



Opportunity

Issue #5- May 2021

Business News, reviews and overviews from the IPA

MD's INBOX



CLARENCE M HOOT
Managing Director

Dear Readers, welcome to the fifth edition of the IPA's *Opportunity* newsletter. We are almost half way into the year and we have pretty much adjusted to the new ways of doing business.

With the counters at our head office still closed, we have managed to nudge our clients to the use of our online registry system. This is something that we want to see eventually as we progress our course towards going fully paperless in the near future.

This issue again carries the steps on how to use the online registry system. Despite the challenges of operating under the

new normal, the IPA has picked up work on its role to promote and facilitate investment.

A key activity we're undertaking is our involvement in the preparations towards PNG's participation in the Expo 2020 in Dubai which starts in October this year and continues till March 2022. PNG Pavilion Commissioner General and PNG Ambassador to Belgium His Excellency Joshua Kalinoe has released a statement in this regard as featured in this issue. We hope that all government agencies and private sector can support this course given our need to attract Foreign Direct Investments at this time to boost our economy and showcase PNG, especially in that part of the world.

Among other activities happening within the IPA is the ongoing work to have the Investment Promotion Act Amendment Bill tabled in Parliament. These amendments will bring about some changes within the Authority including the introduction of a new IPA structure.

We also feature in this edition an article on the progress of the Papua LNG project.

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

Thank you.

Clarence M. Hoot
Managing Director

IN THE NEWS

Total and the Government of PNG confirm remobilization and planning of the Papua LNG project

A meeting took place on the 3rd of May, 2021 between Patrick Pouyanné, Chairman and CEO of Total, and a delegation from Papua New Guinea (PNG) led by the Deputy Prime Minister, Hon Samuel Basil, with the objective to review together the next steps for the development of the Papua LNG project.

After a year of delay because of Covid-19, the Government of PNG and Total as Operator have announced the remobilization of the project teams and of other required resources.

In a statement released by Total, the objective was to launch the FEED early 2022 and to prepare for final investment decision in 2023. This development followed the signature and the reconfirmation of the Papua LNG Gas Agreement in 2019, the signature of the Fiscal Stability Agreement and the award of the License extension in February 2021.

Chairman and Chief Executive Officer of Total, Patrick Pouyanné described the move to review the Papua LNG implementation plan as a very strong signal of the dedication of the PNG government to the success of this key-project.

He confirmed that the Papua LNG project was ranking very high in Total's portfolio given its proximity to growing Asian LNG markets and Total will dedicate all necessary resources to support it.

Deputy Prime Minister, Hon Samuel Basil described the meeting as very important for the Government of Papua New Guinea and its people and stressed the importance of the project.

He further pledged the full support of the PNG government to this project.

"I am pleased with the outcome of this meeting with clear implementation plans," said

Tips & Traps

Steps to maintain your business entity ONLINE

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 or contact the following for further assistance.

belindak@ipa.gov.pg-Company registrations
kilai@ipa.gov.pg-Business Name registrations
allisons@ipa.gov.pg-Customer Services

warrenm@ipa.gov.pg-Lae Regional Office
jtapin@ipa.gov.pg-Kokopo Regional Office
lipihau@ipa.gov.pg-Buka Regional Office
ipahagen@ipa.gov.pg-Hagen Regional Office

For Foreign Enterprise Certification applications;
cedrickp@ipa.gov.pg

For Intellectual Property Rights registrations;
amelian@ipa.gov.pg
louisam@ipa.gov.pg

For General Enquiries email: ipa@ipa.gov.pg.

Continue on to next page.....



Hon Basil.

Papua LNG project will target the production of the two main discoveries of Block PRL-15, Elk and Antelope, that were fully appraised until 2017. It is expected that the gas produced by these fields will be transported by a 320 km onshore/offshore pipeline to Caution Bay site in order to be liquefied in 2 trains to be built with a total capacity of 5.6 Mt/y which will be integrated to the existing PNG LNG facilities in Caution Bay.

Total and PNG Authorities will cooperate to create significant in-country value and to implement the Papua LNG project in an exemplary manner and taking into highest consideration the biodiversity and environmental stakes as well as the local communities' rights. Total operates the Elk and Antelope onshore fields and is the largest shareholder of the PRL- 15 permit with a 31.1% interest, alongside partners ExxonMobil (28.7%) and Oil Search (17.7%), post the State back-in right of 22.5%.

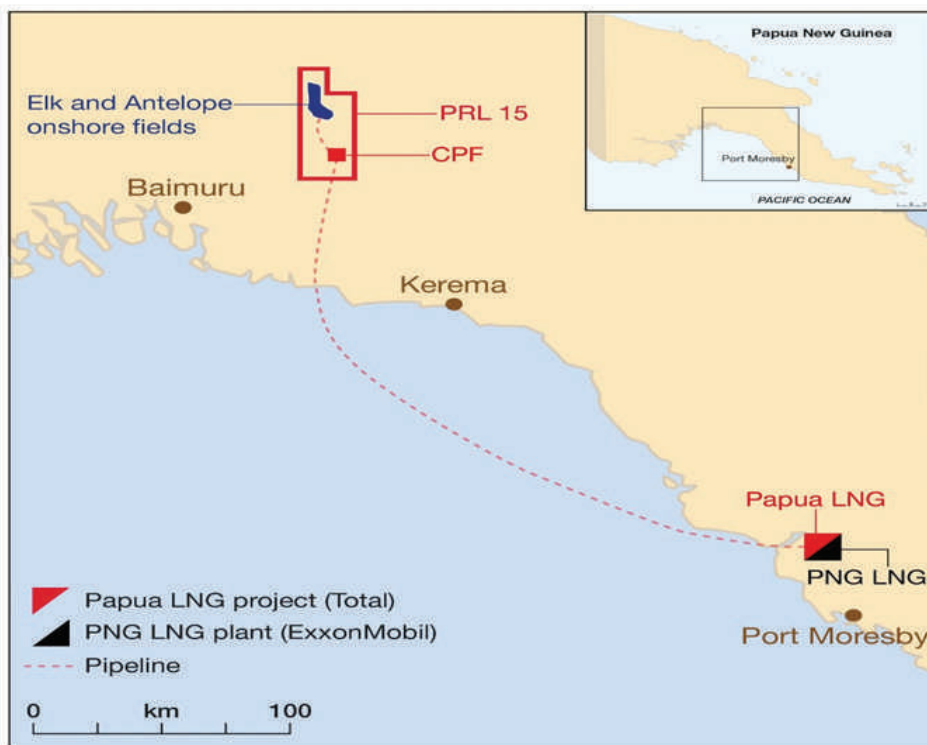
Total is the world's second largest privately-owned LNG player, with a global portfolio of nearly 50 Mt/y by 2025 and a global market share of around 10%. The Group benefits from strong and diversified positions throughout the LNG value chain: gas production and liquefaction, LNG transportation and trading, and contribution to the development of the LNG industry for maritime transport. Through its interests in liquefaction plants in Qatar, Ni-

geria, Russia, Norway, Oman, Egypt, the United Arab Emirates, the United States, Australia and Angola, the Company markets LNG on all worldmarkets.

About Total

Total is a broad energy company that produces and markets fuels, natural gas and electricity. It's 100,000 employees are committed to

better energy that is more affordable, more reliable, cleaner and accessible to as many people as possible. Active in more than 130 countries, Total's ambition is to become the responsible energy major supplier.



IN THE NEWS

Leadership and collaboration required to address corruption



IPA MD, Mr. Hoot speaking during the summit. Image source: TIPNG

There is a need for good leadership and collaboration among regulatory agencies in the country to address challenges including corruption”.

Managing Director for the Investment Promotion Authority, Mr Clarence Hoot said this during the recently held 1st National Integrity Summit hosted by the Transparency International of PNG on the 13th and 14th of May 2021 at the APEC haus in Port Moresby.

Mr. Hoot was one of the panelists in the session on the role of regulators in compliance and enforcement. He said another way of addressing corruption was to ensure that legislative frameworks or the laws that govern regu-

latory agencies in the country are updated to suit the current corporate trends.

Mr. Hoot said the IPA was currently reviewing a number of its legislative frameworks including the Associations Incorporation Act, the Business Groups Act and the Investment Promotion Act and one of the issues was to address transparency and good governance issues.

“To maintain transparency, IPA has digitized its business registration system with the introduction of our online registry system which came into operation in 2013,” said Mr. Hoot.

When asked as to how agencies responsible for issuing licenses, leases and permits ensure that corrupt actors were penalized he said that agencies must be adequately equipped and empowered to penalize corrupt actors.

Mr. Hoot said political interference in agencies & their functions must also be weeded out. Political interferences with agency functions often dampen the ability of the agency to properly carry out their functions or for that matter penalize corrupt persons/activities.

“The issue with ensuring corrupt actors are penalized stems from the lack of prosecution & imposition of penalties at the agency level. Often times, issues at the agency level are escalated to the courts or to some higher authority to deal with however the prosecution may be slow”.

“A corrupt person may not be convicted/charged immediately or whichever higher authority is dealing with the issue may have their own perception/agenda on the issue and it may get swept under the carpet”.



MD Hoot with other Panelists posing after the session. Image source: TIPNG

WTO Investment Facilitation for Development Negotiations: Perspectives from Asian and Pacific Economies.

A high-level Regional roundtable was held early this year on the World Trade Organization (WTO) Investment Facilitation for Development Negotiations.

The discussions were focused on the perspectives from Asian and Pacific Economies including Papua New Guinea. The Managing Director for PNG's Investment Promotion Authority (IPA) Mr Clarence Hoot represented PNG at the roundtable meeting.

Discussions were held on the main challenges and concerns that ought to be taken into consideration when negotiating international investment facilitation frameworks that are beneficial for sustainable development, also in the broader context of investment agreements.

The event was organised in the framework of the Investment Facilitation for Development project, jointly implemented by International Trade Centre and German Development Institute.

The Roundtable was also meant to offer a platform for strategic exchange on the dynamic policy discussions and negotiations on investment facilitation for development – taking place on various levels and international fora – among a select group of high-level policy makers, government officials, investment promotion and private sector representatives as well as eminent academic scholars, focused on Asia and Pacific.

The event provided an opportunity to reflect on the potential benefits and challenges of international frameworks on investment facilitation for development.

Such discussions help negotiators to ensure that their countries' international engagement are in line with their sustainable development strategies and in line with their national and regional reform agenda.

Investment policy makers face a huge challenge to tackle declining foreign direct investment (FDI) flows as a result of the COVID-19 pandemic. According to the United Nations Conference for Development (UNCTAD), global FDI contracted by 42% in 2020, compared to the previous year. Flows to members of the Association of Southeast Asian Nations (ASEAN) contracted by 31%.

The consequences of the pandemic necessitate a discussion of the kind of policies and frameworks that are needed to facilitate FDI and domestic investment, especially investment that directly helps to promote sustainable development.

While many governments are reconsidering levels of investment protection and liberalisation enshrined in their international investment agreements (IIA) and are participating in the reform discussions on investor state dispute settlement in the context of the United Nations Commission on International Trade Law (UNCITRAL), discussions on a distinct set

of investment facilitation policies have gained momentum in recent years.

Investment facilitation can be understood as a set of measures concerned, among other things, with improving the transparency and predictability of investment frameworks, streamlining procedures related to foreign investors and enhancing coordination and cooperation between different stakeholders.

Negotiations on investment facilitation policies involving Asian and Pacific economies are ongoing in different fora at the bilateral, regional and multilateral levels.

The different forms of investment frameworks, such as the the ASEAN Comprehensive Investment Agreement (ACIA), the Asia-Pacific Economic Cooperation (APEC) Investment Facilitation Action Plan, the investment chapter of the Regional Comprehensive Economic Partnership (RCEP) and the current World Trade Organization (WTO) negotiations on a multilateral framework on investment facilitation for development and ASEAN's current discussions on a possible investment facilitation framework, will play a key part in helping to attract and facilitate investment and advance Asian and Pacific economies sustainable development strategies, in particular in light of the challenges posed by the COVID-19 pandemic.



Signs that Cannot be Used as Trademarks

Signs with the following characteristics cannot be protected as trademarks:

- Those that mislead the consumer in relation to the geographical origin
- Those that mislead the the consumer in relation to the quality or nature of the product or service to which the trademark relates
- Those that are contrary to moral or public order
- Those that consist of, or contain reproductions of armorial bearings, flags and other emblems of States party to the Paris Convention or the World Trade Organization (WTO).
- Those that are official signs and hallmarks indicating control and warranty adopted by them, and any imitation from a herald point of view

In conclusion, there is a wide variety of signs that can be used as trademarks, but in order to be protected as trademarks, the signs must be distinctive, not deceptive and comply with the other protection requirements established by the law of the country where protection is sought.



For more Information on Intellectual Property:

Contact: Tel: (675) 321 7311/308 4432/321 3900 | Fax: (675) 321 5155 | Email: registrar.ipopng@ipa.gov.pg Website: www.ipopng.gov.pg



PAPUA NEW GUINEA

to participate in Expo 2020 in Dubai

Preparation for the World Expo 2020 in Dubai that was deferred to October 2021 due to the Covid-19 pandemic is progressing on target to start opening its doors for the world on 1st October this year.

Bureau International des Exposition (BIE) in Paris is responsible for organizing the World Expositions every four years.

Papua New Guinea's participation in Expo 2020 was approved by the National Executive Council upon invitation from the Ruler of Dubai and Deputy Prime Minister of the United Arab Emirates, Sheikh Mohammed bin Rashid Al Maktoum.

NEC also appointed Papua New Guinea's Ambassador to Belgium and the European Union His Excellency Mr. Joshua Kalinoe as Commissioner General. Further, NEC approved the national participation and coordination structure, led by the Department of Foreign Affairs and International Trade and includes relevant agencies of Government.

The PNG private sector is represented by the PNG Manufacturing Council in the national coordination structure. The Council will be provided a space at the PNG Pavilion in Dubai to coordinate activities of the private sector, including having representation at the different pavilion and Exposition thematic events organized throughout the six months period.

The host, Dubai, one of the Emirates of the United Arab Emirates (UAE) has decided to make Expo2020 different from other past events. The focus is on partnership and development, sharing ideas, technology and innovation by bringing countries together in a globalising world.

Through the Dubai Expo2020 Organising Committee, the Government of UAE is meeting the Pavilion cost of small states, including that of Papua New Guinea. In addition, the Expo Organising Committee would pay for one 20ft container and the associated shipping and delivery cost from Port Moresby to Dubai and return for the display and commercial materials. However, PNG will pay import duty for commercial products.

Papua New Guinea's pavilion is in the Sustainable thematic area of the Expo village and construction has been completed and interior design is being worked on. The Dubai Exposit

ion Committee will also pay for the running of the pavilion, including maintenance and utility cost.

Papua New Guinea and the UAE formerly established diplomatic representation in 2018. Papua New Guinea's Embassy in Brussels is accredited to the UAE while the UAE Embassy in Singapore is accredited to Papua New Guinea.

The PNG Expo 2020 coordinating team comprises representatives from relevant Government Departments and the PNG Manufacturers Council, representing the private sector.

The Expo2020 Dubai programme includes National Day celebration where each participating country is given a half-day time slot to show case its culture. PNG has secured a time slot for February 2022 and the national preparatory working group has tasked the National Cultural Commission to take a lead in the planning and execution of this event in consultation with the Expo 2020 Events Team in Dubai.

The National Coordination Team led by the Department of Foreign Affairs and International Trade are putting final touches to the Participation Strategy which have a string of sectorial action plans before taking it to the Ministerial oversight Committee for endorsement and final clearance.

Further details of Papua New Guinea's participation, including elements of the Participation Strategy and the pavilion design and content will be uploaded for public information once the appropriate platforms are constructed by the Department of Information, Communication and Technology (DCIT) who is the lead agency in telling the PNG story electronically, including through a 3D participative platform at the PNG pavilion in Dubai which will be made available for visitors to use.

Apart from showcasing PNG's vast natural resources, diversified culture, and the unique flora and fauna, the PNG Expo2020 story will include the promotion and exposure of products from SMEs and the cottage industry, including artifacts, crafts, spices, coconut by-products and jewelry.

Ambassador Kalinoe who attended the final International Participants Meeting in Dubai on 4-5 May said the opening ceremony is on

target for October and all the participants will be ready for opening their pavilions by then.

"The PNG Expo2020 team is stepping up its preparations with the mobilisation of display and commercial materials to be shipped by mid-June.

"I am appealing to all the stakeholders, including the Department of Treasury to immediately release the funds approved by the NEC for mobilisation so that artifacts and crafts both for display and sale as samples from the SMEs and cottage industry participants could be acquired.

"We must get the container which is paid for by the Government of UAE filled with the materials by end of May. Otherwise, the container will depart empty and PNG will have an empty pavilion with no story to tell," Ambassador Kalinoe said.

He said Expo2020 is a major international event that will bring over 190 countries together, large and small. PNG has a unique and exciting story to tell about its natural resource endowment, products, human capital, SME and cottage industry connectivity in the age of e-commerce.

Ambassador Kalinoe said the return on this investment in respect of stimulating domestic economic growth in the medium to long term is immeasurable.

"I am confident that the PNG Expo2020 team will bring several multi-million Kina investment projects and find more partners for trade, especially for our SMEs, cottage industry participants and the agriculture sector.

"Cross-border trade in products and services at all sectors of the economy is the major catalyst for creating lasting economic growth and its about time bureaucrats in Treasury and the PNG public service generally at the top management level realize this fact and facilitate its growth.

"I am baffled to understand why the senior bureaucrats are so inward looking and do not see the opportunities in the international environment and think smart to capture these opportunities. And that means spending money to make money", Ambassador Kalinoe said.



**INVESTMENT PROMOTION AUTHORITY
OF PAPUA NEW GUINEA**

It has come to the attention of the Investment Promotion Authority (IPA) that certain businesses and individuals are using the IPA logo to promote their business services and products.

Please be advised that the IPA logo is a registered trademark and has been in use since its establishment. You can be held liable for the improper use of the logo without the consent of the Authority.

Any usage of the IPA logo must be authorized by the Managing Director of IPA. We hereby advise businesses and individuals who are currently using the IPA logo to immediately cease and refrain from using it forthwith.

Authorized for release by:

Clarence M Hoot
Managing Director
Dated: 3rd of May 2021

IPA releases 6th edition of the PNG Exporters and Manufacturers Directory

As part of the ongoing support to promote the export sector of Papua New Guinea, the Investment Promotion Authority (IPA) has again produced and published the PNG Exporters Directory.

The Directory provides an overview of the key sectors of the PNG economy including agriculture, manufacturing, fisheries, tourism, banking and finance.

It also lists all licensed exporters under various sectors and their respective contact details for ease of communication. This is the 6th edition of the publication for 2020-2021.

This project acknowledges and supports Papua New Guinea's National Trade Policy 2017-2032 and outlines the vision for PNG "to become an internationally competitive export-driven economy that is built on and aided by an expanding and efficient domestic market".

This publication aims to support the government's focus on PNG as an export driven economy.

Managing Director of the IPA Mr. Clarence Hoot has acknowledged the support of government agencies and the private sector in producing the publication.

He also welcomed prospective buyers, investors and potential joint venture partners to the country stating that IPA was prepared to facilitate any interests and queries on what PNG has to offer.

Those who are interested in getting a copy of the Directory can contact IPA's Manager- Marketing & Export Promotion Unit, Ms Daure Kiriromat on Phone: 308 4417 or email dkiriromat@ipa.gov.pg



MEDIA RELEASE

PNG Chocolate Brand Manufactured in Belgium

A Belgian chocolate manufacturer has included PNG cocoa beans in one of its leading organically grown chocolate product brands.

Meurisse Chocolate NV, established since 1845, is using 100 percent cocoa beans from PNG farmers to produce the dark PNG chocolate brand that is 73% cocoa.

The company also mixes the PNG cocoa with nuts and other ingredients to produce several brands, including the dark caramel and almond brand.

Papua New Guinea's Ambassador to Belgium and the European Union, H E Joshua Kalinoe said the Embassy in Brussels has been promoting PNG products, including cocoa and it is really satisfying to see that the country now has its own brand of chocolate that can be sold in the EU market.

Ambassador Kalinoe who is also Papua New Guinea's Commissioner General to Expo2020 in Dubai said that he has invited the company to join the PNG pavilion to tell the PNG cocoa story from the manufacturer's perspective.

"We are inviting other companies, including those in PNG to join us in telling the PNG story about their products as well, including those in the agriculture sector.

"Our emerging brands like Queen Emma Chocolate and Highlands Honey have been invited to partner with the PNG Expo2020 team as well.

"Apart from telling their stories, the idea is to also expose them to niche market opportunities in their respective products for both market access and technology transfer, he said.

Ambassador Kalinoe said that the PNG Expo2020 team is facilitating a win-win atmosphere where companies create demand for their products for increased sale that would create more demand for our farmers to produce and export, hence facilitating domestic economic growth by creating more jobs in the value chain and also strengthening the country's balance of payment in the medium to long terms.

"The potential benefits for PNG are convincingly overwhelming if the bureaucrats and policy makers in Waigiani could understand this simple fact and start investing adequately in our participation in Expo 2020. This opportunity of bringing participants from the world together in one village to connect and tell their stories on innovations, technology, culture, and wealth creation amongst themselves happens once every four years,

"The partnership with businesses and other stakeholders that the Government is forcing at the Dubai Exposition is consistent with objectives of our participation strategy and the sub-theme, Connecting Minds and Creating Opportunities for Sustainable Development." he said.

Ambassador Kalinoe said Expo2020 is different from past World Expositions. It's about sharing ideas and learning from each other as well as creating opportunities for trade and investment.

"It is participative in nature where businesses, Governments, academics, artists, city planners, infrastructure specialists, sustainable development experts, research and development as well as mobility experts and others who have a story to tell can participate in the different forums and events of the Expo Program," Ambassador Kalinoe said.

He said the PNG Expo2020 Media and Public Affairs team is developing a number of communication mediums, including a Website, as part of the Communication strategy to inform Papua New Guineans and other stakeholders on the country's participation and Events.

"We plan to formally launch these platforms by end of June or early July for access by the public," Ambassador Kalinoe said.

Authorised for release by:

Ambassador Joshua R. Kalinoe, CSM, CBE
Commissioner General, PNG Pavilion, Expo 2020 Dubai

For further information, contact:

Beverly Piawu, Telephone: 73262378,
email: beverlyp@ipa.gov.pg in the first instance or
Nerolyn Kuamugl, Telephone: 78107813,
email: nerolynkuamugl@gmail.com or
Michelle Jerewai, Telephone 75667193,
email: michelle.jerewai@ict.gov.pg or
Pauline Riman, Telephone:75937153,
email: pauline.riman@papuanewguinea.travel



Pic caption: Mr. Henray van Vyve, Managing Partner of Meurisse Chocolate NV (right), a Belgian Chocolate manufacturer that uses PNG cocoa beans, presents the Papua New Guinea brand to Ambassador Joshua Kalinoe at the PNG Embassy in Brussels, Belgium.(Photo-courtesy of the Embassy of Papua New Guinea, Brussels, Belgium)

UPDATE ON IPA LEGISLATIVE AMENDMENTS

The IPA has submitted a number of legislative amendments to the Government and is currently awaiting approvals by appropriate authorities before the Bills are presented in Parliament. The Bills include the Investment Promotion Act Amendment Bill, the Associations Incorporation Bill 2020, the Companies (Amendment) Act 2021 and the Business Groups (Amendment) Act 2021.

The Investment Promotion Act of 1992 regulates the operation of the Investment Promotion Authority and has not been reviewed since its passage in 1992. The review is aimed at achieving the Government's policy objective of protecting Micro-Small and Medium sized Enterprises (MSMEs) that are owned and operated by PNG citizens while pursuing its core business of promoting investment including foreign direct investment.

The review process began in 2019 in line with the National Government's agenda to promote the MSME growth to become the backbone of the economy.

The proposed amendments to the Investment Promotion Act allows PNG to remain open to foreign investment and at the same time improve processes for reviewing the Cottage Business Activities List (CBAL) which is the Reserved Activities List (RAL) and also introduce a Restricted Activities List.

These activities will be identified under the new proposed amendments to the Investment Promotion Act and its accompanying Regulations. The amendments also incorporate improved review mechanisms to determine activities includ-

ed under these lists. The proposed amendments will improve the foreign enterprise certification system and improved emphasis on compliance and enforcement. This will be done through system upgrades and better IPA and cross-government enforcement efforts.

The Bill is awaiting Ministerial signature before it is tabled in Parliament. The main delay in the progress of this amendments was the political changes in Cabinet which saw three different Ministers for Commerce and Industry within 2 years, forcing IPA to repeat the process three different times.

The Associations Incorporation Act is another legal review work being done by the IPA. This piece of legislation has not been changed since its passage in 1966 and it is simply outdated. The IPA has proposed major changes that would update the Act to meet the modern online electronic registry system and other government development plans.

The review of the Act will also address issues that have been identified as problematic for local associations and to bring the Act into compliance with international Anti-Money Laundering (AML) mandates which is aimed at bringing a higher level of transparency and accountability to this entity type.

The Companies Act 1997 also has been reviewed recently. The Act underwent significant policy-based amendments in 2014 which included simplifying the lengthy and cumbersome process of registering a company, streamlining the filing of annual returns and keeping information on companies current. The implementation

of these important changes was all facilitated by the introduction of an electronic online company registry administered by the IPA. The reform was done to conform to international best practises at that time.

It has been 8 years since the 2014 amendment. In that time international mandates regarding anti-money laundering and anti-terrorist financing have grown more stringent and the Companies Act does not adequately address these issues. The amendments will bring into compliance this law related to this entity type.

The Companies Act amendments are awaiting issuance of the certificate of necessity from the State Solicitor's Office before submission to Minister to endorse for Cabinet before the Parliament.

The Business Groups Act is also another old piece of legislation which was recently reviewed. The Business Groups Incorporation Act 1974 has not undergone any amendment since its passage nearly 50 years ago. Much has changed in the intervening years especially with regards to the use of technology to support online electronic registry systems. The system will undergo a major upgrade in the next 12 months and the success of this project will be greatly enhanced by providing the IPA with proper authority to manage incorporated business groups within an electronic database. The aim is to bring it to the current standards of business practises.

The Business Groups amendments are awaiting issuance of the certificate of necessity from the State Solicitor's Office before submission to Minister to endorse for Cabinet then Parliament.

Amendments to IPA Act to address Reserved Businesses, says DPM Basil

Deputy Prime Minister and Minister for Commerce and Industry Hon Samuel H Basil says the controversial issue of reserved business activities for citizens and importance of direct foreign investment flows will be addressed holistically in the upcoming proposed amendments to the Investment Promotion Authority Act.

"Let me say from the onset that supporting micro, small and medium enterprises (MSMEs) is a key priority for the Marape-Basil Government. One part of empowering PNG MSMEs is selectively reserving some economic activities for citizens, while still maintaining competition, and promoting lower costs for businesses," said the Deputy Prime Minister in charge of economic matters.

"PNG's challenging economic situation means that it is important to attract foreign direct investment (FDI). It is vital that PNG be seen as welcoming to investment and changes to activities reserved for citizens must be done in a transparent consultative way to maintain PNG's reputation," said Mr. Basil who is also Bulolo MP.

"These amendments, which I will table in cabinet soon, will institute a fair, transparent method for identifying potential activities for reservation. In addition to the reserved activities with will be a closed list for citizens only, consideration are on track to introduce a restricted list which will have some conditions and allow for joint venture partnerships between citizens and foreign investors."

Mr. Basil was extensively briefed by the IPA Managing Director Mr. Clarence Hoot and his team on the proposed amendments to the IPA

Act including the history of reserved activities list of 1992, succeeded by the cottage business activities list in 2005 and then the 2016 Small and Medium Enterprises Policy and impact on reserved businesses.

The original Reserved Activities List (RAL) in 1992 contained a total of 68 activities across 17 sectors reserved for citizens, and nine activities across five sectors reserved for national enterprise.

The first review of the RAL commenced in 1994 coinciding with trade and investment reforms in 1996 that resulted in government deregulating its investment regime, and agreeing to phase out the list of reserved activities.

Based on a 1996 survey report by the National Research Institute commissioned by the National Government, there was overwhelming support among all stakeholders for reserving small scale commercial activities and small-scale primary industries solely for citizen owned and operated businesses.

Mr. Basil said that the recommendations of this survey, as well as trade and investment reforms led by government at that time, led to the abolishment of the Reserved Activities List and subsequent endorsement of the Cottage Business Activities List (CBAL) by the National Executive Council on 6th October 2004.

The CBAL had a reduced activities list (32) in a number of sectors compared to RAL (68) which was "sensibly limited to initiatives that local, small-scale entrepreneurs could realistically engage in at that time," according to IPA.

The Government, to complement this, also

introduced a Credit Guarantee Schemes and business support programs administered by the then Small business Development Corporation (SBDC) as additional support for citizens and citizen-owned enterprises undertake activities not reserved. SBDC, not succeeded by the Small and Medium Enterprises Corporation (SME Corp), rolled out the Start Your Business / Improve Your Business programs to small citizen entrepreneurs.

Mr. Basil said that since 2005, IPA has been using CBAL of 32 business activities. That reserved list excluded foreign investor entry into certain types of business activities.

"Foreign enterprises cannot be granted certification to engage in these activities as the purpose of the CBAL was to create opportunity for citizens to start businesses in areas excluded from foreign competition. The aim was to give citizens and citizen-owned business the space to grow and expand to a point where they can improve their ability," he said.

In 2019, at the Government's request, IPA undertook a review of how activities are identified and considered for reservation.

"Based on consultations across the public and private sector, IPA has completed draft amendments to the IPA Act," said Mr. Basil.

Once tabled and NEC has deliberated on this matter, I will be directing IPA to do a series of publicity on the process of identification for reserving activities as well as the business activities reserved for citizens, the restricted list and those available and promoted for foreign investors."

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
Charles Safitua	Ph: (675) 7210 2100 or Email: chardigm@gmail.com
IPA PNG	investment@ipa.gov.pg

IPA BRANCHES:

Port Moresby, Head Office
Level 1, IPA HAUS, MuniDubu Street
(Corner of Lawes Rd and Champion Pde)
Konedobu, Port Moresby

Phone: (675) 308 4400 / (675) 321 7311
Facsimile: (675) 320 2237
Email: ipa@ipa.gov.pg

Lae Regional Office
Level 1, Nambawan Supa Building,
P. O. Box 1074, Lae,
Morobe Province

Phone: (675) 479 2001 / 479 2606
Fax: (675) 479 2001
Email: ipalae@ipa.gov.pg

Mt. Hagen Regional Office
Level 1, Gapina Building,
P. O. Box 1834, Mt. Hagen,
Western Highlands Province,

Phone: (675) 542 0399
Fax: (675) 542 0599
Email: ipahagen@ipa.gov.pg

Kokopo Regional Office
Ground Floor, Marau Haus,
P. O. Box 870, Kokopo,
East New Britain Province,

Phone: (675) 982 9460
Fax: (675) 479 2001
Email: iparabaul@ipa.gov.pg

Buka Regional Office
Commerce Office, Haku Street
P. O. Box 782, Buka
AROB,

Phone: (675) 973 9344 / 973 9189
Fax: (675) 973 9344
Email: ipa_buka@ipa.gov.pg



www.ipa.gov.pg

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 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

beverlyp@ipa.gov.pg

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



www.ipopng.gov.pg

Disclaimer > Opportunity is intended to provide information of a general nature only. The content of this newsletter is not intended to be advice or recommendation. It is not appropriate for the purposes of carrying out a transaction or making an investment decision. > The IPA takes reasonable steps to ensure the information provided in the newsletter is accurate and up-to-date at the time of issue, as well as to obtain reliable content from third parties. However, the IPA does not guarantee the accuracy or completeness of the information or endorse the views or opinions given by any third party provider, nor takes responsibility for any errors made in the process of providing this newsletter.