IPA Opportunity

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Business News, Reviews and Overviews from the IPA

MD's INBOX

CLARENCE M HOOT
Managing Director

Dear readers, welcome to the first edition of the ***Opportunity*** newsletter for 2023.

We entered 2023 knowing that the year would be another busy and hectic one. The IPA took heed of the Government's instruction to exercise strict expenditure control in consistency with the National Procurement Act and government priorities.

Earlier this year the Minister for Commerce & Industry announced the key changes in the Investment Promotion (Amended) Act 2022 and Associations Incorporation Act. This was a key milestone for our Ministry and the Authority, especially after the IPA celebrated its 30th Anniversary and launched its new upgraded Online Registry System in December 2022.

One of the key priorities of the IPA in the first half of the year is to continue to roll out awareness sessions aimed to deliver the following key messages:

1) New Features of the Online Registry Services
2) New Changes to the Investment Promotion (Amendment) Act
3) Legal Amendments at Companies Office
4) Reserved Activities List and Investment promotion programs
5) Personal Property Security Registry and Ongoing Awareness on Intellectual Property

We would like to assure the business community that the data migration and upgrading of the new online registry system is our top priority and we are working around the clock to ensure that all data is fully migrated to the new system as soon as possible.
We seek your patience and understanding at this time as we work though the processes.

We will be going nationwide to run sessions with stakeholders and train them on how to use the system and attend to specific queries in relation to their business activities.

For now we advise that it is business as usual and the system is available if you wish to register or maintain your business records.

We also have this year to complete our 3-year Strategic Plan of 2021-2023. A review undertaken mid last year indicated that 85% of the key priority outcomes had been achieved.

This year we will also focus on one of our key projects in partnership with the United Nations Industrial Development Organisation (UNIDO) in which we have profiled various investment opportunities in the country and uploaded them in the UNIDO database for marketing to potential investors. The first of this has been included in this edition under the ***"Opportunity Knocks"*** section. Keep watching this space on how you can be part of this project.

On the regulatory front, we will host the second Regulators Summit in the first half of the year.

I look forward to your support again this year as we continue doing business in different fronts and in our different capacities.

With that I wish you all the very best for 2023.

Clarence M Hoot
Managing Director

IN THE NEWS

GOVERNMENT UNANONYMOUSLY PASSES INVESTMENT PROMOTION (AMENDMENT) ACT AND THE ASSOCIATIONS INCORPORATION ACT

Parliament has anonymously passed the Investment Promotion (Amendment) Bill 2022 in a 91 – 0 vote in its first sitting for 2023. Also passed was the Associations Incorporation Bill 2022.

Work on the Bills began in 2019 where regional consultations were undertaken to get feedback from stakeholders on the proposed amendments including the revised Reserved Activities List. The new Act will be called the Investment Promotion (Amended) Act 2022.

The key changes in the Investment Promotion (Amended) Act 2022 include;

- Changing the foreign certification sys tem to process applications quicker, and automatically rejecting applications for reserved activities to support SMEs;
- Reviewing the Reserved Activities List at least every three years;
- Introducing more reporting obligations on foreign investors, and providing powers to cancel certification where key business laws are breached;
- Improving IPA's enforcement and compliance, and making better allowances for cross-agency enforcement;
- Creating a dedicated Registrar of Foreign Investment to oversee the system with powers to speed up much needed

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incoming investment, automatically deny unethical and unwanted investment, and enforce compliance.

Minister for Commerce and Industry Hon. Henry Amuli expressed his gratitude to the Marape/Rosso Government for pushing the Bill through. He said this demonstrated the Government's seriousness in bringing investor certainty and confidence to the economy while at the same time achieve the Government's policy objective of protecting MSMEs that are owned and operated by citizens.
"We want to promote responsible foreign investment but at the same time we also need to ensure that our processes for investor admission and compliance is clearer," Minister Amuli said. "These have been the key issues we wanted to address through this legislative amendment. The amendment to the Investment Promotion Act is the first since its passing in 1992."

Prime Minister Marape also issued a statement in passing the new laws stating that since his Government took Office their focus was on taking back the country from "wrong hands" focusing more on local businesses and SMEs. He said the Bill was a first step towards clearly segregating and ringfencing businesses that PNG citizens are capable of participating in.

The Association Incorporation Act repeals the old Act which has not been updated since it was passed in 1966.

The amendment of the Associations Incorporation Act will address key issues that have been identified as problematic for local associations. These include;

- Who can form and register as associations
- Committee member role for malised
- Clarifying role of the Public Officer
- Financial transparency to members
- Improved reporting to mem bers + Registrar
- Improving Registrar's powers
- Anti-Money Laundering Compliance.

These changes will ensure that Associations operate in a transparent and more accountable manner.

PRIME MINISTER MARAPE WELCOMES NEW INVESTMENT PROMOTION LAW

Prime Minister Hon. James Marape has welcomed the Investment Promotion (Amendment) Bill 2022, unanimously passed by Parliament on January 11, 2023, which encourages the growth of Papua New Guinea-owned small-to-medium enterprises (SMEs) while at the same time attracting foreign direct investment (FDI).

Prime Minister Marape also welcomed passage of the accompanying Associations Incorporation Bill 2022, which will ensure better governance and accountability, especially among rural people who form associations to benefit their communities.

Both bills were passed 91-0 by Parliament after introduction by Commerce and Industry Minister Hon. Henry Amuli.

The Investment Promotion (Amendment) Bill 2022 is a change from the Foreign Investment Regulatory Authority (FIRA) Bill, tabled by the previous Government, in response to concerns that SMEs were facing unfair competition by foreign businesses. The FIRA Bill went too far in restricting business activities and was damaging PNG's reputation as an attractive destination for foreign investors.

After in-depth consultation with the public and the business community, the Government accepted a balanced policy proposal put forth by the Investment Promotion Authority (IPA), which addresses SME concerns while providing investors with confidence.

Key changes are:
• Changing the foreign certification system to process applications quicker, and automatically rejecting applications for reserved activities to support SMEs;
• Reviewing the Reserved Activities List at least every three years;
• Introducing more reporting obligations on foreign investors, and providing powers to cancel certification where key business laws are breached;
• Improving IPA's enforcement and compliance, and making better allowances for cross-agency enforcement;
• Creating a dedicated Registrar of Foreign Investment to oversee the system with powers to speed up unwanted i ncoming investment, automatically deny unwanted investment, and enforce compliance.

PM Marape said the new law was the culmination of work started by his Government in 2019 after he became Prime Minister.

"As we took office, our focus was on taking back the country from wrong hands, and one major focus was on business and SMEs," he said.

"We made a commitment to empower our people to be engaged in businesses – a key focus which differentiates our Government from past governments.

"In the 2021 Budget, 20222 Budget and now the 2023 Budget, we have placed more support and funding to ensure SMEs start moving.

"We have also put in money this year to unlock land for people to settle on and do business, both big and small.

"This bill is a first step towards clearly segregating and ringfencing businesses that PNG citizens can participate in."

IPA senior management tours US chancery

The IPA senior management was invited by the U.S Embassy in Port Moresby on a tour of their newly opened chancery.
The team was received by the Embassy's Economics Chief Mr. Geoffrey Grimes and Melisha Imar from their Commercial Service.

The IPA team was led by the Managing Director Mr. Clarence Hoot and consisted of Director for Investor Services and Promotions Division Mr. Daroa Peter, Director Corporate Services Ms. Anna Marikawa, Registrar for Intellectual Property Office Ms. Amelia Na'ru and Acting Registrar of Companies Ms. Harriet Kokiva.

The team met briefly with the Embassy's Charge d'Affaires Mr. Joseph Zadrozny after the tour.
As part of the tour, the team discussed potential areas of collaboration and established key contact points between the two Organisations.

IPA RE-REGISTERS LOCAL BUSINESSES AND CONTRACTORS AT SIMBERI MINE

The Investment Promotion Authority conducted a week-long awareness and re-registration exercise at the Simberi Mine at the beginning of the year. The purpose of the exercise was to bring in IPA Officers to educate local businesses and mine contractors on the IPA mandated roles, business registration requirements and compliances and to re-register businesses in the new online registry system.

IPA Regional Officer for Highlands Region in Mt. Hagen Mr. Joshua Jerry was at the Simberi mine to run the program with the Simberi Gold Company Limited (SGCL) Community Relations team.
The re-registration of businesses was the key highlight of the program as local landowner businesses

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DIVISIONAL PRIORITIES FOR 2023

Investor Servicing and Promotion Division

Mr. Daroa Peter,
Director- Investor Servicing & Promtion Division

The Investor Services and Promotion Division is the promotional flagship of the IPA, thus carries the core mandate of the Investment Promotion Authority in promoting and attracting investors into the country. It consists of four Units which are; Investment Promotion Unit, Marketing and Export Promotion Unit, Research & Information Unit and the Public Relations Unit. Mr. Daroa Peter heads the Division as Director and here is what he says about the Division's priorities for 2023.

Our key priority is to ensure we provide timely and proper advice to the Office of the Managing Director on matters relating to investment, marketing and export promotion and aftercare services.
We will also focus on how best we can effectively implement our trade and export promotion programs apart from undertaking the two outbound investment missions this year to our targeted investment source markets.

We will continue our efforts in effectively implementing the IPA – UNIDO project on "Support to Business-Friendly and Inclusive National and Regional Policies, and Strengthening Productive Capabilities and Value Chains". This project includes the development of a comprehensive business directory/database and the profiling of genuine investment opportunities in the country.
Other key focus areas for the division include:

- Ensuring a timely and effective implementation of the IPA Communication Strategy focusing on IPA roles and functions, the new registry system, legislative amendments utilizing various mediums.
- Ensure that MOUs and other partnership programs are effectively implemented
- Produce quarterly bulletins with updated statistics
- Circulate investor related information through the e-newsletter

Another key focus of the Division is to host the Investment Week and the Regulators Summit.

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and contract owners were eager to have their entities' data updated in the new IPA online system.

Over 40 entities were re-registered and assisted by Mr. Jerry, of which over 10 of them are SGCL existing contractors.

Government approves four new PNG diplomatic missions to be established

Minister Tkatchenko told the media that the four new missions in Jerusalem, United Arab Emirates (UAE), Kingdom of Thailand and Geneva will be set upover the next three years.

Minister for Foreign Affairs Hon. Justin Tkatchenko has announced the official approval of the Government to establish four new missions abroad that will give Papua New Guinea opportunities in business, agriculture, trade and economics including health and education.

Minister Tkatchenko told the media that the four new missions in Jerusalem, United Arab Emirates (UAE), Kingdom of Thailand and Geneva will be set upover the next three years.

"Israel has big significance in religious aspects with the mother land and a lot of people have an understanding in that regard and also in technological developments and the way they do things in Israel with business is very outstanding."

"We want to work with Israel closely through the Word of God, and also through all the aspects of economic empowerment and agriculture industrial and commercial aspects."

"UAE is the new frontier, the centre point for connecting the world, and it's the place to be."

"We had a big business expo which exposed PNG in many different ways in opportunities to sell our produce, (exposure to) economic advancement and technology."

Minister Tkatchenko said the Kingdom of Thailand in South East Asia is a very important area in the Region. "They can offer us to connect to the rest of South East Asia and allows us to work with them on agriculture, economics, and commerce, and many other areas including, mining, petroleum and tourism. "It's quite a traditional old school where they play an important part in South East Asia."

"They hosted the APEC Meeting there and showed to the world that they are now one of the leading centre points of South East Asia and they would like Papua New Guinea to get involved."

"A lot of the big decisions for Europe are made in the centre around Geneva,Switzerland, it's an important area in Europe."

"It is the central point for all world nations and is easy to access the word market, through Geneva and we look forward in setting up a new embassy."

"These are the four new missions approved by the National Executive Council to be set up over the next three years by the Department of Foreign Affairs."

"We are going to make it happen, we will ensure that these four embassies will move forward without fear or favour," Minister Tkatchenko said.

Source: Press Statement released by Office of The Minister for Foreign Affairs & National Events.

Business Registration and Certification Division

Ms Harriet Kokiva,
Acting Registrar of Companies

The Business Registration and Certification Division (BRCD) also houses the Office of the Registrar of Companies or is also referred to as the Companies Office. It is responsible for the registration of all business entities and the certification of foreign companies and maintaining an accessible and reliable records of the registered business entities.

Head of BRCD is known as the Director BRCD who is also the Registrar of Companies . Ms. Harriet Kokiva is currently acting on these positions and she gives a heads up on the priorities of the Division this year:

The key priority is to ensure that the new Online Registry Service is fully functional and performing effectively and efficiently. This includes ensuring that companies and all other entities are re-registered and updated in the new system.

The Division will also focus on the implementation of the new legislations such as the Investment Promotion Act and the Associations Act through the new registry system and their accompanying fees. Keeping the private sector and public informed on the business registry services will be another focus area for the Division this year. As such there are plans to establish information hubs and facilities such as kiosks, wi-fi facilities and multimedia visuals in high traffic areas to be easily accessible by users.

Key internal matters such as staff capacity and improved turn- around time will also be a priority for the division this year.

The Division also houses the Accounting Standards Board. And it is one of their priorities to ensure that the Board's bi-annual meetings are conducted. The Personal Properties Securities Registry is also administered by the division.

Global Emerging Market Trends

The article below has been extracted from the Oxford Business Group's 2022 Year in Review focusing on emerging market trends.

Macroeconomic forces such as inflation, geopolitical tension punctuated by Russia's invasion of Ukraine and spikes in commodity prices heightened supply chain disruptions in 2022, which included capacity constraints, higher freight costs, labour shortages and port slowdowns.

According to a survey of logistics and supply chain professionals conducted in December 2022, some 71.8% of companies were dealing with supply chain disruptions, while 57.7% were trying to navigate transport capacity shortages. Of these respondents, 93% expected these challenges to continue into 2023.

International trade surged in 2021 as countries reopened from the Covid-19 pandemic's lockdowns, and this momentum carried over into the first half of 2022. Global trade volume reached a record $32trn for the year, buoyed by high energy prices, according to the UN Conference on Trade and Development (UNCTAD) report "Review of Maritime Transport 2022".

From the third quarter, however, trade flows eased, with East Asia the only region to post positive trade growth. The World Bank now expects global trade growth to slow sharply in 2023 to 1%.

While a trade slowdown should help alleviate bottlenecks in supply chains, the advent of new strategies to mitigate them – including diversification of suppliers, reshoring, near-shoring and friend-shoring – means that supply chains are still shifting.

This in turn presents opportunities for emerging markets to fill production and manufacturing gaps and develop stronger regional and global trade relationships.

Production gaps

The pandemic was broadly expected to result in unprecedented disruption to the mechanics of most economies, regardless of their size or stage of development. Despite its waning threat to global health, the pandemic's effects have directly undermined some aspects of the global economy.

Throughout 2022 China's zero-Covid-19 policy prompted an economic slowdown, limiting manufacturing output and suppressing consumer demand. These policies had ripple effects across emerging markets, especially those whose manufacturing inputs are exported to China.

For the first time in decades, China's growth forecast of 2.8% in 2022 was set to be outpaced by the 23 other countries in the East Asia and Pacific region, which are forecast to see 5.3% growth.

Since 2020 many businesses and governments have pursued a so-called China+1 strategy, diversifying their production capacity by setting up operations in other countries while still maintaining a significant presence in China.

Perhaps no country has taken stronger steps to attract foreign investment and provide a regional manufacturing and supply chain alternative to China than Vietnam, whose increased exports to the US and other markets have helped stabilise the economy.

Vietnam posted 8% growth in 2022, its highest rate since 2011, powered by 11.9% growth in the logistics sector.

Two trade agreements signed before the pandemic – the EU-Vietnam Free Trade Agreement and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership – laid the groundwork for this positive performance and augur well for the future.

Bangladesh, India, Malaysia and Thailand have also replaced China in global supply chains, underscoring the strength of East Asia's performance in 2022.

Last year many analysts were predicting that the US would look to Latin America to meet its manufacturing and imports needs closer to home, and trade has indeed increased.

After ranging between $30bn and $35bn in 2021, Mexican monthly imports to the US surged to all-time highs in 2022 of $37bn-41bn. China has even sought to invest in manufacturing facilities in Mexico to skirt US tariffs and cut delivery costs to the US.

Meanwhile, the Community of Latin American and Caribbean States (CELAC), a bloc of 33 countries that includes regional heavyweights such as Argentina, Colombia and Mexico, signed the China-CELAC Joint Action Plan for Cooperation in Key Areas 2022-24, which covers a host of areas including infrastructure investment.

The 43-country African Continental Free Trade Area has also prompted developments in African countries, such as Ghana's ongoing efforts to establish special economic zones to increase manufacturing capacity and transform itself into a key processor and exporter.

Corporate Services Division

Ms Anna Marikawa,
Director- Corporate Services Division

The Corporate Services Division provides the key support services to the Organisation through the Finance Unit, Information Technology, Human Resources and Administration services. The Division is headed by Ms. Anna Marikawa who is the Director. Following are the key priorities of the Division as outlined by Ms. Marikawa:

- IPA Restructure
- Develop a Staff Bonus Award System
- Completion of the Office Manual Review
- Completion of the Upgrade of the Accounting System
- Renew IPA Insurance Policies
- Procurement of Office Materials & Supplies for 2023
- Facilitate the 2021 and 2022 IPA Financial Audits
- Facilitate the 2021 and 2022 Financial Audit of the SWS.
- Complete the Review on Fees for all IPA services.
- Recruit to vacant positions.
- Relocate the NGI Regional Office to a new office space.
- Compile and submit 5 insurance claims.
- IT assistance and input into data migration work for the new ORS and teething issues of the new system as required.
- Implementation of the Staff Home Ownership Scheme Policy.
- Induction of New Employees.
- Implement the IPA Annual Training Program.

LEGAL UP-DATE

RE - REGISTRATION OF COMPANIES

The data migration from the old registry into the new one is still in progress. Because you have a full year to re-register, **IPA requests that you wait until data migration is completed to re-register. This will be much easier for you as you will not have to re-type all your company's details.**

Under the Companies (Amended) Act 2022, all Companies must re-register by 30 November 2023 for free. Upon re-registration, a certificate of re-registration and a CGS short form will be emailed to the applicant.

Companies who have outstanding Annual Returns will only be charged a one-off fee of K500 during the re-registration process. Companies which fail to re-register within this period will be removed from the registry.

The re-registration process is important for companies because:

- They will be able to take authority over their company during this process, which will allow them to update and file annual returns and manage their own records in future. The IPA aims to have a clean and updated registry of business entity records and currently it is impossible to ascertain which companies are operating or not.
- Over 90% of companies are non-compliant. As such, IPA has made compliance simpler and cheaper for Companies which have outstanding annual returns through the re-registration process.

TRANSITIONAL UPDATES OF NON-COMPANIES

Business Names, Business Groups and Associations will need to update their records before transiting to the new registry system. They will NOT be charged any fees. Once the data has been updated the status of the existing registered business entities will now show as "Registered".

KNOW ABOUT IP

Why is it important for SMEs or businesses to protect their Intellectual Property Rights?

SMEs or businesses must dedicate time and resources to protecting their intellectual property assets.
By doing that, they can increase their competitiveness in a variety of ways.

Intellectual property protection helps in:

•Preventing competitors from copying or closely imitating a company's products or services.

•Avoiding wasteful investments in research and development and marketing;

•Creating a corporate identity through a trademark and branding strategy;

•Negotiating licensing, franchising or other IP-based contractual agreements;

•Increasing the market value of the company;

•Acquiring venture capital and enhancing access to finance;

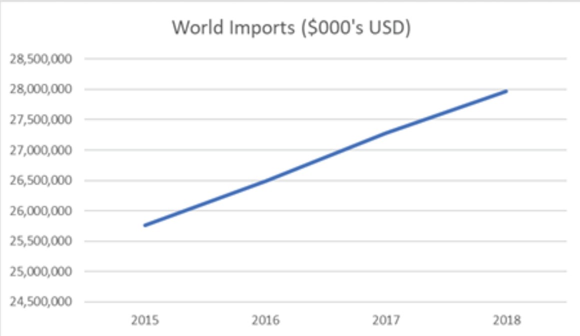
•Obtaining access to new Markets.

In addition, enterprises which search systematically for conflicting IP rights of others prior to seeking IP protection are able to avoid unnecessary litigation, thereby saving time and resources.

For more Information on Intellectual Property, Contact:
Tel: (675) 321 7311/308 4432/321 3900
Email: registrar.ipopng@ipa.gov.pg
Website: www.ipopng.gov.pg

A Profile of the Chocolate Industry

World Market & Trends in Major EU Importing Countries



Source: Author based on ITC data

World imports of chocolate (HS 1806 Chocolate and other food preparations containing cocoa) grew steadily between 2015 and 2018, from $25.8 billion to $28.0 billion or a growth of 8.5% over that period. The major importers of chocolate in 2018 by value were: United States of America (9.8%); Germany (8.6%); France (8.0%); United Kingdom (7.6%); Netherlands (4.8%); Canada (3.7%); and Belgium (3.2%).

World average import price for chocolate in 2018 was as follows: United States ($4,151/Ton); Germany ($5,179/Ton); France ($4,878/Ton); United Kingdom ($4,697/Ton); Netherlands ($4,754/Ton); and Canada ($4,801/Ton). Below we discuss the German and French markets and their major suppliers of chocolate the last few years. The major suppliers in the German market (in value terms) in 2018 were Belgium (20.3%);Switzerland (16.1%); Netherlands (15.2%); Poland (13.3%); France (7.6%); Italy (6.9%); and Austria (5.4%). The major suppliers in the French market (in value terms) in 2018 were Belgium (26.9%); Germany (24.6%); Italy (14.3%); Netherlands (9.0%); Spain (5.2%); and Côte d'Ivoire (4.9%).

Source: Author using ITC Data

Germany's Import Unit Values ($/Ton)

	2015	2016	2017	2018
Belgium	4,080	4,146	4,294	4,659
Switzerland	9,749	7,937	7,387	7,385
Netherlands	3,415	3,520	3,771	3,913
Poland	7,673	7,466	7,104	7,046
France	4,401	4,391	4,632	4,371
Italy	5,510	5,528	5,925	5,451

Netherlands was the most competitive supplier in the German market ($3,913/Ton); followed by France ($4,371/Ton) in 2018. There was no developing country among the top suppliers of chocolates to the German market.

Germany's Import Market Share (%)

2015	2016	2017	2018
20.0	20.9	18.3	20.3
24.8	20.2	20.3	16.1
12.9	14.3	14.3	15.2
10.8	11.4	12.1	13.3
7.9	8.0	7.6	7.6
4.8	6.8	6.9	6.9

Despite having the lowest price of chocolates, the Netherlands share of the German market was only about 15%. Switzerland with nearly twice the Dutch price had a slightly larger market share.

Source: Author using ITC Data

France's Import Unit Values ($/Ton)

	2015	2016	2017	2018
Belgium	4,508	4,654	4,742	4,597
Germany	4,457	4,691	5,084	5,143
Italy	5,776	5,840	6,554	6,664
Netherlands	3,737	3,779	3,965	4,044
Spain	4,164	4,279	4,194	3,948
Côte d'Ivoire	3,778	3,917	3,429	3,005

Côte d'Ivoire was the most competitive supplier in the French market ($3,005/Ton); followed by Spain ($3,948/Ton) in 2018, among the large suppliers.

Despite having the lowest price of choco-

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A Profile of the Chocolate Industry

France's Import Market Share (%)

2015	2016	2017	2018
29.5	28.5	28.1	26.9
25.9	24.9	25	24.6
13.4	13.2	13.5	14.3
7.0	8.1	9.2	9.0
5.5	5.0	4.9	5.2
4.2	5.7	4.6	4.9

lates among the top suppliers, Côte d'Ivoire'sshare of the French market was only about 5%. Belgium and Switzerland with significantly higher prices supply the lion's share of the French market.

Sector Profile in PNG

Cocoa is one of the major agricultural export crops for PNG with an estimated 151,000 households or about 1.0 million people involved in the industry. Of the twenty-two (22) provinces in PNG, fourteen (14) are cocoa growing provinces. The main production areas are Bougainville, East Sepik, East New Britain, Madang, New Ireland, West New Britain and West Sepik Provinces.

PNG's cocoa is organically grown particularly in the Islands & Coastal Provinces. The high quality of production and very conducive climate, results in high yielding and better flavor cocoa. In fact, more than ninety percent of PNG's cocoa is classified as fine flavor, which fetches the highest price on world markets. Cocoa has an excellent governance system is in place, including a very effective regulator (CBPNG) to support the farmers throughout PNG. A cocoa nursery project has been initiated by CBPNG to be distributed and plants sent to cocoa growing districts. The industry also benefits from Local knowledge of production and harvesting of cocoas and is an important source of rural employment. Private companies are also engaged in exporting the product and that contributes towards upholding quality control and best prices in world markets. Most of the local companies have been certified incl. HACCP; ISO and others through the assistance of the regulator.

Primarily small-scale rural farmers grow cocoa, another major cash crop in PNG. Cocoa production averaged 40,500 tons from 2000-10, generating export revenues of $107.5million annually over the decade. As of 2011 there were approximately two dozen private companies marketing PNG cocoa beans abroad.

Most cocoa cultivation takes place in a limited geographical region within the Autonomous Region of Bougainville and the East New Britain and Madang provinces, responsible for around 80% of all production. Similar to coffee production, a number of restricting factors limit yields to roughly half of their potential output. A cocoa pod borer pest has plagued cocoa farming in recent years, damaging crops and lowering output, although the Cocoa & Coconut Institute is also working on improving integrated pest management practices as well as researching practical applications that will be able to be utilized by rural farmers. The sector is governed by the Cocoa Industry Board, which is responsible for regulating exports, quality control and registration of cocoa growers, processors and exporters.

In summary, PNG's cocoa is organically grown particularly in the Islands and Coastal Provinces. The conducive climate for growing cocoa results in high yielding quality production and of great flavor. Together with excellent local knowledge of production and harvesting of cocoas and an Excellent governance system is in place

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for the commodity, it fetches the highest price in world markets and a good source of rural employment for thousands of citizens. Private companies are also engaged in exporting the product and that contributes towards upholding quality control and best prices. Most of the local companies have been certified incl. HACCP; ISO and others through the assistance of the regulator (CBPNG) who supports the farmers throughout PNG.

Investment Opportunities

The opportunities for investment in the cocoa and chocolate sector in PNG are evident from the fact that these commodities enjoy strong demand in the EU market and on the PNG side, the industry's focus is to fulfill the National Government's targets to produce 310,000 tons of cocoa products by year 2030. This means that government will support the investments made by private companies that are aligned with the overall objective stated above. Investments are needed in modern technologies to improve productivity, as well as more advanced drying processes to eliminate the smoke taint that results from the drying process presently used. Also, investments are needed in roasting capacity and in downstream processing of higher standards to produce chocolates and other derivatives, because most of the cocoa is currently exported as unprocessed product, resulting in limited revenue for PNG farmers. Finally, investors may be able to exploit Geographical Indications given the growing demand for cocoa products in various other industries (food, health care, etc.).

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http://www.facebook.com/InvestmentPromotionAuthority

Investment Proposal

Green Bay Copra Buying (GBCB) is a small indigenous company from the East New Britain Province (ENBP), established in 2018 and specialized in buying copra from small-holders at the grass root level and supplying them to the local markets and also foreign markets via locally established foreign-owned copra exporters. This project aims to enhance the business activity of copra buying targeting global demand. The implementation of this project will directly enhance the small-holder's market accessibility including the creation of employment for women and youths and therefore enhance better living standards for the rural population in the ENBP. Currently, the project owner is manually processing the copra and selling the dried copra to foreign buyers in the province without further processing to final products and therefore seeking to partner with potential investors to build a downstream processing plant for copra in the province. The project's long-term focus would be to establish a local downstream processing plant for copra export. The project site is strategically located with all utilities connected and it is close to the ENBP main wharf. The project is seeking a potential investment partner who is expected to contribute towards the establishment of the additional production facility, purchase of new machinery and equipment, joint development of new products, and the establishment of storage or distribution/ sales outlets. The project is further seeking other collaboration for market access (domestic/foreign), access to affordable production materials and components, technology and know-how expertise for the employee, and joint research and development of new products.

Project Strengths

The project strengths are; *Strategically located in the Rabaul township area with all utilities connected *This project is part of the National Government's priorities *Existing connection and good relationship with the local copra farmers * Access to local copra buyers and exporters *Access to established mini-processing facilities *Access to existing machines and equipment *Availability of skilled workers being sent for training to build their capacity.

Project Sector

Production, processing and preservation of meat, fish, fruit, vegetables, oils and fats.

Project Campaign

PNG_IPA_2022

Project Code

I-PNG-220824-032954-1

Projected Annual Sales

7.8M EUR

Products or services resulting from project

Vegetable oils; coconut (copra) oil and its fractions, other than crude, whether or not refined, but not chemically modified.

Opportunity Type

Establishing a Joint Venture

Project Country

Papua New Guinea

Projected Employment

19

Non-disclosure agreement (NDA) requirement

No

Total Investment (Funding Gap)

4.9M EUR (3.4M EUR)

QUESTION TIME

QUESTION:

Is it okay to re-register my company now or should I wait until the data migration process has been completed?

At this stage, if you search a company in the registry, you will note that the system will only display the company name, registration number, registration date and entity type. The shareholder, director and all other details are currently not showing. This is because the full data migration process hasn't been completed yet.

Since you have a full year to re-register, you can wait until the full data migration has been completed before you re-register. This will be much easier for you as you will not have to re-type all your company's details.

However, we understand that companies may want to re-register immediately for their record keeping purposes or for various other reasons. They may do so. All they need to do is to request a copy of the long form version of the Certificate of Good Standing (previously known as company extract) by emailing *ipaonline@ipa.gov.pg*, You need this as you will need to input details of your company as captured in the old registry.

Our internal staff will compare your re-registration details with the old registry which is now referred to as the "legacy registry" to ensure that no new directors, shareholders or other changes have been made during the re-registration process. The requirements to change company details remain and appropriate filings must be done with the Companies Office for these changes to be effected.

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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