

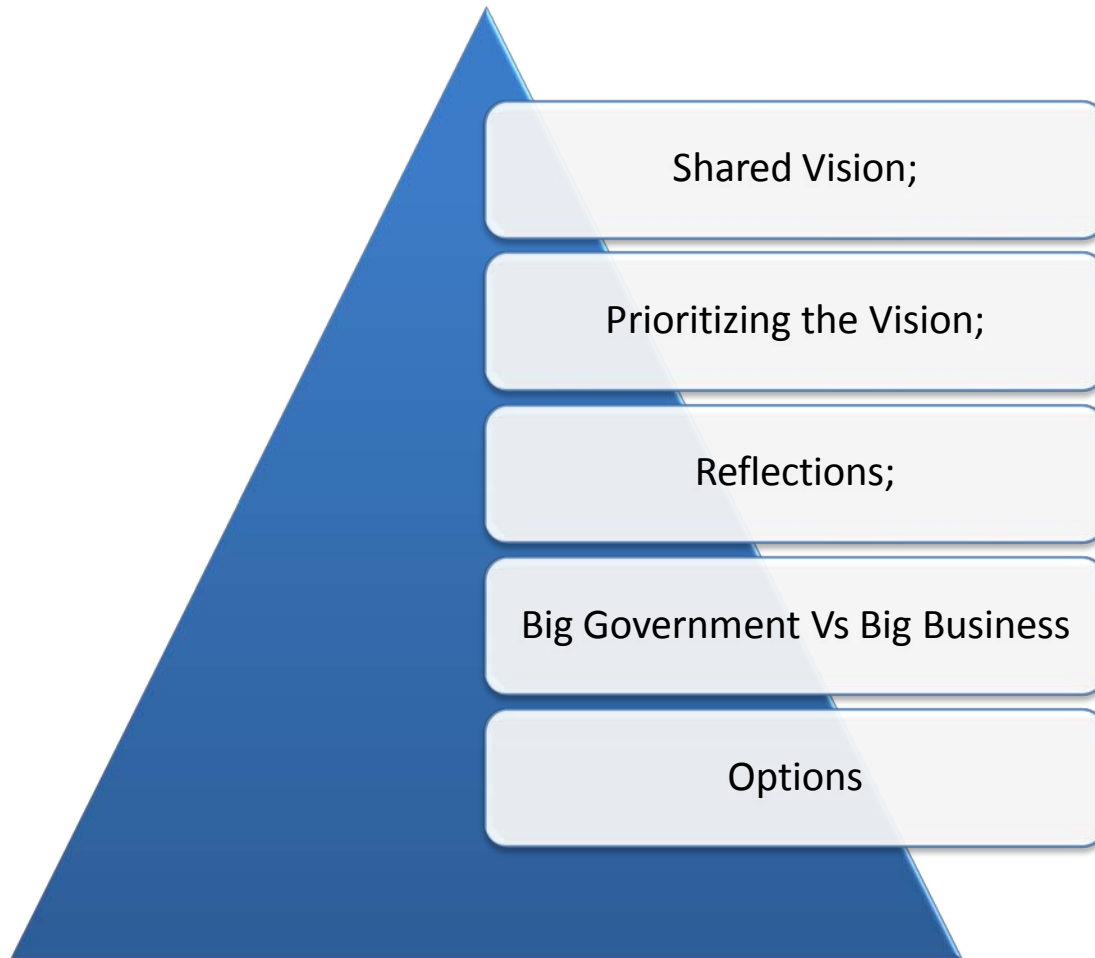


Private Sector Perspective on the state of the Economy and Future Options





Outline





A Shared Vision

“The role of the Government is very simple. That is one of a facilitator. Our job is to create a healthy, safe and skilful society.....by fulfilling that obligation we will create a stable environment for the growth of the private sector which is vital for job creation and improvement in the quality of life of our people.”

Prime Minister Peter O’Neill, Business Breakfast, February 2015

“Our shared vision for more of our people to be part of the economy is a passion we all have...a concerted effort...outsource, joint venture and work collaboratively.....not new but are on the increase largely because dynamic Papua New Guineans are pushing themselves to explore new markets.”

President Business Council David Toua, February 2015

Prioritizing the Vision

Shared Vision

- Private sector growth
- Job Creation;
- Partnerships improving social programmes.

Domestic Policy

- Infrastructure and rehabilitation of SOEs;
- Various commercial enterprise facilities;
- Large social programming expenditure

Shared Vision

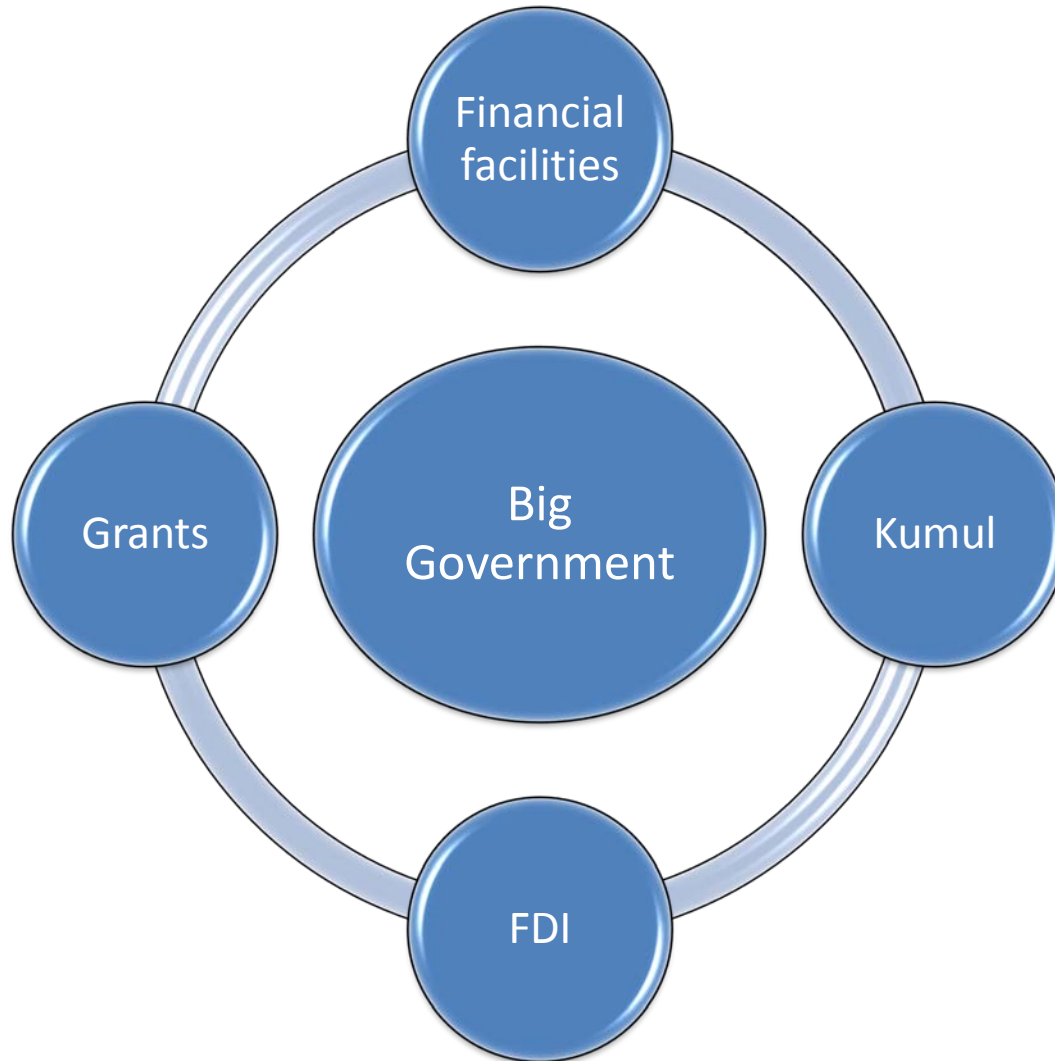
- Enhancing exports;
- Facilitating foreign partners in developing assets.

Trade and Investment Policy

- Trade policy actively sourcing markets for PNG products;
- Facilitating foreign partners remain a challenge.



Reflections



Reflections

- Supply and value chains are improving through public investment programmes, there remains a large deficit on skilled workforce that will not fully utilize the assets been built.
- We therefore need to a creative mixture of skills development to work side by side with participation.

Big Government vs Big Business

- Big government – real private sector growth will be artificial or sporadic as there is limited commercial disciplines at play;
- Big Business – while growth is real, social outlook on collectively developing the country may not be the focus.
- Both are harmful and a balance is required.

Options

- Sign posts on where government facilitator and participant need to be drawn;
- Facilitator = policy maker and regulator:
 - Business literacy and business/investment facilitation;
- Participant = investor but not manager:
 - Investor role by government will provide capital flows in markets disconnected to the private sector;
 - management is the domain of private sector practice and ought to be implemented by private sector practitioners.