



MEDIA RELEASE

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Launch of PNGNRI Report on

Challenges PNG businesses faced and how they coped with the ravages of COVID-19 pandemic

The Papua New Guinea National Research Institute (PNG NRI) has released its Discussion Paper No. 200: “Business Struggles and Coping Strategies in PNG during COVID-19 Pandemic: Evidence from a Pilot Survey” written by Dr Francis Odhuno, Dr Joseph Muniu and Dr Diana Ngui.

The first COVID-19 case was detected in the country on 20 March 2020. And to stop the virus from spreading in the country, the government adopted a number of measures including lockdowns, shutdowns, quarantines and declaration of state of emergency. These measures impacted adversely on businesses in PNG. The situation was made worse by international trade and travel restrictions.

Using primary online pilot survey data collected through Microsoft Forms, the authors assess the struggles that businesses went through and the strategies that they used to cope with the challenges brought about by the pandemic and its containment measures. While the government responded with a number of stimulus packages to support businesses, it appears that not many businesses got to know about this.

Descriptive analysis of the data show that businesses continued to not only struggle financially but also with getting clear, accurate information about the pandemic and its containment measures as well as where to get support from. Businesses were also concerned about how to keep employees/workers safe at the time when funds for paying wages, bills and taxes was also dwindling. It was also hectic coping with changes in pandemic containment measures through government interventions or regulation.

Some businesses were able to find ways to cope with the challenges brought about by the pandemic. Providing hand sanitisers, surface cleaning wipes and mandating clients or customers to wear face masks were adopted to cope with related regulatory requirements. Some businesses changed payment options requiring preferring online bank transfers to cash, while some of them stopped or delayed their merchandise orders. Despite the increase in price of the raw materials due to supply shortages, a number of firms did not change the prices of their goods or services but a few businesses reduced their prices.

The authors suggest a few measures that can be adopted to help businesses adapt to difficulties that come about because of pandemics or natural disasters:

- The government to ensure to provide the right, sufficient and easy-to-understand information, directives and regulations.
- The process of getting government support through stimulus packages should be clear. Many businesses had no idea how to access the COVID-19 support packages.
- Subsidising business loans or providing incentives to the financial institutions to offer low interest loans can also be considered.

The Report was launched today by Associate Professor Ora Renagi, OL Vice Chancellor of PNG University of Technology at the PNG University of Technology in Lae, Morobe Province.

The Publication and Media Release can be accessed on the PNG NRI website <https://www.pngnri.org>.

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