

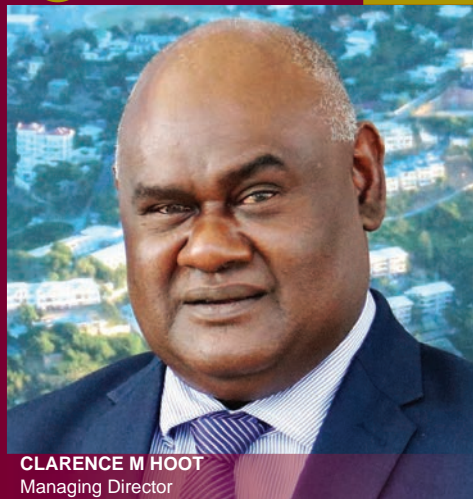


Opportunity

Issue #7 - July 2020

Business News, reviews and overviews from the IPA

MD's INBOX



CLARENCE M HOOT
Managing Director

Hello Readers and welcome to the seventh (7th) edition of the IPA's monthly 'Opportunity Newsletter'.

After returning from the second fourteen (14) days State of Emergency (SOE) lockdown as a result of the COVID-19 pandemic, all the Business Units in the Investment Promotion Authority have resumed normal duties and are working hard to deliver the priority work programs.

Although, some of our 2020 work programs have been affected by the COVID-19 pandemic, we still endeavor to perform our mandated functions and deliver our key services, of course, in accordance with the new normal

as per the SOE orders issued by the National Government through the SOE Controller. Parts of our work programs that are not priority will be deferred to next year.

These include maintaining social distancing measures at the reception area and front counters, use of hand sanitizers and the mandatory wearing of face mask inside the office premises and when travelling in office vehicles.

We continue to encourage Companies who have defaulted in lodging their outstanding annual returns to utilize our ONLINE REGISTRY SYSTEM to make Annual Returns lodgments instead of coming to the IPA front counters to minimize risks of the corona virus infection risks.

I once again encourage you all to uphold good health practices as we continue towards the last quarter of the year. Again, if you have any positive stories about your business, you can contact our Public Relations Unit as we will only be too happy to feature your story in our publications.

Thank you and happy reading!!

Clarence M. Hoot
Managing Director

IN THE NEWS

IPA Presents Japanese Investment Trends in PNG

The Investment Promotion Authority (IPA) has recorded a total of 59 Foreign Direct Investment approvals for Japanese businesses in Papua New Guinea between 2009 and 2019.

Managing Director for IPA, Clarence Hoot mentioned this during a Webinar organized by Tokyo based United Nations Industrial Development Organization (UNIDO) and Pacific Islands Centre (PIC). The session was organized through UNIDO's Investment and Technology Promotion Office in Tokyo.

The online seminar was titled "The Current and Future Issues of PNG Business Situation in the Aftermath of COVID-19" and was held on the 17th of July, 2020.

Mr. Hoot said the 59 approvals were mainly in the sectors of mining and petroleum, construction, architectural and engineering.

He said there were other sectors that have recorded low level of investments from Japan such as energy, fisheries, manufacturing and real estate.

Mr. Hoot emphasized that the PNG economy however offered extensive investment opportunities in all sectors of business and expressed intentions to forge working relationships with PIC and UNIDO to further promote business between the two countries (PNG and Japan).

Also, Dr. Takehiro Kurosaki, of Tokai University, Japan, reported that more Japanese companies were developing interests to do business and invest in PNG.

He made reference to the Japan-PNG Investment Promotion and Protection Agreement which was signed in 2014.

"Currently Japan is one of the largest export partners for PNG, with LNG as the largest export item," said Dr Kurosaki.

Tips & Traps

Why it is important to reserve a Company Name

A name must be reserved before a company can be registered under that name. Use Form 6 to reserve a name.

The reservation of name process is essentially an "approval process". The Registrar of Companies will not approve a name which:

1. Would contravene any law
2. Is identical or similar to the name of another company, or a reserved name;
3. Is undesirable, misleading, deceptive or offensive
4. The Minister has directed the Registrar not to accept.

The Registrar will not register a Company, nor register a change of name unless the name has been reserved beforehand, or an application for reserva-

tion of the name is also attached.

Note: The Registrar can direct a Company to change its registered name if the name is one which should not have been registered in the first place.

The word "Limited" must appear at the end of the company name. The word "Proprietary" and the abbreviations "Pty" and "NL" have been dispensed with.

Companies Office Investment Promotion Authority
Form 6 | Application for reservation of company name
(Section 28(2) Companies Act 1997)

Notes:
The information on this form must be either typewritten or printed in blue or black ink. All fields must be filled.

1. Proposed company name: _____ Name reservation number: _____

2. Signature of applicant: _____ (for office use only)

3. Email address for applicant: _____

4. Lodged by: _____

Comprehensive Strategy and Economic Partnership on PNG-Australia Relationship

A declaration for the PNG-Australia Comprehensive Strategic and Economic Partnership (CSEP) was recently signed between the Prime Minister of Papua New Guinea, Honourable James Marape and the Prime Minister of Australia, Honourable Scott Morrison outlining the six pillars that underpin the strategic and economic relationship between Papua New Guinea and Australia.

CSEP provides an enduring and overarching framework for deepening bilateral cooperation across security, trade and investment, governance, development cooperation, health, education, gender equality, climate change and people-to-people institutional links underpinned by a commitment to achieving concrete outcomes by 2030.

Pillar 3 on **Economic Partnership for Prosperity** outlines the commitments and objectives of on the economic relationship between

PNG and Australia taking into account each others' special economic needs and opportunities.

Pillar 3 is very relevant for the Investment Promotion Authority insofar as promoting and facilitating investment opportunities within PNG and to promote and facilitate for PNG companies to invest or do business with Australian companies in both countries.

The declaration further acknowledges the importance of free and open trade and stable investment regimes for the development and prosperity of the people of Australia and PNG. It also outlines the commitment to explore new options for trade arrangements between PNG and Australia and a joint feasibility study to be conducted to inform the process.

Both countries have agreed to jointly work together to address impediments to trade and

develop a bilateral trade framework arrangement for better market access among other things.

As a necessary step towards strengthening the current bilateral trade architecture, both countries are committed to reviewing and modernising the Australia-PNG Bilateral Investment Treaty (1990) to enhance business confidence and investor certainty which would trickle down to the development of Micro Small and Medium Enterprises (MSMEs).

PNG and Australia have also agreed to explore options for greater economic engagements including through bilateral and regional trade arrangements and in accordance with the World Trade Organisation's commitments and obligations by member countries.

Hoot speaks on PNG's Investment Strategy

Discussions are currently underway between the Investment Promotion Authority (IPA) and an international partner, the United Nations Industrial Development Organizations (UNIDO), to promote the use of digital toolkits to facilitate targeted investment promotion activities.

Managing Director for the IPA, Clarence Hoot announced this when speaking on PNG's investment strategy during an online zoom session hosted by the World Economic Forum (WEF).

Mr Hoot said this partnership would include capacity building programs to equip IPA officers to participate effectively in profiling investment opportunities and providing aftercare services.

"We welcome this very good initiative with UNIDO and we are anticipating some good results in our investment promotion strategies," said Mr Hoot.

He mentioned IPA's intention to integrate a digital FDI approach in the new investment policy and strategy saying that IPA's investment policy approach is focused on inclusiveness.

"The idea of Digital economy has already provided a great opportunity for every business whether large or small, to connect and integrate in the global supply and value chain networks," said Mr Hoot.

He also highlighted that in APEC 2018, PNG developed the theme "Harnessing Inclusive Opportunities; Embracing the Digital Future" where the IPA PNG hosted an APEC Workshop on Sustainable and Inclusive Investment Policies within APEC region. The focus was on strategies towards achieving some of the United Nation's Sustainable Development Goals (SDGs).

"Incorporating of support for digital investment within each of the sectors is currently being promoted to attract more Foreign Direct Investment," said Mr Hoot.

MD Hoot said promoting investment in the digital economy space was currently the priority of the government and the completion and landing of the Coral Sea Cable connecting Australia and PNG has increased the chances for more economic activities to take place.

He reiterated that promoting investment in the digital space was important for PNG to achieve international connectivity and affordability for our SMEs.

Mr Hoot said with the consideration of prioritizing business registration and investor servicing, IPA has deployed the Online Registry System (ORS) in late 2013 and automated most of its business registration and functions.

"The use of ORS has improved the turnaround time for our business registration process," he said.



Mr. Hoot speaking during the launching of one of the investment project in Port Moresby.



KNOW ABOUT IP

WHAT IS A PATENT AND HOW CAN I PROTECT A PATENT?

A patent is an exclusive right granted for an invention, which is a product or a process that provides a new way of doing something, or offers a new technical solution to a problem.

A patent provides protection for the patent owner from exploitation by third parties. The protection is granted for a limited period of 20 years.

What kind of protection does a patent offer?

Patent protection means that the invention cannot be commercially made, used, distributed or sold without the patent owner's consent. These patent rights are usually enforced in a court, which in most systems, holds the authority to stop patent infringement. Conversely, a court can also declare a patent invalid upon a successful challenge by a third party.

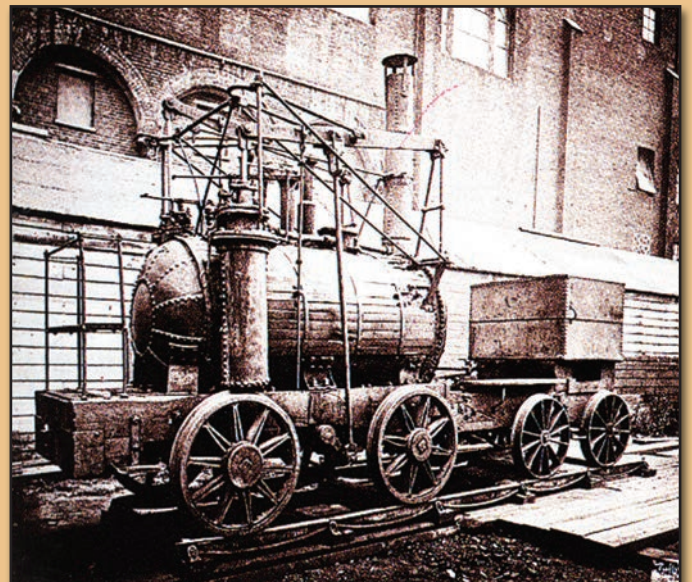
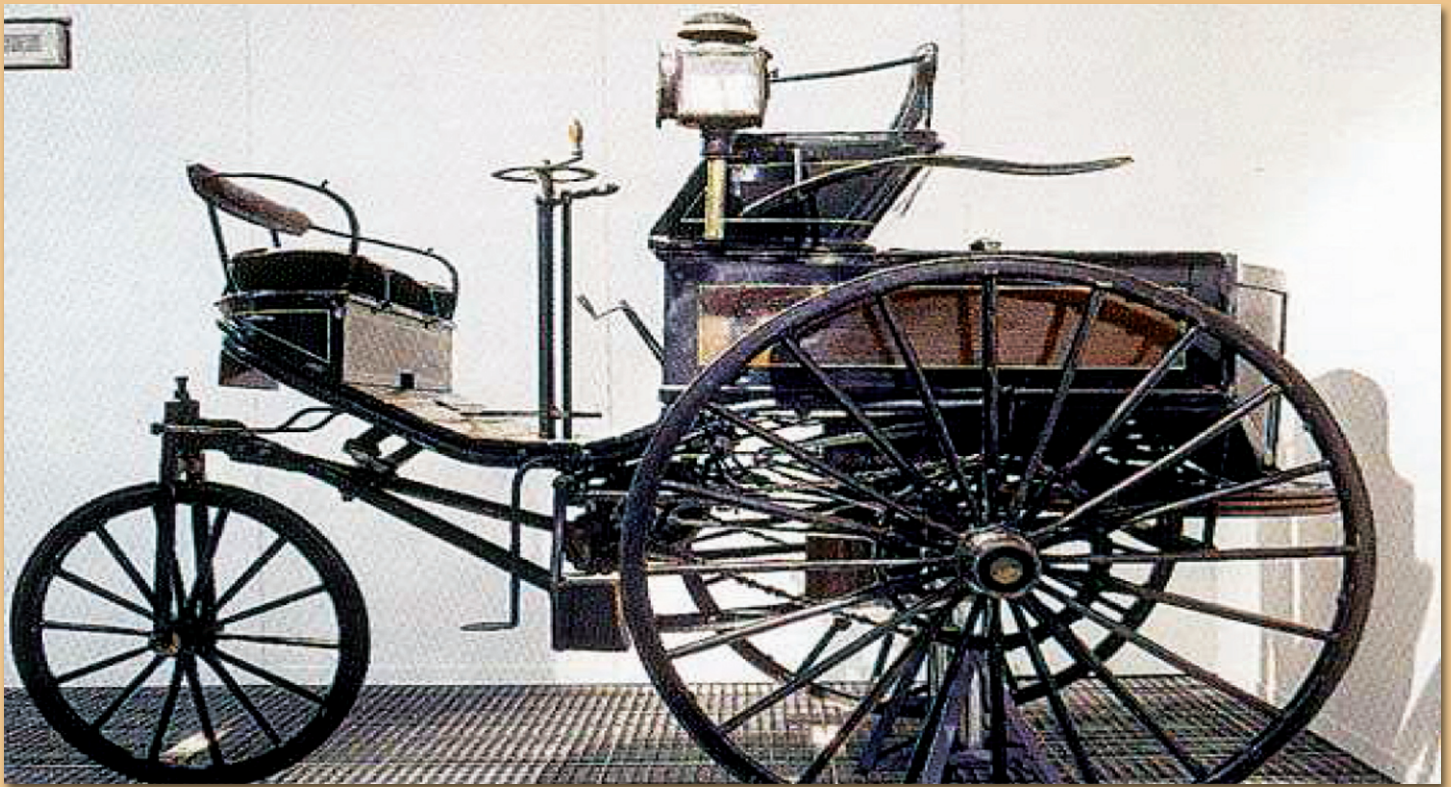
For example:

If I invent a new machine to make donut, I can apply for a patent protection to protect my invention. Nobody else apart from me can re-invent that same machine. Nor can they use, distribute or sell without my consent.

To enquire for more information on Patent protection, please visit our PNG IPO Office, 1st floor, at the IPA Haus, Konedobu, Munidubu Street, Corner of Lawes Road & Champion Parade or you can contact the Registrar of IPO on the contact details below:

To enquire for more information on Patent protection, please visit our PNG IPO Office, 1st floor, at the IPA Haus, Konedobu, Munidubu Street, Corner of Lawes Road & Champion Parade or you can contact the Registrar of IPO on the contact details below:

Telephone: (675) 321 7311/308 4432/321 3900 | Fax: (675) 321 5155 | E-mail: registrar.ipopng@ipa.gov.pg | Web-site: www.ipopng.gov.pg

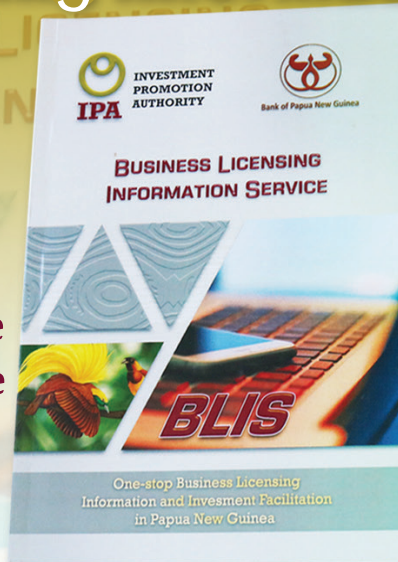




**Investment
Promotion
Authority**

Business Licensing Information Service booklet 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** booklet 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 the relevant statutory license issuing agencies.

The **BLIS** booklet 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.

The **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.

LET'S HEAR IT!

The logo for Stop & Shop, featuring the words "Stop & Shop" in a white, sans-serif font on a red background. The ampersand is stylized with a yellow and purple flower-like shape.

FRESH Campaign

Stop & Shop supermarket, a division of City Pharmacy Limited (CPL Group) is still maintaining its campaign called "Fresh" in line with their 'Market Day' campaign, to promote PNG's locally grown fresh fruits & vegetables and supporting PNG farmers.

According to CPL's Managing Director, Mahesh Patel, the campaign which was launched in 2010 has been fully utilized over the years, but still has a long way to go.

In this time, CPL has also started working with farmers at a developmental level. Assisting with training to ensure that our farmers are learning the latest techniques to prevent pest and disease and increase their yields through effective post-harvest handling.

CPL has recruited additional fulltime employees who are purely focused on farmer training and building the necessary skills for farmers to become semi-commercialized agribusinesses. Mr. Patel said "having faith in the country and its farming sector, especially during these trying times, we have invested more than a million Kina in new fresh produce storage and distribution facility in the new Geruhu DC project."

During the COVID 19 pandemic State of Emergency, CPL made a commitment to continue supporting farmers.

Farmers in the rural areas of the country were badly hit by the measures of the SOE due to COVID 19 and CPL has indicated that it will continue to assist by buying fresh produce from the farmers.

Mr Patel in several media interviews conducted during the lockdown period highlighted that City Pharmacy invited farmers to bring and sell their produce through Stop & Shop.

The FRESH Market Day campaign is aimed at achieving the following:

1. Promoting PNG's locally grown fruits and vegetables;
2. Supporting PNG farmers;
3. Making fresh vegetables available to all Stop & Shop customers.

CPL further revealed that most times, the Stop & Shop supermarket is forced to import fruits and vegetables when there is very low availability on the local front. This lack of capacity in meeting the demands of the growing consumers results in the consumers paying more on imported produce when making purchases for fresh produce. CPL is happy to report that their purchases of local produce is continuously increasing.

Mr Patel says CPL has been working on improving and promoting PNG's local agricultural sector by way of buying more local produce and with this, the company has reached a stage where its commitment is now being realized on its supermarket shelves.

The company is also bringing two refrigerated containers, as well as, chartering aircraft twice a week to bring in over 13 tonnes of fresh vegetables weekly from the Highlands

regions where fresh locally grown vegetables of very good quality are now being supplied straight to Stop & Shop.

Patel says that CPL is continuously exploring new regions for farmers after starting the project in Western Highlands then expanded to Eastern Highlands, Chimbu, Jiwaka, Enga, East New Britain, and all of Central and Gulf Provinces. Vegetables such as carrots, broccoli, cauliflower, lettuces, tomatoes, potatoes, onions, capsicum, cabbages, avocados, peanuts, pawpaw and ripe bananas have been supplied by the local farmers. More recently, CPL did a little survey within the company asking staff what healthy and delicious produce they remembered from their childhood days. Their staff responses led to the company including other native vegetables and herbs such as ferns, kapiak or breadfruit leaves, agepakumu, and many others.

CPL also revealed that this initiative will surely aid PNG farmers and will ensure other intending farmers are encouraged to grow. This will also result in cheaper prices for CPL consumers and more money spent on PNG farmers' produce.

The Stop & Shop supermarket has made a commitment to the farmers to buy their produce on a consistent basis and wastages after purchasing are borne by Stop & Shop and not passed onto the farmers.

The proponents of the above Company are looking for a potential investor to lease out their land solely for commercial agricultural projects.

Sector:

Agriculture

Location:

Utsiap, Markham District, Lae, Morobe Province

Project Size/Investment Value:

US \$ 2.5 million

Project Description:

The project is an agro-based project preferably intended by the proponent to be established as a Commercial Agriculture Project.

The project site is located in the Utsiap area of Markham District, Lae, Morobe Province with more than 29, 000 hectares of arable land available to be developed. The land is mostly savannah grass land and is conducive for multi cropping/farming like; Agriculture (food crop, Vanilla & Spice, Fruits & Nuts Farming etc.), Coffee, Cocoa, Rubber farming, and Beef & Sheep farming. The land is readily available to be leased out for a 49 year lease period to any potential investors.

The land is owned by customary landowners who have registered a Incorporated Land

Group under the name Warawara Incorporated Land Group as a platform to partake in development opportunities.

Infrastructure developments such as electricity, road access, health centre, and water are available but yet to be connected to the project site. Local labor is also readily available for project implementation.

Necessary information and documents such as business plan, company profile as well as the Terms of Reference (ToR) for a possible Expression of Interests (EoI), IPA and IRC certificate's, ILG Certificates and environmental & feasibility study reports concerning the project are available upon request.

Contact	Details
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IPA PNG	investment@ipa.gov.pg



Pictures showing the land that is available to be leased out to potential developers.

What are the obligations of a company after registration?

Answer:

A company has an obligation to report its activities annually. It does this by submitting an Annual Return to the Office of the Registrar of Companies.

It must also lodge with this Office, information concerning any changes in directors, secretaries and number of shares on issue and other matters.

In addition, there are other legislative requirements by other agencies and professional independent advice must be sought.

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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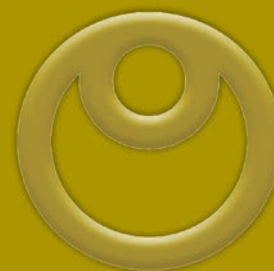
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