

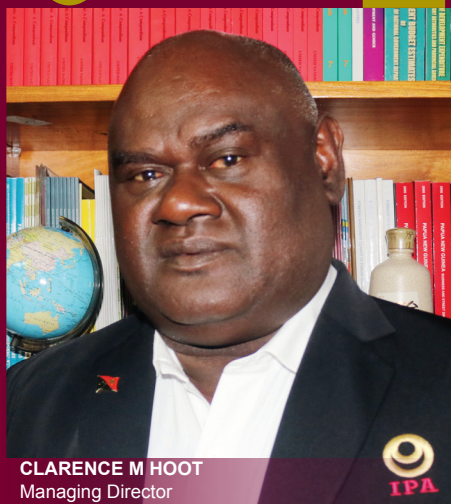


Opportunity

Issue 12 - December 2018

Business News, reviews and overviews from the IPA

MD's INBOX



CLARENCE M HOOT
Managing Director

Dear readers and welcome to the final issue of the monthly *Opportunity Newsletter* for December 2018. In this issue; I would like to take this opportunity to highlight some of the key achievement for the year.

Despite 2018 being very hectic and a challenging year for the IPA we have managed to pull through.

I'm quite pleased to place on record the success of the recently concluded 26th APEC Economic Leaders Meeting hosted in the country's capital, Port Moresby which is by far the biggest we've played a role in.

The IPA successfully hosted two meetings during the Senior Officials meetings (SOM) prior to the APEC Leaders meeting.

The meetings were the Investment Experts Group (IEG) and Intellectual Property Experts Group (IPEG).

I'm also proud to share that IPA had just launched its Strategic Plan for the years 2018-2020 and its Annual Report for 2017. We have also launched two other publications which included the Business Licens-

ing Information Service (BLIS) booklet and a guide book on Export and Import Procedures and Export Development Assistance (3rd Edition).

The BLIS is focused on equipping investors and other government agencies or clients on the legislative requirements, procedures, guidelines and fees that are applicable to obtain licenses for doing business in PNG and the Export/Import guide book is aimed at equipping SME's on procedures for Exporting, Importing and Export Development Assistance.

"Among other achievements that will soon come to reality is the IPA's restructure and Staff Medicare and life Insurance policies which were among some of the agendas that were discussed during the IPA Board's 4th quarter meeting on the 14th of December, 2018 in Port Moresby".

"In 2019, we will continue to extend our services to provinces right throughout the country with the establishments of Help Desks."

All in all, I am satisfied with the progress IPA has made together as a team to meet the targets as outlined in our Strategic plan. Finally, I wish to extend my sincere appreciation to the Board, Management and staff of the Authority, other relevant Government agencies and stakeholders for their support, commitment and hard work in making 2018 a very successful year and I also look forward to another good year in 2019.

Merry Christmas and Happy New Year to you all.

Clarence M. Hoot
Managing Director

IN THE NEWS

IPA Managing Director's appointment confirmed



"Providing leadership for one hundred and thirty (130) staff comes with challenges BUT thanks to the Board, management and staff of the Investment Promotion

Authority for their support and loyalty that I was able to pull through in my capacity as the Acting Managing Director for the IPA."

These were the words of the Managing Director for the IPA, Clarence. M. Hoot when speaking during the occasion marking the official announcement of his confirmation as the Managing Director for the IPA.

Mr Hoot was appointed by the National Executive Council (NEC) 11 days shy of clocking two (2) years in his capacity as Acting Managing Director.

Chairman of the IPA Board, Mr Leon Buskens thanked Mr Hoot for his leadership and patience whilst he was the Acting Managing Director.

Mr Buskens also thanked the current government of Papua New Guinea through the Minister for Commerce and Industry, Wera Mori, for the bold support of the Board's recommendation for Mr Hoot to be the Managing Director.

"Mr Hoot demonstrated in his capacity as Acting Managing Director that he was the right man for that job," said Mr Buskens.

"I also extend my appreciation to the Statutory Agencies and Departmental Heads, the Board, Management and staff of IPA for your support and cooperation towards Mr Hoot whilst he was the Acting Managing Director. This is a show of confidence the government has in Mr. Hoot and his leadership," said Mr Buskens.

"The IPA is managed and directed by widely experienced and highly qualified Board members from different business sectors with an energetic and vibrant management team who are committed to work tirelessly for the good of our country. These attributes make the IPA one of the best performing organisations and evidenced by awards received year after year. The confirmed appointment of the Managing Director gives more confidence

Tips & Traps

ONE Business Name permitted

Clients have been enquiring about the possibilities of merging two Business Names together.

This is not allowed by law. A Business Name allows you to carry out one particular type of business activity. The intention to merge two Business Names means that two different types of business activities will be carried out under one Business Name. Section 3 (Clause 2) of the Business Name Act states that "A separate certificate of Business Name registration must be obtained for each Busi-

ness Name used.

On the other hand, a person or persons may conduct business under more than one business name, provided that the use of multiple business names is not calculated to seriously mislead the public about the business it conducts.

In particular, the business name is merely a trading name of a sole proprietor, a partnership or an incorporated body or firm.

It is therefore advisable that you register a separate Business Name for a separate business activity.

Continue on to next page.....



and enthusiasm to the Team IPA to continue to strive forward," said Mr Buskens.

"For those who do not know, Mr. Hoot is not a new comer to the Public Service. He has since clocked a total of over 26 years in the Public Service, 8 years with the Department of (then) Trade, Commerce and Industry and 18 years this year 2018 with the Investment Promotion Authority," said Mr Buskens.

"At IPA, he has been in the leadership position as the Director to the Investor Servicing and Promotion Division for more than 10 years and Acting Managing Director for the past 2 years".

"He commenced with the Authority on 17th April 2000 as the Manager – Investment & Export Promotion when Ambassador Ivan Pomaleu, was the Acting Managing Director. "He was promoted to Director/ Business Investment & Export Promotion Division on 14th January 2004 also under Ambassador Ivan Pomaleu, as the Managing Director.

"On Ambassador Pomaleu's recommendation to the Board as the outgoing MD then,

Mr Hoot was appointed Acting Managing Director of Investment Promotion Authority on the 26th September 2016 on the exit of Ambassador Pomaleu from the IPA and Appointed as Managing Director of the Investment Promotion Authority on 11th September 2018.

Mr Hoot is an all rounder when it comes to trade and investment, bilateral/international relations and policy space. He is an active member to the APEC fora having been the Co-Convenor (Chairman) of the Investment Expert Group (IEG) under the Committee on Trade and Investment (CTI). This infact made Mr. Hoot the first Papua New Guinean to Chair an APEC Sub Committee since our membership in 1993.

"For the last two years, from the Board's perspective and observations, Mr. Hoot has displayed his leadership style with key achievements outlined in the last Strategic Plan 2015-2017. The achievements portray his experience, maturity and level of qualification and his appointment is indeed timely

and deserving".

"The board is confident that he will continue to provide that leadership needed by the organization - now and in the years to come".

"Finally, I encourage all IPA staff to work closely with the Managing Director in contributing ideas and thoughts in order to maintain and attempt to bring the IPA to the next level. I also appeal for the support of other agencies and private sector present to support the IPA in the delivery of our services to our people. I am certain that by working together, we will progress on to achieve greater mile stones for this important organisation and the country as a whole".

Meanwhile, Mr Hoot thanked the Board, staff and management of IPA for their continued support during his tenure as Acting Managing Director for the last two (2) years until his confirmation in September, 2018.

IN THE NEWS

"Staff health and welfare issues remains a key priority for the Investment Promotion Authority"

This was revealed by the Chairman of the Investment Promotion Authority (IPA's) board, Mr Leon Buskens when officially launching IPA's four publications including the Strategic Plan 2018-2020, the Annual report for 2017, the Business Licensing and information Service (BLIS) and the Guide book on export and import procedures.

Mr Buskens says the Investment Promotion Authority (IPA's) board places high interest on staff health and welfare and that the board is expected to deliberate on a medicare/Life Insurance project for the staff of IPA in its 4th Quarter meeting this year.

IPA Board to deliberate on IPA staff Medicare and Insurance.



Top: IPA MD, Mr Clarence Hoot (third from left) and Senior HR Officer, Rolf Maino pose with staff from Pathology Lab after the medical checks were conducted for IPA staff.

"I am reliably informed and proud that IPA staffs have already completed full medical checks and this project will take into account the staff and welfare policy development," said Mr Buskens.

He encouraged IPA's Managing Director, Mr Clarence Hoot and his management team to

complete work on the Medicare/Life Insurance project for the IPA Board's consideration during its next meeting.



IPA Staffs undergoing medical checks at the IPA HAUS boardroom.

APEC has grown to become a dynamic engine of economic growth and one of the most important regional forums in the Asia-Pacific. Its 21 member economies are home to around 2.8 billion people and represent approximately 59.7 per cent of world GDP and 47.5 per cent of world trade in 2016.

As a result of APEC's work, growth has soared in the region, with real GDP doubling from

approximately just USD 19 trillion in 1989 to USD 43 trillion in 2016. Meanwhile, residents of the Asia-Pacific saw their per capita income rise threefold, lifting millions out of poverty and creating a growing middle class in less than three decades.

Bringing the region closer together, reducing trade barriers, and smoothing out differences in regulations have boosted trade which has

also led to this dramatic increase in prosperity. Average tariffs fell from 17 per cent in 1989 to 5.5 per cent in 2016. During that same time period, the APEC region's total trade increased six fold - outpacing the rest of the world with two-thirds of this trade occurring between member economies.

Acknowledgement:
(APEC Secretariate website source)

Economic Data

Member Economy and Year Joined	Population in 2016 (thousands)	GDP in 2016 (US\$m)	GDP per capita in 2016 (US\$)	Imports of Merchandise Goods and Commercial Services in 2016 (US\$m)	Exports of Merchandise Goods and Commercial Services in 2016 (US\$m)
Australia (1989)	24,127.2	24,127.2	49,927.8	251,622.8	244,330.8
Brunei Darussalam (1989)	423.2	423.2	26,938.5	4,302.7	5,706.3
Canada (1989)	36,286.4	36,286.4	42,157.9	513,075.9	470,079.1
Chile (1994)	17,909.8	17,909.8	13,792.9	71,900.5	70,222.4
China (1991)	1,378,665.0	1,378,665.0	8,123.2	2,037,758.5	2,304,907.5
Hong Kong, China (1991)	7,346.7	7,346.7	43,681.1	621,631.8	615,070.8
Indonesia (1989)	261,115.5	261,115.5	3,570.3	166,247.0	168,312.8
Japan (1989)	126,994.5	126,994.5	38,894.5	790,294.1	813,633.3
Korea (1989)	51,245.7	51,245.7	27,538.8	515,239.6	587,226.5
Malaysia (1989)	31,187.3	31,187.3	9,502.6	207,486.1	223,251.3
Mexico (1993)	127,540.4	127,540.4	8,201.3	427,011.6	398,027.0
New Zealand (1989)	4,692.7	4,692.7	39,426.6	47,896.5	48,457.2
Papua New Guinea (1993)	8,085.0	8,085.0	2,268.2 (2014 data)	2,816.5	7,104.9
Peru (1998)	31,773.8	31,773.8	6,045.7	44,050.8	43,165.6
Philippines (1989)	103,320.2	103,320.2	2,951.1	109,784.5	88,745.9
Russia (1998)	144,342.4	144,342.4	8,748.4	264,459.6	331,530.2
Singapore (1989)	5,607.3	5,607.3	52,960.7	447,264.6	487,442.5
Chinese Taipei (1991)	23,515.9	23,515.9	22,540.0	282,307.1	321,426.4
Thailand (1989)	68,863.5	68,863.5	5,907.9	236,067.1	281,546.6
United States (1989)	323,127.5	323,127.5	57,466.8	2,732,110.8	2,183,561.9
Viet Nam (1998)	92,701.1	92,701.1	2,185.7	192,527.3	189,021.1

Source: StatsAPEC <http://statistics.apec.org/>
Extracted: December 2017



Trademarks as collective marks and certification marks

Trademarks typically identify individual enterprises as the origin of marked goods or services. Some countries unlike PNG, provide for the registration of collective and certification marks, which are used to indicate the affiliation of enterprises using the mark, or which refer to identifiable standards met by the products for which a mark is used.

Collective marks usually belong to a group or association of enterprises. Their use is reserved to the members of the group or association. A collective mark therefore distinguishes the goods or services of members

of the association from those of other undertakings.

The function of the collective mark is to inform the public about certain particular features of the product for which the collective mark is used. An enterprise which uses the collective mark may, in addition, use its own trademark. Example: in an association of architects or engineers, a member may use the logo of the association as well as the logo of the enterprise.

A certificate mark is a mark indicating the goods or services in connection with which

it is used are certified by the proprietor of the mark in respect of the origin, mode of manufacture of goods, quality or other characteristics. The certification mark may only be used in accordance with the defined standards. Example: ISO 9000.

The main difference between collective marks and certification marks is that the former may be used only by particular enterprises, for example, members of the association which owns the collective mark, while the latter may be used by anybody who meets the defined standards.



IPA NOTICE BOARD

Business Licensing Information Service (BLIS) ON SALE

The Investment Promotion Authority wishes to advise its clients and public on the sale of the Business License Information Service (BLIS) booklet.

The **BLIS** contains a One-Stop-Shop Business Licensing Information comprising various legislative requirements of doing business in Papua New Guinea and the necessary processes or guidelines to obtain the licenses from statutory license issuing agencies. The **BLIS** contains the following information:

- CONTACT DETAILS OF OFFICERS (S), DIVISION & AGENCIES WHICH ADMINISTERS EACH LICENSE.
- LICENSE APPLICATION FORM WHERE POSSIBLE.
- APPLICABLE LEGISLATIONS AND PROVISIONS.
- DETAILS OF LICENSE, FEES, DETAILS OF RENEWALS AND TRANSFER.
- TYPE OF BUSINESS THE LICENSE MAY APPLY.
- PLUS OTHER NECESSARY INFORMATION REQUIRED TO ACCOMPANYING THE APPLICATION FOR BUSINESS LICENSE.

BLIS booklet provides one-stop shop business licensing information and helps you to understand various legislative requirements for compliance purposes.

For more information regarding a purchase of a BLIS booklet, please contact: Jeffrey Hete, Business Information Officer on +675 321 7311/3900/534 or Michael George, Manager Research & Information on +675 321 4509 or email them on jhete@ipa.gov.pg or mgeorge@ipa.gov.pg respectively.

The booklet is on sale for **K200** only and a copy can be purchased at the Investment Promotion Authority office, 1st floor, **IPA Haus**, Munidubu Street (Corner of Lawes Road & Champion Parade) Konedobu, Port Moresby.

Bmie Arts & Craft

BMIE Limited is a newly established PNG Owned company that specializes in the selling of traditional jewelry and locally hand-made crafts mainly from New Ireland Province.

The Company was incorporated on the 16th of February 2018 and has since been in business.

Bmie Limited Arts and Craft's owner and Managing Director, Marryanne Millie hails from a mix parentage of the Autonomous Region of Bougainville, New Ireland and Central Provinces.

The Opportunity spoke to Marryanne Millie about how she developed the interest in the Arts and Craft business.

Products sold by Bmie Limited Arts and Crafts range from hand crafted earrings, necklaces, bracelets, hand-bands, woven baskets, wallets, key tags, printed laplap (sarong) and t-shirts among others.

"I choose the designs, the artisans produce them and I buy it from them and resell," said Ms Millie.

Bmie Limited currently has an establishment or a stall set up at Vision city Shopping Mall's ground floor in Port Moresby.

Ms Millie says her business is thriving and she's now looking at advancing into the export level.

Each of the products sold by Bmie Limited are made from different materials including sea shells, tree bark, coconut and pandanus leaves, seeds, black coral, shark, whale and dolphin teeth, fish bones and other marine animals.

In 2014 Marryanne received a scholarship to study Tourism & Hospitality (Diploma course) at the Fiji National University in Fiji where she witnessed how the sale of Arts and crafts had impacted on the Fijian economy.

She realized that crafts and artifacts are an important part in the tourism industry in Fiji.

"Crafts, Artifacts and shirts were always bought by tourists as souvenirs to bring back to their families and friends resulting in the generation of revenue," said Ms Millie.

She said Fiji does not have the diversity of cultures like PNG but the industry is thriving because more people are producing artistic

products for commercial purposes.

"The world has not even discovered this gold mine of traditional crafts and artistry in PNG," said Ms Millie.

In November 2017, Marryanne was fortunate to meet the former Prime Minister of Vanuatu Mr Barak Sope and his wife, Milred who told her about the impact of tourism on the Vanuatu economy and especially the visits of cruise ships into Port Villa and Santos.

"The cruise ships which ferries up to 4000 passengers or tourists go into Port Villa every day for seven days in a week where Mrs. Sope coordinates a group of 300 women that go and sell their artifacts and crafts to the tourists onboard these cruise ships. The women in Vanuatu were generating income and so was the economy of Vanuatu".

"Mr and Mrs Sope encouraged me to look at the possibility of bringing PNG crafts and artifacts and other tourism products such as printed t-shirts, laplaps, jewelry and souvenirs into Vanuatu since PNG has more diversified products in PNG. For that reason I decided to start looking at potential arts & crafts in my home province of New Ireland".

"In May I took a trip to Kavieng and visited the craft market on the fore shore next to the main market and discovered an array of beautiful earrings, necklaces and arm-bands produced by local artisans mostly women using sea shells and other traditional natural resources such as black coral, shark, whale and dolphin teeth, fish bones and other marine materials."

After having visited the craft market in Kavieng and seeing how women transformed marine materials into beautiful necklaces, earrings, anklets and bracelets, I decided to create a market for these products targeting international market and PNG middle and upper class customers.

Bmie Limited also sells baskets woven out of coconut leaves and bread fruit tree bark".

Marryanne also highlighted that during her first few years of employment in the hospitality industry especially in a few hotels in Port Moresby, she made an observation on how much visiting foreigners whether business people or tourists love to spend money on buying Artifacts at craft markets.

"I also have a keen interest in fashion where I follow PNG designers to promote PNG traditional fashion wear and jewelry," said Ms

Millie.

"For promotion and marketing of my products, I utilize the social media, especially Facebook to do that. Bmie Limited is now in the process of developing a comprehensive internet market platform that will be managed from our own BMIE Arts & Crafts website with links to Facebook, WhatsApp, Instagram and telegram.

"Currently the display of various adornments that are at our vision city stall and our facebook page are all from New Ireland and a few from Motuan villages that are slightly different in style.

We will soon be putting on the market artifacts from Bougainville and other provinces", said Ms Millie.

"I want to also collaborate with PNG clothes and fashion designers so that we can have complete traditional adornments which can be marketed as a complete outfit which displays our culture and traditional symbols of fashion beauty around the world"

"Currently Bmie Limited is targeting the middle and upper class audience for our adornment products such as necklaces, earrings, arm-bands and bracelets".

"Our focus now is to advance into the export market. We want to expose PNG culture and traditions to the outside world through marketing of Arts & Crafts. We also aim to expose our traditional jewelry products which will one day include locally produced germ stones in overseas markets starting in Vanuatu and later to Fiji, Australia and New Zealand".

"We are specifically targeting the high end jewelry markets and we are planning on eventually marketing germ stones such as sapphires and rubies etc..."

"It's only a very small business with great potential where we have been trading for only four months".

"The value of our business which is actually our assets and stock is around K100, 000.00. We are targeting the October and November period when thousands of visitors will be visiting PNG for the APEC meeting and hopefully we'll fill up our stock with products from other provinces of PNG by then. "The close proximity of Vision City to the Stanley hotel will be a good advantage to the exposure of our traditional products," said Ms Millie.



Some of Bmie Arts & Craft creative traditional ear-rings and arm bands

More protection, clearer guidelines, streamlined processes

Changes to the Companies Act

3. Quicker and easier process of issuing shares

- Companies can **buy and sell their own shares** a lot more easily, with procedures also in place to protect shareholders.
- Companies can **buy back their own shares** and re-sell them when their value is higher.

4. Increased protection of creditors

- Better **protection during the liquidation** of a company, with court assistance provided to access company documents and request an audit.
- Directors who purposefully mismanaged accounting records will be held personally liable so that **creditors can be repaid** if needed.

1. Increased protection of shareholders

- **Easier voting** on company resolutions through the use of email, **notification** if an auditor resigns, and **access to court assistance** when calling on a Board to hold a special meeting.
- Greater **eligibility for discounts** on company goods and services.

2. Clearer guidelines on directors' duties

- **Support for directors** in cases where legitimate business decisions do not turn out as planned for the company.
- **Protection for shareholders** from directors who act improperly and not in the best interest of the company.



5. Clearer process of filing annual returns

- **Filing date will be linked** to the company's first annual meeting.
- Brings Papua New Guinea in **line with the procedures of other countries** around the world.

6. Streamlined process for filing company documents

- Documents can be **filed online** without a physical signature, **assisting businesses** with no access to scanners or fast internet connections.
- A move in anticipation of the development of a **complete online business registration system**, which will be launched at the end of the year.



Investment Promotion Authority
 Ground Floor, IPA HAUS
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 Munidubu Street, Konedobu
 Port Moresby

For more details, please contact:

The Registrar of Companies
 Business Registration Office
 PO Box 1281
 Port Moresby NCD

Tel: 321 3900
Fax: 321 3049
Email: registrar.companies@ipa.gov.pg

Proponents: Laba Holdings Limited & Pacific Israel Limited
Sector: Aquaculture
Location: Port Moresby, National Capital District

Project size/Investment value:
 K6, 500,000.00

Description:
 Our proposed project is based on starting with a 180 ton per year Recirculating Systems (RAS) farm, providing the market mostly with "plate-size" fresh Barramundi.

The project currently needs financial support.

This project will be the first in the Port Moresby and Central Province, catering to a population of nearly 1 million, an increasing market for upscale and high quality nutrition. The 180 tons is approximately 1,000 plate size fish per day, it will take 1 year to plan and build, and six months to operate, before the first shipment of Barramundi will reach the market.

The project is designed to rapidly expand to meet market needs, barramundi processing (food products), additional fish species and export markets. Not all the production will be marketed plate size; some will be grown further to meet special market demands for larger size and live fish which is sold at a premium. The project is divided into 3 stages:

1. Feasibility Study and Project Plan
2. Engineering, Procurement and Construction
3. Operate – 6 months of initial grow-out until first shipment and sales

The project site shall require only 2 Hectares of land. There will be approximately 50 local workers employed.

Contact:
business@laba.com.pg /
rahokevau@laba.com.pg or
jcounsel@laba.com.pg

Annual Returns

Question:
 Do I need to lodge an Annual Return for my Business Name?

Answer:
 It is important to understand the difference between a Limited Company Name Act and a Business Name Act stipulated under Section 215 of the (Companies Act). Business Name is not required to submit an Annual Return unlike a Company. However, a Business Name expires every year and the owner needs to apply for the renewal of the name each year. This is the compliance requirement of a Business Name.

The owner has an option to renew the business name, otherwise it expires and can become available to the public two (2) months after the expiry date.

Previously a Business Name expired every three (3) years.

Do you have a general question about the regulatory side of running a business or have a query on investment promotion, Intellectual Property rights or wish to know more on Securities? If so, email your question to: click

beverlyp@ipa.gov.pg

We will publish a selection of questions and our answers in each issue of Opportunity.

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