



ppportunity

Issue #09 September, 2022

Business News, Reviews and Overviews from the IPA

MD's INBOX



CLARENCE M HOOT
Managing Director

Hello everyone, happy 47th Independence and welcome to the 9th issue of the IPA's monthly "**Opportunity**" Newsletter.

We are again in the month of September where we always come together to stand united to commemorate and celebrate our country's independence.

This year's celebrations were special as it was the first Independence Anniversary that the country celebrated without the physical presence of our founding father, the Late Sir Michael Somare.

I'd like to also point out that no matter positive or negative developments, this is a solemn occasion for us to take stock of and evaluate where we desire for our nation to be in future for our future generations.

As things become stabilised with the new Government in place, the IPA is here again to inform you about the Government's priorities and focus key messages. And that is to tell investors that the government is committed to building a mechanism of benefit sharing that recognizes the need for developers to make a decent profit and reinvest in this market while at the same time ensure that PNG as a stakeholder is able to maximize its benefits from the resources it owns.

We are into the third quarter of this year and so far the Investment Promotion Authority has done well in implementing our planned work programs for this year.

In the month of September alone, the IPA has conducted a number of awareness programs at the provincial and district levels in the country on our roles and responsibilities and the services that we provide. These programs are based on the fact that we are the first point of contact when it comes to

doing business in the country. Our aim is to target businesses at the Provincial and District level and adequately inform them on our services especially on the importance of registering a business. In this issue, you will read a caption story on one of those awareness workshops.

Meanwhile, the review of the Investment Promotion Act is still progressing and consultations for the review of the Association's Act are continuing.

On that note, we hope you will enjoy reading this issue and I again wish each and every one of you and your families, a wonderful happy 47th Independence Anniversary and we look forward to receiving your feedback as always.

Thank you and happy reading!!

Clarence M Hoot
Managing Director





IPA SIGNS MoU WITH NATIONAL CULTURAL COMMISSION

The Investment Promotion Authority (IPA) has signed a Memorandum of Understanding (MOU) with the National Cultural Commission (NCC) in a bid to develop appropriate strategies on the use of Traditional Knowledge and Traditional Cultural Expressions.

The MOU allows for both Organisations to cooperate in the areas of safeguarding traditional cultures and knowledge whilst harnessing cultural resources for the development and promotion of a creative industry that can generate benefits for communities throughout the country.

Traditional Knowledge and Traditional Cultural Expressions are preserved and promoted through cultural shows, music festivals, photographs, audio visual recordings, visual arts, publications, Museum and Libraries (archives) etc.

Technology advancement and creative production and products continue to change our lifestyle through globalization and connectivity. Some who are innovation driven and or talented and skilled have seized the opportunity to rely on the traditional knowledge or cultural skills without seeking consent from the traditional custodians and without acknowledging the traditional custodians.

The MOU further paves way for the National Cultural Commission and IPA through the Intellectual Property Office to collaborate in implementing a legal Culture and access benefit sharing for communities identified as the traditional custodians.

The Parties will also collectively implement certain Policy Directions from the National Cultural Policy 2022-2032 and strategic objectives under the National Intellectual Property Strategy.

In signing the MOU Mr. Hoot stated that the partnership was enormous in terms of addressing one of the issues which usually attracted public criticisms on the current Government systems and policies in this space.

“Papua New Guinea is rich in traditional knowledge and traditional cultural expressions and requires appropriate measures to preserve, protect and promote its significance and benefits during commercial activities and or transactions,” Mr Hoot said. “This partnership will also enable the IPA to profile the industry and promote it as a potential investment sector.”

The IPA has signed similar MOUs with several other Government Agencies and Provincial Governments and is inviting other Agencies to contact its Office to discuss similar partnerships.



From Right: Ms Amelia Na’aru, Registrar of Intellectual Property Office of PNG, Centre: Mr Clarence Hoot, IPA Managing Director and NCC Executive Director, Steven Enomb Kilanda





IN THE NEWS

IPA attends APEC's IEG meet

The review of Papua New Guinea's investment policies is important to build inclusive and sustainable economic growth.

This was one of the key issues of interest for Papua New Guinea that was outlined during APEC's Investment Expert Group meeting (IEG) held in Thailand this month.

PNG was represented at the meeting by two officers from the Investment Promotion Authority.

Member countries who attended the meeting were informed about the importance of reviewing investment policies and best practices that they must build.

For PNG, it was pointed out during the meeting that it needs to reform and align its Investment Promotion efforts and National Investment Policy (NIP) review to reflect the best practices in the APEC region and globally to address its Next Generation Trade and Investment Issues (NGeTI).

PNG has also been tasked to support work within the APEC IEG work programs to review investment policies and best practices for sustainable and inclusive economic growth as part of its domestic need.

We have also been tasked to support Chinese Taipei and Malaysia on the International Investment Regime to coordinate project workshops for APEC 2023 and to work with Australia on a Handbook Guide.

Meanwhile, a report which emanated from a Regulators Summit which was hosted in 2019 by the Investment Promotion Authority requires stock-taking to progress various business regulatory reforms for PNG to date.

The next Regulators Summit is planned for the first half of 2023.



Tips & Traps

Important to know the entity types before you register with IPA

Before coming to the IPA to register an entity, it is important to understand the suitable business or entity type that suits your business idea.

Given that company is a common entity type, people have the tendency to register a company to perform any business activity. Although it is still alright, it is important to understand the other entity types available that people can utilize when trying to do business.

There are four (4) entity types that are registered at the IPA. They are;

- 1- Business Names
- 2- Company
- 3- Business Group
- 4- Association

A **Business Name** allows the business to carry out only one type of business activity. For example, if a person registers a hire car business then the name is specifically for the hire car business. That person can't use the same Name to run a trade store. They will need to register a separate Business Name to operate a trade store. By law

Business Names expire after a year but can be renewed. It costs K200 to register a Business Name manually or K150 if you do it online.

A **Company** on the other hand can do more than one type of business activity. A company needs to have a director or directors and a shareholder or shareholders as a primary prerequisite. A director runs the day to day operations of the company and the shareholder is the owner of the company. Every year, a company is required by law to lodge annual returns or runs the risk of being deregistered. It costs K600 to register a company or K450 if you do it online.

A **Business Group** is usually rural based and can consist of many members from the same family, clan or tribe. This entity type is only allowed for Papua New Guineans. A Business Group is required by law to lodge a statement of assets and liability every year or runs the risk of being deregistered. The registration fee is K100.

An **Association** is a not for profit organisation and must NOT carry out business. It is registered for the purpose of achieving a common goal as agreed by the members in the association's constitution. However, the association can register a Business Name or company which will operate as a business to make money to fund the operations of the Association.



IPA officers in ENBP to conduct project profiling

Two (2) Officers from the Investment Promotion Division of the Investment Promotion Authority (IPA) were in East New Britain Province from the 15th to the 19th of August 2022 to meet with interested project or business owners/sponsors to profile their projects for promotion to potential investors.

A total of 11 businesses in East New Britain Province came forward to meet with the IPA officers whilst they were in Kokopo.

The project profiling exercise is part of the IPA function of business match-making between local investment opportunities and foreign investors.

The IPA is currently working with the Provincial Administrations, sector organizations, and other stakeholders to identify more projects/businesses to document and profile so that it can be promoted to potential investors within and outside of PNG.



IPA officers meeting with Sir Leo Dion

If you have a project and would like to profile it for promotion, kindly contact Mr. Daroa Peter, Director – Investor Servicing & Promotion Division and Mr. Kamis Yalakun, Manager Investment Promotion Unit on phone 308 4412/308 4414 or emails daroap@ipa.gov.pg or kyalakun@ipa.gov.pg

IPA conducts awareness workshop for the Media



The Investment Promotion Authority (IPA) conducted a one-day awareness workshop this month to educate journalists, public relations officers and executive officers of organizations on the mandated roles and responsibilities for the Authority as well as the type of services, systems and the processes that the Authority provides. The aim of the workshop was to enable participants to fully understand these systems and processes so they can report accurately or position their Organizations accordingly on matters relating to the mandated roles of IPA. The turn out by media houses and organizations was good and participants appreciated the information

shared during the event.

Organisations that had representatives included; Post Courier, The National, PNG Commodities Magazine, PNG News, Sunday Bulletin, FM100 and PNG-FM. Others included the Internal Revenue Commission, National Research Institute, Tourism Promotion Authority, Department of ICT, Department of Foreign Affairs, National Trade Office, SME Corporation, PNG Defence Force, PNG Correctional Services, Department of Agriculture and Livestock and National Gaming Control Board.



Preparations underway for the PNG-EU Business Conference

Following the previous two EU-PNG Business, Trade and Investment Conferences in 2019 and 2021, the Delegation of the European Union to PNG, in cooperation with the PNG National Trade Office, Investment Promotion Authority, Department of Commerce and Industry and the PNG-Europe Business Council is now organising the third event that will take place from 11 to 12 October 2022 preceded by a workshop on 10 October.

The business community, SMEs and corporate entities are invited to be part of this important event.

This conference will help increase business contacts, discover new business opportunities and new collab-

oration partners between the EU and PNG, Fiji, Samoa, Solomon Islands, Tonga and Timor-Leste with particular attention to trade and investment aspects of sustainable development.

The first day will feature an opening session serving as a "curtain raiser" for the two-day programme, with round-table discussion panels and a business match-making session. Market analysis for specific economic sectors identified as potential priorities for trade and investment in PNG will be provided to participants.

The second day will focus on trade and investment as critical tools in achieving sustainable development, in the lights of global crisis and

challenges faced by PNG, the Pacific region and the European Union as a partner. A practical dimension will look at particular business sectors in PNG and the region (e.g. green and blue economy) and their development in a sustainable and environmentally friendly way.

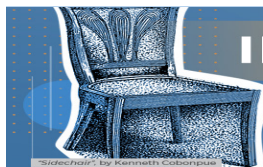
Information will be shared about trade and sustainability principles, with the view to inducing their mainstreaming in government policies and in business plans by aspiring entrepreneurs and business investors.

Formal presentations will offer the necessary information to trigger discussions in the round tables and interaction sessions. Moderators will guide each session and

facilitate the discussion.

After the conference, a report/outcome document will be prepared and disseminated to relevant stakeholders, including the printed press and social media. In addition, an SME fair will be organised in parallel to the conference to showcase potential exporters and businesses engaged with the European Union.

Interested participants can contact **Mr. Carlos Perez Padilla** on carlos.PEREZ-PADILLA@eeas.europa.eu for more information. For registration, please use the following link: <https://www.eu-pngconference2022.com/>



INDUSTRIAL DESIGN

Protect the visual appearance of your product.
Register your industrial design.



How important is it to protect an Industrial Design?

In our previous issue we talked about why it is important for SMEs to register their intellectual property rights.

In this issue, we'd like to talk more about one of the rights- **INDUSTRIAL DESIGNS** and why it is important to protect industrial designs.

So why protect Industrial Designs?

By protecting an industrial design, the owner of the design is given a right against its unauthorized copying or imitation by third parties. In other words, the owner of a protected industrial design shall have the right to prevent third parties not having his consent from making, selling or importing articles bearing or embodying a design which is a copy of the protected design. Therefore, you will see that protecting industrial design clearly benefits the owner of the industrial design.

Since industrial designs are that aspect of an article which makes it aesthetically appealing and attractive, they serve to add to the commercial value of the product and facilitate its marketing and commercialization.

To be protected under most national laws, an industrial design must appeal to the eye. Industrial design does not protect any technical features of the article which to it is applied.

Another benefit of protecting industrial designs is that the owner of an industrial design benefits through the industrial development of his or her products and the protection helps to ensure a fair return on

investment.

The consumer and the public at large benefit as well since industrial design protection is conducive to fair competition and honest trade practices, encourages creativity and thus leads to more aesthetically attractive and diversified products.

Also, industrial design protection injects creativity into the industrial and manufacturing sector, contributes to the expansion of commercial activities and enhances the export potential of national products.



LET'S HEAR IT!

Papua New Guinea Coffee

What makes it so special?

Is it the taste, the aroma or the packaging?

The secret is, it's all three.

As countries begin to recover from the global health pandemic, three big trends are driving the international demand for coffee. First, consumers are looking for premium, speciality coffee. Hyper-specific beans, innovative brewing methods and unique growing conditions are driving the market's attention. Second, consumers want sustainability and ethics. They want to know that they are drinking coffee from ethically and environmentally friendly producers. Finally, the world is looking for value for money.

These trends focus the world's attention on emerging coffee producers such as Papua New Guinea. Although Brazil, Indonesia and Ethiopia will remain the major exporting countries, PNG coffee producers are learning the secrets of making great specialty coffees and how to sell their coffee to a changing world.

Earlier this year, PNG coffee producers have been sharing their coffee-making stories as part of a series of webinars and online training sessions. The courses were conducted under the auspices of the [United Kingdom Trade Partnerships Programme \(UKTP\)](#) in PNG, a project implemented by the International Trade Centre (ITC) and funded by [Foreign, Commonwealth and Development Office \(FCDO\)](#).

Gathering experts from Hong Kong SAR

China, Australia and the United Kingdom, the webinars took PNG coffee producers on a journey of discovery through the entire production process from quality farming practices at one end to the branding and marketing at the other.

The PNG producers learnt how to understand the changing global market from a buyer's perspective.

They were given practical training in the logistics surrounding micro-lots including the preparation, storage and shipping the finished product by air or sea. Contractual negotiations and obligations, such a critical aspect of international trade, were also key themes during the webinars.

For the PNG participants, understanding the basic aspects of a European Coffee Contract was a great opportunity to learn the legalities of exporting and how to present their product for maximum impact.

PNG coffee continues to gain international attention with a number of samples being presented at the Caffe Culture Show in London on 2-3 September 2021. Selected coffee producers are expected to attend the World of Coffee Fair in 2022 also in London and producers will be holding an online coffee auction later this year.

So, what makes PNG coffee 'special'? The real secret lies in the highlands of PNG and the dedication of thousands of young coffee workers perfecting their craft for a world where quality, sustainability and ethical production have become much more important.

Try some today!





PUBLIC NOTICE

INVESTMENT OPPORTUNITY PROFILING AND BUSINESS DIRECTORY DEVELOPMENT

This Notice is to inform that the Investment Promotion Authority is currently undertaking two distinct Work Stream namely: **(1) Business Directory Development and (2) Investment Opportunity Profiling.**

This is part of its collaboration with the United Nations Industrial Development Organization (UNIDO), through the Africa Caribbean Pacific (ACP) Regional programme, **“Support to Business Friendly and Inclusive National and Regional Policies, Strengthening Productive Capabilities and Value Chains,”**.

This notice is in accordance with **Section 42**, of the **Investment Promotion Act, 1992**. Company Executives, Agents and Owners are assured that the information once provided will be kept confidential and only used for the purposes as stated herein.

Work Stream – Business Directory Development

Under this work stream, the IPA is informing the public, particularly Company Executives, Agents and Owners that IPA requires you to provide firm-level data that will collectively provide a robust empirical foundation so that the IPA is able to monitor foreign direct investment (FDI) and its impacts and in measuring the country and regional-level achievements of development goals including the Sustainable Development Goals (SDGs).

The IPA will contact you for the specific information/data required for this exercise.

Business Directory Development Contact at IPA: Mr. Russell Pruaitch – Acting Manager Research & Information, Telephone: **308 4400/ 308 4463**, Fax: **321 2819** or Email: rgpruaitch@ipa.gov.pg

Work Stream – Investment Opportunity Profiling (IOP)

The Investment Opportunity Profiling (IOP) is an integral part of the IPA function of project profiling and matching of the investment opportunities with potential investors.

Under this exercise, the IPA will identify and profile “investment ready” projects which will then be uploaded onto the UNIDO investment promotion portal for promotion to a wider reaching global audience.

The IPA is now calling for Expression of Interest from project proponents from across all sectors of the economy and stakeholders including in the Provinces and Districts. We will assist you in assessing and profiling your investment opportunity so that it is attractive to potential investors in PNG and in the world.

If you have an investment opportunity project and would like to profile it for investment, contact the IPA team.

Investment Opportunity Profiling Contact at IPA: Mr. Lauari Ikavape – Investment Project Analyst, Telephone: **308 4400/ 308 4501**, Fax: **321 2819** or Email: likavape@ipa.gov.pg

For general information about the overall exercise, contact Mr. Daroa Peter – Director Investor Servicing & Promotion Division on Telephone: **308 4400/ 308 4463**, Fax: **321 2819** or Email: daroop@ipa.gov.pg.

Authorized by:
CLARENCE M. HOOT
Managing Director

KAJAMA INVESTMENT

(CROCODILE & COW HIDE TANNING PROJECT)

The proponents of the above Company are looking for a potential investor to partner in downstream processing and marketing of tanned crocodile and cow hides.

Project Proponent: KAJAMA INVESTMENT
Sector: Animal Products- Skin and Hides tanning
Location: Pagwi Government Station. Gawi Local Level Government, Wosera-Gawi District, East Sepik Province
Projectsize/Investment Vaue: US \$ 20, 000

Description:

The project involves crocodile and cow hide tanning. It is a rural based operation which started in 1999.

The project site is located in the Pagwi Government Station area of Wosera-Gawi District, East Sepik Province. This site is within the Sepik River riverine. The Sepik River is the longest river on the island of New Guinea. The Sepik River is home to some of the world’s largest fresh crocodile populations.

The project began after the realization of the value from leather products that can be made from crocodile skins. There is huge opportunity in this venture given the population size of the crocodiles and the farming and conservative avenues that can be explored.

At this stage, the project owner is seeking partnership arrangements with investor partners to build the capacity of the tannery processing facilities and to bring necessary skills and equipment in downstream processing of crocodile leather products for the local market. He is looking at the local market in the short to medium term and the export market in the long term.

The project site is located on State land and the project owner has traditional rights to the riverine as well as access to the villages and the local population.

He has the capacity to produce more than 50 tanned crocodile skins in a year at his facility. However, he seeks to increase that output and to use the skins for production at the site.

Necessary information and documents such as business plan, company profile as well as IPA and IRC certificate’s concerning the project are available upon request.

Contact	Details
Mr. Rodney Awai	KAJAMA INVESTMENT (675) 7271 0354
IPA PNG	PO Box 5053, BOROKO, 111, NCD PNG investment@ipa.gov.pg



UPCOMING EVENTS

Karamui show - November (TPA)

IPA outreach program- July - December (IPA)

FIPIC 3 (Forum for India and Pacific Islands) December (India PNG Business Forum)

PNG Mining and Petroleum Investment Conference and Exhibition, Sydney - December 5-7

IPA 4th Quarterly Board Meeting - December 1st

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Company Compliance

Question:

I have registered a company but my company has not been operating. The company also has not made any commercial activities or earned revenue. Do I still need to submit an Annual Return?

Answer:

Yes

Explanation:

As stipulated under the Section 215 of the Companies Act, it is mandatory and compulsory that all companies must submit an annual return. The fee to lodge an Annual Return is K300 if you lodge it over the counters or K250 if you go online.

If you own a company then you need to lodge your company's Annual Return each year. It becomes an expensive exercise when you do not lodge your company's Annual Return on time and decide to do so after a while.

Here is an illustration of the above statement.

If you miss a year of lodging your Returns, you are liable of a fine of K1, 000. This means that when you're lodging your late Returns manually, you will pay a total penalty fee of K1, 000 plus the normal lodgment fee of K300, or if you go online it would be K1, 000 + K250. Also note that as long as IPA records or database shows that your company's status is active even if your company has not shown activity, you are still required to file an annual statement with a lodgment fee. Non operational or no financial record doesn't exempt you from filing your annual return. Failure to do so will result in the execution of the penalty fee of K1000.00. Companies can get deregistered if they do not file their Annual Returns as late as 6 months.

Do you have a general question about the regulatory side of running a business or have a query on investment promotion or Intellectual Property rights?

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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Your Investment,
Our advice”**

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