



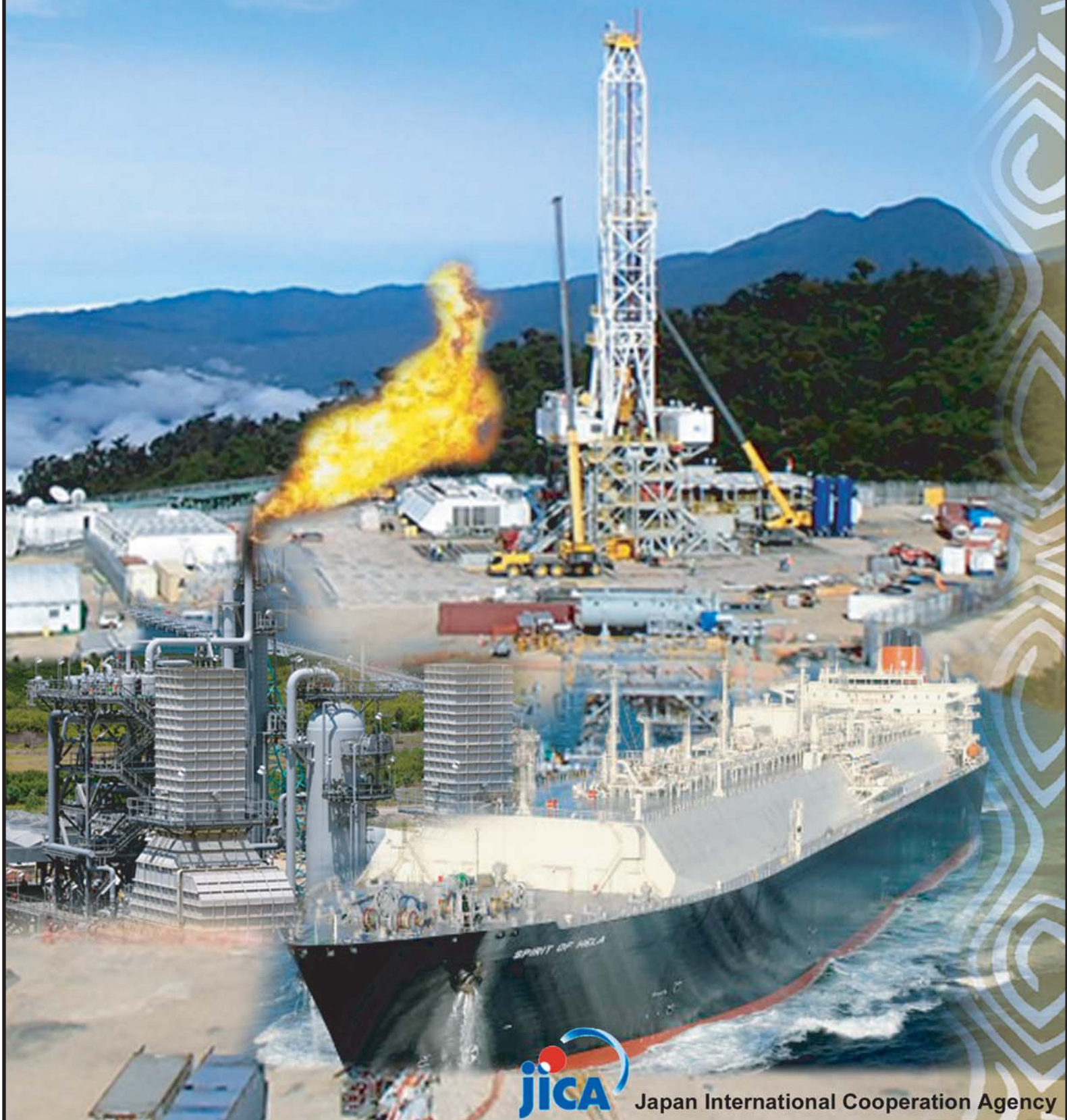
Investment Guide

PAPUA NEW GUINEA

June 2014

IPA

Investment Promotion Authority



Japan International Cooperation Agency



Your first point of call to do **Business** in **Papua New Guinea**



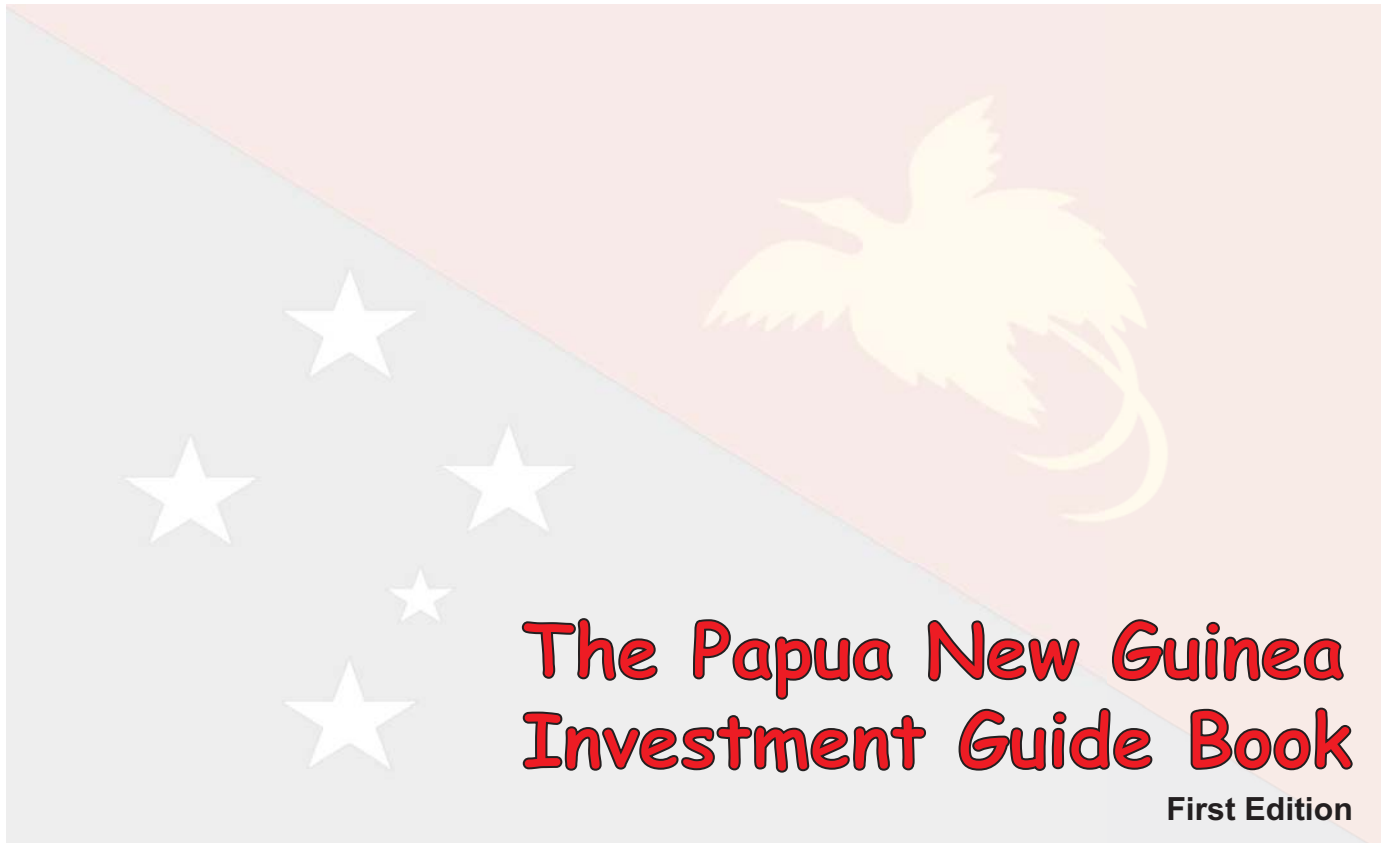
INVEST IN PNG

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It is exciting times here in Papua New Guinea (PNG) and as such it is with delight that I welcome prospective investors seeking trade and investment opportunities in PNG.

This booklet provides an insight for prospective investors willing to expand their investment portfolio or explore available opportunities in PNG. It features key information needed for first time investors and also points you to the right people to talk to for further assistance.

PNG has enjoyed a high economic growth in the last ten (10) years orchestrated by an uninterrupted economic expansion.

It is predicted that this trend is likely to continue in the next ten years; thanks to policy reforms, long-term political stability and a liberal investment environment.

A country rich with vast natural resources, PNG has been described as an island of gold, floating in the sea of oil and gas. Opportunities also lie in the service sector especially finance, telecommunication and electricity. Prospective investors are encouraged to take advantage of these untapped opportunities.

The Government is committed to facilitating, protecting and promoting liberal investment climate in PNG.

Investors can be assured of the security of their investments in PNG given the existence of several agreements including the Double Taxation Treaty (DTT) and Invest-



ment Protection and Promotion Agreements (IPPA) with various strategic countries.

PNG is also an active member of the WTO and APEC. Testimony to that includes the shift to online business registry by the IPA and the strengthening of partnerships with key government agencies in a bid to provide a faster and efficient service to investors in a cost effective manner.

PNG is becoming a better place to do business as key players in the investment arena continue to re-align their systems and procedures to suit the modern business needs.

The Government is also opening up competition for private sector participation in service sectors such as telecommunication, electricity, water and sanitation, transport and establishment of economic corridors to encourage and give confidence to investors.

First time investors are encouraged to contact the Investment Promotion Authority (IPA) to seek further information on the investment climate in Papua New Guinea. The IPA is always eager and ready to provide advice on matters relating to doing business in PNG.

Thank you

Mr. Ivan Pomaleu, OBE
Managing Director - IPA

1. General Information

Papua New Guinea (PNG) consists of the eastern half of New Guinea Island, the two large islands of New Britain and New Ireland, more than 300 small islands and the Autonomous Region of Bougainville.

The country shares a land border with Indonesia's Papua province to the west and maritime borders with Australia in the Torres Strait and Coral Sea to the south, as well as a Solomon Islands to the southeast.



1. General Information

1.1 PNG's 4 Regions & 22 Provinces

Region	Highlands	Southern	Momase	New Guinea Islands
Provinces (Provincial Capital)	Eastern Highlands Province (Goroka)	National Capital District (Port Moresby)	Morobe Province (Lae)	Manus Province (Lorengau)
	Western Highlands Province (Mt. Hagen)	Central Province (Port Moresby)	Madang Province (Madang)	New Ireland Province (Kavieng)
	Southern Highlands Province (Mendi)	Gulf Province (Kerema)	East Sepik Province (Wewak)	East New Britain Province (Kokopo)
	Hela Province (Tari)	Western Province (Daru)	West Sepik Province (Vanimo)	West New Britain Province (Kimbe)
	Enga Province (Wabag)	Northern (Oro) Province (Popondetta)		Autonomous Region of Bougainville (Buka)
	Jiwaka Province (Banz)	Milne Bay Province (Alotau)		
	Chimbu Province (Kundiawa)			

1.2 PNG Basic Information

Land area	462,840 sq kilometres
Capital City	Port Moresby
Population	7.27 million (2011 Census)
Growth rate:	3.1% per annum
Urban population:	15%
Language	Business language: English Native languages: over 800 Common Native languages: Tok Pisin, Hiri Motu
Currency	Papua New Guinea Kina (PGK) and Toea.
Exchange rate	Approx. PGK1=US\$0.041 (2013)
Political structure	Constitutional democracy <ul style="list-style-type: none"> • Head of state: Governor General Sir Micheal Ogio (2011) representing Queen Elizabeth II • Prime Minister: Hon. Peter O'Neill (2012)
Religion	Dominantly Christianity
Literacy	62.4% (UNESCO, 2011) Enrolments in primary school are high, according to UNESCO estimates (over 90%), with around 73% of eligible children enrolling in secondary school.
Life expectancy	69 years
Weather	Tropical climate with mainly two seasons, dry (April – November) and wet (December – March) seasons.
Time	GMT +10
Office hours (opening hours)	[Public] 08:00– 16:06 (Monday to Friday) [Private] 08:00-16:06 (Monday to Friday) 08:00-12:00 (Saturday)
Public holidays	<ul style="list-style-type: none"> • New Years Day (Jan.01) • Good Friday • Easter Monday • Queen's Birthday (June 9) • Remembrance Day (July 23) • Repentance Day (Aug. 26) • Independence Day (Sept.16) • Christmas Day (Dec.25) • Boxing Day (Dec.26)

2. Economic Information

2.1. PNG's Economy

PNG is the largest Pacific Island economy and according to the PNG Department of Treasury, PNG's gross domestic product (GDP) was 29 billion kina (US\$12.94 billion) in 2011. Since 2003, its GDP has grown above population growth, reflecting expansion in its key primary industries such as agriculture, mining, petroleum and gas, fisheries, forestry and manufacturing, and also an increase in activity in such sectors as building and construction, telecommunications, retail/wholesale, tourism and business services (see section 4 for details of potential sectors).

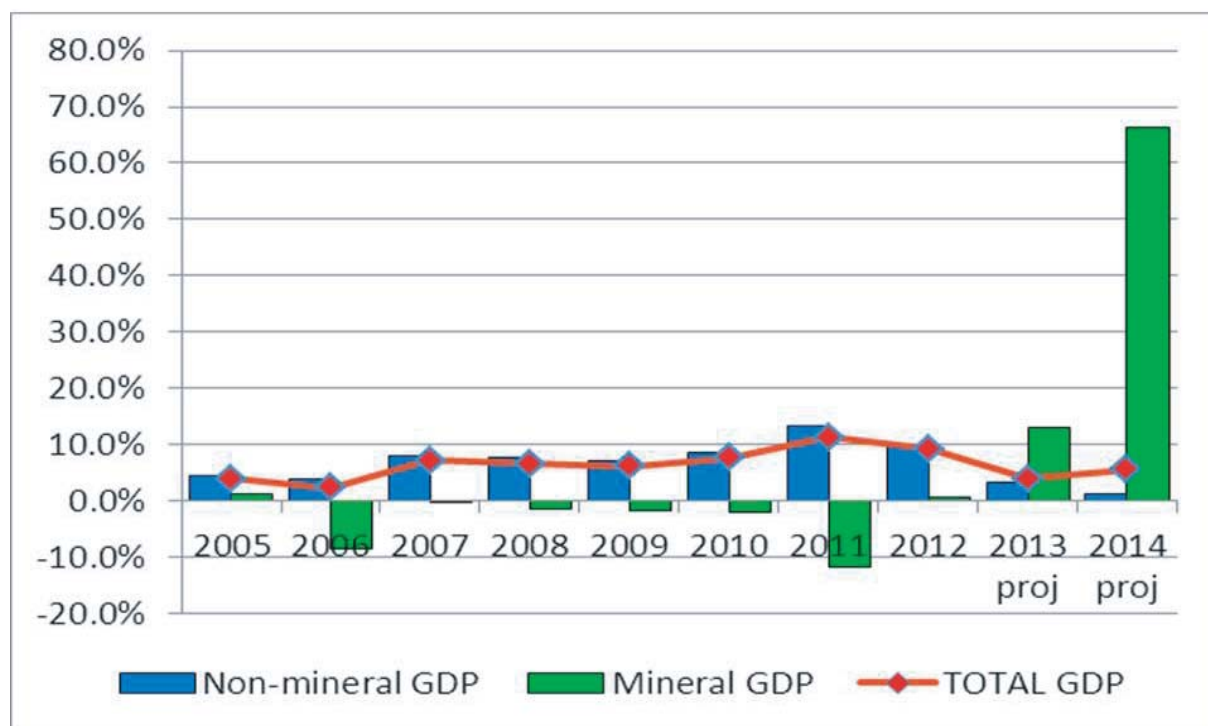
A major factor in PNG's predicted growth is development of a new resource industry based upon liquefied natural gas (LNG). The US\$19 billion Exxon Mobil project delivered its first production in June 2014, with Tokyo Electric Power Company of Tokyo Japan becoming the first customer for the PNG LNG product.

Basic Economic Indicators

	2010	2011	2012	2013	2014 (Est.)	2015 (Est.)
GDP (billion US\$)	9.48	12.39	15.65	-	-	-
GDP growth rate	7.6%	11.1%	9.2%	4.0%	4.4%	20.0%
GDP per capita (US\$)	1,382	1,767	2,184	-	-	-
GNI per capita(US\$)	1,300	1,480	1,790	-	-	-
Inflation rate	7.2%	6.9%	1.6%	4.7%	6.5%	5.5%

Source: BPNG, World Bank

PNGs GDP Growth (2005-2012) & Projected Growth (2013-2014)

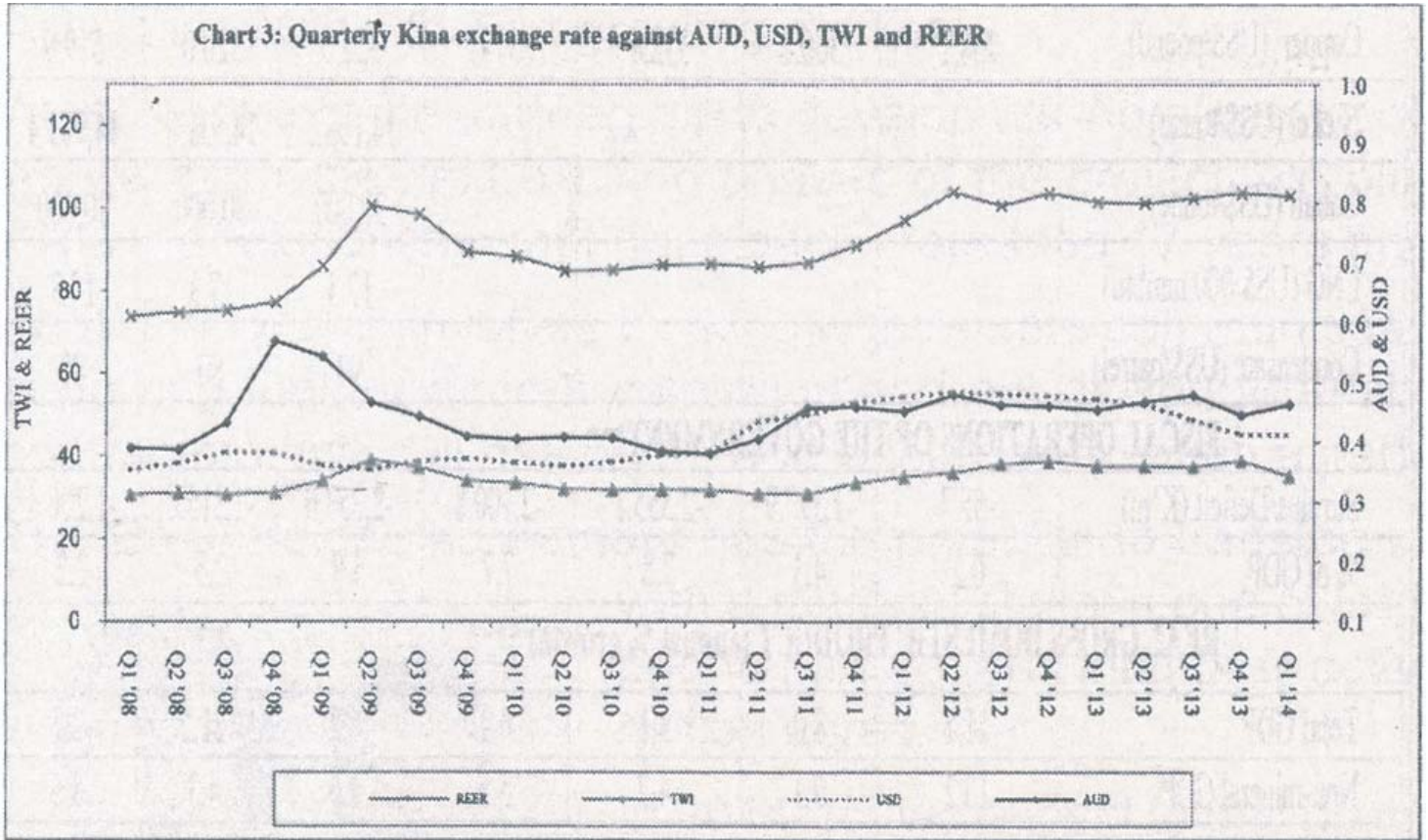


Source: BPNG, 2nd Qtr of 2013 Report

Currency of PNG



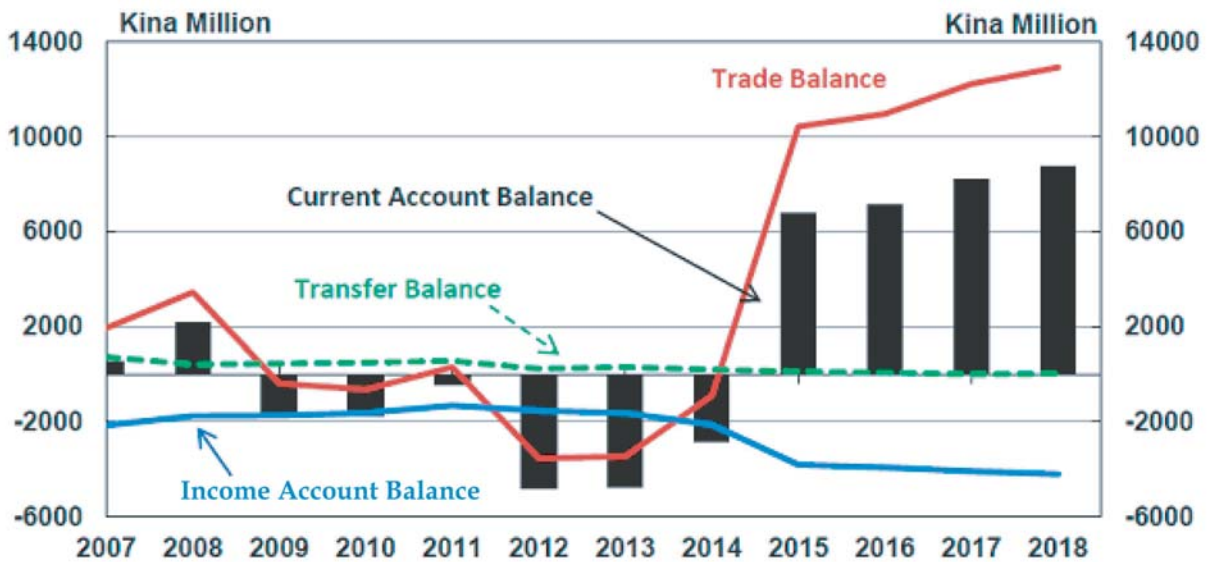
Kina Exchange Rate



Source: Bank of PNG

The daily average exchange rate depreciated against the US dollar by 12.6 percent to US\$0.4130 between the March quarter of 2013 and March 2014, but appreciated against the Australian dollar by 1.6 percent to A\$0.4622. The depreciation of the Kina against US dollar reflected the effects of lower export receipts caused by weak international commodity prices and low production volumes, as well as higher foreign exchange outflows as a result of high import and service payment

Drivers of the current Account Balance 2007- 2018



Source: Department of Treasury and Bank of PNG

The overall balance of payments is projected to be in deficit of K1, 143 million in 2014, with a deficit in current account more than offsetting a surplus in the capital and financial accounts. The deficit in the current account is projected to be K7, 235 million due to higher imports, service and income payments. The surplus in the capital and financial account is projected to be K6, 089 million, mainly reflecting inflows associated with the final stage of the PNG LNG project construction.

2. Economic Information

2.2 Trade

Whilst there has been a significant increase in export of semi processed and manufactured goods recently, PNG's exports have traditionally been in raw commodity form. PNG's main exports include gold, oil, copper, timber/log, cocoa, oil palm, coffee, copra, rubber, fish (tuna) and other marine products. Further to this, PNG exported its first of LNG products in May 2014 ahead of the schedule. PNG commenced exporting nickel and cobalt in late 2012.

PNG mainly imports manufactured products, ranging from industrial products to consumable household merchandise, processed food and professional services.

PNG's major trading partners for the last five years are Australia, Malaysia, Japan, EU, USA, and China.

PNG Exports in 2012, in million kina

Sector	Value	Annual growth rate
Agricultural exports	2676.5	-29.4%
Mineral exports	9306.1	-19.5%
Forestry exports	569	-25.9%
Marine exports	215.4	-17.1%

Source: BPNG



Cocoa is one of PNG's major export crop along with copra

Volume of Main Export Commodities

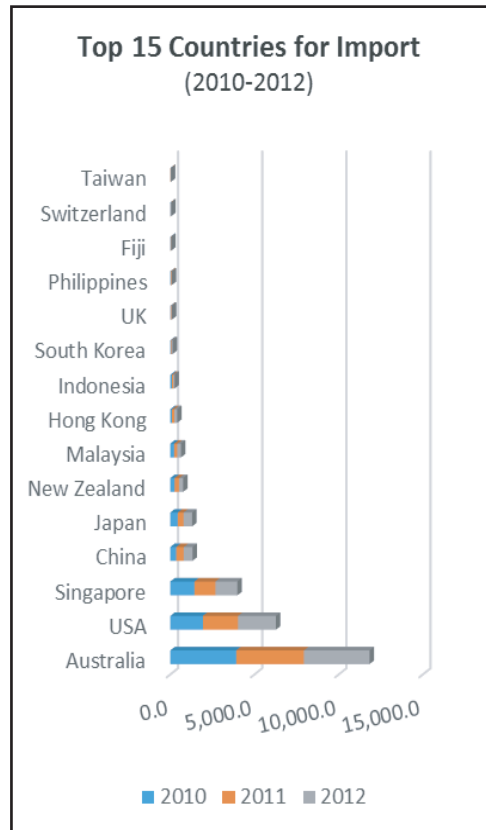
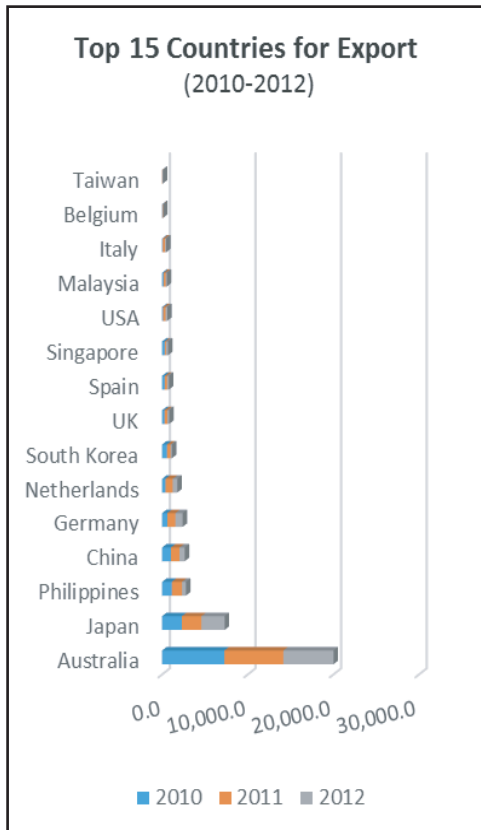
('000 tonnes, unless otherwise specified)

	2012 Actual	2013 Est	2014 Proj	2015 Proj	2016 Proj	2017 Proj	2018 Proj
AGRICULTURE							
Copra	32.9	15.1	15.2	18.9	21.8	21.8	21.8
Cocoa	38.1	29.5	30.4	31.3	32.3	40.0	47.9
Coffee	55.5	42.0	43.5	46.5	48.0	52.8	58.1
Palm Oil	483.0	440.2	492.0	536.7	561.2	578.5	594.9
Rubber	5.1	5.3	5.6	5.9	6.3	6.6	7.0
Tea	3.8	3.0	3.5	3.5	3.5	3.5	3.5
Copra Oil	22.0	14.6	16.2	35.0	35.0	35.0	35.0
Logs	3148.0	3022.0	3022.0	3022.0	3022.0	3022.0	3022.0
Marine products	71.1	73.2	75.4	77.7	80.0	82.4	84.9
MINERAL							
Gold (tonnes)	46.8	52.9	53.4	56.8	57.9	64.6	64.8
Copper (tonnes)	125.3	129.2	108.1	105.7	82.0	76.8	76.8
Oil (million barrels)	8.9	5.8	5.1	4.4	3.8	3.2	3.2
LNG (Tbtu)			63.2	356.1	356.5	356.5	356.5
Condensate (MB)			2.7	11.2	11.3	11.1	11.1
Nickel (tonnes)	200	15866	25386	31732	31732	31732	31732
Cobalt (tonnes)	19.0	1428.0	2284.7	2855.9	2855.9	2855.9	2855.9

Source: Actuals from BPNG. Projections from Dept. of Treasury.

2. Economic Information

Trade Partners (million kina)

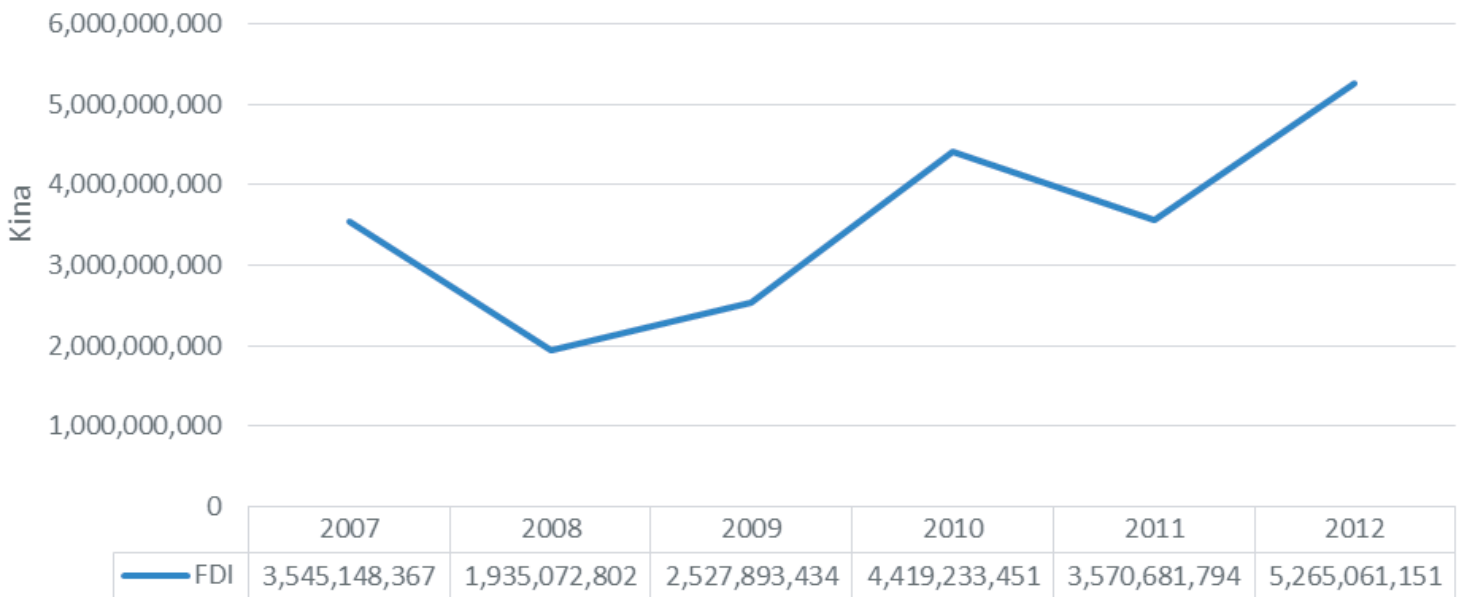


Source: BPNG

2.3. Investment

In 2012, foreign companies invested total value of Kina 5.2 billion (approx US\$2.8 billion) in PNG, which was a 47% increase from 2011. The sectors that captured the highest investment for the five year period (2007-2012) are Oil and Gas (extraction), construction, agriculture, mining and real estate, and in 2012, the vast majority of foreign equity (87%) was invested in the petroleum/mineral sector, followed by manufacturing (4%).

FDI Flow in PNG 2007-2012



Source: IPA

2. Economic Information

In terms of aggregate investments, Australia has been the leading investment partner to PNG followed by Malaysia, whilst the single largest investors are the PNG LNG project by Exxon Mobil and Oil Search and the and Ramu Nickel/Cobalt project by the Chinese Government.

In recent years, investment in the country had increased tremendously due to factors such as high economic growth, long-term political stability, the PNG LNG project construction and investor confidence in PNGs foreign investment policies among others. This increase has come from Malaysia, USA, Australia, Japan and the British Virgin Islands for the last five years (2007-2013).

Investment by top 5 countries (2007-2012)

Country	Malaysia	USA	Australia	Japan	British Virgin Islands
Amount (Million kina)	4,599.4	3,674.5	3,367.0	2,890.3	1,704.0

Source: IPA, 2014

Investors by Sector in PNG

Sector	Names	Description	Country	Location
Fisheries	South Seas Tuna Corporation	Loining factory	Taiwan/USA	East Sepik
	Frabelle PNG Ltd	Tuna Canning	Philippines	Morobe
	RD Tuna PNG Ltd	Tuna Canning	Philippines	Madang
Agriculture	New Britain Palm Oil Limited	PNGs largest agri-business in oil palm, cattle and sugar farming	PNG/ Malaysia	PNG and UK
	Mainland Holdings	Poultry, livestock, crocodile farming, animal feed distribution	PNG	Morobe
Transport	Mapai Transport	National trucking company in haulage, freight, customs broker.	PNG	Lae, Morobe, the Highlands
ITC	Digicel	Operates mobile phone services	Ireland	NCD, all PNG
Tourism	Coral Sea Hotels	Runs and operates a chain of hotels across the nation	PNG	NCD, major destinations
	Lamana Group of Companies	Runs and operates a chain of hotels and real-estate	PNG	PNG and the Pacific
Resource Landowner Companies	Hides Gas Development Company	Provides support services to LNG project	PNG	Southern Highlands, NCD
	Raibus Holdings	Provides support services to Ramu Nickel/Cobalt Project.	PNG	Madang, Solomon Islands
Manufacturing	Nestle	Produces instant food & drinks	Switzerland	Morobe
	Coca Cola Amatil (PNG) Ltd	Manufactures and supplies non-alcoholic beverages	USA/PNG	Throughout PNG
	PNG Taiheiyo Cement	Produces cement	Japan	Morobe
Retail	Rimbunan Hijau (Vision City)	Runs PNG's biggest shopping mall and leader in retail.	Malaysian	Port Moresby
	Garamut (Waterfront and Boroko Food World)	Runs second largest mall, a chain of super market and retail outlets.	China (PNG)	NCD, Wewak, East Sepik
Oil & Gas and Mining	PNG LNG (ExxonMobil)	Extraction of liquefied natural gas onshore for processing / export.	Canada/US	Hela, Central, Gulf, etc.
	Ramu NiCo (MCC)	Extraction of nickel/cobalt/copper	China	Madang Province
	OK Tedi Goldmine (PNG Sustainable Development Program Ltd / BHP)	Extraction of gold and copper	Australia	Western Province
Motor Vehicle	Ela Motors/Toyota Tsusho	Sales of motor vehicle, boats and other machineries	Japan	Throughout PNG

3. Why Invest in PNG

WHY PNG?	
✓	Abundant natural resources
✓	Strong economic growth
✓	Liberal investment environment
✓	Strategic location
✓	Political stability
✓	Diverse culture
✓	Young & growing population

Abundant natural resources

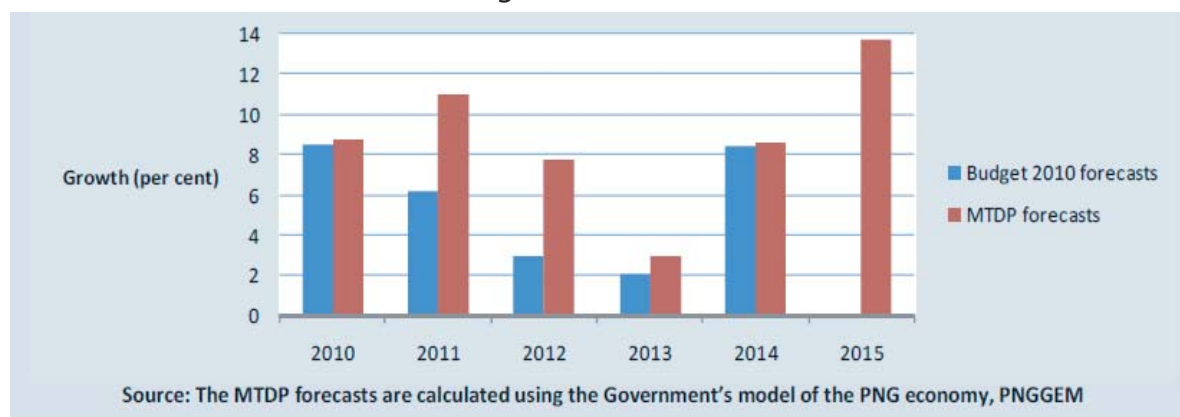
PNG is rich with natural resources. Its economy is distinctively dualistic – a modern economy based on mining (gold, silver, copper, nickel), petroleum and natural gas production, and a traditional economy based on fishing, forestry, palm oil, copra, cacao and vanilla which provides livelihood for 85% of the rural population. With such abundance of resources, PNG is among the top of the world's investment destinations.

Strong economic growth

Since 2005, PNG has experienced sustained and strong economic growth that had not been seen before. Growth averaged 5 per cent between 2005 and 2009 despite the global financial crisis. This growth, according to the country's Medium Term Development Plan (MTDP) 2011-2015, can be traced to four key factors:

- I. the new era of political stability that has resulted in improved governance and increased private sector confidence;
- II. a return to macroeconomic stability underpinned by exchange rate and interest rate stability; (refer to Part 2: Economic Information on the Kina Exchange Rate);
- III. improvements in infrastructure, especially telecommunications; and
- IV. Increased Government development expenditure on public investments.

Growth in real GDP (2010-2015), Budget (2010) and MTDP forecasts



Liberal investment environment

PNG aspires for an investment regime that is transparent and compatible with international best practice which is conducive for foreign investment. PNG promotes a liberal investment environment and foreign investment in PNG is facilitated, regulated and monitored by the Investment Promotion Act. PNG is also a member of the Asia-Pacific Economic Cooperation (APEC) and the World Trade Organization (WTO), and therefore party to a number of agreements and understandings related to trade and investment liberalization.

Strategic location

Papua New Guinea, as a supplier of primary products in an export based economy, is strategically located to the nearby major markets of Australia and the South-East Asian Pacific Region, including China and India

3. Why Invest in PNG

PNG is strategically located to the main emerging Asian and Australia economies.



Source: Air Niugini

Political Stability

The sustained, rapid growth experienced by PNG since 2005 can in part be attributed to the nation's newfound political stability.

In 2001 the Morauta Government introduced the Organic Law on Integrity of Political Parties and Candidates (OLIPACC) to stabilise PNG politics by enhancing the role of political parties in Parliament and at the same time providing a stable political climate.

What ensued was almost ten years of political stability under the National Alliance-led Government. In the years following the inception of OLIPACC, investor confidence soared and PNG experienced its longest period of sustained high economic growth since independence.

Political analysts had predicted that this stability will continue on especially with the amendments to certain provisions relating to vote of no-confidence to replace the Government and various related policies introduced by the current O'Neil Government.

Diverse culture

PNG has a rich and diverse cultural heritage, with over 2000 plus ethnic groups and more than 800 different languages. As many Papua New Guineans still maintain strong cultural and traditional links with their natural habitat, their involvement in any negotiations for new investments and development is decorous. Such cultural aspects create interesting and welcoming atmosphere to investors.

Young and growing population

Affluent easy trainable young population is available in PNG and the country's population growth means a potential of growing domestic market.



Workers taking a break from work



PNG LNG Offshore Pipeline Project site

4. Investment Potential in PNG

4.1 Key sectors

Sector	Investment Opportunities
Agriculture	<p>Coffee, Tea, Spices, Copra, Cocoa, Oil Palm, Rice, Copra Oil, Rubber, Vanilla, Tropical Fruits, & Livestock</p> <p>PNG mainly exports raw material. In the recent years, government has increasingly called for downstream processing of agricultural products in the country. Potential investors are advised to tap into this area and to take advantage of the investment incentives currently provided by the government.</p>
Fisheries	<p>High potentials in fishing, cultivation and/or processing of fish and shellfish including Tuna, Prawns, Lobsters and Crabs. PNG has the largest EEZ (3.2 million Square Kilometers) in the South Pacific and is responsible for approximately 10% of the world tuna catch. The Interim Economic Partnership Arrangement with EU has been ratified by the EU and PNG and offers “global sourcing”.</p>
Forestry	<p>Huge opportunities in afforestation and wood production with 36 million hectares of enclosed forest of which 15 million hectares of high quality tropical hardwoods from tree species such as Homalium, Pometia, Calophyllum, Eucalyptus, Terminalia, Dillenia, Toona, Buchanania, Canarium, Anisoptera, Endospermum, Octomeles, Instia, Syzgium,, Celtis, Burckella, Mastixiodendron, Canarium, Dracontomelont.</p>
Services	<p>“Technological Leapfrogging” is a new investment area. There are already signs of leapfrogging in technology-intensive sectors such as banking, finance, telecommunications, education and health.</p>
Mining & Petroleum	<p>With extensive reserves of Natural Gas, Oil, Copper, Gold, Nickel, Limestone to name a few, PNG offers significant exploration projects in mining, petroleum and gas, and investment opportunities for various downstream projects.</p>
Industrial park	<ul style="list-style-type: none"> • The Ulaveo Industrial Area in East New Britain • The Malahang Industrial Area in Lae, Morobe Province • The Pacific Marine Industrial Zone (PMIZ) outside of Madang town for fishery sector (under construction) • The Konebada Petroleum Park, outside Port Moresby and located within the PNG LNG facility (under construction)
Tourism & Hospitality	<p>PNG offers huge investment opportunities in this sector, whether it be business tourism, the hotel and accommodation industry, the diving industry, surfing, game fishing, bird watching, village guest houses and major cultural events, etc. The country boasts an array of unique tourism package including the rich cultural diversity, the natural and diverse flora and fauna, pristine beaches and the tropical diving waters, the historical sites including the remains of World War 2 war relics and the fascinating remains of the Vulcan and Tavurvur volcanoes which are still spewing the ashes among others.</p>

4.2 Infrastructure development

Huge potential under the government’s Public Private Partnership (PPP) program for the private sector to partner with government to build, upgrade and maintain the infrastructural landscape of the country.

4. Investment Potential in PNG

> Roads:

Papua New Guinea is faced with the harsh reality of poor road networks; mainly in the vastly populated rural areas. Roads serve as an important link between farmers, fishermen, businesses and their markets. The PNG Government is aware of this and has prioritized roads development as a national priority, taking up a significant portion of the National Budget expenditure.

> Ports/airports

Currently a total of 21 air/sea customs ports serve as an important gateway that enables trade and the movement of goods/products in PNG, and two major ports are located in Port Moresby and Lae. However, much still needs to be done to improve the other 10 or so ports to also cater for tourism potential and the primary trade and service function. Most airstrips around PNG are primed for major rehabilitation and upgrading as prioritized by the government.

The main customs ports (air/sea) in PNG



Source: PNG Customs Annual Report 2012

> Energy

Papua New Guinea still faces the challenge of maintaining a reliable power supply to consumers. The supply of energy is the sole responsibility of Government agency, PNG Power Limited. Power generation is sourced from the use of hydros and diesel generators.

The state company is embarking on new initiatives to improve this service in the areas of geothermal and wind farms. Hydros still remain the best option given the vast river systems in PNG.

Electricity tariff (as of 2nd qtr 2013)

	Industrial	General supply	Easipay
All energy (toea/kWh)	63.31	98.71	96.27
Demand charge (Kina/kVA/Month)	77.12	NA	NA
Minimum charge	NA	18.00(Kina/month)	50.00(Kina/receipt)
Minimum demand (kVA/Month)	200	NA	NA

Source: PNG Power Ltd

*All prices exclusive of GST

> Water

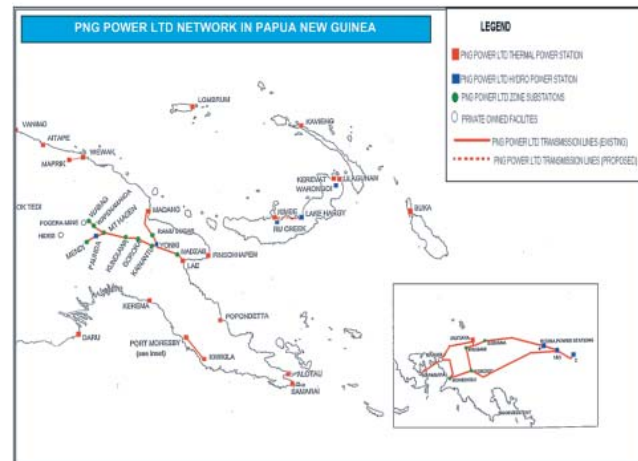
PNG has abundance in natural water systems. However, most urban areas have the water treated and purified for consumption, a responsibility borne by the government through state-owned entity, Water PNG and Eda Ranu for the National Capital District residents. The continued provision of a reliable water supply remains a priority of government.

Water and sewerage tariffs

Service		Tariff (Kina)	
1	Water supply (Kilolitres)	0 – 12	16.00 (minimum charge)
		12 -	5.10 /KL
	Water tankers (per 10 Kilolitres)		51.00 /10KL
2	Sewage (Kilolitres)	Non-industrial	0 – 12
		Industrial	12 -
	Sludge tankers (per 10 Kilolitres)		11.10 (minimum charge)
			2.22 /KL
			33.30 /10KL
3	Connection fee	Standard	Free
		Non-standard	At cost
		Reconnection	72.00 per reconnection

Source: Water PNG

*All prices exclusive of GST



Source: PNG Power Ltd

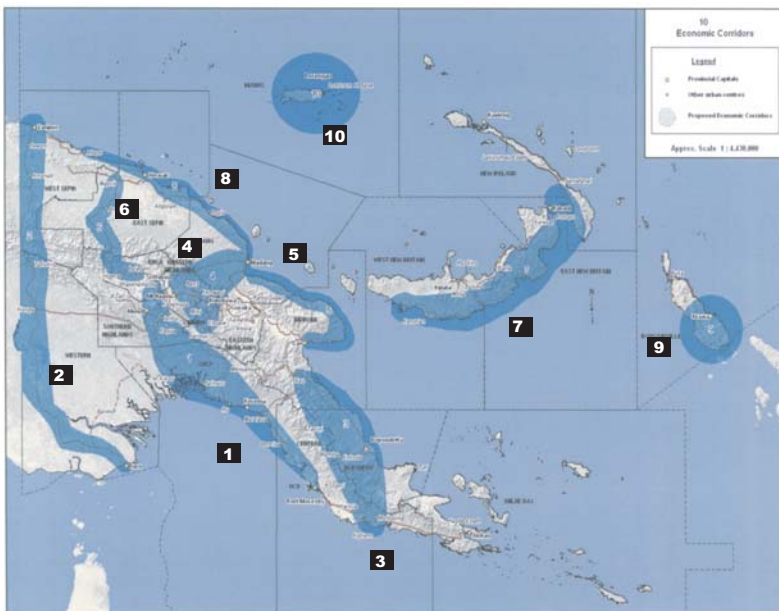
4. Investment Potential in PNG

> Development of Economic corridors

Under the PNG Development Strategic Plan (2010-2030), the government had introduced the concept of Economic corridors for integrated development and broad based growth. An economic corridor is a region in which the Government provides a well planned zoning system, a comprehensive and effective network of transport and utilities, and quality education and health services. Within this region, businesses are able to operate at low cost and under well designed incentives, thereby encouraging foreign and domestic private sector investments. The Government has identified ten regions of PNG to be categorised as economic corridors for the purpose of development. These are:

1. Petroleum Resource Area Economic Corridor (PRAEC): Southern Highlands, parts of Enga, Gulf, and Central provinces. The PRAEC was approved by Cabinet in May 2009
2. Border Corridor (Western, Southern Highlands and Sandaun provinces)
3. Central Corridor (Central, Milne Bay, Oro and Morobe)
4. Madang-Baiyer-Karamui-Gulf Corridor (Madang, Simbu, Gulf and Western Highlands)
5. Morobe-Madang Corridor
6. Enga-Sepiks Corridor (Enga and East & West Sepik Provinces)
7. South Coast Corridor (East New Britain and West New Britain)
8. Momase Corridor (Madang, East Sepik, and West Sepik provinces)
9. Solomons Corridor (Autonomous Region of Bougainville)
10. Free Zone Corridor (Manus, New Ireland, East and West Sepik)

The Proposed 10 Economic Corridors

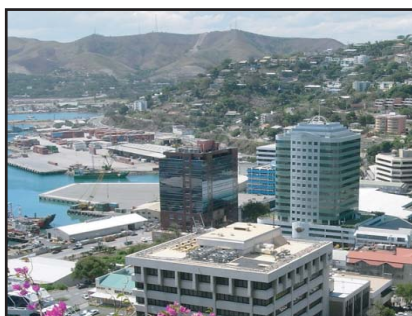


Source: PNG Development Strategic Plan 2010-2030, p.22

> Central hubs

According to the 2014 National Budget, the Government introduced certain infrastructure policies to further develop PNG cities. The infrastructure projects represent initial steps toward developing each city as a central hub in key areas of enterprise.

Port Moresby (Commerce)



The Government will provide K281.8 million in 2014 to develop Port Moresby into the commercial hub of the country. The key infrastructure projects for Port Moresby include K170 million for new and existing roads, K30 million for the upgrade of Port Moresby General Hospital and K30 million to complete the upgrade and rehabilitation of Jacksons Airport.



4. Investment Potential in PNG

Lae (Industry)



The Government will provide K437.4 million in 2014 to develop Lae into the industrial base of PNG. The key infrastructure projects for Lae include K270 million for the Lae Port Development Project, K100 million for new and existing roads and K65.2 million for the rebuilding of ANGAU Hospital under the 2013 joint understanding with the Australian Government.



Mt Hagen (Agriculture)



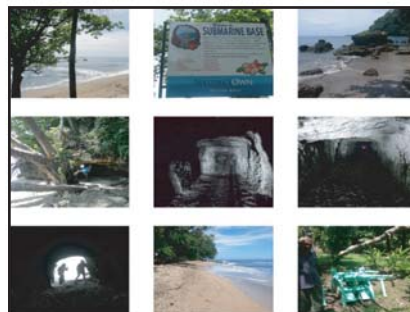
The Government will provide K61.4 million in 2014 to develop Mt Hagen into the agricultural centre of PNG. The key infrastructure projects include K40 million for new and existing roads, K20 million for the redevelopment of Mt Hagen Hospital and K1.4 million for the Mt Hagen Rice Project.



Kokopo (Tourism)



The Government will provide K58 million in 2014 to develop Kokopo into the tourism hotspot of PNG. The key infrastructure projects for Kokopo include K2 million for water and sewerage upgrades, K15 million for upgrade works to Tokua Airport and the road from Kokopo to the Tokua Airport and K3 million for the implementation of the tourism midterm master plan.



5. Investment Guideline

5.1 Investment Policy

The PNG Government believes that the key to economic growth is the development of private sector investment both domestically and abroad. The Government is also aware that in order to attract investment, it must put in place a policy framework which will bring about the development, including its plans to enhance the manufacturing sector and boost export figures under an export-led Economic Recovery Programme.

> National Investment Policy

The National Investment Policy provides guidelines for the pursuit of economic development through the implementation of investment projects in the country, The Policy's Volume I & II were prepared in 1998 and 1999 respectively. It is currently undergoing a review towards formulating the National Investment Policy Volume III in consultation with all the stakeholders including the private sector. The Volume III will define the core policy objectives and strategies of the commerce sector and further boost economic growth through structural reforms that remove barriers to investment and support infrastructure development.

5.2 Regulations

> Investment protection

Section 37 of the Investment Promotion Act guarantees that the property of a foreign investor shall not be nationalized or expropriated except in accordance with law, for a public purpose defined by law and in payment of compensation as defined by law. Furthermore, PNG is a member of the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for Settlement of Investment Disputes (ICSID) whilst bilateral investment protection agreements have been entered into with several individual countries (detailed information can be found in section 12; Bilateral investment agreement).

> IPA Certificate

All foreign enterprises wishing to set up businesses in PNG must apply for a formal Investment Promotion Authority Certificate. A "foreign enterprise" is a business entity that is fully owned or that is 50 per cent or more owned or controlled or managed by non-citizens. The Certification enables the foreign enterprise to carry out business in a particular activity at a specific location within the country set out in the certificate. In case of an unincorporated JV, each foreign participant must seek certification.

> Restrictions

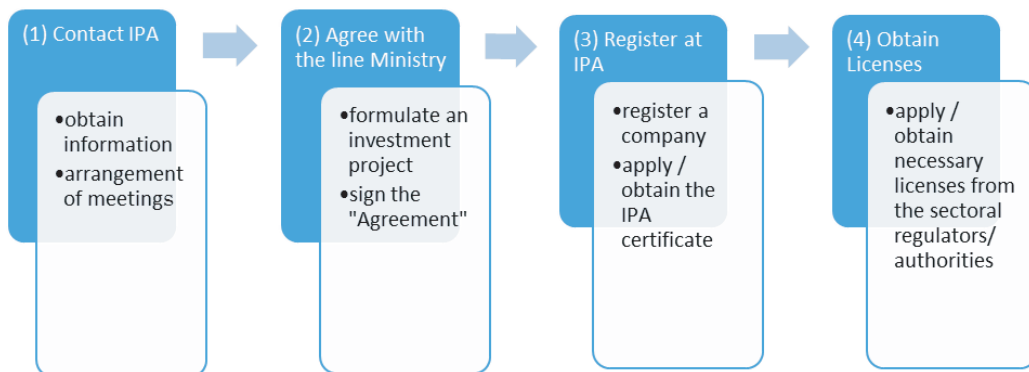
Foreign enterprises should note that under Investment Promotion Act, there are certain activities which are reserved for PNG citizens only. The list is currently being reviewed. Potential investors are urged to consult IPA to seek clarification on the activities reserved for PNG citizens and to avoid being penalised.

5.3 How to invest in PNG

The Investment Promotion Authority (IPA) has been designed as the first point of contact for a potential new investor in PNG. A foreign investor should approach the IPA during the early stages of considering investing in PNG.

> Procedure

A brief of overall procedure



> Register at IPA

i. Register a company (two options) at IPA

	New company	Overseas company
Type of certificate	Certificate of incorporation	Certificate
Name	Liberty to propose company name without restrictions	Same name as it appears on the incorporation certificate provided
Required forms (the Companies Regulation 1998)	Forms 1, 2 3, 4 & 6	Form 46
Fees	K500.00	K500.00

5. Investment Guideline

ii. Apply for certification of a foreign business at IPA

All foreign companies must also apply for certification within 14 days after receipt of their Certificate of Incorporation or Registration. The prescribed fee is K2,000. Applicants are required to attach supporting documents, which differs depending on the shareholders of the foreign companies, with the "Application for Certification Form3".

> Supporting documents

Individuals	Corporate
<ul style="list-style-type: none">• CV / Personal Profile• Police Clearance / Character Check Report• Passport copy• Visa Copy (if domiciled in PNG)• Work permit copy (if employed in PNG)• Bank reference / statement	<ul style="list-style-type: none">• Latest financial statement for the shareholding company, audited if possible• Latest financial statement for the ultimate holding company• Register of Shareholders and directors of the companies 'top ten if listed on a stock exchange)• Copies of Certificate of Incorporation• Other supporting documents such as brochures, annual reports, etc.
<ul style="list-style-type: none">• Copy of Certification of Incorporation or Registration• Budget / cash flow forecast• Comprehensive business plan• Positions and nationalities of staff to be employed• Value of initial capital investment, and• Copies of agreement, such as Lease Agreements, Purchase Agreements, etc. if any	



iii. Issue the IPA certificate

IPA will process and approve the certificate within 35 working days upon the receipt of a complete and accurate application.

6. The Type of Investment

Most foreign investors will be familiar with the types of structures through which business is most often conducted in PNG. The key business structures in PNG are sole trader, partnership, joint venture, trust and company.

Sole trader

A sole trader is an individual who carries on business on his/her own behalf. A sole trader may carry on business either under his/her own name or under an adopted business name. If a business name is adopted, this name must be registered under the Business Name Act.

Partnership

A partnership exists where two or more entities agree to carry on business in common with a view to deriving profit jointly. Partnerships are generally limited to 20 partners although some professional partnerships are able to exceed this number. The rights of the partners are often regulated by the terms of a partnership agreement. However, matters not covered by the agreement may be regulated by the Partnership Act.

Joint venture

A joint venture (JV) is a contractual arrangement between two or more entities to carry out a business undertaking in common, otherwise than as partners. A JV may be incorporated or unincorporated, and is usually entered to undertake a specific business activity. An unincorporated JV is often appropriate for mining, oil and gas projects, which generally involve high preproduction costs.

Trust

A trust may be established by deed empowering a trustee to carry on business. The principal advantages of a trust structure are that trusts are relatively easy to form and subject to relatively few government controls on their formation and operation. However, provisions of the Trustees and Executors Act apply to trusts and certain trustee companies will also need to comply with the Trustee Companies Act.

Company

While it is possible to conduct business in PNG through any of the structures discussed above, most foreign investors use a company as the vehicle for their investment. In general terms, the Company Act 2013 (Amended) regulates the incorporation and management of a company in PNG. A foreign company seeking to conduct business in PNG has the choice of either:

- > **Incorporating a subsidiary in PNG; or**
- > **Registering itself as a foreign company.**

6. The Type of Investment

6.2 Foreign investment - case studies

Case Study 1- Communication

Digicel PNG

YOUR TRADITIONS SHARED WITH DIGICEL
Capture and share special moments with PNG's best broadband network.

Place of operations: 32 markets in the Caribbean, Central and South America, and the South Pacific

Main activities: ICT and Telecommunications services

Year of establishment: 2007


Branches in PNG: Port Moresby (HQ) and 11 branches

Employment: Over 760 (permanent & casual staff)

Products: Voice, SMS, Mobile Internet (3G and 4G), Value Added Services (e.g. Esipay vending system, mobile banking, text-based information services), Mobile Money, Outsourced Call Centre, ICT services including satellite and sales- mobile phones, laptops and accessories.

Total investment: Over K1.5bn in PNG since 2007

“Digicel PNG’s investment is the largest single investment by the Digicel Group. Our investment has leapfrogged mobile technology and has enabled mobile communication to be available and accessible to a wider population base. The company has now almost 89% coverage in PNG and is moving closely towards achieving its aim of 100% coverage, which is forecasted to be realized in the near future. The company’s perspective on PNG as an ideal investment destination, apart from its positive economic indications, is based on prudent government policies and support accompanied by a steady political environment. These encompass a conducive investment environment.”



Case Study 2 – Manufacturing

PNG Taiheiyo Cement Ltd.

Location: Lae, Morobe Province

Establishment: September 2000 (Acquired 100% share from PNG Gov. & Halla Cement of South Korea)

Capital: 39 Million kina

Employees: 150 including 10 expatriates


Facilities: Jetty, cement silo, clinker silo, grinding mill, separator, rotary packer, auto palletizing, wrapping machine, etc.

Product: Ordinary Portland Cement ASTM C-150 Type I

Annual production: 148,600 tons (2012)
165,600 tons (2013)

Site view of PNGTC

“ The company is the sole cement manufacturer in PNG and produces high quality cement – same quality as the product in Japan. Demand of cement has increased due to growth of construction industry including mining/petroleum projects. Population is also growing that is a positive aspect for the business.”



Case Study 3 - LNG

PNG LNG

Location (LNG plant): Nearby Port Moresby (20 km northwest)

Ownership: Exxon Mobil (operator), Oil Search Ltd, PNG Ltd, Santos Ltd, JX Nippon

Total investment: Over K19 bn

Gas development: Over 9 trillion cubic feet


LNG production: 6.6 million tonnes / year

Project timeline

- 2007 • Initiated F/S, Environmental Impact Statement
- 2008 • Signed the joint operating agreement (Mar.), “Gas Agreement” (May), commenced FEED* (May)
- 2009 • PNG Gov. approved Environmental Impact Statement (Oct.), License-based Benefits Sharing Agreement signed between Gov. and Landowners (Dec.)
- 2010 • Signed Sales & Purchase Agreements with 4 major customers (by Mar.), Opened construction training facility in Port Moresby (Nov.)
- 2011 • Started construction of LNG plant, of 292-km onshore pipeline (Apr.), of offshore pipeline (Oct.)
- 2012 • Maintenance trainees departed for Canada (Jan.), Connected offshore and onshore pipelines (Dec.)
- 2013 • Hydrotested LNG tanks, introduced Commissioning Gas into LNG Plant (Sep.)
- 2014 • First LNG scheduled to be delivered

*FEED: Front End Engineering Design

Source: PNG LNG



7. Land Acquisition

PNG's land issues are regulated by the Land Act 1996 which deals with purposes of land use, the granting of licences, disposal and acquisition of customary land and compensation payments. PNG has a Torrens-style system of land registration, and a land title serves as a certificate of full, indefeasible, and valid ownership and the Act also specifies which dealings in land require ministerial approval. Any dealings involving land being granted or transferred to a foreigner or corporate entity requires approval from the Minister of Lands and Physical Planning prior to registration. The Land Registration Act 1981 sets out the process and provides forms required for the registration of any dealings of land. Dealings including transfer, lease, surrender, mortgage, charge, discharge, easement, and nomination of trustees.

7.1 Type of Land

> Customary land

Approximately 97% of land in PNG is held by its traditional owners under customary principles of land ownership. The specific elements and rules of the system of customary land tenure vary from place to place. However, customary land ownership generally recognises the traditional users of land and their personal and clan arrangements for land use. A foreign investor cannot purchase or lease customary land directly from its traditional owners. If a foreign investor requires access to customary land, it is the government that has to acquire the land from its traditional owners and then lease it to the foreign investor.

> Alienated land

The balance of the land in PNG is known as alienated land. Alienated land is land that has been acquired from customary owners by the government either for its own use or for private development. However, some alienated land is held as freehold other than by the government. Most enterprises in which foreign investors are involved are located on alienated land. Alienated land in PNG can be held either as freehold or leasehold from the state. However, freehold land makes up a small proportion of alienated land in PNG.

> Freehold land

Under the Constitution of the Independent State of Papua New Guinea and the Land (Ownership of Freeholds) Act, a non-citizen is precluded from owning freehold land in PNG. Certain types of freehold land can be converted to leasehold land so that it may be used and owned by a non-citizen.

> Leasehold land

Leasehold land may be more freely dealt with than freehold land. Leasehold land is land which the government has acquired from its customary owners and leased to a person or company for a term of up to 99 years for a specific purpose. The Land Act provides for:

- * Agricultural leases;
- * Pastoral leases;
- * Business and residence leases;
- * Mission leases;
- * Leases of government owned buildings;
- * Special purpose agricultural and business leases; and
- * Urban development leases.

7.2 Land Board and Land Titles Commission

The Land Act establishes a Land Board which deals with applications for leases of state land, and the Land Titles Commission administers the Land (Tenure Conversion) Act. The key functions of the Land Titles Commission include:

- * Authorising registration of customary land;
- * Determining whether land is alienated land; and
- * Ascertaining who the customary owners of land are.

The last of these functions can be critical for a foreign investor whose development proposal involves business activities on land that a variety of clans claim to own or to have the right to use. In recent years the importance of landowner issues has been highlighted at a number of resource projects, public highways, educational facilities and other business operations in different parts of the country. These incidents have reinforced the need for a developer to establish and maintain a sound relationship with landowners in the vicinity of any proposed project.

8. PNG's Tax Regime

PNG boasts a mature and relatively well defined tax regime. The tax laws are administered by the Internal Revenue Commission (IRC) and customs law by PNG Customs Services Commission (CSC).

8.1 Taxation of companies

> Tax year

The fiscal year applied to the corporate income tax is a calendar year running from 1st January to 31st December unless companies have obtained approval from the IRC to adopt a substituted financial period.

> Filing date

28th February in the following year (except the companies with a substituted financial period)

> Tax rates

	Resident companies	Non-resident companies
General	30%	48%
Mining	30%	40%
Petroleum*	45%	45%
Gas	30%	30%

* 50% for companies derived income in prior to 31 December 2000

> Tax payment system

* Provisional tax payment for non-resource companies

Tax is imposed based on the last return lodged and payable in three instalments on 30 April, 31 July and 31 October (tax adjustment may occur after the assessment is issued by the IRC).

* Advance tax payment only for mining/petroleum/gas companies

Tax is imposed on the estimated profit of current year and payable in three instalments on 30 April, 31 July and 31 October.

8.2 Taxation of individual

* Tax year: a calendar year

* Filing date: 28th February of following year

* Tax rates:

Income (kina)	Residents	Non-residents
0 -	0%	22%
10,000 –	22%	
18,000 –	30%	
33,000 –	35%	
70,000 –	40%	
250,000 –	42%	

* Salary and wage:

Salary or wages received by an employee have tax withheld on a fortnightly basis by the employer, and the tax is calculated on a progressive mode taking into account various factors such as number of family dependant on you. IRC provides "Salary or Wages Tax Calculator" on the website, which is available for download. Individual taxpayers who earn only salary or wage income are not required to lodge annual tax return.

8.3 Withholding and other taxes

Taxes other than income taxes can be found below. Currently PNG has not capital gains, death (probate) or gift taxes.

Withholding taxes		Other taxes	
Dividend withholding tax	17% 0% 10%	Goods and services tax (GST)	10%
Non-resource		Training levy* ¹	2% of total payroll
Petroleum/gas		Business payments tax* ²	10%
Mining		Stamp duty* ³	2-5%
Interest withholding tax	15%	Additional Profit Tax* ⁴	2%
Royalty withholding tax	10%	Superannuation* ⁵	25%
Foreign contractors tax	12%	Trusts* ⁵	30%
Management fee withholding tax	17%		

8. PNG's Tax Regime

1. **Training levy:**
May apply to a company without providing staff trainings.
2. **Business payments tax:**
Tax deducted from business payments made to persons/organizations registered as Paying Authorities without holding the Certificate of Compliance.
3. **Stamp duty:**
It is payable on the transfer, agreement for sale, declaration of trust over, or grant of certain property. The amount of duty payable depends on the type of property and its value (a minimum amount is set for certain items other than the rate shown).
4. **Additional Profit Tax:**
Only applicable to LNG projects (abolished APT for resource companies)
5. **Superannuation / trusts:**
Income tax imposed to authorized superannuation funds or trusts.

8.4 Customs/excise tariff

Tax	Rate	Conditions	Law
Import GST	10%	GST is applicable to imported goods.	Goods and Service Tax Act
Import duties	12.5% - 35%	80% of goods are duty free.	Schedule No.1 Customs Tariff Act
Export duties	5%	Applied to logs, gold, crocodile skin and sandal wood	Schedule No. 2 Customs Tariff Act
Import excise	10 % - 120%	Tax on luxurious goods depending on the item	Excise Tariff Act
Local excise	fluctuate	<ul style="list-style-type: none"> ● Rates fluctuate bi-annually for Alcohol, Tabaco, cigarettes ● 6 toea per litre for petroleum 	Customs Excise Act

* Currently PNG has no capital gain, death (probate) or gift taxes.

Relevant laws

- > Income Tax Act 1959
- > Income Tax (International Agreements) Act 1987
- > Income Tax Dividend (Withholding) Tax and Interest (Withholding) Tax Rates Act 1984
- > Income Tax (Salary or Wages Tax)(Rates) Act 1979
- > Goods and Services Tax Act 2003
- > Stamp Duties Act 1952
- > Customs Act 1951
- > Customs Regulations 1951
- > Customs Excise Act 1956
- > Customs Excise Tariff Act 1956

9. Investment Incentives

Successive governments have introduced and maintained a significant range of measures designed to facilitate legitimate domestic and foreign investment. The summary of its scheme is introduced in the following sections. For detailed information, "A Guide to the Taxation Incentives for Business & Investment in PNG" is available on the IRC website (www.irc.gov.pg).

At the end of 2012, Prime Minister O'Neill announced a wide-ranging review of the resources tax regime. While promising no immediate changes or drastic or radical changes to existing laws, he signaled that his government wanted to achieve fair and equitable distribution of benefits to all stakeholders.

9.1 Tax incentive for all

Tax incentives that will be applicable to all investors are summarized below.

Incentives	Conditions	Law
200% deduction for training expenditure (including salary)	Full time training of PNG citizen staff at a Government training institution or a prescribed tertiary place of education.	Section 72A, Income Tax Act
150% deduction for R&D expenditure ¹	Expenses incurred in accordance with an R&D plan approved by a committee chaired by IRC.	Section 95, Income Tax Act
10-year tax holiday for rural development	New active business set up in specially designated under-developed areas that are not dependent on the exploitation of natural resources (resource companies are excluded from the exemption).	Section 45 I-M, Income Tax Act 6AA Income Tax Regulation
Accelerated depreciation	<ul style="list-style-type: none"> Using a diminishing value method, the percentage rate of depreciation can optionally be accelerated to 1.5 times. An extra 20% for expenditures on new capital plants or articles acquired in the year of income. 30% for expenditures on new non oil- fired plants (not powered by imported petroleum products or LNG). An extra 20% for expenditure on existing plant for the purpose of fuel conservation. Depreciation methods can be switched to maximize amounts depreciated. 	Income Tax Act Income Tax Regulation
Exemption from dividend withholding tax	Profits distributed from gas and petroleum operators.	Section 42(3) Income Tax Act
10% reduced rate applied to dividend withholding tax	Profits distributed by mining operators.	Ditto
Exclusion of dividend withholding tax	An individual (resident/non-resident), non-resident person including a company, and a resident trust.	S189D Income Tax Act
Allowable deduction for capital expenditure relating to solar heating	Expenditure incurred for the cost, including installation, of plant or equipment for the use in heating solar power.	Section 68A Income Tax Act
Tax deduction for gifts	Gift to accredited political parties (s.69), sporting bodies (s.69A) and prescribed charitable bodies (s.69E).	Sections 69, Section 69A and Section 69E Income Tax Act

This incentive is not available to all but most of sectors prescribed in the Income Tax Regulations

9. Investment Incentives

9.2 Tax incentive for specific sectors

Tax incentives other than those applied to investors of all sectors are also available to investors in specific sectors. Additional tax incentives may be granted to resource projects, and it is advisable to obtain full length and most updated information from the IRC.

Incentive	Sector	Conditions	Law
Wage subsidy for new manufactured products (Subsidy is phased out in 5 years by 40%, 30%, 20%, 15%, 10%)	Manufacturing	The product first has to be agreed to list as a "new manufacture product" by the Commissioner General.	Industrial Development (Wage Subsidy) Act 1984
Exemption of income from sale of exports for 4 years (cease on 31 Dec.2014)	Manufacturing	Qualified goods prescribed under the Income Tax Regulation (Regulation 10A)	Section 45A-H Income Tax Act
200% deduction for export market development expenditure	Manufacturing Tourism	The tax saving from the double deduction cannot exceed 75% of the actual costs incurred.	Section 72C Income Tax Act
Infrastructure tax credit Up to 1.5% of assessable income (up to only 0.75% for resource companies)	Resource1 companies Primary producers Large-scale hotels	<ul style="list-style-type: none"> ● The tax credit allowable cannot exceed tax payable in any one year. ● Expenditures on infrastructure projects approved by the Department of National Planning & Monitoring. 	Section 219C Income Tax Act Income Tax Regulation 10F
100% deduction for certain agricultural development expenses	Agriculture	Expenditure prescribed in the Income Tax Act in the year of income.	Section 97 Income Tax Act
Pass through tax deductions to shareholders	Agriculture	<ul style="list-style-type: none"> ● 100% deduction for agricultural development expenses and depreciation of agriculture plant and equipment. ● A declaration must be made to the Commissioner General. 	Section 97A Income Tax Act
150% deduction for agriculture extension services	Agriculture	<ul style="list-style-type: none"> ● Expenditure on extension services undertaken under a plan approved by a committee chaired by the Department of Agriculture & Livestock. 	Section 97B Income Tax Act
Indefinite carry forward of losses	Primary producers Resource companies	Companies in general are subject to a 20 year limitation.	Section 101 Income Tax Act
1.25% credit for "emergency repairs" of Highland Highways	Resource companies	<ul style="list-style-type: none"> ● Expenditure for emergency repairs to the Highlands Highway from Lae to Koroba and Togoba Junction to Wabag. ● May applied to all eligible tax payers. 	Sec 219C (6) Income Tax Act (new subsection)
Additional income tax deduction on exploration expenditure	Resource companies	Period of 20 years pursuant to the issue of a Resource Development License (additional to the normal business deductions).	Section 155A & S155C Tax Income Act
Interest withholding tax concession	Resource companies	Exemption to non-resident lenders.	Section 35(2) Income Tax Act

9. Investment Incentives

Exemption of income tax / salary & wage tax on certain travel benefits	Resource companies	<ul style="list-style-type: none"> Companies: one annual leave fare between employment place and place of origin/recruitment. Employees: domestic fares in PNG & international fares 	Section 40AA Income Tax Act
Stamp duties concession	Resource companies	Various concessions are available on transfer of mining information, of exploration licenses and of development licenses.	Stamp Duties Act, Schedule
Tax Credits in respect of Banks Community Service obligations	Banks	Expenditure on providing extended and new banking facilities or services in non-urban areas.	Section 219D Income Tax Act
Accelerated depreciation	Agriculture production Fishing Tourism	<ul style="list-style-type: none"> 100% for expenditure on new plans or articles either used directly for agricultural production or for fishing by residents engaged in commercial fishing. 100% for boats or ships and ancillary equipment used as dive boats by accredited scuba diving / snorkeling operators. 	Section 73-78 Income Tax Act
	Manufacturing	100% for expenditure on industrial plants used in manufacturing process with an effective life of more than 5 years.	Section 155F Income Tax Act
	Tourism	An extra 55% for new capital plants / articles acquired by hotel, other short-stay accommodation facilities and restaurants.	Section 73-78 Income Tax Act

Resource here implies to mining, petroleum and gas sectors

10. Employment

With the boom in development of major projects in the country, there is currently a shortage in skilled technical work force and as a result there is a trend going on currently where developers either sourced skilled technical expatriates from overseas or out sourced their services as small contracts to specialized contractors. The National Government has put in place various strategy to tackle this issue. The Government as a result prioritizes education to be one of its key development policies. It had introduced free education policy, the TVET Program, and development and expansion of various tertiary institutions in the country.

10.1. Recruitment

Whilst most organizations recruit their workers through their own Human Resource Divisions, major developers/investor companies in the country are outsourcing this service to the established HR recruitment agencies in the country. Over the years, more globally recognized HR agencies have established their operations in the country and landowner companies from the resources areas have also started various recruitment organizations taking advantage of the opportunities created by major developers outsourcing this service.

Major HR organizations

HR Organization	Contact
Air Energi Pacifica Ltd	Tel: 320 3095 Email: png@airenergi.com
Brunel International South East Asia Pte Ltd	Tel: 321 9405 Email: recruitmentpng@brunel.net
Cadden Crowe	Tel: 3215831 Email: ggriffin@caddencrowe.com.au
JDA Workman Ltd	Tel: 321 0800 Email: information@wokman.com.pg
Orion Group	Tel: 321 3322/ 321 3323 Email: info@orion.com.pg
Pacific Manpower Ltd	Tel: 321 0266 Email: pacman@global.net.pg
Vanguard International	Tel: 321 7464 Email: admin@vanguardpng.com

10. Employment

Minimum wage

The PNG's National Wage Rate set in 2008 by the PNG Minimum Wages Board is K2.29 (0.86) per hour. The three year determination term lapsed in 2012. In 2013, the PNG Minimum Wages Board started the review process to determine the appropriateness of all allowances, including heavy duty, rural hardship, housing, industry and risks, pending endorsement by the NEC for its recommendation.

Superannuation

Employers of 15 persons and above must register with an authorized superannuation fund. Membership is mandatory for PNG citizens who are continuously employed for 3 months and is voluntary for expatriates. Contributions are calculated at the set rate against the gross basic salary and remitted by the employer.

> Contribution

* *Employee - 6.0% (minimum)*

* *Employer - 8.4%*

> Superannuation fund

* *NASFUND*—National Superannuation Fund (NASFUND) is a defined contribution superannuation fund domiciled in PNG. The Fund primarily is involved in the management of retirement funds for employees in the private sector and state entities throughout PNG.

* *Nambawan Super Limited*—for employees in the public (government) sector

Accommodation assistance

Company-provided, funded or partially funded accommodation is expected for non-citizens who are recruited externally to work in PNG and it's a real cost to business in PNG. Accommodation assistance is also a key issue for PNG citizens, and some employers are responding. The assistance offered by employers to national staff will vary widely. A research and tax advice is recommended when developing salary package policies for the employee.

10.2. Work permit

All non-citizens who seek employment in PNG must possess a valid work permit before they commence employment. The work permit must be granted by the Secretary for Department of Labour & Industrial Relations (DLIR), in accordance with the Employment of Non-Citizens Act 2007. Short-term work permits are valid for up to six months and are non-renewable. Long-term work permits can last for up to three years, or five if employer is designated a Good Corporate Citizen under the Act. Non-citizens who work in PNG without a valid work permit commits an offence.

Type of work permit

> General:

A General Work Permit will be granted where the employment contract between the employer and employee is for work of a commercial nature. The law defines commercial work as employment performed entirely or mostly for financial (i.e. money) reward.

> Volunteer:

A Volunteer Work Permit will be granted where the employment contract between the employer and employee is for a work of a voluntary nature. The law defines voluntary work as employment performed entirely or mostly for reasons other than financial rewards. A decision as to whether an employee qualifies for a Volunteer Work Permit requires careful consideration of factors such as; (1) Salary, (2) allowances, (3) nature of the activities engaged in and (4) the history of organization in PNG.

> Bridging:

A Bridging Work Permit may only be granted in those instance where a non-citizen (1) has a valid work permit, (2) has applied for a new work permit in a different occupation or with a different employer (i.e. not a renewal) (3) the new work permit has been granted and (4) the current work permit is due to expire. Non-citizens who find themselves in this situation must immediately apply for this Permit; otherwise they will have to leave PNG while their work permit application is processed. A bridging Work Permit is granted for 60 days only.

> Fees:

Category	Fees
General Work Permits	K1000.00 for each year of work permit
Volunteer Work Permit	K100.00 for each year of work permit
Bridging Work Permit	K100.00
General Short Term Work Permit	K500.00
Volunteer Short Term Work Permit	K50.00
Renewal of General Work Permit	K1000.00 for each year of work permit
Renewal of Volunteer Work Permit	K100.00 for each year of work permit

10. Employment

> Qualifications

* *Classification of Occupations*

Employers applying for a work permit must be familiar with the list of Open, Advertised and Reserved Occupations (the list is downloadable from the website of DLIR) as certain occupations are reserved for PNG citizens. As a general rule, non-citizen employees should possess a degree or other tertiary qualification relevant to their field of employment with appropriate work experience (at least 3-5 years).

* *Language:*

The section 17(1) of the Employment of Non-Citizens Act 2007 requires all non-citizens to prove that they are proficient in English, Pisin or Motu. An example of English proficiency is to have an International English Language Testing System (IELTS) with score at least Band 4.

* *Age requirements:*

No work permit will be granted to a non-citizen under the age of 22. There is no upper age limit to the granting of a work permit. However, a non-citizen who is above the age of 65 years may have to provide medical clearance.

? *Professional registration:*

It is necessary for certain non-citizen employees in PNG to register with a Professional Body before taking up employment. For example, registration is required by the following Professional Bodies; (1) Institute of Engineers PNG Inc, (2) Certified Practising Accountants of PNG, (3) Nursing Council of PNG, (4) Maritime Safety Authority of PNG, (5) Pharmacy Board of PNG, (6) Law Society of PNG, (7) Medical Board of PNG, (8) PNG Association of Surveyors, (9) PNG Institute of Architects and (10) Civil Aviation Authority. It is a requirement of section 16 of the Act that all applicants provide proof of registration.

> Application

* *Employment Agent:*

In most cases, employers wishing to employ a non-citizen worker will engage the services of a registered PNG Employment Agent to assist with the application process. An Employment Agent is a person who assists businesses to engage the services of non-citizen employees, including obtaining a work permit, assisting with Training Plans and obtaining a Visa for the non-citizen.

10.3 Visa

Visa must be issued by the Chief Immigration Officer, PNG Immigration & Citizenship Service Authority. All non-citizens entering PNG must first apply for relevant visa directly to PNGICS or through the PNG's foreign missions located in the foreign country. Non-citizens who have been granted a work permit are granted a specific visa called the Working Resident Entry Permit.

The Working Resident Visa Category

Type	Specification	Period
Business person/investor	To invest and/or establish a business	3 months
Employment	To work in PNG	6 months to 3 years
Short Term Employment	To perform short work assignments and relief duties	Up to 12 months
Consultant/Specialist	For persons with specialized skills who carry out a specific work assignment	Up to 3 months
Employee of Major Development Project Companies	For major infrastructural development companies - entry is allowed without work permit	6 months
Dependent of Citizen (Working)	a dependent spouse of a PNG Citizen who will occupy localized positions	

Other Type of visa:

- * **Business Visa:** persons entering PNG to attend business meetings, board meetings, conferences exploratory business visits or participates in business negotiation. This type of visa is valid for 12 months has multiple entries with 90 days each visit.
- * **APEC Business visitors:** PNG as a member nation of APEC recognizes and encourages those eligible to obtain a card for APEC Business travels or visitor

Application fee:

Category	Fees
Working Resident Entry Permit Visa	K1000
Business Visa	<ul style="list-style-type: none"> ▪ K500 for Single Entry Business Visa ▪ K1000 for Multiple Entry Business Visa

11. Double Taxation Treaties

The PNG government has concluded nine bilateral tax treaties called "Double Tax Agreements (DTAs)". These generally allocate taxing rights over specific types of income derived by residents of the two respective treaty partner countries.

		Dividends %	Interest %	Royalties %
Non-treaty	Resident	17 (0, 10)	15 (0)	5 (0)
	Non-Resident	17 (0, 10)	15 (0)	30 (10)
Treaty	Australia	17	10	10
	Canada	17	10	10
	China	15	10	10
	Fiji	17	10	15
	Germany	15	10	10
	Korea	15	10	10
	Malaysia	15	15	10
	Singapore	15	10	10
	United Kingdom	17	10	10

Source: PNGPCW, Tax facts & figures 2012

The DTAs with two more countries, namely Indonesia and New Zealand, have been signed and are yet to be ratified.

12. Bilateral Investment Agreements

The Investment Promotion Act contains investment guarantees for certified foreign investors. Similar types of guarantees may be available to some investors under bilateral agreements for the promotion and protection of investment. PNG has signed and/or entered into such agreements with following countries.

Partner country	Date of signature	Date of entry into force
Australia	3 Sep. 1990	20 Oct. 1991
China	12 Apr. 1991	12 Feb. 1993
Germany	12 Nov. 1980	3 Nov. 1983
Japan	26 Apr. 2011	17 Jan. 2014
Malaysia	27 Oct. 1992	-
UK	14 May 1981	22 Dec. 1981

13. Foreign Exchange Control

In December 2004, foreign exchange controls were progressively liberalised in PNG to seek exemptions from the Bank of PNG (Central Bank) approval for a range of transactions. However the Bank of Papua New Guinea still has control over mainly following areas:

- * The opening of offshore foreign accounts (including offshore kina accounts);
- * Licensing of gold exporters;
- * Licensing of foreign exchange dealers; and
- * Removal from PNG of physical cash in excess of PGK20,000 or foreign currency equivalent.

Relevant laws

- * Central Banking Act 2000
- * Banking & Financial Institution Act 2000
- * Insolvency Act 1951

At workplace

Employers are encouraged to appreciate the cultural uniqueness of PNG and to show awareness of this in human resources policies and procedures. PNG is a very diverse nation with more than 850 languages: it is quite possible that every person you pass in the street may speak a different language, look different and have different deep-seated views on how things are to be done. It is important to respect people and their cultures and traditions. However, workplace standards and rules can be made and enforced. There are three official languages namely Tok Pisin, Motu and English. Although English is the language of formal business, Tok Pisin is the most widely and commonly used language, and efforts to learn this language will definitely enable broader communication with a wider range of Papua New Guineans.

Cost of living

Living in PNG is not cheap. While most standard Western groceries are available in Port Moresby and Lae, the pricing reflects the costs of transport and importation—as a rule of thumb, a basket of typical supermarket goods purchased in Australia, for example, might be around twice the price in PNG. The National Statistics Office and the Bank of Papua New Guinea maintain Consumer Price Indices (CPIs), which are published on the Bank's website at www.bankpng.gov.pg.

Accommodation and real estate

Accommodation standards vary widely in PNG. Choice is reduced the further you travel from the main centres of Port Moresby and Lae. In recent times the price of accommodation in Port Moresby and elsewhere has increased considerably. Non-citizens tend to seek more upmarket housing options in Port Moresby. Stock is growing yet limited, demand is falling for higher standard stock, however, and demand continues to be very high. Thus, prices continue to remain high. Preferred accommodation tends to be blocks of fully furnished units (two- or three-bedroom with water, power and 24-hour security included in the rental price). Cheaper secure and comfortable options do exist, usually farther from the popular main suburbs in which most Western non-nationals tend to live. The prices vary from province to province, depending on the area, size, type of property and its physical state. The prices below are mere examples in Port Moresby:

- * Apartment (2-3 bed room type) in high security villages: 3,500-6,000 Kina / week
- * Apartment hotels (1-2 bed room type): 550-1,000 Kina / night

Shopping

In general, shopping in all main centres is basic and quite expensive. There are only a few white good, clothing and accessory, sporting or other specialist outlet options. In major cities new shopping centres are being developed and becoming popular shopping destinations.

Communication

Mobile roaming is possible in PNG though it is costly. You are recommended to buy a local SIM card from local operators Digicel and Be-mobile. Mobile phones are widely used and deals are available from both operators, and phone credits are readily available in main centres, airports and supermarkets. Internet access in Port Moresby has improved in recent years. Fast-speed internet service and wireless via a USB modem are now available in PNG.

Banking

A normal range of banking services is available from the three major banks in PNG—BSP, ANZ and Westpac—and all have branches in major provincial centres. Automated teller machines (ATMs) are also available in the main centres. All banks have implemented technology based strategies to take banking facilities to people outside main centres, and this evolution is continuing.

Motor vehicles

New motor vehicles are very expensive to buy and hire in PNG. Imported second hand vehicles are popular, and procuring vehicles via private sale from those leaving PNG is a common way to obtain vehicles.

Education

Within PNG there are currently 20 International Education Agency schools (www.iea.ac.pg), National/provincial primary and high schools and other private education providers. There are virtually no facilities for children with special needs. A significant number of children of citizens and non-citizens alike choose to send their children to overseas.

Health

The public health situation in PNG is of concern. Tuberculosis, HIV/Aids and malaria are all problems within PNG. Public Hospitals lack funding and, as a result, care is very limited. There are a number of private hospitals that offer adequate care. For most non-citizen employees Medivac is part of most contracts and involves evacuating employee or their dependents to an Australian medical facility for any serious illness or injury.

14. Life in PNG

Leisure & relaxation

PNG is open for not only business but also for leisure as a consequence of rich natural resources. Restaurants in Port Moresby serve a variety of international and local cuisines, full of local seafood, beef, chicken, fruits and vegetables. Weekend breaks are possible at beach resorts nearby the capital city or one of myriad beautiful islands surrounded by the pristine waters teeming with an abundance of rare and exotic tropical fishes and coral. PNG offers magnificent scuba diving and snorkelling services around such untouched natural reefs and the marine habitat. Yacht clubs and privately owned tours also offer fishing trips around some of the best fishing spot in the country. PNG has breathtaking mountainous terrains for other options to relax whilst most major centres in PNG have a well loaned golf course and golf club.

Places to visit in PNG

Papua New Guinea is full of interesting attractions, magnificent natural scenery, and diverse cultural heritage. It is possible to spend the holiday for trekking remote jungle tracks, cruising the mighty Sepik River, surfing the waves of New Ireland, and fishing around the fiords of Tufi or diving amongst the coral reef coastline.

Port Moresby

While in the nation's capital, find some time to visit the Nature Park which houses some of PNG's flora and fauna, including different species of birds and animals, or the 14 Mile Adventure Park and Animal Sanctuary.

Other recommended places to visit in Port Moresby include an island cruise to the Loloata Island Resort or a 30 minute drive to March Girls Village Resort along the Maggi Highway. For golf enthusiasts, the Royal Port Moresby Golf Club offers a magnificent golf course and clubbing facilities.



Southern Region

Is a home to many fantastic sceneries which includes the famous 96km Kokoda Track, which played host to the Kokoda Battle during World War II, the second longest river in PNG, the Fly River, the breathtaking picturesque islands in the Milne Bay Province, and the rich culture and way of life of the people.



Momase Region

Offers an array of natural sceneries such as the mighty Sepik River, which is the longest in PNG, for boat cruisers, endless lines of white sandy beaches, the famous PNG tourist town of Madang, rich diverse cultures, PNG's only land boarder at Wutung in West Sepik Province, the Black Cat Trail in Morobe Province, PNG's industrial city of Lae which is also the home of PNG's largest shipping port and a gateway to the Highlands region.



New Guinea Islands Region

Is another very exciting and interesting region in PNG. The region is surrounded by miles of ocean and is separated from mainland Papua New Guinea. Many beautiful islands lie scattered around this region. The volcanic town of Rabaul, the fastest growing town in the Pacific, Kokopo, and the country's only Autonomous Region, the Autonomous Region of Bougainville, which shares the sea border with Solomon Islands in the east all form part of this region. The region is also very rich with diverse cultures.



Highlands Region

Is home to the popular Goroka Asaro Mudmen and the Huli wigman, two famous traditional icons of the region and the country. The region also hosts the country's multi-billion dollar LNG project and the highest peak in the land, Mt. Wilhelm, points to the skies from this part of the country. Cultural festivals are organized annually or biennially and you can consult the PNG Tourism Promotion Authority to have a look at the Tourism Calendar.



15. Appendix - List of Institutions (*useful links & contacts*)

1) Government Departments

Bank of Papua New Guinea (Central Bank)

Tel +675 322 7200 or 321 2999

www.bankpng.gov.pg

Central Supply and Tenders Board

Tel +675 311 3777

info@cstb.gov.pg

www.cstb.gov.pg

Civil Aviation Safety Authority

Tel +675 324 4525 or 325 7320/7505

Fax +675 325 1919

ceo@casapng.gov.pg

www.casapng.gov.pg

Department of Agriculture and Livestock

www.agriculture.org.pg

Department of Trade, Commerce and Industry

Tel +675 327 7350 or 325 9225

www.dci.gov.pg

Department of Environment and Conservation

www.dec.gov.pg

Tel +657 301 4530

Department of Foreign Affairs, and Immigration (Immigration & Citizenship Division)

Tel +675 323 1500

Fax +675 325 5206

Department of Labour and Industrial Relations (Foreign Employment Division)

Tel +675 325 2911 or 321 1847

enquiries@workpermits.gov.pg

www.workpermits.gov.pg

Department of Lands and Physical Planning

www.lands.gov.pg

Tel +675 301 3111/3131

Department of Mineral Policy and Geohazards Management

Tel +675 321 4011/7600/7680

Fax +675 321 4995

Department of Petroleum and Energy

Tel +675 321 5253/1936

Department of Transport

Tel +675 325 7500

www.transport.gov.pg

2) Government Institutions & Agency

Independent Public Business Corporation (IPBC)

Tel +675 321 2977 or 309 6736

www.ipbc.gov.pg

Internal Revenue Commission (IRC)

Tel +675 3226600

Investment Promotion Authority (IPA)

Tel +675 321 7311/+675 308 4444

www.ipa.gov.pg

Lae City Council

<http://morobepng.com/id13.html>

Mineral Resources Authority (MRA)

Tel +675 321 3511

www.mra.gov.pg

National Capital District Commission (Port Moresby)

www.ncdc.gov.pg

Tel +675 324 0707

National Employment Service

Tel +675 325 2546

National Fisheries Authority (NFA)

Tel +675 309 0444

Fax +675 320 2061

www.fisheries.gov.pg

National Information and Communications Technology Authority (NICTA)

Tel +675 303 3202

www.nicta.gov.pg

National Maritime Safety Authority

www.nmsa.gov.pg

Papua New Guinea National Forest Authority

Tel +675 327 7800

www.forestry.gov.pg

Papua New Guinea Immigration & Citizenship Service

Tel +675 323 1500

www.immigration.gov.pg

Tourism Promotion Authority (TPA)

Tel +675 320 0211

www.pngtourism.org.pg

15. Appendix - List of Institutions (*useful links & contacts*)

3) State-owned entities

Air Niugini Limited
www.airniugini.com.pg

Bemobile
Tel +675 325 9400
www.bemobile.com.pg

Eda Ranu (water)
+675 312 2133
www.edaranu.com.pg

Motor Vehicles Insurance Limited (MVIL)
Tel +675 3217333

PNG Ports Corporation Limited
Tel +675 321 1400
www.pngports.com.pg

PNG Power Limited
Tel +675 324 3200
www.pngpower.com.pg

Post PNG
Tel +675 300 3714
www.postpng.com.pg

Telikom PNG
Tel +675 300 4000
www.telikompng.com.pg

Water PNG
Tel +675 323 5700
www.waterpng.com.pg

4) Overseas missions

Australian High Commission
www.png.embassy.gov.au

Australian Trade Commission (Austrade)
Tel +675 325 9150
www.austrade.gov.au

British High Commission
www.gov.uk/government/world/papua-new-guinea

Chinese Embassy
pg.chineseembassy.org/eng/

Fiji High Commission
Tel +675 3211 914
fiji_high_com@datec.com.pg

French Embassy
www.ambafrance-pg.org/-English-

Indian High Commission
hcupom.gov.in

Indonesian Embassy
Tel +675 325 3544

Japanese Embassy
www.png.emb-japan.go.jp

Malaysian High Commission
www.kln.gov.my/web/png_port-moresby/home

New Zealand High Commission
www.nzembassy.com/papua-new-guinea

Embassy of the Philippines
<http://pompe.comxa.com>

Taiwanese Trade Mission
taiwantramis@datec.net.pg

United States Embassy
<http://portmoresby.usembassy.gov>

5) Investment organisations and funds

Asian Development Bank (ADB)

Tel +675 321 0400

www.adg.org/pnrm

International Finance Corporation (IFC)

Tel +675 321 7111

www.ifc.org

World Bank

Tel +675 321 7111

www.worldbank.org

Kula Fund II

Tel +61 7 3303 0894

www.aureos.com

Mineral Resources Development Company (MRDC)

Tel +675 325 5822

www.mrdc.com.pg

Nambawan Super Limited

Tel +675 309 5200

www.nambawansuper.com.pg

NASFUND (National Superannuation Fund Ltd)

www.nasfund.com.pg

PNG Sustainable Development Program Ltd (PNGSDP)

+675 320 3844

www.pngsdp.com

Pacific Islands Trade and Invest

Sydney: +61 2 9290 2133

Auckland: +64 9 302 0465

www.pacifictradeinvest.com

Beijing: +86 10 6532 6622

www.pifto.org.cn

Tokyo (Pacific Islands Centre):

+81 3 3268 8419

www.pic.or.jp

6) Business organisations

Australia–Papua New Guinea Business Council

Tel +61 7 3348 5142

yourn@apngbc.org.au

www.apngbc.org.au

Business Council of PNG

Tel +675 320 0700

executive@bcpng.org.pg

www.bcpng.org.pg

Consultative Implementation and Monitoring Council (CIMC)

www.inapng.com/cimc/index.html

Employers Federation of Papua New Guinea

Tel +675 325 8266

information@efpng.org.pg

www.efpng.org.pg

Enterprise Centre for LNG

c/- Institute of Banking and Business Management (IBBM)

PO Box 1721, Port Moresby, NCD

Institute of National Affairs

Tel +675 321 1045

www.inapng.com

Lae Chamber of Commerce and Industry

www.lcci.org.pg

Manufacturers Council of PNG

Tel +675 321 7143

pngmade@global.net.pg

New Zealand Pacific Business Council

www.nzpbc.co.nz

PNG Chamber of Commerce

www.pngcci.org.pg

PNG Chamber of Mines and Petroleum

Tel +675 321 2988

www.pngchamberminpet.com.pg

PNG Forest Industries Association

Tel +675 325 9458

www.fiapng.com

The Port Moresby Chamber of Commerce & Industry (POMCCI)

Tel +675 7200 0000, +675 7200 3077 or +675 321 3077

Fax: +675 321 4203

Email: bizcentre@pomcci.com

15. Appendix - List of Institutions (*useful links & contacts*)

7) Professional bodies

Certified Practising Accountants of PNG
Tel +675 321 2105
cpapng@cpapng.org.pg

Institution of Engineers PNG Inc
www.iepng.org.pg

Maritime Safety Authority
www.nmsa.gov.pg

Medical Board of PNG
Tel +675 301 3813/301 3784

Nursing Council of PNG
Tel +675 301 3803
ncouncil@health.gov.pg

PNG Law Society
Tel +675 321 7344
lawsoc@daltron.com.pg

PNG Institute of Architects
Tel +675 321 4499
pacpng@datec.net.pg

8) Aid organisations and civil society

Anglicare
Tel +675 325 1855

AusAID
www.ausaid.gov.au/countries/pacific/png

EuropeAid
http://ec.europa.eu/europeaid/where/acp/countrycooperation/papua-new-guinea/papua-new-guinea_en.htm

Japan International Cooperation Agency
www.jica.go.jp/png/english

New Zealand Aid Programme
www.aid.govt.nz/where-we-work/pacific/papua-new-guinea

US Aid
<http://pacificislands.usaid.gov/country/papua-new-guinea>

UNICEF
www.unicef.org/png/

UNDP
www.undp.org.pg

Business Against Corruption Alliance
Tel +675 7200 0000, +675 7200 3077 or +675 321 3077
Fax: +675 321 4203
Email: bizcentre@pomcci.com

Papua New Guinea Business Coalition Against HIV and AIDS (BAHA)
Tel +675 325 9228 or +675 7200 2242 (hotline)
www.baha.com.pg

Care
www.care.org.au/papua-new-guinea

Transparency International PNG
www.transparencypng.org.pg

World Vision
www.wvi.org/papua-new-guinea

9) Banks

Australia New Zealand (ANZ)
+675 321 1079
www.anz.com

Bank of South Pacific (BSP)
+675 320 1212 – 24 /7
servicebsp@bsp.com.pg
www.bsp.com.pg

Westpac
+657 322 0888 (General)
+657 312 7429 (Corporate)
westpacpng@wetpac.com.au
www.westpac.com.pg

10) Accounting & consulting firms

KPMG
Tel +675 321 2022
pg-fmkpmgpng@kpmg.com.au
www.kpmg.com

Deloitte Touche Tohmatsu
Tel +675 308 7000
enquiries@deloitte.com.pg
www.Deloitte.com/pg

PricewaterhouseCoopers
Tel +675 321 1500 (POM)
pwc.pom@pg.pwc.com
Tel +675 472 2644 (Lae)
pwc.lae@pg.pwc.com
www.pwc.com.pg

Ernst & Yong
Tel +675 305 4100

11) Freight office

EastWest Transport
Tel +675 324 9600
www.wteamship.com.pg

DHL Global Forwarding (PNG) Limited
Tel +675 302 6555 (POM)

GFS LIMITED
Tel +675 320 1040
pomops@gfspng.com

MAPAI TRANSPORT
Tel +675 475 7165
www.mapai.com.pg

12) Real estate

L J Hooker
Tel +675 320 0738
ljhooker.portmoresby@ljhooker.com
www.ljhooker.com

Century 21
Tel +675 311 2121
Century21@siule.com.pg
www.century.com.pg

First National
Tel +675 311 3267 (POM)
Tel +675 472 2480 (Lae)
firstnational@daltron.com.pg
www.firstnational.com.au

13) Car rental

Avis
Tel +675 324 9400
reservations@avis.vom.pg

Hertz
Tel +675 325 4999
hertz@leasemaster.com.pg
www.hertz.com

Budget
Tel +675 323 6244
reservations@budget.com.pg

Europcar
Tel +675 323 9210
Reservations@europcar.co.pg
www.europcar.com.pg

16. Appendix - Knowing the Right People for Your Query

Given the diverse roles and functions of the IPA, the organisation implements its services through the following divisions:

1 - Investor Servicing and Promotion - Business people investigating the investment potential of PNG are encouraged to contact this division about their investment interests, and any other assistance that they may require. The division is headed by the Director of the Investor Servicing and Promotion Division. For more information you can contact the Director's office on the following addresses:

Mr. Clarence Hoot, Director- Investor Servicing and Promotion Division

Location – First Floor, IPA Haus, Munidubu Street, Lawes Road, Konedobu

Postal Address

Investment Promotion Authority, PO Box 5053, Boroko, National Capital District, Papua New Guinea

Phone: (675) 308 4413, (675) 321 7311 or (675) 308 4444, Fax: (675) 320 2237

Email: biepd@ipa.gov.pg/clarence@ipa.gov.pg

2 – Business Registration and Certification (Companies Office) - The Companies Office is responsible for the administration of Papua New Guinea's key business laws such as the Companies Act, Business Names Act, Business Groups Incorporation Act and the Associations Incorporation Act. The division is headed by the Registrar of Companies.

Investors should also be informed that there may be other specific laws which apply to their activities.

For further information please contact:

Mr. Alex Tongayu, Registrar of Companies/ Director Business Registration and Certification Division

Location – Ground Floor, IPA Haus, Munidubu Street, Lawes Road, Konedobu

Postal Address

Investment Promotion Authority, PO Box 5053, Boroko, National Capital District, Papua New Guinea

Phone: (675) 308 4444, (675) 321 7311, (675) 308 4438 or (675) 308 4454, Fax: (675) 321 3049

Email: registrar.companies@ipa.gov.pg

3 – Intellectual Property Office of Papua New Guinea – The IPOPNG is established to ensure that while in the promotion of investment in a friendly regulatory environment, the sovereign interest of Papua New Guinea and its citizens is protected and the interest of the investor or creator of intellectual property is protected from unscrupulous exploitation.

The Office administers the Trade Marks Act, the Copyright and Neighbouring Rights Act (2000) and the Patents and Industrial Design Act (2000). It is headed by the Registrar of the Intellectual Property Office of PNG.

For more information, you can contact:

Ms. Amelia Na'aru, Registrar – Intellectual Property Office of PNG

Location – First Floor, IPA Haus, Munidubu Street, Lawes Road, Konedobu

Postal Address

Investment Promotion Authority, PO Box 5053, Boroko, National Capital District, Papua New Guinea

Phone: (675) 308 4432, (675) 308 4444 or (675) 321 7311, Fax: (675) 321 5155

Email: registrar.ipopng@ipa.gov.pg, *Website:* www.ipopng.gov.pg

4 – Securities Commission of Papua New Guinea - The SCPNG is vested with the regulatory and enforcement powers and functions under the Securities Act 1997, the Takeovers Code 1998 as well as certain provisions of the Companies Act 1997 which relate to prospectuses, offering of shares to the public and other related matters. In brief, the SCPNG's primary function is to regulate the establishment of stock markets and practices in the country relating to the offering of shares to the public. The division is headed by the Chairman of the Securities Commission of PNG, who is also the Registrar of Companies.

For more information, you can contact:

Mr. Alex Tongayu, Acting Chairman- Securities Commission of PNG

Location – Second Floor, IPA Haus, Munidubu Street, Lawes Road, Konedobu

Postal Address

Investment Promotion Authority, PO Box 5053, Boroko, National Capital District, Papua New Guinea

Phone: (675) 308 4444, (675) 321 7311, (675) 308 4438 or (675) 308 4454. Fax: (675) 321 3049

Email: registrar.companies@ipa.gov.pg

5- Corporate Services – Corporate Services plays a pivotal role in ensuring that the relevant performing divisions of IPA are adequately supported to effectively perform the responsibilities. The division is responsible for the provision of administrative and human resources development support, information technology management, provision of financial, accounting and budgetary services to the technical divisions of IPA. It is headed by the Director- Corporate Services Division. For more information you can contact:

Ms. Anna Marikawa- Director Corporate Service Division

Location – First Floor, IPA Haus,

Munidubu Street, Lawes Road, Konedobu

Postal Address

Investment Promotion Authority, PO Box 5053, Boroko, National Capital District, Papua New Guinea

Phone: (675) 308 4422, (675) 321 7311 or (675) 308 4444, Fax: (675) 320 0262

Email: csd@ipa.gov.pg/ annam@ipa.gov.pg

HOW TO REGISTER YOUR ACCOUNT WITH IPA AND DO BUSINESS ONLINE

1

GO TO IPA WEBSITE - <http://www.ipa.gov.pg>



2

CLICK ON DO IT ON LINE OR LOGON



3

CLICK ON REGISTER AN ACCOUNT

TO REGISTER AS AN INDIVIDUAL,
ENTER USER NAME, PASSWORD
AND
CLICK NEW USER

TO REGISTER AS AN ORGANISATION
TICK THE BOX



I also want to create an organisation



Simply fill out the information requested on the web form provided to set up your registry account. You will then receive an email confirming your registration.

HOW TO REGISTER YOUR ACCOUNT WITH IPA AND DO BUSINESS ONLINE



GO TO IPA WEBSITE—<http://www.ipa.gov.pg>

CLICK ON DO IT ONLINE OR LOGON

1

PREVIOUSLY REGISTERED WITH IPA?

YES

DO IT ONLINE

DASHBOARD

GET FREE EXTRACTS

DO NAME SEARCHES

REGISTER BUSINESSES

MAINTAIN ENTITY DETAILS

LODGE ANNUAL RETURNS

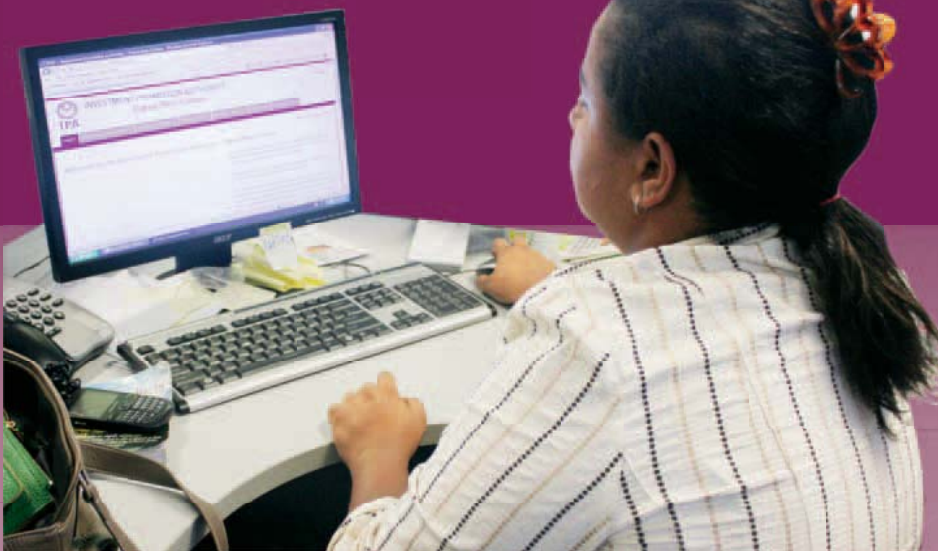
NO

CREATE NEW USER

ACTIVATE ACCOUNT

2

3



For further information please do not hesitate to contact our office on:

Ph: (675) 308 4439/ 308 4454

Fax: (675) 321 2819 or 321 3049

Email: online@ipa.gov.pg



Your First port of call to do Business in PNG



IPA

Our Branches

Mt. Hagen Office

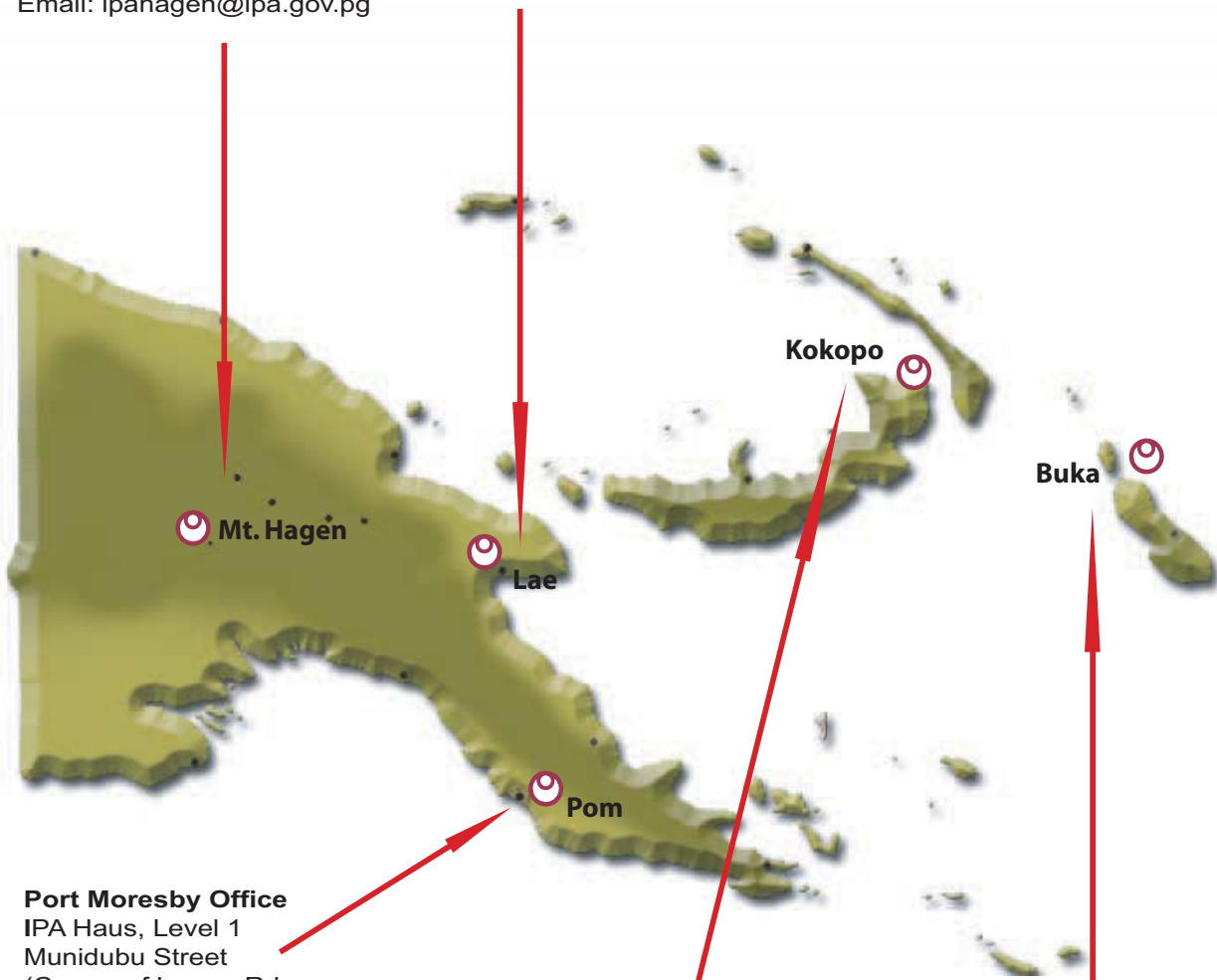
P.O. Box 1834
Mt. Hagen,
Western Highlands Province
Papua New Guinea

Telephone: (675) 542 0399
Facsimile: (675) 542 0599
Email: ipahagen@ipa.gov.pg

Lae Office:

P.O. Box 1074
Lae, Morobe Province
Papua New Guinea

Telephone: (675) 479 2001
Facsimile: (675) 479 2001
Email: ipalae@dg.com.pg



Port Moresby Office

IPA Haus, Level 1
Munidubu Street
(Corner of Lawes Rd
and Champion Pde)
Konedobu, Port Moresby

PO Box 5053, Boroko 111, NCD
Papua New Guinea
Telephone: (675) 321 7311 / 3900
Facsimile: (675) 321 2819
Email: ipa@ipa.gov.pg
Website: www.ipa.gov.pg

Kokopo Office

P.O. Box 870, Kokopo
East New Britain Province
Papua New Guinea

Telephone: (675) 982 9460
Facsimile: (675) 982 9460
Email: iparabaul@ipa.gov.pg

Buka Office

P.O. Box Private Mail Bag
Buka, Bougainville
Papua New Guinea

Telephone: (675) 973 9344
Facsimile: (675) 973 9344
Email: ipa_buka@ipa.gov.pg