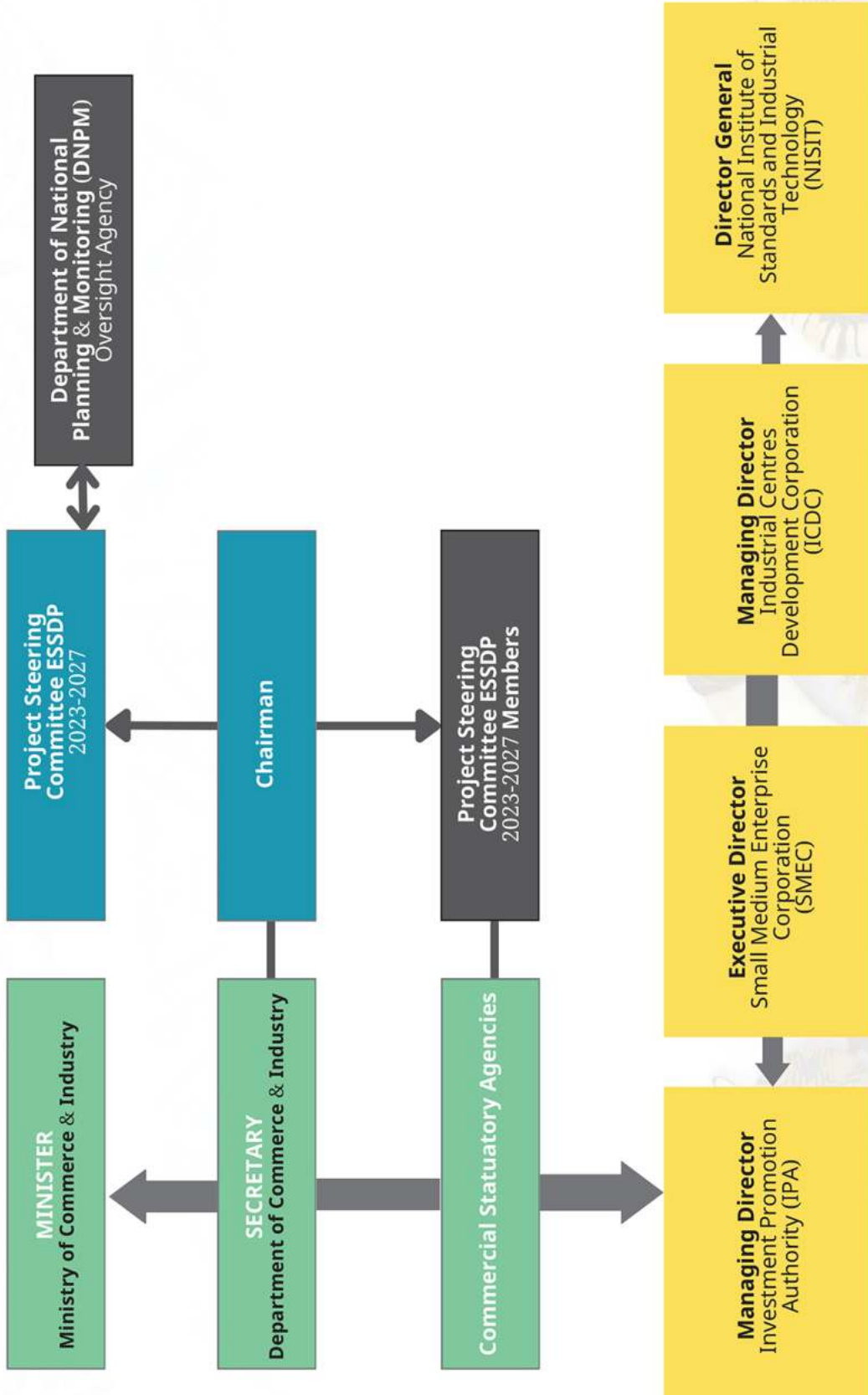
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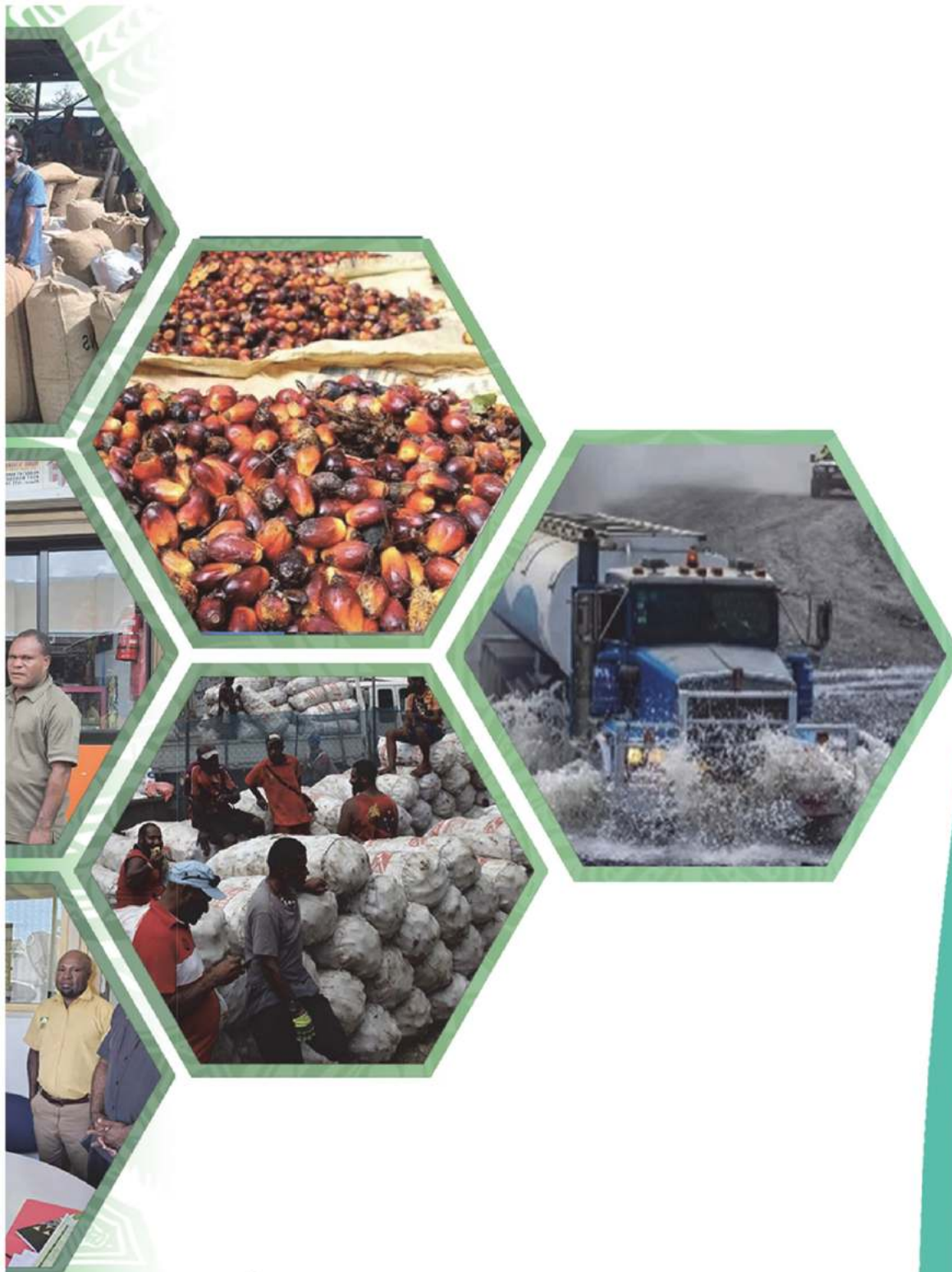


APPENDICES

ESSDP 2023-2027 MONITORING & EVALUATION STRUCTURE

Project Steering Committee ESSDP 2023 - 2027





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