



MEDIA RELEASE

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Lack of specialised skills a hindrance to transition of informal enterprises

One of the major challenges limiting the growth and expansion of innovative enterprises in Papua New Guinea (PNG) is lack of skills and knowledge, author of PNG NRI's Spotlight Volume 14, Issue 10, says.

Innovation using new technology and methods of production requires knowledge, skills and capital, but many entrepreneurs lack these inputs, says Dr. Elizabeth Kopel, PNG NRI's Informal Economy Program Leader and Senior Research Fellow.

"This partly explains the lack of diversity in activities, leading to oversupply, strong competition and poor sales which are recurring themes. This evidence raises the need for policy interventions to be strategic and holistic, from different entry points to address a range of different issues simultaneously," she stated.

"A good starting point for intervention to promote innovation and diversification would be to support informal enterprises established by trained people with specialised skills and those with a spark of originality."

These enterprises are most likely to grow, become sustainable and transition to formal SMEs; thereby, contributing to achieve the SME policy target of reaching 500,000 SMEs by 2030.

Other challenges, highlighted by Dr. Kopel, that limit these enterprises include: lack of finance, shortage of technical and material resources and need for better access and connectivity.

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