

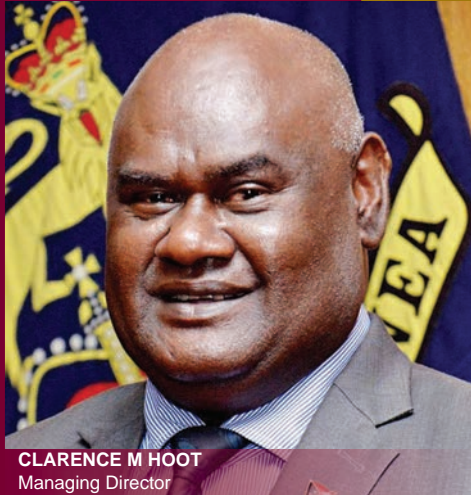


# Opportunity

Issue #3- March 2021

Business News, reviews and overviews from the IPA

## MD's INBOX



**CLARENCE M HOOT**  
Managing Director

Dear Readers and welcome to the third edition of the IPA's *Opportunity* newsletter.

Firstly, let me begin by saying that the Investment Promotion Authority is focused and is slowly taking on the challenges of this year amidst the COVID-19 pandemic which has caused a lot of setbacks in our work programs for the first quarter.

With the recent spike in the number of COVID-19 cases in the nation's capital, we have scaled down operations with the closure of our front counter.

We have been urging clients or MSMEs to utilize our ONLINE Registry System (ORS) to do lodgments at the moment. You will find in this issue a notice outlining the message on the usage of ORS because of the closure of our counter.

In this issue also, we outlined the steps on how to use the ORS. For existing entities, if you are intending to maintain your entities, you are to seek authority from the Registrar of Companies to be able to do that. You will also find in this issue, steps on how to obtain

authority over your entity either it be a business name, company, Association, Business Group or a Foreign Entity.

Despite the challenges of operating under the new normal, the IPA is adamant on taking on the three (3) thematic challenges outlined by the Deputy Prime Minister and Minister for Commerce & Industry, Sam Basil as a way forward for the Ministry announced earlier this year.

The three thematic challenges include maintaining in-flow of Foreign Investments with new monies, support, expand and grow the faithful pioneer PNG-based companies and support and grow indigenous PNG entrepreneurs.

As I stated in our previous editions, the key priorities for IPA in 2021 will mostly be guided by the 2021 – 2023 IPA Strategic Plan as the roadmap of IPA activities.

Among these key priority areas is the ongoing work to have the Investment Promotion Amendment Bill tabled in Parliament. These amendments will bring about some changes within the Authority including the introduction of a new IPA structure.

While we are confronted with the challenges that COVID 19 has brought about, we also pay tribute to the father of this nation, who died on the 26th of February this year.

We are featuring his tribute in this issue because his death was a loss to the country. Without his sheer determination and commitment that brought PNG into independence 45 years ago, we wouldn't be enjoying the freedom that we currently enjoy.

All in all, happy reading and I look forward to your usual cooperation going forward.

Thank you.

**Clarence M. Hoot**  
Managing Director

For the business name, owners/owner will have to renew annually or every year. Business Names don't have Directors and shareholders etc, BUT a owner or owners.

Your business name renewal will be done every year BUT in the same month that your business name was registered on. Example if you register your business name in the month of March then your business name renewal will be done in the month of March the following year.

Please always take note of your renewal filing month which is outlined on your Business Name extract.

A company caters for multiple business activities whilst a business name caters for one business activity only.

*Eg:* A company can cater for real estate, trade store, hire car etc, whilst a business name can ONLY cater for one business activity like trade store ONLY or a real estate ONLY.

## IN THE NEWS

### Tribute to Late Grand Chief Sir Michael Thomas Somare



FATHER OF THE NATION.  
LATE GRAND CHIEF SIR MICHAEL THOMAS SOMARE GCL GCMG CH CF SSI KSG PC

The late Grand Chief Sir Michael Thomas Somare, known as the father of the nation died at the age of 84 after serving Papua New Guinea as Prime Minister for 17 years over four (4) terms in a total of 49 years in politics. He led PNG into independence from Australia in 1975 and was one of the country's longest-serving politicians, with a career that spanned five decades.

## Tips & Traps

### Difference between a Company and a Business Name

Many of you don't understand the difference between a company and a business name.

Both are administered under two different Acts and are among the four (4) entities that the Investment Promotion Authority or (IPA) registers.

The company is administered under the Company's Act of 2014. The company has the following:

1. A name
2. One or more shares

3. One or more shareholders
4. One or more Directors
5. Secretary (optional)

A company is required to lodge annual returns every year. You can lodge your annual returns within the month of your incorporation. Example- If you register the company in the month of February, then the lodgement of your annual return will fall within that month.

Please always take note of your annual return filing month which will also show on your company's extract.

Continue on to next page.....



Sir Michael died on the 25th of February, 2021 from pancreatic cancer.

Sir Michael leaves behind his wife, Veronica, children, Bertha, Aurthur, Sana, Dulcianna and Junior, grand children and great grand child.

The late Grand Chief Sir Michael was born on April 9, 1936 in Rabaul, a coastal town in what was then the Australian mandated territory of New Guinea, and raised in the East Sepik Province, a region he went on to represent in parliament.

In 1972, Sir Michael was elected as Chief Minister of the territory and pledged to lead it to self-government and then independence.

He had worked as a teacher and a broadcaster before entering politics in 1968.

"During that time I was not referred to by my name, instead I was given a series number in Australian colonial territory ... we had few rights and our opinions were given to us," he reflected in 2017."

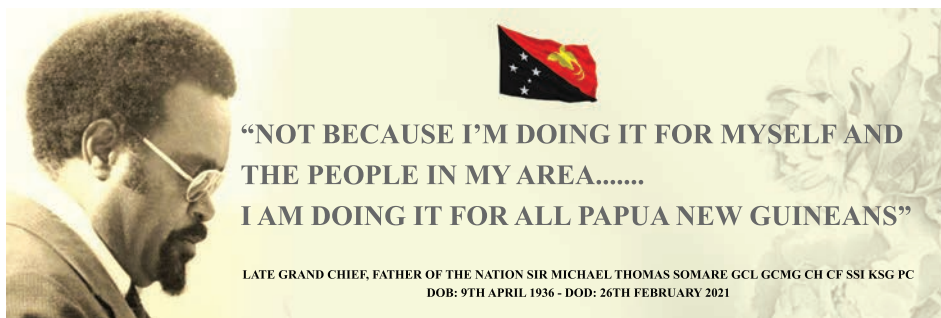
"I hope that 100 years from now Papua New Guinea will realise the importance of an independent country."

Papua New Guinea is a complex nation, with more than 800 different language and tribal groups and PNG observers, like the ABC's former PNG correspondent Sean Dorney, say it was not an easy task to unite them and form one country.

Many described Sir Michael as unique and that there is no-one else in the rest of the Pacific or Australia or New Zealand who has anywhere near the political career that he has had.

The hurdles that he had to overcome as the Chief Minister back then are also a testimony of the courage he endured to lead PNG into independence.

He also served as the foreign affairs minister,



LATE GRAND CHIEF, FATHER OF THE NATION SIR MICHAEL THOMAS SOMARE GCL GCMG CH CF SSI KSG PC  
DOB: 9TH APRIL 1936 - DOD: 26TH FEBRUARY 2021

leader of the opposition and the local governor of East Sepik Province.

"Grand Chief Sir Michael Somareas the founding Father of this nation demonstrated to us that with courage and determination we are never too small for anything,"said the IPA Managing Director Mr. Clarence Hoot.

"The Vision he had for this Nation drove him to unite a land of a thousand tribes with diverse cultures into one Nation,"he said.

His father late Ludwig Somare was a police officer but he also held tribal leadership in the East Sepik bearing the name "Sana" which means peacemaker.

Young Michael was exposed to those traditional values early on in his life and they stayed with him during his political career. But Sir Michael's five decades in PNG politics were not without controversy.

He was ousted from parliamentand the prime minister's post in mid-2011, after being out of the country for several months for heart surgery in Singapore.

Elections were held in mid-2012 and the people of Sir Michael's East Sepik province voted him back into parliament.

Five years later, he ended his political career. "We progressed through many waves and

changes in the world, we survived our own bad decisions," he said in his last address to parliament in 2017.

"We have united at times when the world thought it was not possible to do so, we must be thankful and we must always count our blessings.

"I gave my best years in this country, I served as a politician. I hope you will each find the grace to continue our dream of our great nation, Papua New Guinea."

People in Papua New Guinea knew Sir Michael affectionately as "The Chief" and the "Father of the Nation" and he is one of only two people in PNG to be given the official title of "Grand Chief".

He was knighted by Queen Elizabeth II in 1990.

The Government declared a two-week period of mourning nationwide while a state funeral was organised before his remains were taken home.

Sir Michael has been laid to rest at Kreer Heights, where his family home is in Wewak, East Sepik Province.



# IPA adamant of bringing in new FDIs

The Investment Promotion Authority is adamant on bringing in big investments into the country so that local Small and Medium Enterprises (SMEs) can benefit in the spin offs.

Managing Director of the Investment Promotion Authority (IPA), Mr Clarence Hoot expressed this in an interview with Business Advantage International.

“Now is the time to focus on restarting foreign investment in Papua New Guinea and one of the IPA’s priorities for the year includes getting new foreign investment laws through Parliament”.

He said to get Foreign Direct Investment (FDI) back to where it was required a lot of efforts.

Mr Hoot said that right now the IPA is focused on key economic priorities of the government, among them being the empowerment of Small and Medium Enterprises (SMEs).

“The level of international investor inquiries to the IPA in 2020 was stronger than in 2019, and included rising interests from Japan and China. Japanese investors tend to be interested in LNG-related projects and the Chinese in construction”.

“These are markets that we have worked on for a long period of time, with the assistance of the embassies in Beijing and Tokyo but our biggest challenge is translating interests into actual projects”.

“There is also strong interest in the agriculture sector but there are domestic challenges which endeavours to work in collaboration with the relevant sectoral agencies to address,” said Mr Hoot.

He said for the agriculture sector, the big challenge also is land availability.

Meanwhile Mr Hoot said one of his main aims this year is to have the Investment Promotion Amendment Bill tabled in Parliament.

This amendment will lead to the review of the Reserve Activities List (under the Investment Promotion Act 1992) and the inclusion of the Restricted Activities List.

The changes in the Ministerial portfolio over the last three years has slowed down the introduction of the Investment Promotion Amendment Bill.

In 2018, the government then directed IPA to review the Investment Act. The IPA went ahead and did the consultations and prepared the necessary drafts for then Commerce and Industry Minister who signed off on the amendments. Two days before the submission was to be put to Cabinet, there was a change of government.

This has forced the IPA to repeat the process for the new Minister.

So far there has been three different Ministerial changes and so the process of re-drafting the submission has been repeated three times and is awaiting final endorsements from the current Minister.

The Reserved List will be one of the key areas that will be reviewed once the amendments are passed.

Mr. Hoot also told Business Advantage that the list is determined by the government of the day, but the IPA plays a role in determin-

ing how likely it is that Papua New Guineans can undertake the economic function on their own.

“If the business activity is complementary or supplementary to another economic activity, we need to look at the capabilities of the Papua New Guineans to be able to continue to provide that service, which will then [be required to] support other lines of businesses”.

He said one area of business that may be reserved include fuel stations.

“If we reserve the wholesaling or retailing of fuel, then we must ensure that Papua New Guineans have the capacity to continue to provide the fuel to other lines of businesses. With the wholesaling of fuel, a consideration would be to open it up to foreigners but the retailing of fuel, the fuel stations, maybe something that we can reserve for Papua New Guineans”.

“Another area being looked at is saw milling of timber. If we are going to reserve it, the capabilities of Papua New Guineans must be looked at seriously if we are going to ensure that we can continuously provide that service”.

Mr Hoot said existing foreign-owned businesses that find their areas of business activity put on the Reserve List will be given time to manage the transition.

“We will be applying the necessary grandfathering to allow those businesses time to continue and, over time sell off those businesses”.



## IPA closes counter after spike in COVID 19 cases

The Investment Promotion Authority has closed its counters for the last three (3) weeks due to the current trend of COVID-19 cases especially in the National Capital District.

There has been a spike in the number of cases in the country and so far NCD has recorded over **60 deaths** out of the over **7 thousand** cases in the country.

With that, the Investment Promotion Authority strongly advises its valued clients to utilize its **Online Registry Services** instead of coming to lodge paper files at the counters in its various established offices.

Similarly, the intellectual property matters including lodgments for trademarks, patents and industrial designs must only be done through email.

The email address is [IPOLodgements@ipa.gov.pg](mailto:IPOLodgements@ipa.gov.pg)

This is purposely to discourage face to face interactions and minimize movement of people in and out of the IPA premises and the potential spread of the virus amongst its clients and the general public.

Furthermore, the closure of the IPA counter has led to the scaling down on its daily service hours at its Reception Counters to help prevent the spread of the virus.

A drop box has been provided at the security desk counter for clients to drop their documents with receipts for processing.

In order for clients to be able to use the online registry facility or lodge applications online, they firstly need to create an online account.

Do this by going to [www.ipa.gov.pg](http://www.ipa.gov.pg) and select “Register a New User” on the side bar on the **Homepage**. Once you have a **user account**, your *dashboard* will now have the features to register businesses.

To maintain or to update a Business Name or a company record, you need to have Authority over the entity. Do this by logging into your online user account, click on “**Online Services**”, search the entity and when it’s displayed, click on it and select the option “**Request Authority**”. Ensure that you upload an **authorization letter** from the company **Director or Business Name Owner** if you’re not the owner. Once your request has been approved, you will now see the option to “**Maintain Records**” of the preferred entity.

Please email [ipaonline@ipa.gov.pg](mailto:ipaonline@ipa.gov.pg) or contact the following for further assistance.

# Local Freight company calls for more empowerment

A local logistical business, “Country Freight Express” is calling for more empowerment of local SMEs in the country.

“Country Freight Express” currently operates in NCD and its line of business focuses specifically in sea freighting.

Owner of Country Freight Express, Leonard Thoa made the call when expressing how local businesses are struggling to compete with big foreign freight companies that are established in the country.

“Even though we are doing the same work, preferences have been given to big foreign companies, whilst small SMEs have to struggle to build their reputations and get business going,” said Mr Thoa.

Our challenge right now is to find leads and win new business BUT right now we need the necessary resources to find and win new businesses.

The COVID-19 pandemic is also another obstacle currently causing our business to slow down its operations.

Country Freight Express was incorporated with the Investment Promotion Authority in 2019 BUT it took months to get the business off the ground.

“My mission is to have a 100 percent locally own company who can provide the same service as any other big freight companies established in PNG”.

“It took nearly a year of struggle to meet all the necessary requirements before I could get on my feet to start my business”.

“Currently Country Freight Express is slowly building its reputation to ensure that we get our business going. We are currently basing the progress of our business on the “whom you know” concept.

“It takes persistence, perseverance and sheer determination to be successful,” said Mr Thoa.

Mr Thoa who is a graduate Information Technology professional and hails from Marshall Lagoon, Aroma in the Central Central Province had to leave his profession to pursue his business on freight forwarding.

His idea of starting this freight business came about after growing-up in a family that were into real estate and plant hire businesses.

“I was fascinated to see how cargoes were moved from one country to another and the processes that make it possible. My father operated his plant hire business and he imports machinery from overseas”. It is interesting to see the work of companies that deal with logistics which is a very competitive business that requires hard work and commitment”.

I also got my inspiration from the story of how global logistics company, DHL started”.

Country Freight Express currently provides logistical services, Customs clearance, Fumigation and Freight forwarding for both international and local destinations.

For logistics, the company provide services that include, the delivery of 20 to 40-foot containers, break bulk shipments, delivery of reefer containers with freezer goods, loose cargoes and dangerous goods like explosives for mining companies.

For loose cargoes, we deliver bulk medical supplies, groceries for supermarkets or big shops amongst others.

For Customs clearance, we currently do all the necessary documents for shipments either it be for exports or imports. For example if someone is trying to import a vehicle into the country, we will do all necessary paper work and arrangements to ensure that the vehicle is delivered to the requested final destination.

Meanwhile, Country Freight Express has grown within a year and has secured contracts with prominent companies, one of them being Digicel. A contract is on foot for my business to provide customs clearance, logistics and maintenance to Digicel.

“We are also dealing with Barlow Industries, Pacific Industries and several Electrical Wholesale companies in NCD. Right now, we are trying to seek contracts with companies like Digitec and Prima”.

Country Freight Express can also do fumigation services.

Plans are also in place to expand to other main centres including Lae and Kokopo. We are also looking at building a new customs bond yard or warehouse at motukea which will be used for storage on a rental basis.

“All these plans will come into fruition if business goes well. No matter which road or path I take in life, each road has its own challenges. I try my best to find solutions to the problems I face each day and I keep trying even if I fail once. I also put my trust and faith in God to help me through difficulties that I face”, said Mr Thoa.

Country Express Freight can do wonders for you if you need help with logistics.

The services we provide include:

1. Delivery of 20 and 40 foot containers
2. Break bulk
3. Reefer Containers
4. Dangerous Goods
5. Loose cargo
6. Fumigation

For more information please call Mr Leonard Thoa on mobile number: 754 62500 or email [countryfreightexpresscfe@gmail.com](mailto:countryfreightexpresscfe@gmail.com)

An existing business opportunity owned by an investor since 1998 and the owner is now looking at selling this great prospect to any interested developer. The status of this venture is an investment ready project.

**Sector:**

Fisheries

**Location:**

Samarai Island, Alotau, Milne Bay Province

**Project Size/Investment Value:**

K5million

**Project Description:**

Coral Sea Mari-Culture (PNG) Limited (CSMC) is an existing business on the Samarai Island, principally owned by an investor from Australia since 1998. Due to ill health and age, the principal investor is no longer fit to run the operations of the business. Fisheries license with the National Fisheries Authority (NFA) is current.

The investor is offering the complete business, including properties, commercial and residential (staff accommodation) to the new investor. Basically a takeover including all shares in CSMC, with no encumbrances.

The List of Assets includes equipments to farm 52,000 pearl shells using bottom fence system. Currently, 15,000 shells are ready for harvest. The commercial properties/sheds on the waterfront, including the wharfs leased from PNG Ports. This lease is current, the sheds include a hatch-

## Pearl Farming in Samarai Island

ery, which has produced shells since 2003 and another used for seeding, processing spat and x-raying (to determine whether pearls are ready to be harvested or not).

The gold lip pearl oyster produces the yellow/gold pearl (with white as well) and these shells can produce 2 pearls over a four year period. This means the first pearl can be harvested and the same shell re-seeded to produce larger pearls in the same oyster over given time. The shell can be x-rayed at any time to determine whether it's ready to be harvested or not. Small pearls of 9mm or 10mm approximately 12 months and larger pearls of 11mm or 13 mm in 24 months. Necessary dive gear is available with PADI trained divers plus farm workers ready and willing to resume at any given time.

The facility can be utilized for other marine species and research and is an attraction for tourists visiting the Island & nearby Doini Island Resort.

Better arrangements can be put in place with local people of nearby Islands of Logea, Ebuma, Sariba, Sidea, Basilakietc to be involved in the industry.

Contact	Details
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### How can I register a personal ONLINE user account?

To register a online account to utilize the Online Registry System, please follow the steps below:

1. Go to our website [www.ipa.gov.pg](http://www.ipa.gov.pg) and go to the menu "Do It Online".
2. Select "Register Account" and input your details as requested. As a requirement to use the IPA ORS you must have a valid email address.
3. Create a User Name and a password.
4. Once you successfully create a user-name and password you will be taken straight to your dashboard.
5. Click on Online Services and select the relevant options whetherto register a business name or company.

### Why is it important to register a personal user account or a online account with IPA's Online Registration system (ORS)?

Having a personal user account on the IPA ORS enables you to:

- Register a new entity online.
- Request authority over registered business entities on the IPA ORS;
- Do online updating and maintenance of records of business entities on the IPA Online Registry System.

**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](mailto:click)**

[beverlyp@ipa.gov.pg](mailto:beverlyp@ipa.gov.pg)

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

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