



## INVESTMENT PROMOTION AUTHORITY

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### PRESS RELEASE

#### IPA CONDEMNS ATTACKS ON BUSINESS HOUSES

The Papua New Guinea Investment Promotion Authority (IPA) as the investment promotion arm of Government and business regulator, has condemned the senseless attacks on business houses in Port Moresby and other centers around the country following the looting and burning down of shops and warehouses by the public whilst taking advantage of the stand down by the PNG disciplined forces over salary tax grievances and wanting answers from the Government.

Managing Director of the IPA Mr. Clarence Hoot and the Board were deeply concerned about the incident saying that such actions reflected badly on the IPA's efforts to promote PNG as a preferred investment destination. "One of our key programs over the years has been to facilitate investments in the country while at the same time promoting PNG as an attractive country given its natural resources endowments and diverse industry potentials. One of our key setbacks continues to be the law and order concerns. Even though such problems are common throughout the world, and occur just occasionally, security is one of the costs that investors unfortunately have to incur as part of their operational costs to ensure that their businesses are protected and secured. The IPA would like to convey its utmost regret and sympathies to the companies affected and at the same time assure you that we will work with you in terms of compliance requirements if required to ease some of the pain."

With the recent incident, it will take a lot of efforts and resources to rebuild the eroded investor confidence built over time and especially, on the eve of the country's next economic boom.

He mentioned that the losses unexpectedly forced upon business by way of lost stocks from the looting doubled with the huge costs of rebuilding burnt down shopping properties and warehouses would be in millions of Kina and something that could

have easily been avoided. He further stated that to rebuild a shopping centre, as those burnt, will take a long time and financial resources which unfortunately, affected businesses will have to source from somewhere as these were not part of their operational plans for the year.

In addition, large numbers of PNG citizens have been forced into unemployment and there will be huge losses of revenue both for the affected companies and the Government from various taxes which will be lost.

He issued a warning to the public that vandalizing of properties was a crime and people who partake in these illegal activities must face the full force of the law.

The IPA also fell victim to the looting and arson where its rented warehouses at Konedobu were burnt with some records totally destroyed on Wednesday evening. A fire truck was onsite and managed to contain the fire from spreading and completely burning all the files. They were able to save the files which were stored in compactus shelves.

However, Mr. Hoot has assured the business community and Government that the IPA's entity records are safely stored on cloud and files kept in the warehouses were hard copies of business information that are currently available on its online registry system.

Business entities that have any issues are urged to contact the Registrar Of Companies (ROC) for assistance.

"Let me assure the business community, the Government of the day and the general public that all companies and other entity records are available online and there is no need to panic and cause unnecessary doubts, as being published on social media. Records filed for entities registered before and after 2013 when the registry system went online are safe and secure on cloud. These includes files for the Intellectual Property Rights applications."

The records maintained by the IPA at the warehouses are merely secondary records and companies are obligated to maintain original records of filings made to the ROC at their registered office. By law majority of the record that were destroyed were time bound as they were more than 10 years old. It is therefore not in anyways, a loss to companies and does not in any ways, affect the records and filing system of businesses in the country. However, this is a huge loss to the country as IPA took pride in maintaining historical hardcopy records of every single business entity registered in the country and for the convenience of the business community.

"Business entities that have any issues are urged to contact the ROC for assistance. Pursuant to Section 397 of the Companies Act, the ROC can reregister a lost document if evidence is presented showing that they were previously registered with IPA, reiterated Mr. Hoot."

The IPA Offices in Port Moresby, Lae and Kokopo have been disrupted because of the riots and were forced to close operations for a couple of days for the priority safety of our staff and clients.

In issuing the statement Mr. Hoot has given his confidence to relevant heads of government agencies involved in restoring normalcy, saying that although this incident is a massive setback, the companies in general and Papua New Guineans are resilient and there is always hope to recover and continue doing business as usual into the future.

**Authorized for release by:**

**CLARENCE M HOOT**

**Managing Director**

Dated 14<sup>th</sup> January 2024



Files at the IPA warehouse that got burnt.



Files that were saved at the IPA warehouse



IPA Managing Director Mr. Clarence Hoot inspecting damaged files at the warehouse.