



## **Towards reaching government jobs goal, BCFW publishes policy brief outlining key labour market recommendations.**

Press statement, 12 August 2024

Port Moresby, Papua New Guinea, August 2024 – A policy brief published today by the PNG Business Coalition for Women (BCFW), sheds light on Papua New Guinea’s labour market.

The policy brief highlights historical trends and offers critical policy recommendations aimed at enhancing employment opportunities in the country – towards achieving the government’s ambitious goal of creating one million new jobs.

The policy brief was written by prominent economist Maholopa Laveil.

Papua New Guinea’s labour market has faced persistent challenges over the years, affecting the livelihoods of many citizens. Laveil’s analysis underscores the importance of evaluating employment trends to inform government policymakers and guide business investment.

### **Key findings**

#### 1. Historical performance and current trends:

- Despite a low unemployment rate, only a minority of PNG’s workforce is engaged in formal employment.
- Formal employment has declined from 465,000 in 2014 to 385,693 in 2021, representing only 5.3% of the working-age population.
- The private sector remains the largest source of formal employment, contributing to 72% of formal jobs in 2022.

#### 2. Employment analysis based on the different sectors:

- The resource sector, while contributing to over a quarter of the country’s gross domestic product (GDP), accounts for only 6% of total employment.
- The agriculture sector remains the largest employer, providing nearly a quarter of all jobs, followed by the manufacturing sector at 13%.

### 3. Upcoming resource boom:

- Projects like the reopening of Porgera and the Papua Liquid Natural Gas (LNG) are expected to create substantial employment opportunities, though the sustainability of these jobs post-construction remains a concern.

## **Recommendations for government**

### 1. Exchange rate flexibility:

- Introduce a more flexible exchange rate policy to correct the overvaluation of our PNG Kina, thereby improving business prospects and stimulating formal sector employment.

### 2. Efficient labour mobility systems:

- Enhance the Pacific Australia Labour Mobility (PALM) and New Zealand's Recognised Seasonal Employee (RSE) schemes by ensuring recruitment hubs are adequately resourced and processes are transparent.

### 3. Education and skills development:

- Focus on providing quality education, technical and vocational training (TVET), and improving existing tertiary institutions to better prepare the workforce for the demands of the labour market.

## **Need for data**

There remains a need for better PNG labour market data, to inform policies.

To address this gap, BCFW is conducting a nationally representative, gender-responsive labour market survey, to be released later this year.

## **Conclusion**

PNG's labour market is at a critical juncture, with the potential for significant growth driven by upcoming resource projects.

However, sustainable job creation requires strategic policy interventions to address existing challenges. By implementing suitable policies, PNG can create a more resilient and inclusive labour market, ensuring long-term economic growth and improved livelihoods for its citizens.

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**About PNG Business Coalition for Women (BCFW)**

BCFW is a non-profit organisation that aims to help the private sector overcome challenges to women's participation in the Papua New Guinean workforce through advocacy and prevention strategies to address violence, promote women's leadership and implement human resource policies and processes to help companies recruit, retain, and develop their female staff. More than 80 major PNG companies are members of BCFW.

**About Maholopa Laveil:**

Maholopa Laveil is a respected economist and researcher with extensive experience in analysing labour markets and economic policies. His research interests include fiscal and monetary policy in PNG, election and parliamentary politics, tariff policy, PNG economic history, and development. Maho teaches undergraduate economics at the University of PNG (UPNG). He holds a master's in international and development economics from the Australian National University (ANU) and an undergraduate degree from UPNG.



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