

PAPUA NEW GUINEA INVESTMENT GUIDE

Second Edition - 2021



Cover Photo: Picture courtesy of Aaron Chin

**“PAPUA NEW GUINEA
Remains Open for Business”**



A Publication of the PNG Investment Promotion Authority



Fishing Industry Association (PNG) Inc.



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ABOUT: The FIA PNG was founded in Port Moresby, Papua New Guinea (PNG) in 1991 and incorporated under Associations Incorporation Act 1966, by companies and operators in the tuna industry (both the fishing and shore-based processors), prawn operators, the beche-de-mer buyers and exporters, associated industries such as crew recruitment and placement agencies, fisheries consultancy services; and provincial umbrella artisanal fishing cooperatives.



FIA

Promoting sustainable fishing and processing best practices.

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PAPUA NEW GUINEA INVESTMENT GUIDE

Papua New Guinea Remains Open for Business

A Publication of the PNG Investment Promotion Authority

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Foreword by PNG IPA Board Chairman, Mr. Leon Buskens

It gives me great pleasure as the Board Chairman of Papua New Guinea's Investment Promotion Authority (IPA) to present to you the second edition of **PNG's Investment Guide**. I also extend a warm welcome to potential investors interested to do business in Papua New Guinea as well as our existing partners in government, industry, and the business community.

Papua New Guinea is an interesting investment destination at the crossroads of the Pacific Region, with easy access to the Australian and Asian dynamic markets including its own domestic market of approximately 10 million people. The country remains an attractive investment destination as well as a cultural hub and tourism frontier.

While the opportunities in PNG remain immense, the Covid 19 pandemic induced restrictions have had an indisputable effect on the flow of business and investment at the global, regional, and domestic level. For Papua New Guinea, the government is keen on seeing that PNG as a country remains open for business in the context of the "new normal" until such time normalcy prevails.

Papua New Guinea is the only developing Pacific Island country to have a world class Liquefied Natural Gas project, known as the PNG LNG Project. A second LNG project is now in the pipeline and will further add to the country's profile as a coveted LNG producing and exporting nation. Also, we have robust potential in energy, fisheries, forestry, agriculture, tourism, telecommunications, finance and banking, and manufacturing.

The business environment remains relatively uncrowded and the government continues to undertake key reforms in legislation to make it easier, friendlier, and cheaper to do business in PNG.

We at the IPA Board fully support the governments' focus in increasing investment in the economic sector to stimulate broad based economic growth.

On behalf of my Board, I recommend that this Investment Guide publication will assist you in your decision to do business in PNG.

Thank you

MR. LEON BUSKENS
Chairman of PNG IPA Board



Remarks by IPA Managing Director, Mr. Clarence Hoot

The Investment Promotion Authority (IPA) of Papua New Guinea once again brings to you the publication of the PNG Investment Guide book, second edition. The first edition was produced in 2014 in collaboration with the Japan International Cooperation Agency (JICA).

The investment guide book seeks to provide you a preview into some of the key steps to doing business in PNG as well as highlight some factors that determine investment decisions- such as the cost of utilities and the provision of enabling infrastructure. The guide book also features chapters on investment incentives, the Reserve Activities List, and some proposed Special Economic Zones, among others.

The key piece of legislation on investment in PNG is the **Investment Promotion Act 1992**. This legislation establishes the IPA and defines its powers and functions. Such powers and functions as to grant a certificate to a foreign enterprise to do business in PNG; and to promote and facilitate investment in the country, among others. This legislation is undergoing an amendment so as to bring investor certainty and confidence, promotion of responsible FDI, improved foreign certification process, and better compliance and enforcement of rules. We hope to bring to you updates on this in our next edition.

During this period of Covid, we are encouraged by the determination of the Prime Minister Hon. James Marape and his government to continue to ensure PNG as a country continues to remain open for business.

As the agency responsible for the promotion and facilitation of investment in PNG, we stand ready to hear from you and assist you connect with the right people in PNG to learn more about the regulatory compliance aspects as well as the opportunities that will be appealing and best suits your investment needs. We also look forward to welcoming you in PNG in your next business trip. As a culturally diverse country with pristine natural habitat, you can take time out of your business schedule to enjoy, relax, and experience PNG's flora and fauna and our friendly people.

I would also like to acknowledge and thank our advertising partners and contributors for their support in producing this edition.

Thank you,

Mr. CLARENCE HOOT
Managing Director

Acknowledgement

This publication is made possible with the kind support and sponsorship from partners namely:

1. Monier Limited
2. Fishing Industry Association (PNG) Inc
3. PNG CR Services Company Limited
4. Mineral Resource Authority
5. PNG DataCo Limited
6. United Sea Foods Limited
7. Papua New Guinea Tourism Promotion Authority

The Investment Promotion Authority acknowledges and values the support of our partners in promoting business, trade and investment in Papua New Guinea.

Thank you!

Executive Summary

WHY INVEST IN PNG?

✓ PNG Remains Open for Business

Despite global challenges brought about by the COVID-19 pandemic, the government continued spending in key economic sectors to stimulate growth in the economy until the pandemic subsides.

✓ Pacific's Largest Economy

Largely dominated by extractives sector, especially the trains of LNG projects, mining and petroleum, agriculture, fisheries, forestry, among others, which contribute to its high GDP and export earnings.

✓ Rich Natural Resource Endowment

Gold, Copper, Silver, Nickel, Cobalt, Oil, Natural Gas, Fisheries, Forestry, Coffee, Cocoa, Tea, Coconut, Palm oil, rubber, and many more...

✓ Pacific Corridor to South-East Asia

Connecting the Pacific to the Asian region, Independent State of Papua New Guinea is the only country in the region that physically connects through a land border with the Republic of Indonesia

✓ Strategically located

PNG is centrally placed within proximity to the Asian Tiger economies to the North-West, the Australian continent to the South, and the vast Pacific Ocean neighboring smaller Pacific island countries to the East

✓ Liberal Investment Environment

PNG aspires for an investment regime that is transparent, predictable, stable and compatible with international best practice conducive for foreign investment.

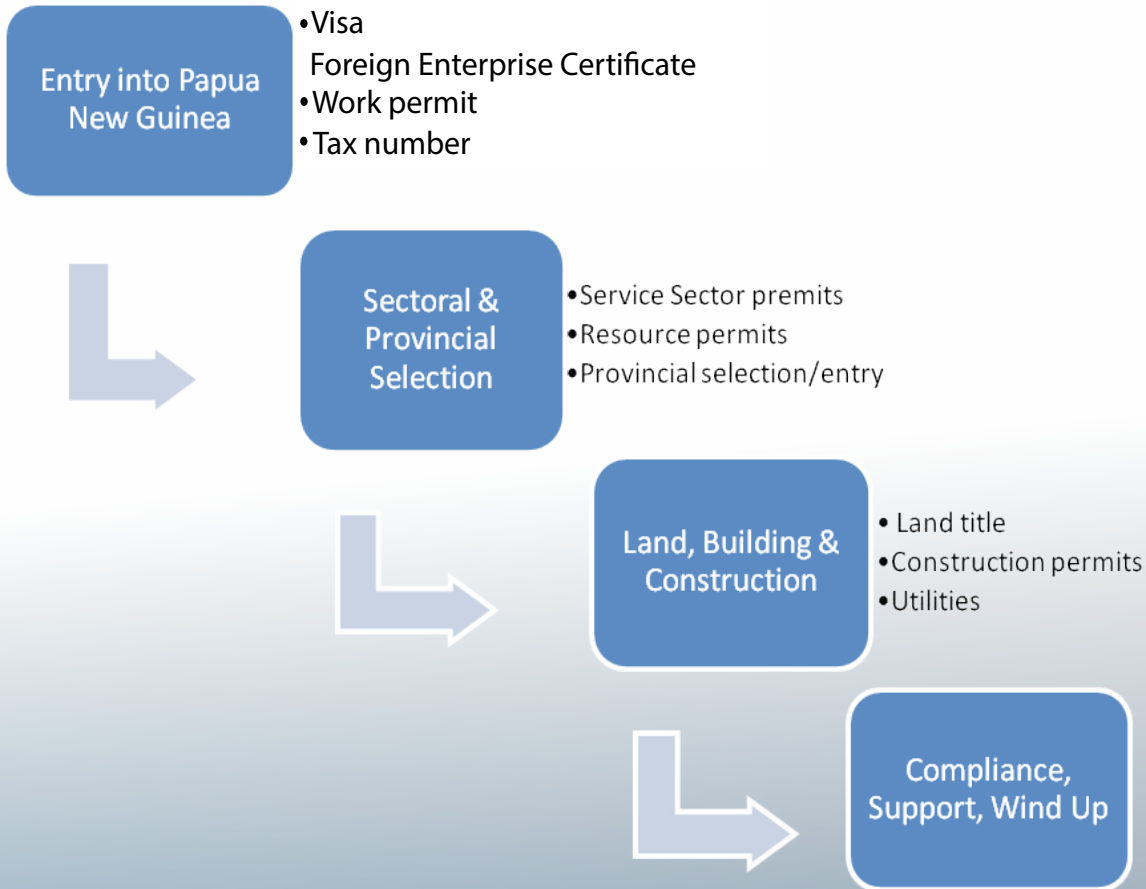
✓ Young and Growing Population

PNG has a growing number of youths who are affluent and trainable. The high growth rate in population also means a growth in the domestic market.



SUMMARY CHARTS ON DOING BUSINESS IN PNG

Chart 1: Steps to do business in PNG



Enquiry Handling: First Point Contact with IPA

Chart 2: Process of investor enquiry handling

Contact IPA	Match-making	Licensing	Aftercare
<ul style="list-style-type: none"> • Business Advisory support • Business start up advice • Facilitate fact-finding trips • Facilitate site visits 	<ul style="list-style-type: none"> • Connect with line ministries, departments, agencies, provincial authorities, industry bodies, existing investment opportunities • Project Agreement/ negotiations 	<ul style="list-style-type: none"> • Register with IPA • Obtain permits, licences, approvals from sectoral regulatory bodies • Licensing with municipal, provincial authorities 	<ul style="list-style-type: none"> • Policy advocacy • Operational grievance support mechanisms • Re-investment advice and support • Winding down options

Chapter 1: General Information

(a) Country Overview



Global indicator

Papua New Guinea is a country in the Oceania region occupying eastern half of the Island of New Guinea with its eastern offshore islands of Melanesia, located to the southwest of Pacific and north of Australia.

Geographically, the country comprises of the mainland New Guinea, the Islands of New Guinea which are New Ireland, New Britain, Manus and Bougainville.

PAPUA NEW GUINEA (PNG)

Capital City	Port Moresby
Land area	462,840 km ² (178,700 sq. miles)
Exclusive Economic Zone (EEZ)	2,402,288 km ² (927,529 sq. miles)
Population	8,935,000 (2020 estimate) 7,275,324 (2011 Census)
Type of Government	Unitary Parliamentary Constitutional Monarchy
Monarch	Queen Elizabeth II
Governor General	Sir Bob Dadae (2021)
Prime Minister	James Marape (2021)
Legislature	National Parliament
Language	English, PNG Tok Pisin, Hiri Motu
Religion	Predominantly Christian
Currency	Kina (PGK)
Time Zone	UTC +10, +11 (AEST)
Driving side	Left



(b) Economic and sectoral overview of PNG



The country’s economy remains dominated by key sectors mainly the agriculture, forestry, and fisheries sectors that engage most of PNG’s labor force (the majority informally); and

the minerals and energy extraction sector that accounts for the majority of export earnings and national GDP.

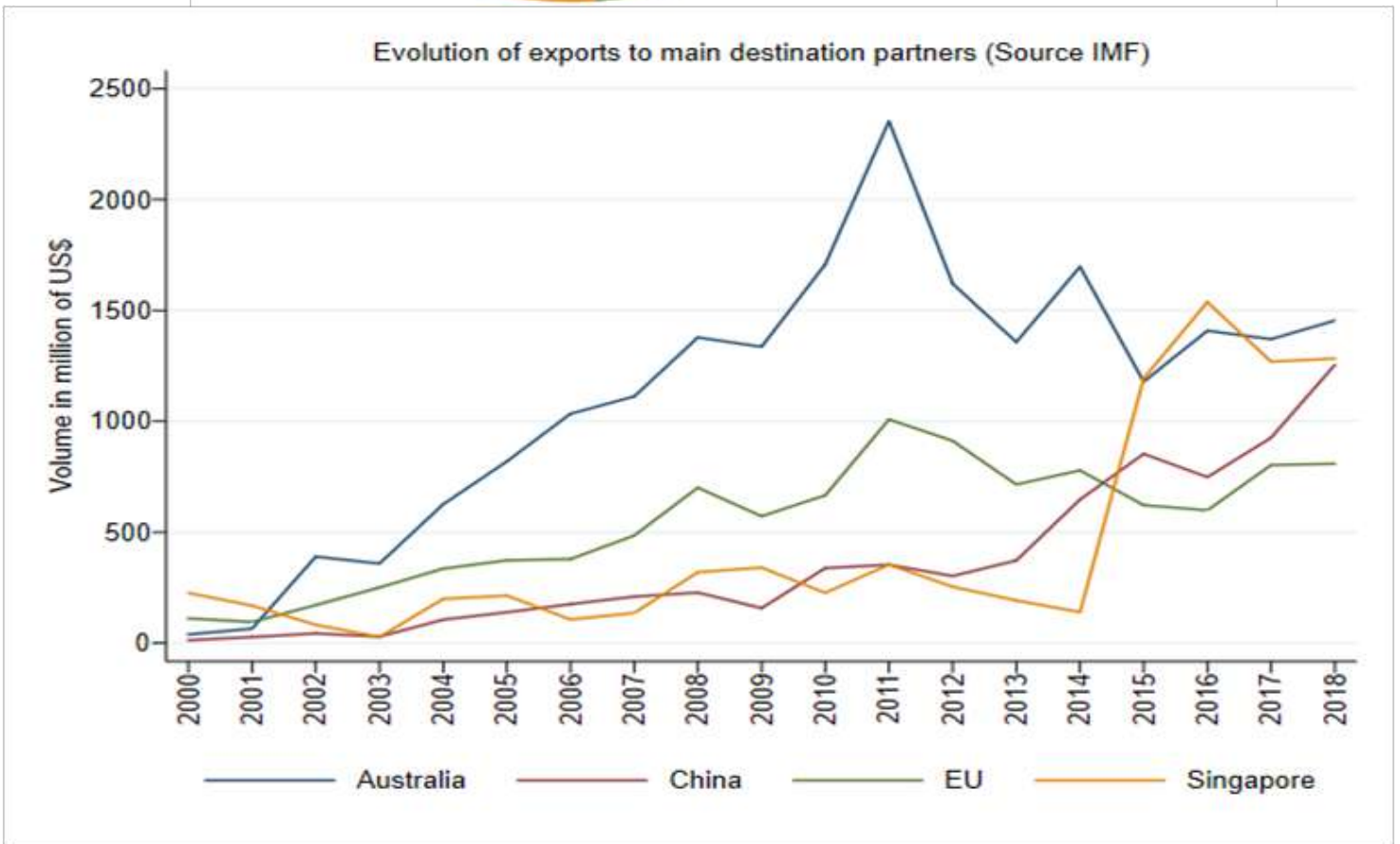
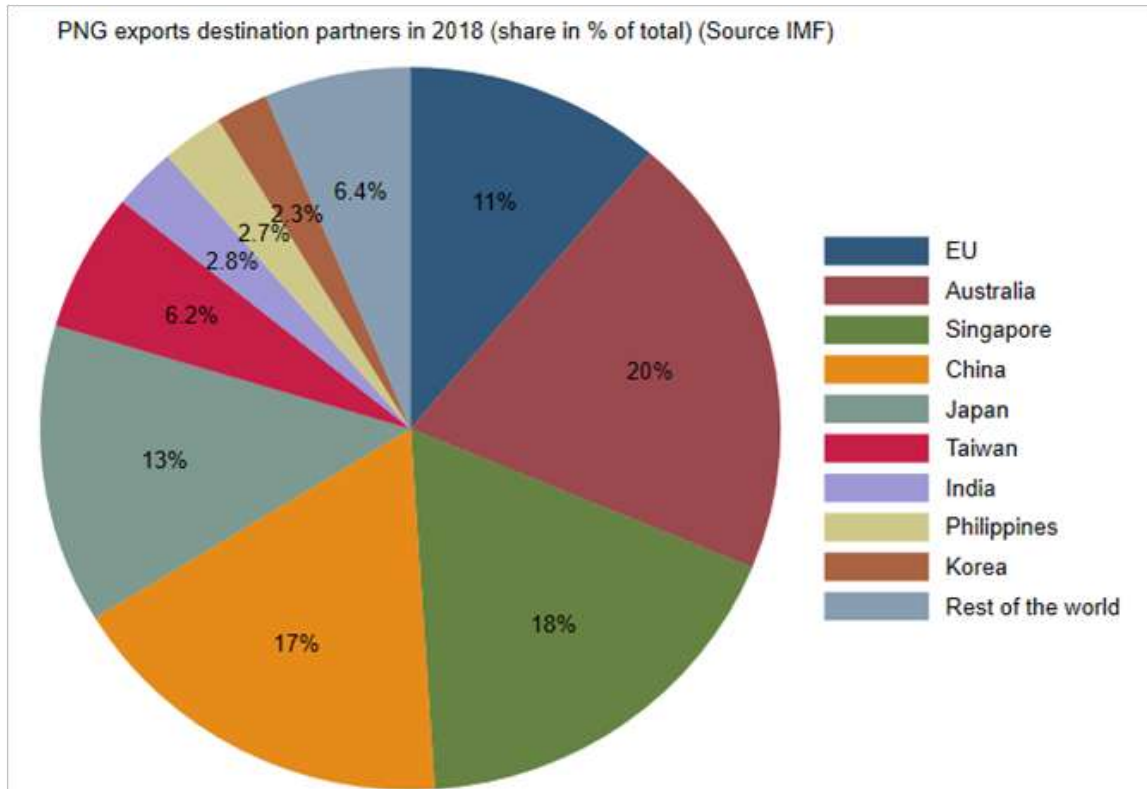
To diversify PNG’s revenue sources and increase employment, investment is needed to strengthen capacity in institutions, human capital, and physical infrastructure like electricity, telecommunications, road and other transport infrastructure that remain critical to supporting private sector-led growth.

Key Economic Indicators; Projections and Estimates by World Bank

	Key Economic Indicators, 2017-2022						Percentage point differences from January 2020 projections		
	2017	2018	2019	2020	2021	2022	2020	2021	2022
		Est.	Est.	Updated projections			Δ change		
Real GDP growth (percent), of which:	3.5	-0.8	6.0	-1.3	3.4	3.0	-4.2	0.5	0.0
Resource economy	4.4	-5.1	10.0	-2.7	4.8	3.1	-5.2	2.1	1.3
Non-resource economy	1.6	3.1	1.9	0.0	2.3	2.7	-3.1	-1.1	-1.7
GDP deflator (percent)	7.7	7.2	3.7	-2.0	8.4	4.6	-5.8	3.0	0.7
Current account balance (percent of GDP)	23.7	24.2	22.7	15.1	15.8	11.0	-11.0	-2.1	2.6
Gross official reserves (in months of imports)	4.0	5.1	5.1	3.4	3.4	3.9	-1.0	0.1	0.1
Fiscal balance (percent of GDP)	-2.5	-2.7	-4.9	-6.4	-3.8	-2.9	-0.6	0.2	-0.3
Public debt, net (percent of GDP)	35.9	37.7	39.2	47.0	46.5	47.5	5.0	2.5	3.8

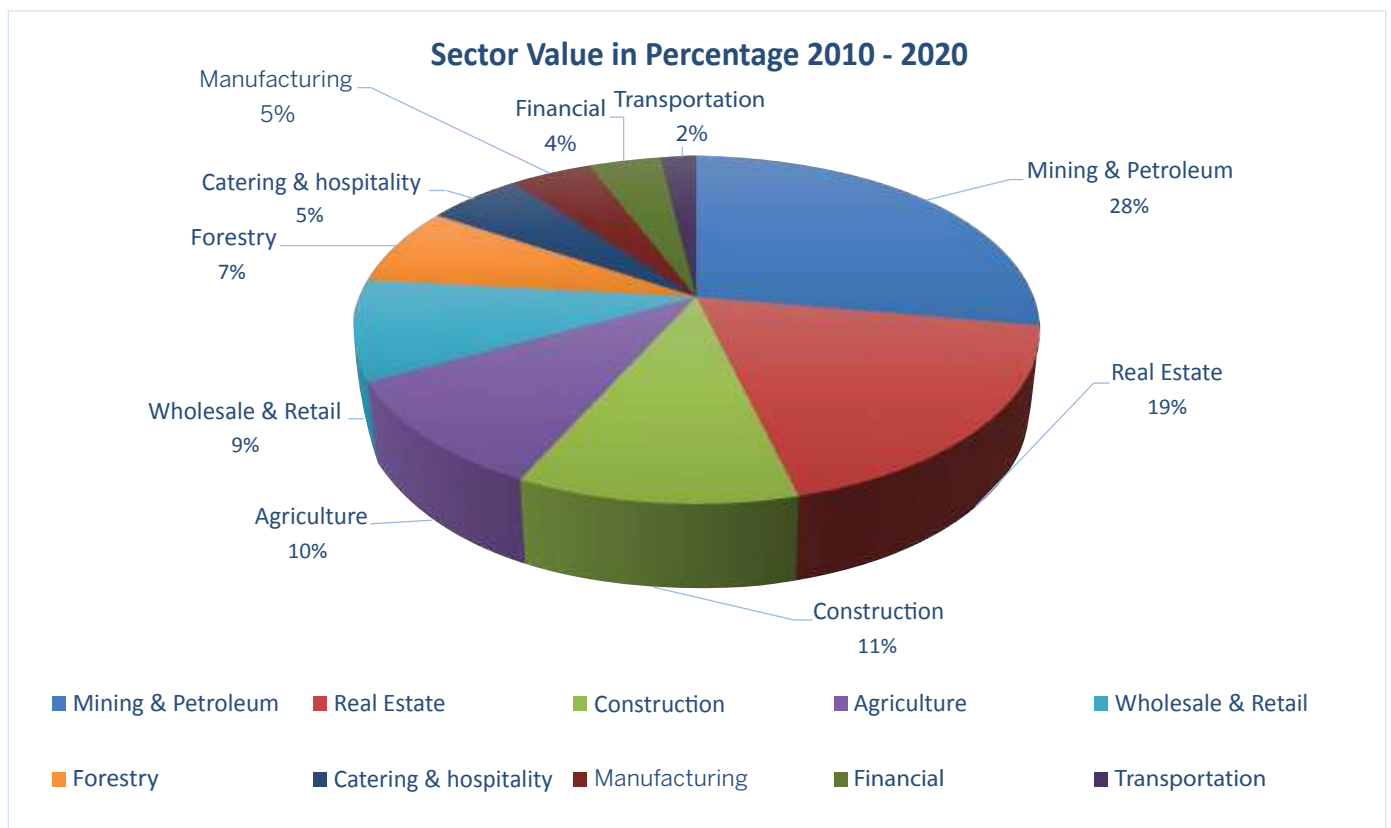
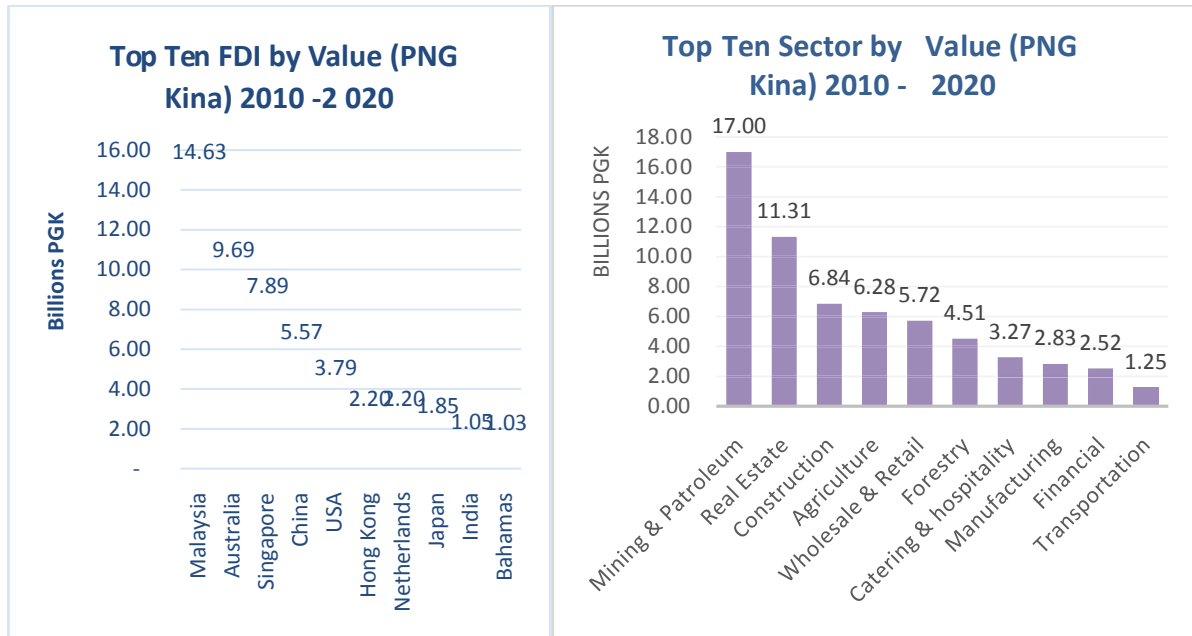
Source: Official data; World Bank staff estimates and projections, 2020.

PNG's trade with the world



Foreign Direct Investment (FDI) in PNG

The trend in foreign direct investment (FDI) shows that Malaysia has been major player in PNG economy for the last 10 years mainly operating in forestry, realestate, wholesale and retail. The extractive sector, especially mining, oil and gas remains the main GDP earner for the country.



Source: Investment Promotion Authority, 2021



The Intellectual Property Office of Papua New Guinea (IPOPNG) is a Division located within the Investment Promotion Authority (IPA). IPOPNG deals with administration of Intellectual Property Rights (IPRs) and Intellectual Property (IP) legislations in Papua New Guinea. The various IP legislations in Papua New Guinea include the Trade Marks Act, 1980 (Ch.385), Patents and Industrial Designs Act 2000, and Copyright and Neighbouring Rights Act 2000.

The Intellectual Property Office of Papua New Guinea (IPOPNG) is responsible for the Trademarks Register and the Patent & Industrial Design Register and also deals with Copyrights by providing information on the Protection of Copyright.

Registering Trademarks

- ✓ Visit <http://www.ipopng.gov.pg> & download a [Form 4 Application – Application for Registration of Trade Mark](#) + Form 4 Instruction Guide form.
- ✓ Complete the application by using the [Form 4 Instruction Guide](#)
- ✓ Pay prescribed filing fee of K250.00 to any of the Investment Promotion Authority operating accounts;
- ✓ Send completed Form 4 application with a Formal Request & receipt as proof of payment to the email address: IPOLodgements@ipa.gov.pg

A Trademark Search can be done using the PNG IP SEARCH - ipopng.gov.pg/ipsearch/public/trademarks or visiting the Global Brand Database - www3.wipo.int/branddb/en/.

Registering Patents

- ✓ Visit <http://www.ipopng.gov.pg> & download a [Form 1 Application – Request for Grant of Patent or Utility Model](#) + Important Filing Requirements and Guides on the [Patent page](#).
- ✓ Complete the application (or provide *a copy of the PCT Request Form and PCT Publication Document which will be sufficed for International Applications*)
- ✓ Attached 3 separate sets of copies of the Description, Claims, Abstract and Drawings (if any)
- ✓ Complete a [Power of Attorney form](#) if represented by an agent & Fill in [Statement Justifying the Applicant's Right](#) if the applicant is not the inventor.
- ✓ Provide a single set of copies of supporting documents, if any.
- ✓ Pay prescribed filing fee of K1,000 to any of the Investment Promotion Authority operating accounts;
- ✓ Email all the Application form together with all these documents & receipt as proof of payment to the email address: IPOLodgements@ipa.gov.pg

Registering Industrial Designs

- ✓ Fill in [Form 5](#) and file with representation (technical) drawings or pictures of the product
- ✓ Complete the [Power of Attorney](#) form if a legal representative is acting on your behalf.
- ✓ Complete the [Statement Justifying the Applicant's Right](#) form if you are not the designer or creator of that design.
- ✓ Pay the lodgement fee of PGK300.00 by bank cheque made out to Investment Promotion Authority or through a direct bank deposit into Investment Promotion Authority's account(s) with BSP or ANZ or Westpac.

Enforcing Copyright

- ✓ Generally, applies to literature and arts (mainly literary & artistic work) and any related work. Examples of these works are books, music, paintings, sculpture, and films, to computer programs, databases, advertisements, maps, and technical drawings;
- ✓ Copyright protection refers to the legal right over these works and the right to authorize use and related use of these works.
- ✓ Copyright protection is automatic and therefore you don't need to apply and register any of your work for protection.
- ✓ The owner (author/artist/creator/painter/producer/musician/composer etc) of the work automatically owns the work from the time he/she initiates the idea and creates the work.
- ✓ However, the work must be translated/transformed/fixated into a tangible format (something that is fixed/tangible/physical) and that the owner must be able to show proof that he/she has created that work.

For all matters relating to the registration and protection of Intellectual Property Rights in PNG, please contact

registrar.ipopng@ipa.gov.pg or IPOLodgements@ipa.gov.pg

Foreign Exchange and Monetary Policy

The Bank of PNG is the regulator of foreign exchange market operations and manages the country's Foreign Reserves. It facilitates trading in the domestic foreign exchange market by performing a broker's role. Based on the developments in the financial and the foreign exchange markets, it designs and implements the Bank's Intervention Strategy.

Exchange Rates

The existing provisions for the Rate of Exchange for conversion of foreign currencies into national currency (PNG Kina) is applied on the date when the entry for Home Consumption for the goods is lodged with Customs. The exchange rate is applied on a weekly basis.

The table below provides currency code conversion into PNG Kina (PGK) as of February 2021

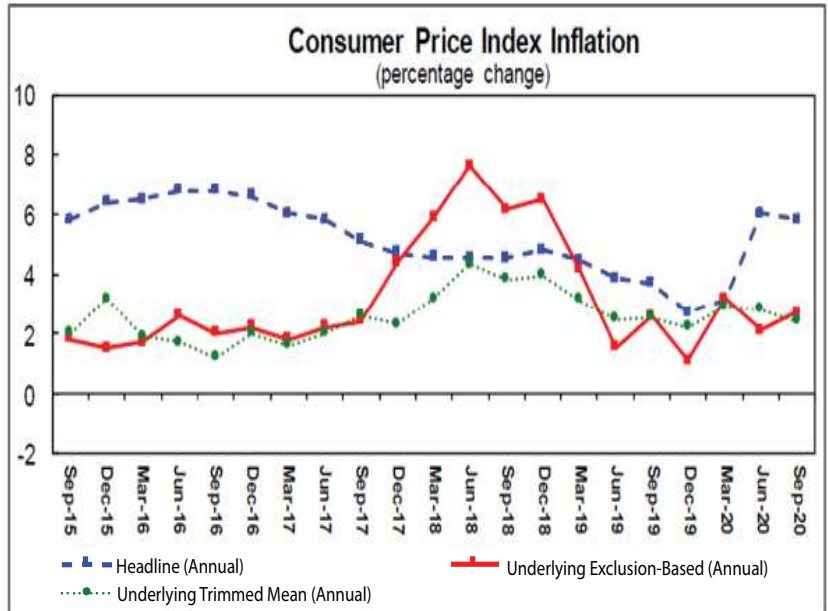
PGK Conversion Rates as of 8th February 2021					
Currency Code	Currency	FC per USD	FC per PGK		
			BUY	MIDRATE	SELL
USD US.Dollar			0.2900	0.2850	0.2800
AUD Australian Dollar*		0.7675	0.3779	0.3714	0.3648
CAD Canadian Dollar		1.2765	0.3702	0.3638	0.3574
CHF Swiss Francs		0.8998	0.2610	0.2565	0.2519
CNY Chinese Yuan		6.4573	1.8727	1.8403	1.8079
DKK Danish Krone		6.1776	1.7916	1.7606	1.7296
EUR Euro *		1.2037	0.2409	0.2368	0.2326
FJD Fijian Dollar*		0.4819	0.5987	0.5914	0.5841
GBP Pound Sterling*		1.3730	0.2112	0.2076	0.2039
HKD Hong Kong Dollar		7.7530	2.2484	2.2096	2.1708
IDR Indonesian Rupiah		14004.00	4062.32	3991.16	3920.00
JPY Japanese Yen		105.51	30.60	30.07	29.54
KRW Korean Won		1118.65	324.45	318.82	313.18
KWD Kuwaiti Dinar		0.3029	0.0879	0.0864	0.0848
MYR Malaysian Ringgit		4.0610	1.1780	1.1574	1.1368
NOK Norwegian Kroner		8.5266	2.4735	2.4301	2.3867
NZD New Zealand Dollar*		0.7200	0.4028	0.3959	0.3889
PHP Philippine Peso		48.044	13.94	13.69	13.45
RUB Russian Rouble		74.63	21.6622	21.2689	20.8755
SBD Solomon Islands Dollar*		0.1247	2.3558	2.2864	2.2169
SEK Swedish Kroner		4.0000	2.4308	2.3882	2.3455

Source: Bank of PNG, 2021

Kina Facility Rates

The Bank of Papua New Guinea introduced the Kina Facility Rate (KFR) in February 2001, as an official rate to indicate its stance of monetary policy. The KFR is a monthly rate and any changes to it should translate to market interest rates. Changes to the KFR are based on assessment of economic fundamentals in the economy. The initial KFR was set at 15.50 percent in February 2001

Kina Facility Rate:	
Feb 2021	3.00%
Jan 2021	3.00%
Dec 2020	3.00%
Nov 2020	3.00%
Oct 2020	3.00%
Sept 2020	3.00%
Aug 2020	3.00%
Jul 2020	3.00%
Jun 2020	3.00%
May 2020	3.00%
Apr 2020	3.00%
Mar 2020	5.00%
Feb 2020	5.00%



Source: National Statistics Office & Bank of PNG

The annual headline inflation, as measured by the Consumer Price Index and published by the National Statistical Office, was 5.8 percent in the September quarter of 2020, compared to 6.0 percent in the June quarter (see Chart below). The general price increases were influenced by seasonal factors, and effects of the COVID-19 pandemic. Therefore, the Kina Facility Rate is maintained at 3.0 percent for the month of January 2021.



Chapter 2: WHY INVEST IN PNG?

PNG Remains Open for Business

Prime Minister Hon. James Marape announced in February 2021 at a Business Breakfast Meeting that the government is committed to opening the doors for foreign direct investment. Outbreak of COVID-19 pandemic has affected global economy with travel restrictions and closure of international borders.

Businesses are slowly reopening their doors and as responsible government, we are also

opening our borders to allow business, trade and investment to take place with adherence to new normal. PNG's resource projects continue to be the main drivers of economic growth. The government indicated that projects currently in the pipeline estimates to K110 billion in foreign direct investment and domestic production over their respective lifespan.

Pacific's GDP projections by country, 2019-2021

Economic performance in the Pacific Region			
GDP Growth (% , p.a.)			
Country	2019e	2020p	2021p
Federated States of Micronesia	12	-5.4	-1.8
Fiji	-04	-19.8	1.0
Kiribati	2.4	0.6	1.8
Marshall Islands	3.8	-5.5	-1.7
Nauru	1.0	0.7	0.5
Niue
Palau	-1.8	-13.8	-13.2
Papua New Guinea	5.0	-2.9	2.5
Samoa	3.6	-3.5	-10.7
Solomon Islands	1.2	-6.0	1.0
Tonga	0.7	-2.7	-6.5
Tuvalu	4.1	2.0	2.5
Vanuatu	2.9	-9.8	1.0

...=not available, ag=average, GDP=gross domestic product, pa=per annum, e= estimates, p=projections

Source: ADB, 2020. Asian Development Bank Outlook 2020 Updates

PNG's economy grew largely due to the recent rise in commodity prices and new project investments in the resource-rich Pacific nation. Farmers make up the majority of the PNG population, so higher agricultural prices will support local consumption.

The pioneer \$15 billion ExxonMobil-led Liquefied Natural Gas (LNG) Project being largely responsible for boosting growth in PNG. Private investment is

strong in PNG as businesses seize the opportunities generated by the LNG Project. The 2nd train Papua LNG project of 5.4 million tons per annum (mtpa) capacity will consist of two LNG trains of 2.7 mtpa capacity each and will unlock over 1 billion barrels of oil equivalent of natural gas resources. The 3rd train P'yniang LNG project in Western Province is also in the pipeline.

Rich Natural Resource Endowment



PNG's gold production was reported at 70,000.000kg in Dec 2020. This records a decrease from the previous number of 74,000.000 kg for Dec 2019. Papua New Guinea Gold Production data is updated yearly, averaging 62,200.000 kg from Dec 1990 to 2020

PNG's extensive fisheries segment covers around 2.4m sq km – one of the largest such zone in the South Pacific and comprise of 15 % of World Tuna Catch, 50 % of PNA catch.

In terms of forest footprints, there are about 45 million hectares with approximately 30 million

hectares forested. Due to the rugged terrain and inaccessibility, potential area suitable for forestry is approximately 15 million hectares.

Over 95% of coffee production is Arabica coffee. The three major markets for PNG coffee are Germany, USA, and Australia. Oil palm is the third major crop after cocoa production with 14% of the annual export values. It covers land area of 58 000 hectares. The estates produce 65% of the output and 35% from the smallholders.



Pacific Corridor to South-East Asia



The land border could serve as an opportunity for PNG to become the Pacific hub into the Indonesian and Asian markets. Imports from Indonesia can be easily accessed for inputs in production or distribution in PNG and the Pacific

Strategically located



Map showing Air Niugini international destinations before Covid-19 restrictions

PNG has international flights to some major cities in South-East Asia, Australia, and the Pacific. As a major exporter of primary and raw products, main export destinations are nearby Australia, Singapore and China.

New or existing investors needing supply of capital or operational inputs can source from the nearby destinations for inputs into manufactured products. PNG significantly benefits from its Economic Partnership Arrangement (EPA) with the European Union with duty/quota free access for its fisheries and other agricultural products.

Liberal Investment Environment

PNG’s legal and regulatory framework is crucial for promoting a transparent and predictable environment for investment. This is to enhance business compliance with domestic regulatory requirements conforms to international best practice.

PNG promotes a liberal investment environment and foreign investment in PNG is governed under the following framework:

DOMESTIC INVESTMENT FRAMEWORK

Policies	Legislations	Regulations
National Investment Policy Investment Incentives (tax incentives)	<ul style="list-style-type: none"> Investment Promotion Act 1992 (being amended) Companies (Amendment) Act 2014 Business Name Act 2014 	<ul style="list-style-type: none"> Investment Promotion Regulation 1992 – Also lists reserved and restricted activities (under review)

INTERNATIONAL TRADE AND INVESTMENT FRAMEWORK

Bilateral Investment Treaty Partners	Bilateral Tax Treaties Partners	Multilateral
Australia China Germany Japan United Kingdom	Australia Canada China Fiji Germany Korea Malaysia Singapore United Kingdom	<ul style="list-style-type: none"> Asia Pacific Economic Cooperation (APEC) World Trade Organization (WTO) Multilateral Investment Guarantee Agency (MIGA) International Centre for Settlement of Investment Disputes (ICSID) UNCITRAL (New York Convention)

Young and Growing Population

PNG has a very active young population with people under 25 make up about 60 per cent of the population equating to about 7.3 million inhabitants. The education sector in PNG comprises of



three sub sectors, namely, general education, TVET and higher education. TVET stands for Technical & Vocational Education & Training. Majority of youths are engaged through TVET programs to develop a vibrant and skilled workforce- to advance the country’s development aspirations

Chapter 3: Key Industry Overview & Opportunities

a) Energy

The PNG Energy Policy 2017-2027, outlines government priority to manage the energy sector in a more efficient and sustainable manner. The electricity portion of the energy sector includes the generation, transmission, and distribution and retail of electricity.

The energy sector currently accounts for 14% of the country's GDP and is a critical enabler for economic growth. Major developments are expected in the energy sector. The assets related to the sector includes three (3) key energy resources: (i) electric power, (ii) fossil fuels (including petroleum, natural gas and coal); and (iii) renewable energy including hydro, biomass, geothermal, solar, wind, tidal waves, ocean currents and biofuel.

According to the Energy Policy, PNG has hydro power potential of about 15,000MW comprising large and small hydropower capacity, about 797 megawatts (MW) of installed generation capacity, including hydro power (432 MW or 54%), diesel (217 MW or 27%), gas-fired (85 MW or 11%), and geothermal (56 MW or 7%) and biomass (7MW or 1%).

PNG Power Limited (PPL), the national state-owned power utility, manages installed generation capacity of about 300MW, including the two main grids and 19 independent power systems that service 26 smaller urban centers. The remaining capacity of about 280MW comprises: (i) self-generation systems owned and operated by industrial facilities, including mining companies; and (ii) private sector generators supplying the main grids or rural communities.

Structural and Regulatory Reform in the Energy Sector as of 2021

Department of Petroleum & Energy (Energy Division)	Current regulator including the role played by the State-owned PNG Power Limited on licensing and reticulation
National Energy Authority (NEA)	Established by an Act of Parliament in April 2021, NEA will be the regulator of energy sector industries through <i>National Energy Act 2021</i>
Independent Consumer Competition Commission (ICCC)	Determines and grants electricity tariff rates under its legislation as a consumer watchdog

b) Mining

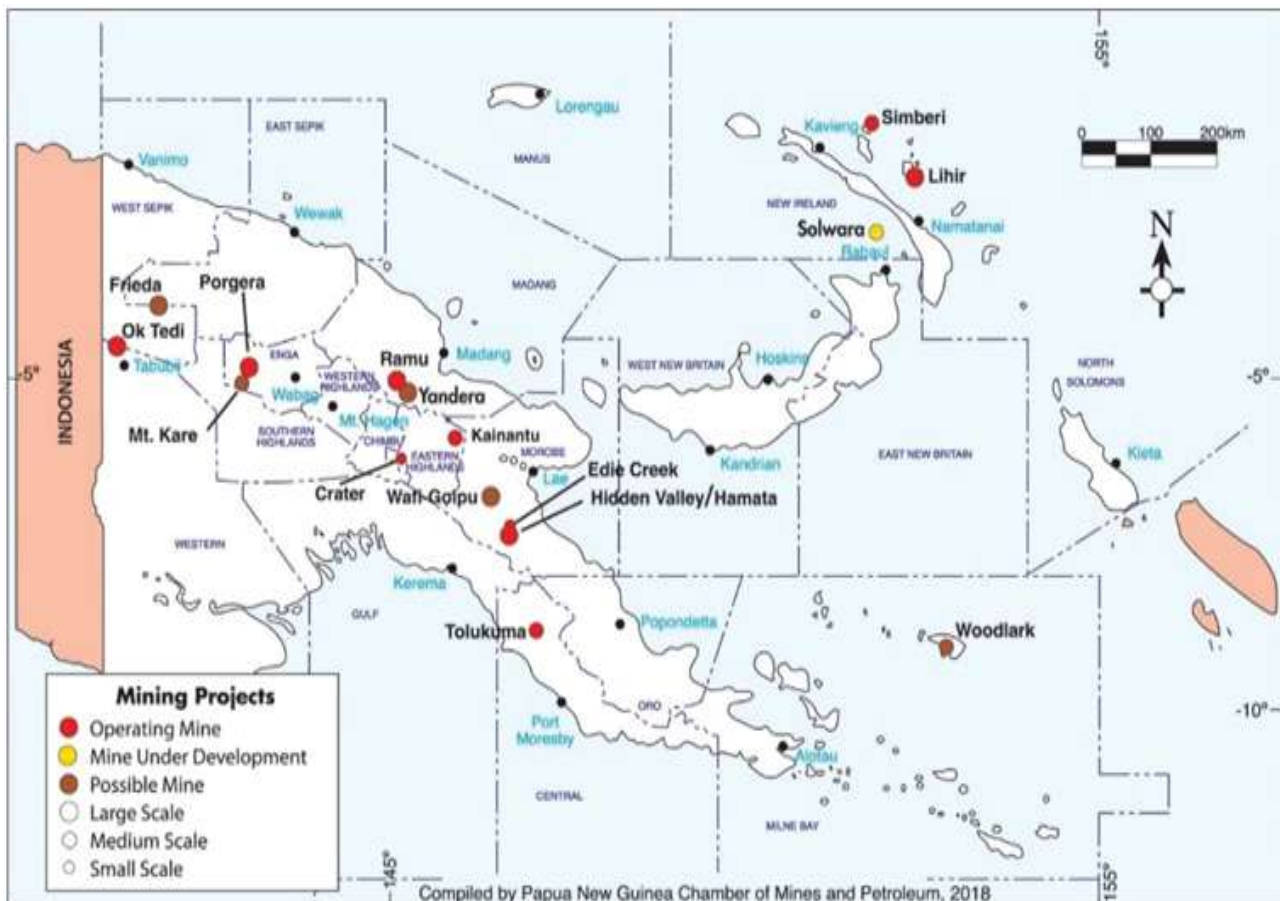
The mining sector in Papua New Guinea revolves around a small number of medium to large mines, including a very dynamic small-scale mining (SSM) sector. Papua New Guinea has a well-established mining industry, attracting investment from many of the world's leading mining companies. Minerals currently being mined include gold, silver, copper, nickel and cobalt. Table below outlines list of operating mines in PNG at the moment.

PNG's Major Operating Mines	
Ok Tedi	Copper, Gold, Silver Miner. Owned by Independent State of Papua New Guinea. Operated by Ok Tedi Mining Limited.
Lihir	PNG's largest gold producer. Owned and operated by Newcrest Mining Limited (Australia).
Ramu	PNG's first nickel-cobalt project. It is owned and operated by MCC Ltd (China) with total investment of US\$2 billion.
Hidden Valley	Gold, Silver. Owned by Harmony Gold Mining Company Limited (South Africa)
Simberi	Gold. Owned and Operated by St. Barbara Ltd (Australia)
Kainantu Gold Mine	Gold. Owned and operated by K92 Mining (Canada)
Porgera	Gold. Silver. Expiry of Special Mining Lease. Mine shut down with negotiations ongoing.

Potential Future Projects	
<i>Wafi-Golpu (Morobe)</i>	(Gold, Copper)
<i>Woodlark Island (Milne Bay)</i>	(Gold)
<i>Frieda River (East/West Sepik)</i>	(Gold, Copper)
<i>Yandera (Madang)</i>	(Copper)

Regulator
 Mineral Resources Authority (MRA) presently administers mineral exploration licenses in the country. It also regulates the operations of mines currently working in PNG. Visit their website: www.mra.gov.pg

Map showing existing and potential project sites



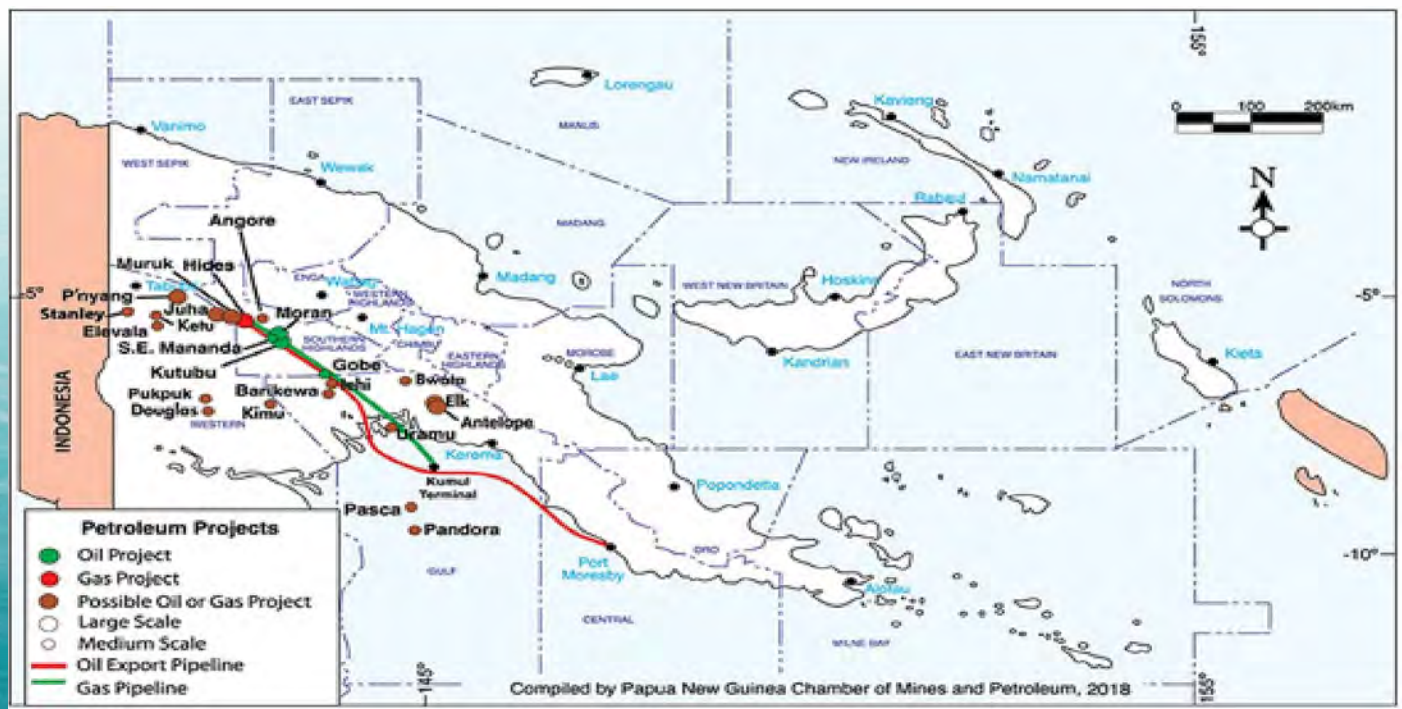
Source: PNG Chamber of Mines & Petroleum

c) Petroleum, (Oil & Gas)

The PNG economy received a tremendous boost with commencement of construction in 2010 of the US\$15 billion PNG LNG Project and the start of liquefied natural gas exports in May 2014.

Exxon Mobil	Operator of the PNG LNG Project with an equity stake of 33.2%; Exxon-Mobil also has a 37.1% stake in the proposed Papua LNG Venture and a 49% stake in P'nyang
Oil Search	Operator of PNG's oilfields. It is the second largest equity owner in the PNG LNG Project with a 29% stake, along with 28.2% in Papua LNG and 38.5% in P'nyang.
Total SA	The French multinational, Total Oil, a relative newcomer to PNG exploration and production, will be the operator of the Papua LNG Project, where it currently holds a 40.1% equity stake.
Kumul Petroleum Holdings	The PNG Government's national oil company, Kumul Petroleum, is the third largest partner in the PNG LNG Project, with a 16.8% stake.
Santos Ltd	Australia's Santos Ltd has a 13.5% stake in the PNG LNG Project. It has 9.4% equity in the Southeast Gobe oil field with expectation that it will farm into the P'nyang gas discovery
Twinza Oil	The company has conducted appraisal drilling of the Pasca gas-condensate field in the offshore Gulf of Papua, where it expects to host PNG's first offshore field development

Petroleum Projects Map



Source: information and pictures from PNG Chamber of Mines & Petroleum



d) Agriculture & Livestock

Papua New Guinea's tropical climate and rich fertile soil makes it a suitable environment for cultivation of different varieties of cash crops. The communal and tribal land ownership sees a significant number of productions undertaken in small-holder groupings however, most productions are done commercially in plantations and estates.

Agriculture dominates the rural economy of PNG. More than seven million rural dwellers (80% of the population) earn a living from subsistence agriculture and selling crops in domestic and international markets. Coffee, cocoa, copra, oil palm, spice, rubber, fresh vegetables (table or graphic of commodities), and betel nut are grown by smallholders and provide income for 80% of the population. The livestock subsector comprises cattle, poultry, piggery, sheep and goats, rabbits, apiculture (honey bee), and aquaculture. Currently PNG produces around 1,400 to 2,000 tonnes of meat annually; and all are consumed domestically.

Primary Agricultural Bodies

Department of Agriculture & Livestock	Administers all policy and regulatory matters relating to agriculture and livestock. Promotes agricultural development and productive employment generation
Provincial Division of Primary Industry	Tasked with extension role in the districts and provinces
National Agricultural Research Institute	Function is to generate and promote appropriate and improved agricultural technologies, improving quality, and methods to conserve and market agricultural products
National Agricultural Quarantine & Inspection Authority	Facilitates, supports, and coordinates agricultural quarantine and inspection services. Maintains PNG's bio-security and international quarantine risk status
Commodity Organizations	
Coffee Industry Corporation	Functions include the regulation of the coffee industry and provision of extension and market access monitoring and support to buyers and sellers
Kokonasi Industri Koporesen	Statutory regulatory institution for the coconut industry in Papua New Guinea
Cocoa Board	Mandated to regulate and promote cocoa industry in PNG
Livestock Development Corporation	Mandated Government agency responsible for the development of all forms of livestock including cattle raising and grazing systems in Papua New Guinea.
Fresh Produce Development Agency	Responsible for facilitating the development of the horticulture and fresh produce industry in PNG. From production to marketing, primary function is to be a source of information relating to commercial horticultural activities across the country
Oil Palm Industry Corporation	Responsible for providing extension services to the smallholders, out-growers and settlers within the precincts of nuclear estates of oil palm growing provinces. OPIC's key role is to provide efficient delivery programs and develop market infrastructure for its smallholders and out-growers
Spice Board	The authority tasked to regulate the spice industry including coordination of its development.
Rubber Board	The authority responsible for the rubber industry in the country. The Board is currently under the management of the Department of Agriculture and Livestock

The government sees PNG’s abundance of land and high proportion of subsistence farmers as an opportunity to attract investment and generate employment. There are also opportunities in the digitalization process to tap into platforms with access to markets and other challenges brought about by not only Covid19, but also the physical terrains, lack of infrastructure and transport constraints.



e) Forestry

Papua New Guinea has a total land area of 46.2 million hectares. Of this land, 97% is privately owned by the customary owners. Forest covers some 78% or 36.125 million hectares of the total land mass, ranging from mangrove forests along the coast to alpine forests at higher altitudes. PNGs’ commercially accessible timber volumes are concentrated in lowland and coastal areas where people generally practice shifting cultivation within well-defined pockets of secondary vegetation. Indigenous people claim customary ownership of the large tracts of natural forest, between their gardening and hunting areas, that contain the timber resources targeted for industrial logging.

Although Papua New Guinea’s forests account for only 1.5 percent of the world’s tropical rainforests. The forests offer many natural resources of commercial, subsistence, cultural, and scientific importance. In terms of timber production, the country’s forest contains more than two thousand species of trees, of which about four hundred are known to be commercially useful.

Regulator	Industry Board and Stakeholders
PNG Forest Authority	National Forest Board, Provincial Forest Management Committees, National Forest Service
	Forest Research Institute- Research and Development
Industry Affiliation	
Forest Industry Association	Incorporated association of companies involved in all levels of operation in the timber industry in Papua New Guinea



Pictures: PNG Forest Authority

f) Fisheries

Fisheries sector is an extensive and valuable sector ranging from inland river fisheries, aquaculture, coastal beche-de-mer and reef fisheries to the prawn trawl and large-scale deep-water tuna fisheries. The range of participants covers artisanal community to medium sized domestic prawn and tuna long line operators to large international purse seine fleets in the deep-water tuna fishery.

PNG's fisheries zone comprised of 2.4 million square kilometers and is the largest in the South Pacific. The fisheries zone includes an extended reef system, numerous islands and an extensive coastline. These create huge opportunity but also present an enormous challenge for monitoring and control.

The government recently endorsed the PNG Fisheries Strategic Plan 2021-2030 for the next 10 years. It provides the Strategic Road Map and Vision towards a broad-based fisheries sector and industry that is globally competitive, inclusive and sustainable.

Fishing Industry Update



Pictures: National Fisheries Authority

Industry stakeholders especially, fishing companies and tuna processors affiliate to the Fishing Industry Association of PNG (FIA-PNG). The fishing and processing industry practices adheres to the international standards through good governance, traceability, transparency and accountability of PNG’s tuna resources. FIA was certified under Marine Stewardship Council Certification (MSC) in 2020. The international MSC Certification recognizes PNG as a country that practices sustainable and ecologically friendly methods of harvesting tuna resources within its Exclusive Economic Zone (EEZ) and Archipelagic Waters (AW). This promotes PNG as ‘clean green sustainable,’ while adding value to PNG as a country that promotes a well-managed fishery resource.

Regulator	Industry Board and Stakeholders
National Fisheries Authority	National Fisheries Board, Provincial Fisheries National Fisheries College: Fisheries & Marine Resource training institution
Industry Affiliation	
Fishing Industry Association	Membership affiliations by shipping companies and tuna processors, including inland fisheries and aquaculture

g) Tourism

PNG has over 800 languages and cultures and one of the exotic places for tourism and adventure. Around 70 percent of all holiday visitors participate in cultural activities during their trips and about half of them come for cultural experience. In 2016, cultural tourism forecast was set to grow at around 10 percent each year over the next decade, which promises huge potential for Papua New Guinea to develop cultural tourism. However, the abrupt impacts of Covid- 19 have seen tourism plummeted globally.

Cultural tourism, soft adventure, bird watching, diving and historical tourism are identified as the greatest potential areas for growth in PNG tourism. There is potential in developing niche market tourism to attract more visitor arrivals annually by 2026. Government need to investment in infrastructure, capacity building, product development and marketing and tackling regulatory issues.



Source: PNG Tourism Promotion Authority

h) Banking & Finance

The Bank of Papua New Guinea is the regulator of PNG's banking and financial sector. Up until 2019, there were three main commercial banks operating with nationwide branches – Bank South Pacific (now BSP Financial Group), Westpac and ANZ Bank focusing on both corporate lending, SME and retail sector. Retail banking service delivery is a challenge due to the remoteness of the bulk of PNG's population and rugged physical terrain making reaching the unbanked rural population remains a challenge. ANZ moved into corporate lending and sold off its retail business which is now being acquired by the PNG's new Kina Bank. Westpac is selling its stake in the retail business and moving into corporate and institutional lending.

There are also financial institutions and investment finance companies complementing banking sector. The sector includes more complex entities such as superfunds, life insurance companies and PNG Stock Exchange (PNGX)

The four authorized superannuation funds (Nasfund, Nambawan Super, Defense Force Retirement Benefit Fund, and Aon Master Trust) make up the second largest group in PNG's finance sector, accounting for 26% of financial system assets in 2017. PNG law requires pension contributions to be made for all government and private sector employees in firms with more than 15 staff.

i) Manufacturing

Traditionally, the manufacturing sector has played a fairly small role in Papua New Guinea and this has been attributed to a small domestic market, high labor costs and high transport costs. While manufacturing still plays a fairly important role in the economy today, the country's manufactured products have begun to enter the global markets. These products include: food and beverages; building materials; handicrafts; household items and furniture; packaging; and paints and coatings. One of the most widely known food production companies in Papua New Guinea is Paradise Foods Limited, which is the oldest established food manufacturing company in the country. Paradise Foods limited produce food products for the international and regional markets, including biscuits, corn chips and potato chips.

The government plans to develop the country's domestic production base in a bid to reduce the reliance of the economy on non-renewable resource industries. This is to generate greater national production of most basic consumer and industrial goods. There are incentives and concessions granted to businesses with a policy of import substitution. Government plans to improve infrastructure and reduce input tariffs on costs incurred from the production process to address the problems that the manufacturing sector has so far experienced.

Government is emphasizing on downstream processing and an export-led economic growth strategy where onshore processing of PNG traditional raw products such as in the fisheries sector will be established. This would be a good time to invest in the country bearing into mind the global pandemic minimized and global appetite for consumer goods increases.



j) Engineering, Construction & Real Estate

The current government's priority is to improve infrastructure connectivity due to large projects in the country.

The National Road Network Strategy 2018-2037 launched in August 2019 has ambitious intention to develop a national road network that will connect every province that can be reach by land transport.

Similarly, the major seaports and airports in the country has been undergoing major rehabilitation upgrades with the instillation of modern detective devices for the safety of travelling public and country's security purposes.

The recent boom in the extractive industry also boosted the housing and real estate industry in which most of the real estate companies engaged in building world class houses, bungalows, apartments, hotels etc.to cater the growing demand in the country. Despite of the existing investors, PNG is a growing economy and there are more investment opportunities lies within this sector.



k) Wholesale & Retail

The growth of this sector has been spurred by increasing rates of urbanization and growing middle class of Papua New Guineans across the country. Most of the urban centres have seen an increase in the number of wholesale and retail business activities.

In 2019 the wholesale and retail sector accounted for 0.4% of the total GDP growth, according to the Oxford Business Group Report 2020.

The wholesale and retail businesses offering both goods and services such as; groceries, hardware, automotive as well as home and industrial products of any types. The rural to urban drift, economic sector booms and western influences have pushed the growth of the industry however, most of those goods and services are imported products and the downstream processing of those products in the country still rests a very lucrative investment opportunity for an investor to tap in.



Chapter 4: Doing Business in PNG

No:	Steps	Government Agency/ Authority	Facilitation/ Functions	Requirements
1	Entry into Papua New Guinea	<p>Department of Foreign Affairs & International Trade (DFAIT)</p> <p>PNG Immigration and Citizenship Services (PNGICSA)</p> <p>Investment Promotion Authority (IPA)</p> <p>Department of Labour & Industrial Relations (DLIR)</p>	<p>Overseas PNG Missions and PNGICSA facilitates diplomatic travel arrangements and entry Visas/ Issue Work Permits</p> <p>IPA facilitates foreign investment missions and provides advisory support</p> <p>DLIR issues work permits</p>	<p>Valid Passport of national Origin (more than six months before date of expiry). Relevant Entry Visa and payment of required fee.</p> <p>Visit: www.ica.gov.pg/visa/visit</p> <p>Applicable Visa and enclosed work permit application documents</p> <p>Official correspondence seeking trade and investment Missions) and an advance proposal of specific sector/nature of proposed investment</p> <p>www.ipa.gov.pg/business-registration-regulation-and-certification/about-ipa-2/v</p>
2	<p>Business registration and Foreign Enterprise Certification</p> <p>Obtaining Taxation & Compliance.</p>	<p>Investment Promotion Authority (IPA)</p> <p>Internal Revenue Commission (IRC)</p>	<p>Issuance of Foreign Enterprise Certificate, company, business name, association and business group.</p> <p>Issuance of Tax Identification Number (TIN)</p> <p>Company Certificate of Compliance (COC)</p>	<p>Foreign Certification Application (Refer Schedules) www.ipa.gov.pg/wp-content/uploads/Quick-Start-Guide.pdf</p> <p>Refer to link www.irc.gov.pg for all taxation requirements including taxation policies and investment/fiscal incentives</p>
3	Apply and Obtaining of Sectoral and Provincial Licenses, Permits, Approvals	<p>Department of Commerce & Industry</p> <p>Investment Promotion Authority</p>	Facilitation and Issuance of designated sectoral Licensing, Permits and Approvals.	IPA registration, IRC Tax Identification number (TIN), IRC Certificate of Compliance (CoC), financial statements, Employment Permits, sectoral licenses/permits/approvals

4.	Obtaining Land	Department of Lands & Physical Planning	Issuing of Land Titles	Registered and compliant domicile company/business entity with detail investment profile and long-term business plan in specified sector
	Building & Construction Permits/ Approval.	Provincial Government Administrations and Municipals	Building and construction permits, trading licenses.	
5.	Sustaining Compliance and Re-investments, Support and Wind Up.	Industry sectoral Agency & Statutory Authority	Facilitate supplementary taxation obligations and requirements as per taxation Act.	Registered and compliant domicile company/business entity with detail investment profile and long-term business plan in specified sector
		Internal Revenue Commission	Facilitation of Aftercare Services and advisory support	
		Investment Promotion Authority		

a) Visa

Business Entry Permits

Visa is regulated and issued by the Papua New Guinea Immigration and Citizenship Authority (ICA). For specific information on business visas, entry requirements and fees, please refer to each visa categories on the website www.ica.gov.pgand. ICA accepts both online and paper lodgment of business visas. Investors and business persons must comply with the terms of each visa categories when they are in the country. All information and fees are available online and also refer to Appendix II for more information.

<i>Visa Type</i>	<i>Visa Category</i>
Short-Term Single-Entry Visa	Suitable for people seeking to undertake a business visit, attend business meetings, sell or buy goods and services in PNG, conduct business related negotiations, official trade missions and to provide short term technical assistance in major infrastructure projects. Valid for 30 days only and cannot be extended in-country. Visa on arrival is available to business travelers who hold a passport from a eligible country as available on the website. Application can be done online.
Short Term Multiple Entry (currently under suspension)	Provided only for business persons who have genuine reasons to visit Papua New Guinea regularly on a yearly basis for business related trips and valid for 12 months only with 60 days per entry. This cannot be extended in-country and the visa class is currently suspended until further notice.
Restricted Employment Visa (REV)	Allows businesses to sponsor and employ foreign workers who have recognised qualifications, skills and experience in a particular occupation that cannot be sourced in Papua New Guinea. Available to oil and gas and mining companies, fisheries and agriculture and major corporate companies can benefit from this product on an individual case basis. In-country extension must be clarified by the employer. Application can be done online.
APEC Business Travel Card (ABTC)	PNG government accepts business persons from within the Asia Pacific Economic Cooperation (APEC) member economies who holds a genuine APEC Business Travel Card (ABTC) to visit using this business visa class and valid for 60 days per visit. This cannot be extended in-country and can be used as a visitor visa. It must be lodged in individual economy and subject to approval by ICA where one visa policy applies. Individuals who obtain any other visa while in possession of a valid ABTC card will automatically invalidate the ABTC. Specific information on business visas, entry requirements and fees can be found on the website.



b) Types of Investment Vehicles in PNG

The key business structures in PNG are sole trader, partnership, joint venture, trust and company.

Sole trader

A sole trader is an individual who carries on business on his/her own behalf. A sole trader may carry on business either under his/her own name or under an adopted business name. If a business name is adopted, this name must be registered under the Business Name Act.

Partnership

A partnership exists where two or more entities agree to carry on business in common with a view to deriving profit jointly. Partnerships are generally limited to 20 partners although some professional partnerships are able to exceed this number. The rights of the partners are often regulated by the terms of a partnership agreement. However, matters not covered by the agreement may be regulated by the Partnership Act.

Joint venture

A joint venture (JV) is a contractual arrangement between two or more entities to carry out a business undertaking in common, otherwise than as partners. A JV may be incorporated or unincorporated, and is usually entered to undertake a specific business activity. An unincorporated JV is often appropriate for mining, oil and gas project, which generally involve high production costs.

Trust

A trust may be established by deed empowering a trustee to carry on business. The principal advantages of a trust structure are that trusts are relatively easy to form and subject to relatively few government controls on their formation and operation. However, provisions of the Trustees and Executors Act apply to trusts and certain trustee companies will also need to comply with the Trustee Companies Act.

Company

While it is possible to conduct business in PNG through any of the structures discussed above, most foreign investors use a company as the vehicle for their investment. In general terms, the Company Act 2014 (Amended) regulates the incorporation and management of a company in PNG. A foreign company seeking to conduct business in PNG has the choice of either:

- Incorporating a subsidiary in PNG; or
- Registering itself as a foreign company.

Foreign Enterprise Certification

All foreign enterprises wishing to set up businesses in PNG must apply for Foreign Enterprise Certification with the Investment Promotion Authority. A “foreign enterprise” is a business entity that is fully owned or that is 50 per cent or more owned or controlled or managed by non-citizens. The Certification enables the foreign enterprise to carry out business in a particular activity at a specific location within the country as set out in the certificate. In case of an unincorporated JV, each foreign participant must seek certification. Visit the website: www.ipa.gov.pg for fees and requirements on all registration types.

c) Investment Regime

Investment protection

Section 37 of the Investment Promotion Act 1992 guarantees that the property of a foreign investor shall not be nationalized or expropriated except in accordance with law, for a public purpose defined by law and in payment of compensation as defined by law. PNG is a member of the Multilateral Investment Guarantee Agencies (MIGA) and the International Centre for Settlement of Investment Disputes (ICSID) and has entered into bilateral investment treaties with number of countries (refer to Section 12; Bilateral Investment Agreements).

Work Permit

All non-citizens who seek employment in the private sector in Papua New Guinea must possess a valid work

permit before they can commence employment. A non-citizen who works in Papua New Guinea without a valid work permit commits an offence. A Working Resident Entry Permit allows a work permit holder to enter, remain and work in Papua New Guinea. Working Resident Entry Permits are issued by Immigration and Citizenship Authority of PNG. Visit the website: www.ica.gov.pg to obtain a copy of Application Checklist and the prescribed fees when applying.

Taxation

The Internal Revenue Commission of Papua New Guinea administers all taxation requirements and raise government revenue through number of regimes. Intending business persons, after incorporating a new business entity with IPA, must apply for a Taxpayer Identification Number (TIN) certificate. The IRC TIN certificate together with the IPA certificate are mandatory requirements for opening a business bank account with any of the commercial banks in PNG. (Refer to Appendix III for more information on IRC TIN registration)

Types of Taxes Administered

- | | |
|---|-----------------------------|
| 1. Salary and Wages Tax (Personal Income Tax) | 7. Interest Withholding Tax |
| 2. Business Payment Tax | 8. Stamp Duties |
| 3. Corporate Income Tax | 9. Bookmakers Turnover Tax |
| 4. Mining and Petroleum Tax | 10. Departure Tax |
| 5. Goods and Services Tax | 11. Trading Levy Tax |
| 6. Dividend Withholding Tax | 12. Gaming Machine Tax |

Tax Rates

- | | |
|---|---|
| 1. Corporate Income Tax rates | DTAs. |
| a. Resident Company 30% | 5. Non-Resident Royalty Withholding Tax = 15% |
| b. Non-resident Company 4-8% | 6. Prescribed Royalty Withholding Tax = 5% |
| 2. Goods and Services Tax = 10% | 7. Management Fee Withholding Tax = 17% |
| 3. Dividend Withholding Tax | 8. Foreign Contractor Withholding Tax = 12% |
| a. 17% (resident companies). | 9. Stamp Duty = various rates <5% |
| b. Different rates apply for DTAs and economic sectors. | |
| 4. Interest Withholding Tax | |
| a. 15% (resident companies). | |
| b. Different rates apply for | |

d) Land

The Department of Lands and Physical Planning (DLPP) administers three percent of alienated land (State and Freehold) in PNG. Most of the land (97 percent) falls under traditional customary land ownership rights (communal ownership by clan and tribal groups). Reforms to customary land tenure system now allows for traditional land to be made available for business and private investment.

The Lands Act 1996 deals with purposes of land use, the granting of licenses, disposal and acquisition of customary land and compensation payments. PNG has a Torrens-style system of land registration and a land title serves as a certificate of full, indefeasible, and valid ownership and the Act also specify which dealings in land require ministerial approval.

Any dealings involving land being granted or transferred to a foreigner or corporate entity requires approval from the Minister of Lands and Physical Planning prior to registration. The Land Registration Act 1981 sets out the process and provides forms required for the registration of any dealings of land. The dealings including transfer, lease, surrender, mortgage, charge, discharge, easement, and nomination of trustees.

Land Types and Acquisition in PNG

The land in Papua New Guinea is categorized into four (4) different types and they are illustrated below with acquisition or leases process for development purposes;

Types of Land	Land ownership
1. Customary Land	<p>97% of the land in PNG is owned by traditional landowners which comes under <i>Customary Land</i>.</p> <p><i>Foreign investors cannot purchase or lease land directly from the landowners but through the government. Refer process below;</i></p> <p>Customary Land ↔ Owners Government ↔ Foreign Investors</p> <p>There are two modes of acquisition provided for under the LandAct 1996 and they are;</p> <ol style="list-style-type: none"> i. Acquisition of Customary by agreement ii. Acquisition of Private (freehold) land, Alienated Freehold and State leasehold Land by Agreement
2. Alienated land	Customary land that has already been acquired by the state and made readily available to be leased as freehold or leasehold land to foreign investors.
3. Freehold land	Under the country’s constitution, Land Act prohibits foreigners from owning land in PNG but they can lease from the government. State reclaimed freehold lands from the foreigners (non-citizens) and made available for lease.
4. Leasehold land	<p>Leasehold land is land which the government has acquired from its customary owners and leased to a person or company for a term of up to 99 years for a specific purpose. The Land Act provides for:</p> <ul style="list-style-type: none"> ✓ Special Agricultural and Business Leases (SABL) – which <i>the State has suspended based on reports of abuse.</i> ✓ Voluntary customary land registration (VCLR) ✓ Pastoral leases; ✓ Business and residence leases; ✓ Mission leases; ✓ Leases of government owned buildings; ✓ Urban development leases.
More information can be sought through Department’s website; www.dlpp.gov.pg	

e) Building and Construction Permit

Permits

Building and construction sector has a standard procedure applicable to other urban centers in PNG. For example, the municipal authority in Port Moresby facilitates approval process in stages under the National Capital District Commission (NCDC) Regulatory and Enforcement Division.

Stage 1: Planning Permit

Items/Processes	Requirements/Possible Development
Who you are?	Landlord, Tenant, Developer/Builder or Equitable Interest holder of a land.
What do you want to do?	<ul style="list-style-type: none"> ➤ Zone or rezone the land – development that complies with land use strategy ➤ Develop the land, subdivide & sell – develop infrastructures (road, drain, water, sewer and power) ➤ Subdivision zones ➤ Build – develop the land, build approved plan and sell/lease the land and building.
What do we need for planning approval?	<p>Standards of applications</p> <ul style="list-style-type: none"> ➤ Certification of applications by any PNG registered planners, architects, engineers or surveyors for developments over K500,000. ➤ Plans drawn to scale. ➤ Plans to depict actual representation on site – Site Plan. ➤ Plans to meet minimum requirements, such as setbacks, contour and dimensions of car parking bays. ➤ Complete title documentation including updated transfer ➤ Approval from Eda Ranu for availability of water/sewer ➤ Feasibility reports for applications for Declaration of Subdivision Zones or Subdivision Designs.
Pre-Board Approval	<ul style="list-style-type: none"> ➤ One stop shop concept to deal with all regulations ➤ Although pre-board is not part of legislative requirement, we established pre-boards with a view of bringing all other stakeholders in one platform. ➤ Pre-board is represented by: <ul style="list-style-type: none"> • PNG Power (Electricity) • Eda Ranu (Water & Sewage) • Civil Engineers & Planners ➤ Pre-Board is responsible for vetting all applications, ensure compliance to standards and codes ➤ Board does not deliberate all recommendation for approval but only deals with refusal. This simplifies the board's business.
Approval process	<ul style="list-style-type: none"> ✓ Deemed Approval - If the proposal is classed as a Conforming-Use (for the purpose the zone allows, the no. of units is with the classification) approval can be issued within 3 working days. ✓ Delegated Approval– Multiple Residential dwelling, duplex, extension of house, Consolidation of lots, Sub-divide bigger lots into two, Fence, low-set warehouse, Institutional buildings, development by public institutions, Projects of National Interest. ✓ Full Board Approval– major developments, sub-division, zoning/rezoning ✓ Approval by PNG Appeals Tribunal through appeal process.
What are the challenges that NCDC encounters when vetting the applications	<ul style="list-style-type: none"> ➤ Non-compliance by major subdivisions - individual titles issued prior to building infrastructures. ➤ Applications that are subject of approval through PNG Appeals Tribunal do not meet minimum standards but granted on political considerations. ➤ Applications which do not factor in statutory processing timeframes <ul style="list-style-type: none"> ✓ Applicants with bank loans ✓ Properties which do not have updated property accounts ✓ Properties with outstanding land and garbage rates (where applicable) owing to NCDC. ➤ Applications that are subject of Court Proceedings or having Injunctions/Caveats etc ➤ Lack of records of previous planning approvals ➤ Pending zoning updates on NCD Zoning Plan
Duration or Time Frame	<ul style="list-style-type: none"> ○ Deemed Approvals: 1 week ○ Delegated Approvals: 4 to 6 weeks ○ Full Board Approval: 3 months ○ PNG Appeal Tribunal: outside jurisdictions (0.5 year approx.) ○ Trialing of 14-day processing period for delegated applications

Stage 2: Building Permit and Fees

The process required in obtaining a building permit is quite simple and flexible so long as you have the proper drawings/designs which are certified by recognized and qualified designers.

Application Checklist	<ul style="list-style-type: none"> ➤ Attach Physical Planning Approval ➤ Proof of Land ownership and a consent from owners if you are not the owner. ➤ Fire Service Approval. ➤ Development Engineer's Approval ➤ Local Health Approval ➤ Proof of availability of Power and Water to the allotment ➤ Drawings/ designs
Stages of acquiring Building Approvals	<p>Building Permit</p> <ul style="list-style-type: none"> ✓ Excavation Permit ✓ Full Permit ✓ We only check if the drawings comply to the building codes and structurally safe. <p>Certificate of Completion – an undertaking and certification from your consultants and builders that the building is built to the drawings</p> <p>Certificate of Occupancy – we will ensure all appliances are tested and passed.</p>
Turnaround Time/Timeframe	<p>Standard time to process the building permit varies:</p> <p>If all documentation complies to the checklist and certified by local designers, then</p> <ul style="list-style-type: none"> ▪ Delegated approval for value under K500,000 – 2 weeks ▪ Excavation Permit – major developments– 4 weeks ▪ Building permit application is: 6 to 8 weeks except complex structures ▪ Certificate of Completion: 2 weeks ▪ Certificate of Occupancy (permissive occupancy): 2 weeks

Per Schedule IV of the NCDC Physical Planning Regulation 1990:

No	Description	Fees
1	Basic Fee	K10.00
2	Change of Zone (Rezoning)	K50.00
3	Non-conforming use (Change of use)	K100.00
4	Residential Units:	
	# one unit	K10.00
	# Each additional unit	K15.00
5	Commercial Buildings:	
	# Single floor	K20.00
	# Additional floors	K50.00
6	Industrial Buildings:	
	# Floor area up to 1000m ²	K20.00
	# Each additional 1000m ² or part thereof	K50.00
7	Institutional Buildings	K20.00

Note: The fees have been reviewed in the new Physical Planning Regulation 2003 approved by the National Executive Council.

f) Trading License

City authorities and urban town councils issue trading licenses on certain business activities and the requirement to obtain them. Turn-around time to receive licenses can be up to 28 days maximum. Table below shows some of the trading licenses currently issued by the National Capital District Commission in Port Moresby.

Licences	Permits	
<ul style="list-style-type: none"> ■ Trading Licence ■ Second hand dealers licence ■ Barber shop Licence ■ Entertainment Licence ■ Liquor Licence <ul style="list-style-type: none"> ■ Publicans (hotels) ■ Limited Hotels ■ Clubs ■ Taverns ■ Restaurants ■ Bottle shops ■ Dealers 	<ul style="list-style-type: none"> ■ Cabaret ■ Special Permits <ul style="list-style-type: none"> ■ one off functions ■ after hours ■ Diners 	<ul style="list-style-type: none"> ■ Processing time is usually 28 working days. ■ Renewal will be dealt with as new ■ Requirements <ul style="list-style-type: none"> ■ Compliance to legislations ■ Lease/Title of premises ■ Must have complied to Public Health Regulations ■ Liquor Licence involves public consultations

Source: NCDC - 2019

g) Mergers and Acquisitions

In 2018, PNG introduced new merger control rules and regulated by the Independent Consumer and Competition Commission (ICCC), introducing mandatory pre-merger notification requirements if (i) the transaction value of the proposed acquisition exceeds PGK 50 million; or (ii) the proposed acquisition is likely to result in a market share increase of 50 percent or more of the acquirer. Failing to notify the ICCC of an acquisition results in a default penalty of PGK 750,000.

h) Trading Across Borders

PNG Customs Services (PNGCS) handles all matters of imports and exports whether by sea, air or land. The owner of exported goods should be aware that the export of some restricted goods may only be exported under the authority of a permit or license without which the goods are prohibited. Restrictions and prohibitions generally apply to goods such as protected wildlife, some heritage items, dangerous weapons including firearms, illicit drugs, pornographic materials and trademark infringing goods. Visit website: www.customs.gov.pg for more information regarding import and export requirements.

Export Clearance

Exporters should note that some commodities require Export Permits before they can be lawfully exported. This especially applies to goods of Chapter 3, Chapter 28, Chapter 44 and Chapter 71 (fish product, alluvial gold and concentrates, log and precious metal and articles of precious metal).

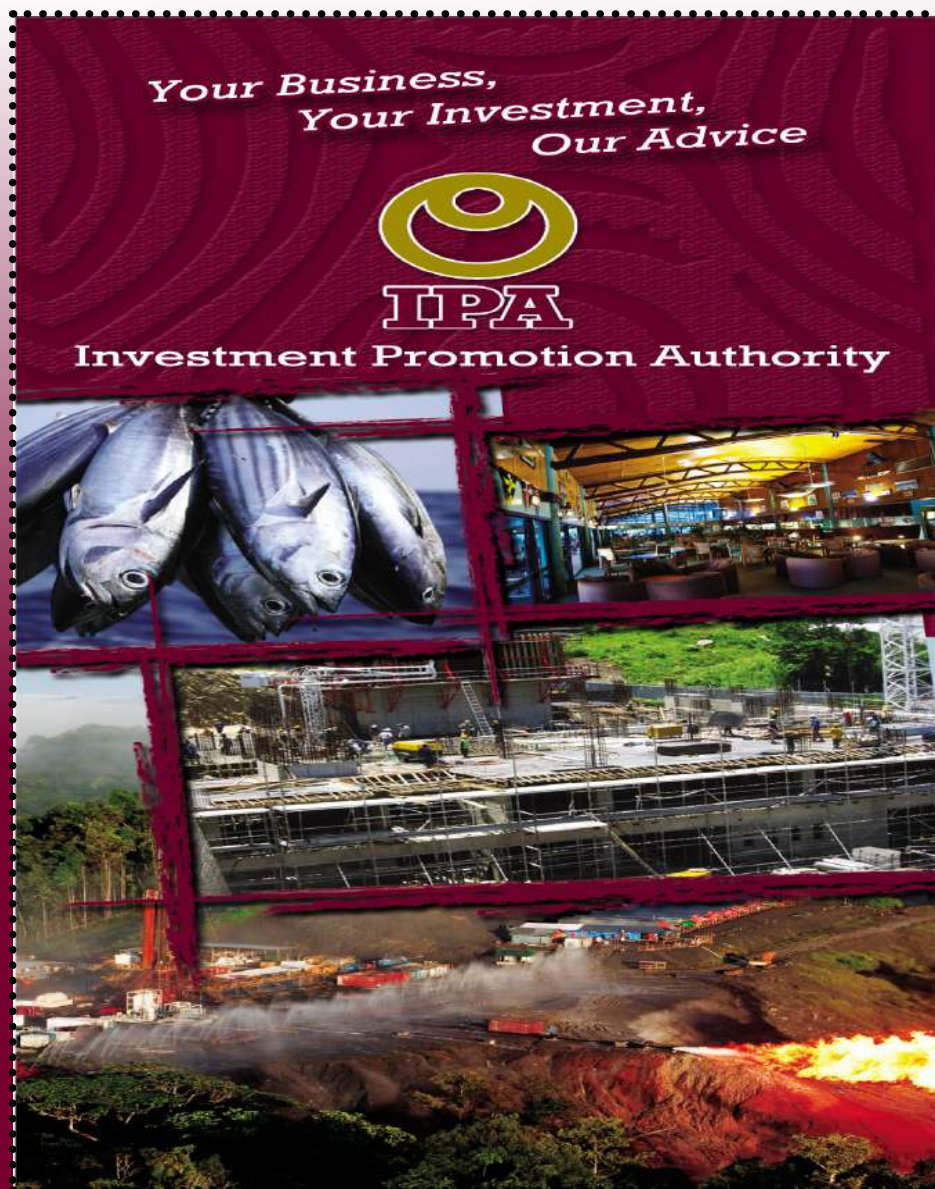
Export Permits are issued by the Government agency responsible (for instance the Fisheries Authority, Forestry Authority, etc) and should be presented to Customs on demand. Attempts to export these commodities without a valid Export Permit may cause the goods to be seized and the exporter prosecuted.



Import Clearance

Importers of goods into Papua New Guinea by sea, air or land must declare them to PNG Customs Services by lodging an import declaration describing the nature, quantity, value, supplier and country of origin of the goods imported or to be imported. This entry, containing the name, address and Tax File Number of the owner is a legal document and any errors may attract the imposition of administrative penalties. Deliberately making a false declaration to Customs may cause the goods to be seized and the owner or agent prosecuted.

Restrictions and prohibitions generally apply to goods such as dangerous weapons including firearms, illicit drugs, pornographic materials and copyright infringing goods. During cargo inspections, Post Clearance Audit (PCA) teams will conduct audits at importers premises at any time after the goods have been imported as part of a strategy to ensure compliance. Duties and charges are applied on all imports and exports unless indicated.





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Chapter 5: Infrastructure & Utilities

Government is committed to ensuring critical enablers especially infrastructure and utilities are available to facilitate business, trade and investment in the country. Government continue to invest in roads and bridges, airports, wharves, ICT, energy, water and sewage facilities in the main urban centres of the country.

a) Electricity

As a State-owned Entity, PNG Power Ltd (PPL) has been operating both commercial and regulatory functions with fully integrated power authority responsible for generation, transmission, distribution and retailing of electricity throughout Papua New Guinea and servicing individual electricity consumers with its very low rates.

The Parliament passed National Energy Act in April 2021 which establishes the National Energy Authority. This reform is necessary and opens up opportunities for more private investments and improved service delivery.

PNG Power has 390MW of generation capacity and also purchases power from private sector (independent power producers) both hydro and fuel.

Schedule of 2013 Electricity Tariffs

The full schedule of tariff can be found in Appendix III of this guide book

Tariff Category	Unit	New Tariffs
Industrial Customers (Credit Meters)		
All energy	toea/kWh	63.31
Demand charge	Kina/kVA/month	77.12
Minimum Demand	kVA/month	200
General Supply Customers		
Credit Meters		
All energy	toea/kWh	98.71
Minimum charge	Kina/month	18.00
Easipay		
All energy	toea/kWh	96.27
Minimum charge	Kina/receipt	50.00
Domestic Customers		
Credit Meters		
First 30 kWh/month	toea/kWh	49.87
Balance	toea/kWh	84.75
Minimum charge	Kina/month	15.00
Easipay		
All energy	Toea/kWh	69.68
Minimum charge	Kina/receipt	15.00

Source: Information supplied by PNG Power

b) Water and Sanitation

Water and Sanitation Services Prices Order 2021 for Water PNG Ltd

The Independent Consumer and Competition Commission of PNG under Section 21 of the *Prices Regulation Act* (Chapter 320), amended the *Notice Relating to Water PNG Ltd 2016 Water and Sanitation Tariffs* as previously published in the National Gazette No. G965 of 19th December 2017. This new Order came into operation as of 1st of January 2021.

SCHEDULE 1

This Price Schedule relates to the maximum Water and Sanitation rates for all Water Supply and Sewerage services supplied by Water PNG Ltd.

Regional Tariff

SERVICES	TARIFF (Kina)
1.0 Water Supply	
1.1 0.1 to 15 Kilolitres	1.50 per kilolitre
1.2 Above 15 Kilolitres	8.00 per kilolitre
1.3 Water Tankers (Filling Station)	At cost
2.0 Sewerage	
2.1 0.1 to 15 Kilolitres	0.50 per kilolitre
2.2 Above 15 Kilolitres	3.00 per kilolitre
2.3 <i>Sludge Tankers (Dumping Station)</i>	At cost
2.4 <i>Trade Waste</i>	At cost
3.0 Connection Fees	
3.1 Standard Connections - Water	Free
3.2 Non Standard Connection - Water	At cost
3.3 Reconnection – Water	At cost
4.0 Standby Fees	
4.1 Standby Fee – Water	4.40 per Kilolitre
4.2 Standby Fee – Sewerage	1.00 per Kilolitre
4.3 <i>Compliance & Licensing</i>	At cost

SCHEDULE 2

WATER & SEWERAGE TARIFF 2021, NATIONAL CAPITAL DISTRICT

REGULATED SERVICES		
Consumption on rateable properties in NCD	Water (Kina)	Sewerage (Kina)
Mthly consumption 0.1 - 35 kl (per kl)	1.40	0.60
35.1 - 50 kl (per kl)	1.40	0.60
50.1 - 75 kl (per kl)	2.00	0.60
75.1 – 100 kl (per kl)	4.37	0.60
100.1 – 150 kl (per kl)	4.37	1.43
➤ 150 kl (per kl)	4.37	1.43



Other Services

Public/Community Bulk Meters	Water (Kina)	Metered Stand-Pipes	Monthly Charge
All registered volume (per kl)	1.50 or as per MOU	Up to 15 kl	K7.50
Water PNG/Eda Ranu filling station		Up to 50 kl	K25.00
Coupon sale (per kl)	5.00	Up to 75 kl	K40.00

Water and Sewerage Headwork Charges

Charge Basis	Water Headwork Charge (Kina)	Sewerage Headwork Charge (Kina)
Charge per Equivalent House Unit (EHU)	K1,100 per EHU	K1,100 per EHU

The above rates are expressed in Kina and are exclusive of Goods and Services Taxes (GST) applicable effective 1st January 2021 until ICCG issue a new single Water and Sewerage Service Price Order Water PNG.

c) Communications

PNG's ICT sector has evolved over the years from fixed-line telecommunications to mobile networks expanding from less than 3% population coverage in 2016 to more than 89% today with a combination of 2G, 3G and 4G LTE networks on offer depending on locations. The 2G network still exists in many rural and remote areas, with 3G and 4G LTE centred more in urban areas. The launching of the Satellite in December 2019 and with the construction of new submarine cable known as the Coral Sea Cable System will improve both telecommunication and internet services in PNG.

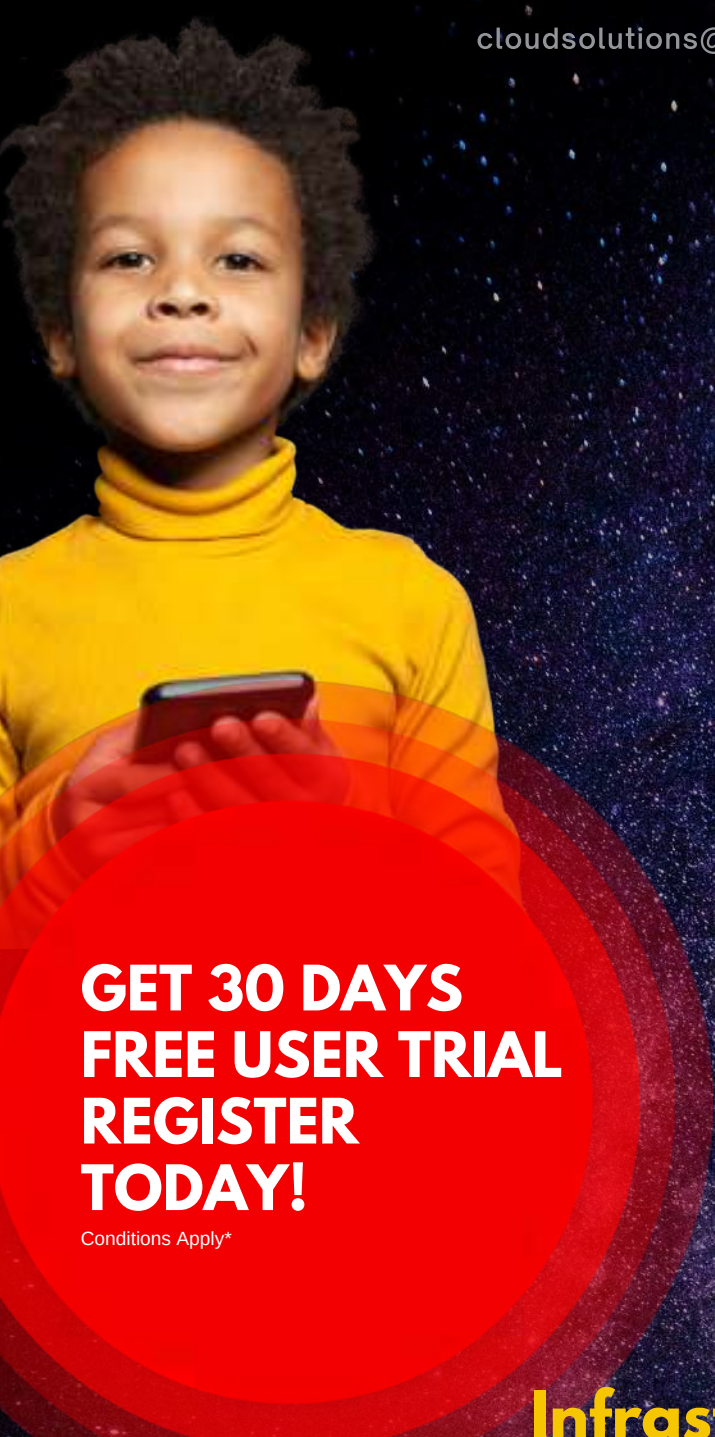
Australian government funded Coral Sea Cable network links PNG to the Solomon Islands from Sydney. This has provided increased capacity and internet reliability reducing high internet costs for consumers.

PNG DataCo: Coral Sea Cable System/Submarine Cable

Coral Sea Cable Project is a collaborative project between Australia and Papua New Guinea (PNG) through the Australian Government, PNG DataCO Limited and National Information and Communications Technology Authority (NICTA). The project is the part of fibre optic network project which is said to be the game changer and transformation in the ICT Sector in PNG. The project was completed in 2019. The Kumul Submarine Cable is the domestic network cable through PNG connecting Coral Sea Cable. The two-cable are set to make the country's internet access more faster and affordable.



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- ✓ DataCentre Services
- ✓ Connect My District Initiative
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- ✓ IP Transit Services
- ✓ Secure Cloud Solutions
- ✓ Health and Education Initiative



Pricing for Submarine Cable Services

“SCHEDULE 1 – MAXIMUM AVERAGE PRICE

The maximum average price for the international submarine cable transmission capacity on a lease basis for each year covered by this Determination shall be –

Time period	All international submarine cable systems Kina per Mbps per month
Commencement Date to: 31 st March 2021	K209
1 st April 2021 to 31 st December 2021	K198 (indicative)
1 st January 2022 to 31 st December 2022	K145 (indicative)
1 st January 2023 to 31 st December 2023	K104 (indicative)

Average Lease Basis schedule for Submarine Cable

Source: PNG DataCo

PNG DataCo now operates and manages over 7000km fibre optic network comprising of both terrestrial and submarine cables with three (3) international Point of Presence (PoPs) and five (5) Internet Gateway Nodes in the country, 15 Submarine Cable landing stations and fourteen (14) Dense Wavelength Division Multiplexing(DWDM)PoPs across the country.

Kumul Telikom Holdings Limited

The country’s oldest and a leading telecommunication company offering retail business of voice and data broadband services along with wholesale business. It operates fixed-line services across PNG providing high capacity broadband data and conventional voice services to commercial and residential customers. The company is upgrading traditional copper-based lines with high capacity fibre optic cables to provide fibre to the building (FTTB) and fibre to the home (FTTH) services, in major centers. The company also provides substantial multi-user conventional and ‘cloud based’ PABX services to corporate customers.

Telikom network is entirely digital, extensive and a well-established combination of microwave radio, satellite and intra-city optical fiber transmission systems that connect to a nationwide network through telephone exchanges and data switches while linking PNG worldwide with-it Optical Ground Wire system and submarine cables through PPC-1 PIPE in Madang and APNG 2 at Ela Beach in Port Moresby.

Landline Telephony (Fixed Line)

Land Line Local and Internal Call Rates & Charges

Local & National Call charges		
CHARGE BANDS	Peak Rate Mon-Fri 8:00AM-5.00PM	Off Peak Rate Mon-Friday(5.01PM- 7.59AM) and All-day Saturday and Sunday
	Per Min Rate	Per Min Rate
Local	1toea	1toea
National	50toea	25toea
Digicel/BeMobile/other networks	80toea	40toea

International Call charges (IDD)		
CHARGE BANDS	Peak Rate Mon-Sat 6:00AM- 10.00PM	Off Peak Rate Mon-Sat(10PM-6AM) and All-day Sunday
	GST Inclusive	GST Inclusive
STANDARD IDD CALLS	K2.00/minute	K2.00/Minute

Broad Band

Telikom PNG provides Internet services throughout the country through its high-speed network infrastructure. This service is designated with an aim to enable as many Papua New Guinean Individuals, Businesses, and communities to connect and enjoy the super high-speed internet at competitive rates.

Telikom PNG's internet is accessible through Telikom's existing high-speed network infrastructure, spawn across the country. Where there is coverage of broadband DSL network, WiMAX, VSAT, GSM, IPVPN and Lease Line, it is possible to connect to the Internet.

Fixed Broadband Plans

Telikom's Internet plans are available in both prepaid and post-paid offer depending on which payment suits the customer most. Post-paid plans are now grouped into Blazer and Velocity Plans. Blazer plans are basically data plans for individuals, businesses, Government, Schools, etc. The velocity plans are unlimited plans for customers that want continuous connectivity and financial freedom.



Post-paid Internet plans include:

BLAZER PLAN	PRICE	Excess Rate/Mb	VELOCITY PLAN	PRICE
BlazerXtreme 20GB	K100	0.10toea	VelocityXtreme 1Mbps	K1,000
BlazerXtreme 50GB	K250	0.10toea	VelocityXtreme 5Mbps	K4,900
BlazerXtreme 100GB	K500	0.10toea	VelocityXtreme 10Mbps	K9,750
BlazerXtreme 200GB	K950	0.10toea	VelocityXtreme 25Mbps	K24,000
BlazerXtreme 500GB	K2,250	0.10toea	VelocityXtreme 50Mbps	K47,500

Prepaid Internet plans:

DATA PLANS	PRICE	VALIDITY
1GB	K5	1 Day
2GB	K10	7 Days
10GB	K50	14 Days
20GB	K95	30 Days
50GB	K230	30 Days
100GB	K450	30 Days
200GB	K875	30 Days

- Prepaid Out of Bundle rate is 17t/Mb
- Prepaid internet plans are applicable to the following prepaid services: Fixed Line (ADSL/ADSL2+), Fixed Wireless Broadband, GPON & WiMAX.
- The new internet rates are effective as of **2019**.

Bemobile Limited is a mobile communication company, a subsidiary of Kumul Telikom Holdings which is further a state-owned company through Kumul Consolidated Holdings Limited.

Bemobile offers high-speed data, reliable voice and SMS services across Papua New Guinea and the Solomon Islands.

Bemobile has merged with Telikom PNG and PNG DataCo and they are operating consolidating assets and infrastructures creating synergies for their operational efficiency.

The figure below shows the Bemobile 3G and 4GLTE Network Coverage. The coverage may vary from time to time as its network expand.

Local and National Voice Call Rates and Charges**Local call Charges (Rates and Charges are subject to change)**

CHARGE BANDS	Peak Rate Mon-Sunday 6:00AM-9.00PM	Off Peak Rate Mon-Sunday (9.00PM-6:00AM)
	Per Min Rate	Per Min Rate
Local Call - BeMobile Networks	79toea	39toea
SMS Charges	10toea	5toea
Data Charges	30toe/MB All Day	
Local Calls -Digicel/BeMobile/other networks	87toea	87toea
SMS Charges	25toea	20toea

International Call charges (IDD) - Rates and Charges are subject to change

CHARGE BANDS	Peak Rate Mon-Sunday 6:00AM-9.00PM	Off Peak Rate Mon-Sunday (9.00PM-6:00AM)
International Calls	79toea	79toea but varies on the call destinations and countries
SMS Charges	40toea	

Digicel (PNG) Limited

Digicel entered PNG in 2006 and is a leading provider of telecommunication services where the company provides a comprehensive range of Mobile Communications, Business Solutions, Cable TV & Broadband and other related products and services to retail, corporate (including small- and medium-sized enterprises) and government customers. Digicel offers HSPA+ or long-term evolution (LTE) mobile technology (4G) in 30 markets and holds the number one mobile market position in 21 markets, with a mobile subscriber market share of more than 50% in 20 markets, as determined by internal company data. Digicel 3G and 4G network coverage is all across PNG and continue to expand to the remotest parts of PNG. The International Voice Bundle Promotion (IVB) is a 50 minutes voice bundle used only for international calls to mobile numbers only to selected 43 countries in the world.

Rates and Charges on Digicel Network.

Service Line	Digi to Digi	Off Net. Digi to other mobile networks	Off Net – Telikom Land line/Xcess
Voice Call – Peak Hours (6:00am to 10:00pm)	K0. 80toea/per min	K1.00 / min	K1.00 / min
Voice Call – Off Peak Hours (10:01pm to 5:59am)	K0.60toea/min	K1.00 / min	K1.00 / min
SMS out of Bundle Rate	K0.25toea/SMS (160 Characters)	K0.25toea/SMS (160 Characters)	K0.25toea/SMS (160 Characters)
Data out of Bundle Rate	K 0.30/mb		

The above charges only apply to Digicel Prepaid Subscribers.

d) Airport and Airline Services

There are 22 domestic regional airports owned and operated by the government through the National Airports Corporation. There are also other smaller airports/airstrips operating and certified by the government. Air Niugini operates fleets of jet planes servicing major urban centres whereas the PNG Air services major centres including smaller airstrips as well.

The map below shows major ports currently serviced by Air Niugini



Source: Air Niugini website

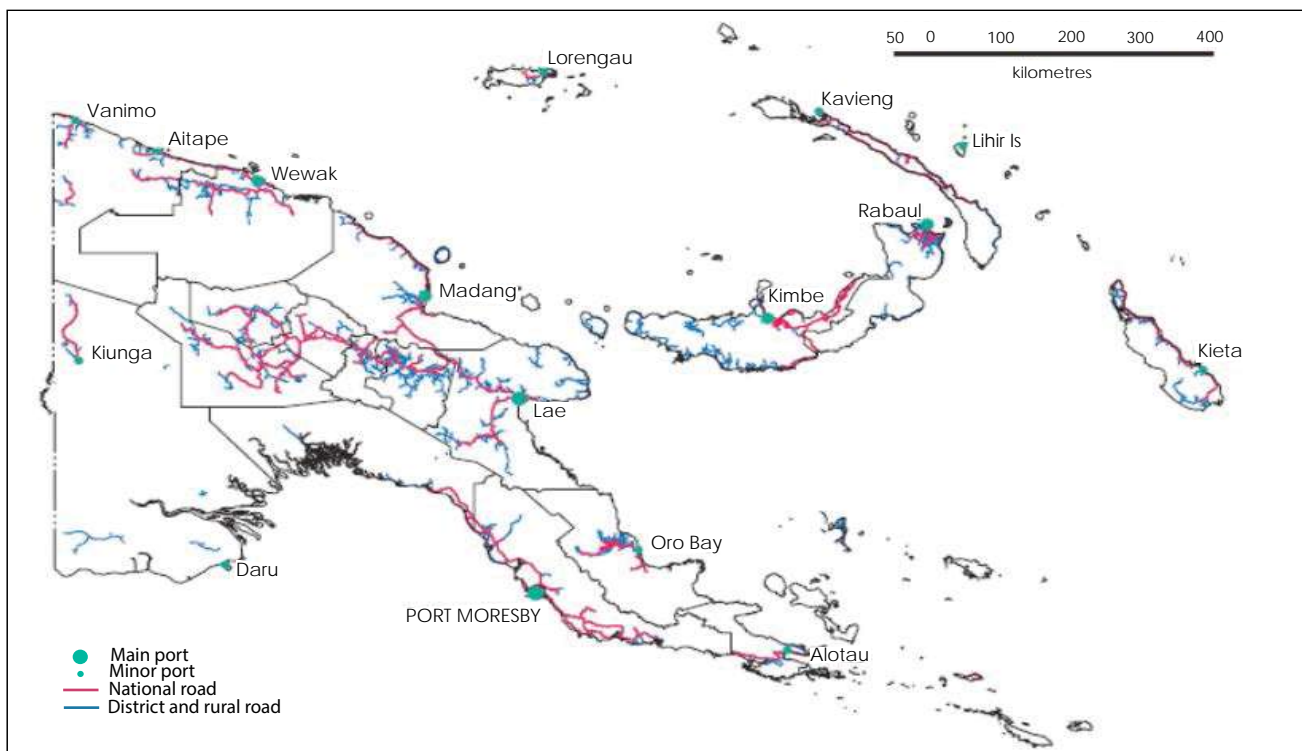
The table below provides list of government entities that are responsible for policy and regulation.

Institution	Role
Department of Transport	Policy and oversight
Civil Aviation Safety Authority	Regulator- Safety and Security
National Airports Corporation	Owner and operator of the airports
NiuSky Pacific Limited	Air navigation and traffic services
Accident & Investigation Commission	Accident investigations
Rural Airstrip Agency of PNG Ltd	Private entity- rural airstrip maintenance

e) Roads Network

PNG roads are developed around main provincial centers and many of which are on the coast and serviced by airlines and shipping services as well. The Highlands region is landlocked and connects the five inland provinces with Lae and Madang coastal ports. The National Road Network (NRN) comprises of approximately 8,738km and wholly managed by the government.

Through the Connect PNG agenda, government is embarking on building new road links connecting main centres especially Trans Island Highway from Hela through Gulf to Port Moresby, Port Moresby to Lae through Wau/Bulolo, Mt. Hagen to Madang via Baiyer Valley, New Britain Highway and Enga to Sepik missing link.



Road Network Map. Source: OED, DFAT



Institutions responsible:

Institution	Role
Department of Works	Wholly owns the NRN
PNG Road Fund	NRN Maintenance fund manager
Road Traffic Authority	Regulator- Safety and use of land transport
Motor Vehicle Insurance Limited	

(f) Sea ports

Papua New Guinea has 15 operating ports in the Maritime Provinces across the country, including Port Moresby. The ports are owned and operated by the government:



Source: PNG Port Corporation Annual Report 2017

Institutions responsible:

Institution	Role
Department of Transport	Policy and oversight
PNG Ports Corporation	Operator- wharf-age, berthage, berth reservation and stevedoring access. Other additional services include the provision of marine pilotage and administration of stevedoring licenses.
National Maritime Safety Authority	regulate maritime safety standards, coordinate Search and Rescue operations and control marine pollution in PNG waters

Chapter 6: Investment Incentives

a) Fiscal Incentives

Currently, most of the incentives target companies in the form of exemptions from corporate income tax, or deferment of income tax liabilities. However, some incentives administered by the Internal Revenue Commission (IRC) are not related to company income tax, for example, a wage subsidy provision rather than a tax incentive. A summary of the incentives currently available in Papua New Guinea are outlined below. Details on schedule of taxation incentives for business and investment in PNG refer to Appendix III and also visit the Internal Revenue Commission on website: www.irc.gov.pg for more information.

Export Promotion

(1) Export Income

The export income incentive is available for firms producing new manufactured products and for firms producing certain other specified goods. The Commissioner-General for Internal Revenue is responsible for declaring a product to be a new manufactured product and also for the issuance of a certificate to a company which intends to produce a new manufactured product. A company which manufactures a product which is subject to either tariff protection or quota protection without import parity pricing may not apply for a New Product Manufacturing Certificate. Under the incentive, profits made from the export sale of qualifying goods are exempt from company income tax for the first three years of export and for the following four years, the profits on any increase in export sales over the average for the first three years are also exempt.

List of Goods that qualify for exemptions:

Activated carbon, electrical appliances, motor vehicles, artifacts, essential oils/oleoresins, paint, beverages ready for consumption, fabricated steel, paper products, fiberglass products, plastic products, biscuits, fishing nets, processed and canned meat products, flexible packaging materials, smoked fish, processed ginger, canned fruit and vegetables, flour, refined petroleum, foam products, rubber products, cement and concrete products, moldings, plywood and laminated products, ceramics, chopsticks, glass products, ship and boat building and repairing products, cigarettes, hand tools, clothing and manufactured textiles, industrial and medical gases, soaps, treated and processed crocodile skins, confectionary, jewellery, dairy products, livestock feeds, wood pulp, dry cell batteries, matches and wooden furniture.

(2) Export Market Development

The market development cost exemption gives a deduction of income from taxable income equal to twice the amount of any expenditure on developing an export market (therefore it is a double deduction). The incentive is available for the promotion of sales of goods manufactured totally in Papua New Guinea, or where the Papua New Guinea labour cost component exceeds 10 per cent of the sale price of the product. The double deduction is not absorbed by any exempt export sales income (see Export Income above).

This incentive is not available for the sale of unprocessed primary commodities or for the marketing of services, so the tourism industry does not benefit from this incentive. The types of expenditure to qualify include overseas publicity and advertising, market research, tender preparation, samples, trade fair expenses, overseas sales office expenses and certain travel costs.

New Industries

(1) Pioneer Industries Scheme

The scheme provides a five-year tax holiday for pioneer or new industries associated with the development of manufacturing-related activities, mainly downstream processing of Papua New Guinea's natural resources in the country. A pioneer industry refers to any industry producing a product or a service not yet established or in operation in Papua New Guinea or which manufactures goods solely for export. Pioneer status is granted to an industry, other than primary production or the primary processing of timber, or mining or quarrying. A product of any such industry is called a "pioneer product" and a service provided by any such industry is called a "pioneer service".

(2) Wage Subsidy

The wage subsidy promotes other objectives in addition to the pure development of new industries. This incentive is available only to those firms which possess a new manufactured products certificate. A firm producing a manufactured product never before manufactured in Papua New Guinea or a product which is manufactured but where import substitution is incomplete, may apply for a new product manufacturing certificate from the Internal Revenue Commission. This certificate enables firms to gain both the wage subsidy and the export income exemption subject to the fulfillment of certain other criteria. Wage subsidy payments last for five years from the commencement of operations. In the first year, the subsidy is equal to 40% of the prevailing minimum wage and declines to 30%, 20%, 15% and 10% in subsequent years.

Capital Investment

(1) Initial Year Accelerated Depreciation

The initial year accelerated depreciation allows the capital cost of certain new assets, converting existing oil-fired plant to non-oil-fired plant, or improving the efficiency of fuel-using plant, to be written down at a faster rate than would otherwise be possible.

(2) Flexible Depreciation for Agriculture and Fishing

As with the accelerated depreciation provisions, the flexible depreciation provisions allow the capital assets to be written down at a faster rate than would otherwise be possible. In the case of the flexible depreciation for agriculture and fisheries, expenditure on new plant or articles used in agricultural production or commercial fishing activities can be written off 100 per cent in the first year. Boats or ships exceeding seven meters in length are specifically excluded, together with ancillary equipment fitted to such vessels.

(3) Industrial Plant Depreciation

Industrial plant not previously used in Papua New Guinea is eligible for increased depreciation of up to 100 per cent of cost. The taxpayer may elect the amount to be claimed in any year, but not so as to create a loss. To qualify, the plant must have a life exceeding five years and be used by the taxpayer or any other person (for example a lessee), in a manufacturing process. Expenditure on building a housing for such plant or for storing raw materials or finished products, also qualifies.

Other Incentives

(1) Rural Development

The rural development incentive aims to spread development to the less-developed areas of the nation. Any new business activity started since 1 January 1988, in a designated rural

development area, can gain a 10-year exemption from corporate income tax provided it is engaged in one of the following industries; agricultural production, manufacturing, restaurant or hotel, transport, storage, communication, real estate business services, community and social services.

Businesses involved in the exploitation of non-renewable resources (mainly mining and petroleum companies) are specifically excluded from the exemption. Losses arising from those exempt activities are deductible against taxable income from other activities.

(2) Primary Production Investment

This incentive is different from other incentives in that it allows the deduction by shareholders against their personal income tax liabilities. The amount surrendered to each shareholder is in proportion to the respective amounts of their paid-up capital, (paid on or after 1 January 1987). The total deduction available to a shareholder may not exceed the total amount paid on their shares.

The rationale for this incentive is that some of the agricultural sector not recording taxable profits so that a deduction against company income tax would be an irrelevance. Outright deductions are allowed for certain capital expenditure including clearing or preparing or conserving land for agriculture, the eradication of pests, laborer's accommodation and for the conservation and conveyance of water. Also, an initial accelerated depreciation deduction is allowed for new agricultural plant with a life exceeding five years.

(3) Staff Training Deductions

The double deduction for staff training allows a double deduction against company income tax for the payment of salary and wages to: registered apprentices; citizen employees attending a full-time training course at a government training institute or a prescribed place of tertiary education; and training officers engaged wholly in training or educational activities – not engaged directly in deriving the employer's income.

(4) Staff Training Levy

All businesses whose annual payroll exceeds K100,000 are subject to a two per cent training levy calculated on the taxable salary and wages, including benefits, of all personnel. The levy is assessed on an annual basis. The amount of the levy payable is reduced by qualifying training expenses incurred in the training of citizen employees.

(5) Solar Heating

This incentive promotes the use of natural resources instead of fossil fuels to provide energy sources. In Papua New Guinea, solar energy is extensively used especially for the heating of domestic water supplies. Expenditure on the acquisition and installation of solar heating plant for use in deriving income is allowable as an outright deduction.

(6) Exemption of Certain Interest Income

Interest income received by persons and corporations, including non-resident companies and individuals, from deposits lodged with licensed financial institutions within Papua New Guinea is exempt from income tax.



(7) Import Duty Drawback

Duty drawback is a rebate paid to exporting manufacturers when they export goods, equal to the amount of duty already paid on the raw materials. It is offered so that locally-manufactured goods can compete effectively in overseas markets. Requests for the consideration of duty drawback must include a detailed description of the manufacturing process involved, including the nature and volume of inputs used, accompanied by unit cost data based on import/export documents and commercial invoices.

(8) Market Access Privileges

Papua New Guinea has preferential access to a number of overseas markets. Products of Papua New Guinea origin are allowed duty-free access to Australia, New Zealand and the European Union under the PNG-Australia Trade & Commercial Relations Agreement (PATCRA) and South Pacific Regional Trade & Economic Cooperation Agreement (SPARTECA) and the Lome Convention respectively. Local products also have preferential access to numerous other developed countries including Japan and the United States of America under the GSP system.

(9) Tariff Exemptions or Reductions

Proposals for the consideration of any exemption or reduction in duty are examined on the merit of each case depending upon the overall benefit to the country and revenue implications of the Government. Such matters are handled by the Internal Revenue Commission in consultation with other administrative departments where appropriate.

To assist the IRC in its decision, an organization or investor seeking any duty concessions should provide all the cost data with supportive evidence covering broad aspects such as quantum of investment, nature of project, types of materials, machinery, equipment, annual importation and corresponding value at c.i.f. level whether the manufacturing unit is exclusively export orientated by utilizing national resources and to what extent locally-procured materials will be utilized.

(10) Imports of Specialized Capital Equipment

The import of certain specialized capital equipment is exempt from duty. Such equipment must not be readily available in Papua New Guinea and can be imported only on a temporary basis for a specific purpose and a specific time. The importers must satisfy the Commissioner-General of Internal Revenue that the equipment will be used on an approved project and a security must be lodged for the period of temporary importation. This exemption is expected to be particularly welcome for the mining and petroleum industries, since equipment that they require for exploration is included.

Also eligible for duty exemption are imports of capital equipment which will be used in the establishment of new industries or the expansion of existing industries, provided that approval for importation has been given by the Commissioner General and that the equipment is not available in Papua New Guinea.

(11) Tax-Free Bank Deposit Interest

All interest paid by registered financial institutions in Papua New Guinea is exempt from tax. When interest is paid by a Papua New Guinea resident company to an overseas recipient it is generally free of tax but may, in some circumstances, be subject to a withholding tax (45% of the gross amount).

b) Special Economic Zones

Through an Act of Parliament, the national government enacted Special Economic Zones Authority with administrative function to administer development of special economic zones in the country and to regulate the operators within the special economic zones. The Special Economic Zone (SEZ) will host onsite administrative regulation, management, infrastructure and related services dedicated to any multi-use authorized economic activity, including Free Trade Zones, Export Processing Zones, Marine Industrial Zones, technology parks, agriculture, industrial parks, tourism zones and other variants.

The Economic Corridors Concept

The economic corridor concept as envisioned in the PNG development Strategic Plan (2010-2030), constitute part of government's incentives support towards a more diversified and robust economic growth. An economic corridor is a specified region whereby all amenities such as effective transport networks and utilities, quality health and education services are available to stimulate private investments thereby generating income, raising living standards and wealth creation.

The following regions of PNG has been identified to be developed as economic corridors:

- 1) ***Petroleum Resources Area Economic Corridor (PRAEC)***: Southern Highlands, parts of Enga, Gulf and Central Province (approved by NEC)
- 2) ***Border Corridor***(Western, Southern Highlands and Sandaun Province)
- 3) ***Central Corridor*** (Central, Milne Bay, Oro, and Morobe)
- 4) ***Madang-Baiyer-Karamui-Gulf Corridor*** (Madang, Simbu, Gulf and Western)
- 5) ***Morobe Madang Corridor***
- 6) ***Enga-Sepik Corridor*** (Enga, East & West Sepik Provinces)
- 7) ***South Coast Corridor*** (East New Britain and West New Britain)
- 8) ***Momase Corridor*** (Madang, East Sepik and West Sepik)
- 9) ***Solomon Corridor*** (Autonomous Region of Bougainville)
- 10) ***Free Zone Corridor*** (Manus, New Ireland, East & West Sepik).



List of proposed Economic Corridors as identified in the DSP 2010-2030

ZONE	Provinces	Proposed Economic Corridors	Projects	Missing Link Highways / Roads
1	East and West Sepik Provinces	Sepik Economic Zone	Agriculture & Tourism	Momase Highway
2	Enga, WHP, Jiwaka & Madang	Baiyer- Ramu Economic Corridor	Agriculture & Livestock, Tourism & Mining	Baiyer – Madang Highway
3	Morobe Provinces	Markham Morobe Economic Zone	Agriculture & Livestock	Morobe Provincial Roads
4	EHP, Simbu, Jiwaka, WHP, SHP	Central Highlands Economic Corridor	Agriculture & Livestock	Lufa-Marawaka-Gumine-Karamui-Kambia-Pangia
5	Western Province & WSP	Western End Economic Corridor	Agriculture, Livestock, Aquaculture & Mining	<ul style="list-style-type: none"> • Daru – Kuinga Highway • Tabubil-Telefomin-Vanimu Highway
6	Hela, SHP & Gulf, Morobe	Southern Slope Economic Corridor	Agriculture, Mining, Petroleum & Gas	<ul style="list-style-type: none"> • Kikori – SH Highway • Lae-Port Moresby Highway
7	Gulf, Central, Oro & Milne Bay	Central Papuan Coast Economic Corridor	Agriculture	<ul style="list-style-type: none"> • Oro-Port Moresby Highway • Central – Alotau Highway
8	ENB, WNB, NIP	New Britain Ireland Corridor	Agriculture, Fisheries, Mining & Tourism	<ul style="list-style-type: none"> • East-West New Britain Highway • New Ireland Ring Roads
9	ABG	Bougainville Coast Corridor	Agriculture, Fisheries, Mining &	Bougainville Ring Roads

Source: Department of National Planning and Monitoring

Chapter 7: Reserved Activities

ACTIVITIES RESERVED FOR CITIZENS.

The amendments to the Investment Promotion Regulations to incorporate the reserved activities list was approved by NEC in 2021 (*NEC Decision No. 265/2021*). A review of economic activities reserved for citizens was conducted by the Investment Promotion Authority in consultation with public and private sector. As a result of the work by the IPA, the *Investment Promotion (Amendment) Regulation 2021* was endorsed by the Governor General and shall be effective as of 3rd of January 2022. This regulation replaces the current reserved activity list which was instituted under the Investment Promotion (Amendment) Regulation 2005 (No. 3 of 2005).

Note that a subsequent review of the reserved activities list will be undertaken by the IPA after the enactment of the *Investment Promotion (Amendment) Bill 2021* and the development of a National Investment Policy.

The following activities are reserved for citizen enterprises only:

Item	Activity	ISIC
1	Growing of non-perennial crops with annual sales of K50,000 or less.	011
2	Animal production with annual sales of K50,000 or less.	014
3	Hunting, trapping and related service activities.	0170
4	Gathering of non-wood forest products.	0230
5	Sawmilling and planing of wood, when conducted using a walkabout (mobile) sawmill.	1610
6	Marine fishing within three nautical miles of the shoreline, excluding the activities of vessels engaged both in fishing and in processing and preserving of fish.	0311
7	Freshwater fishing.	0312
8	Mining of other non-ferrous metal ores in the form of alluvial gold mining.	0729
9	Restaurants and mobile food service activities when sold from mobile food carts.	5610
10	Retail sale via stalls and markets of food, beverages and tobacco products.	4781
11	Retail sale via stalls and markets of textiles, clothing and footwear.	4782
12	Retail sale via stalls and markets of other goods.	4789
13	Wholesale of textiles, clothing and footwear in the form of second-hand clothing and footwear.	4641
14	Retail sale of second-hand goods in the form of clothing and footwear.	4774
15	Other retail not in stores, stalls or markets when carried out from a motor vehicle or motorcycle.	4799
16	Other retail sale of new goods in specialised stores in the form of handicrafts and artifacts.	4773
17	Repair of footwear and leather goods in the form of repair of footwear when not done in combination with manufacture.	9523
18	Weaving: this activity includes, but not limited to, weaving of cane products, textiles, baskets, nets, dishes, ropes and bags that are saleable at home, street markets or retail outlets on a fee.	n/a
19	Bilum Making: Making of string bags (bilums) from traditional bush ropes and cottons taking traditional and contemporary designs that are saleable at home, street market or retail outlet on a fee.	n/a
20	Knitting: The activity includes knitting of textiles, wearing apparels,	n/a

Item	Activity	ISIC
21	Art and craft making: All sorts of handcrafts and artistic designs that are saleable at home, street market or retail outlet on a fee.	n/a
22	Carving: Wood carvings and sculptures on a fee (contract) or assorted carvings that are saleable at home, street market or retail outlet on a fee.	n/a
23	Pottery making: All sorts of pottery products including clay pots, cups, mugs, dishes, plates, sculptures and other art forms that are saleable at home, street markets or retail outlet on a fee.	n/a
24	Painting: All sorts of paintings in any shape, type and form including portrait paintings, screen paintings, sand paintings, oil paintings, saleable at home, street markets or retail outlet on a fee.	n/a
25	Finishing of textiles in the form of screen printing on textiles and wearing apparel.	1313
26	Sewing: Sewing of garments, textile materials, wearing apparels, cloths and fabrics that are saleable at home, street market or retail outlet on a fee.	n/a
27	Jewellery making: Making of simple jewellery products including necklaces, ear rings, rings, arm bands, primarily from sea shells, tasks and beads for sale at home, street markets or retail outlet on a fee.	n/a
28	Baking: Baking of fresh bakery products including bread loaves, cakes, pies, cookies and scones saleable at home, street market or retail outlet on a fee.	n/a
29	Manufacture of other food products n.e.c., in the form of coffee pulping using a manual pulping machine.	1079
30	Hunting of crocodiles and processing of skins: Hunting and processing of crocodile skins for sale at established market outlets.	n/a
31	Maintenance and repair of motor vehicles in the form of tyre and tube repair, fitting, or maintenance where not done as incidental to the core business of maintenance and repairs.	4520
32	Renting and leasing of other machinery, equipment and tangible goods in the form of vending and amusement machines.	7730
33	Advertising, when conducted as sign writing.	7310
34	Child day care service activities, excluding those provided by schools or other educational institutions.	8897
35	Wholesale of waste and scrap and other products n.e.c.	4669
36	Retail sale of books, newspapers and stationary in specialized stores, in the form of specialised retail sale of newspaper and magazines.	4761
37	Repair of consumer electronics goods when not done in combination with manufacture or wholesale or retail sale of these goods.	9521
38	Repair of household appliances and home and garden equipment when not done in combination with manufacture or wholesale or retail sale of these goods.	9522
39	Repair of other personal and household goods, in the form of repair of watches, clocks and their parts, and the repair and alteration of jewellery when not done in combination with manufacture or wholesale or retail of these goods.	9529

Chapter 8: Bilateral & Multilateral Relations

Papua New Guinea (PNG) is party to a number of international conventions & protocols thus obligated to promoting liberalization in the area of trade and investment.

Melanesian Spearhead Group (MSG) Trade Agreement (MSGTA)

This is a sub-regional Trade agreement comprising of the MSG member countries including Papua New Guinea, Fiji, Solomon Island and Vanuatu with core values of Political Stability, Economic Prosperity, Social Equality and Inclusivity and Sustainable Development. New Caledonia has an observer status. Established in 1993, the MSGTA aims to promote intra-MSG trade and strengthen economic cooperation amongst MSG countries and to ensure that trade takes place under conditions of fair competition to contribute to the harmonious development and improvement to the wellbeing of the citizens of the MSG countries. This Trade Agreement is currently being reviewed by the membership.

South Pacific Trade & Economic Cooperation Agreement (SPARTECA)

SPARTECA is a non-reciprocal trade agreement where Australia and New Zealand offer duty free and unrestricted access for products originating from the 13 forum island countries (FICs) in the Pacific region. Signed in 1980 in Kiribati, this Agreement was entered into force in January 1981. New Zealand provides duty free and unrestricted access to all products originating from the FICs, whilst Australia allows duty free and unrestricted entry to all FIC products except Sugar.

Pacific Island Countries Trade Agreement (PICTA)

A free trade agreement amongst the 14 Pacific Island Countries (Australia and New Zealand are excluded.) aimed at enhancing intra-regional trade, strengthening trade capacity and improving international competitiveness of the PIC's through the gradual reduction of tariff and non-tariff barriers to trade. Effective tariff liberalization commenced on 1 January 2007. Currently, the PICTA covers only trade in goods and does not cover tobacco and alcohol products. The PICTA Trade in Service Protocol was endorsed by FIC Leaders and to date, 9 countries have signed the Protocol.

Pacific Agreement on Close Economic Relations (PACER)

PACER is an umbrella agreement between members of the Forum Island Countries with Australia and New Zealand which was initially signed in 2001 and entered into force in October 2002. It is a framework agreement that sets an outline for the future development of trade and economic relations across the region as a whole.

- ***PACER PLUS***

PACER Plus is a proposed trade, development and economic cooperation agreement currently under negotiation by the 13 Forum Island Countries with Australia and New Zealand.

Cotonou Partnership

This agreement remains the largest development agreement cooperation in the history of relations between countries. It is comprised of members from the African, Caribbean and Pacific region together with 15 European Union Members. Its principle focus is poverty reduction through political dialogue, development aid and closer economic and trade cooperation. It aims to encourage greater participation by civil society, the private sector and trade unions.

World Trade Organization (WTO)

In June 1996, PNG became a member with the aim of benefiting from the organization's various trade and development programs having easier access to flexible trading arrangements between member countries. The main objective is to help trade flow smoothly, freely, fairly and predictably through administering trade agreement, acting as a forum for trade negotiations, settling trade disputes, reviewing national trade policies, assisting developing countries in trade policy issues and cooperating with other international organizations.

Asia Pacific Economic Corporation (APEC)

APEC was established in 1989 in response to the growing interdependence among Asia Pacific economies. In 1994 PNG became a member to APEC which has a membership of 21 members. PNG is committed to comprehensive liberalization, including agriculture and services, on a non-discriminatory basis fully consistent with WTO principles. One of the most common aims that exist amongst the member countries is to voluntarily achieve "free and open trade and investment amongst member countries by 2020" achieved through general consensus.

Pacific ACP/EU Economic Partnership Agreement (EPA)

The Pacific ACP/EU EPA Agreement is to replace the 31-year-old Lome non-reciprocal preferential trade regime. The ACP EPA countries are grouped in seven (7) regions with 5 in Africa, 1 in the Caribbean and 1 in the Pacific. The EU is currently negotiating a comprehensive Economic Partnership Agreement with the 14 Forum Island Countries of the region which will cover trade in goods, trade in services, development co-operation and trade related issues.

PNG signed an interim economic partnership agreement (IEPA) with the EU on 30 July 2009 to benefit from a new preferential rule of origin for the export of processed fish and marine products to the EU market provided under the EPA.

Generalized System of Preferences Program with the United States of America

The Generalized System of Preference Program (GSP) was created in 1974 by the United States Government with a broad bi-partisan support to expand the choices and decrease the costs of imports used by American industry and consumers while creating economic opportunities in developing countries. The GSP program provides preferential duty-free treatment for products from 135 designated beneficiary developing countries (BDC's) and territories, of which Papua New Guinea is categorized under.

PNG-Fiji Bilateral Trade Agreement

The Bilateral Trade Agreement was signed in 1996 with the aim to further lift and enhance meaning to the trade agreement and for greater cooperation in the areas of trade and economic development between the two countries.

PNG-Indonesia Bilateral Trade Agreement

This Trade agreement was signed in 1986 with the aim of expanding and strengthening trade relations between the two countries on the basis of the principles of sovereignty, equality and mutual benefit for the purpose of enhancing their respective economic development.

Investment Promotion & Protection Agreement

PNG has signed up and concluded a number of Investment Promotion & Protection Agreements (IPPAs) with Australia, China, Japan, Germany, Malaysia and the United Kingdom.

Double Taxation Treaties

PNG has also concluded a number of Double Taxation Treaties with Australia, China, Germany, Malaysia, United Kingdom, Singapore, Korea, New Zealand, Fiji and Canada.



Established in 2009, in Papua New Guinea, PNG CR (formerly Red Sea Housing Company PNG) is an industry leader in the manufacturing of modular buildings, facility management and the leasing/rentals of modular buildings.



127
No of Projects Completed

>15k
No of Comp Rooms Constructed in PNG

13
No of Years Operating in PNG

18
Awards & Recognitions



World Class Provider of Convectional, Modular and containerized Building & Facilities Management Solution in Papua New Guinea.









PNG CR is a part of the CR Holdings Group with operations spanning Central Asia managing 25,000 project accommodation rooms and support services.

Our state-of-the-art facilities located outside Port Moresby enables PNG CR to design, fabricate, erect and manage the most complex remote site facilities to the highest international standards in the tightest of client timelines.

PNG CR provides total engineering solutions with 100% in-house capability from design to manufacturing, installation and commissioning of camps and other infrastructure projects.

Our facility management team can provide complete life support services to our clients regardless of the duration, size of operation or location of the project.

Industries We Service:

- 
Oil & Gas
- 
Infrastructure
- 
Government
- 
Construction
- 
Manufacturing
- 
Offshore
- 
Defence
- 
Mining

“Our unique value proposition is our end-to-end delivery capability encompassing design, construct and operate methodology whilst maximizing landowner engagement through the full life cycle of services delivering on the national content obligations of all partners.”

Chapter 9: Doing Business Stories- Case study

a) Monier PNG Limited

“Monier has been in business in Papua New Guinea for over 60 years and is the single largest producer, supplier and distributor of construction materials and building products”

First established in 1958 and based in Port Moresby, Monier operates several specialist divisions such as Quarry and Sand Material Supply, Concrete Supply, and Finished Concrete Products (concrete pipes, concrete blocks, concrete tiles and concrete pavers). Monier also has a specific plastic division known as Monier Water Solutions, which offer water and septic tanks as well as polyurethane pipes.

Monier offers support from small scale home renovation projects to large scale commercial and infrastructure projects including some largest and technically demanding projects such as aggregate supply to the LNG Project, the Japanese Embassy, the American Embassy, the APEC Haus, the Hilton Hotel and the Port Moresby Sewerage Treatment Works upgrade. Monier will continue to remain as an important partner in nation building to supply materials for number of roads, airports and major infrastructure development projects throughout Papua New Guinea.

Quality

The Chief Executive Officer Mr. George Constantinou and General Manager Mr. Matthew McLachlan, both shared the experiences of Monier Ltd doing business in PNG for a very long time. A key differentiator for Monier when making comparisons with other competitors is quality of the product or service that the company provides. This is achieved this by its vigorous and continuous testing throughout the production process, from the raw material to the finished product. The company's onsite laboratory is a state-of-the-art facility and is PNGLAS accredited and has the internal processes in place to test if a product will fail from the outset. Monier has International Standards Accreditation (ISO) and operates internationally recognized standards in Quality, Environmental and Health and Safety.

Community

Monier has heavily invested in Papua New Guinea and the community where the company operates in. It employs in excess of 180 people in Port Moresby and most are locals. Monier supports local communities and demonstrate commitment to improving the standards of education and health in Papua New Guinea through the Sir Theo Foundation, Buk Bilong Pikinini, Port Moresby General Hospital and St John Ambulances to name a few.

Business and Investment Prospects

Mr. Constantinou indicated that the economy is somewhat slow as there is not much in construction activities and also there is increased competition from overseas suppliers as well and it is a challenge. Monier views these challenges as opportunities and have focused inward to review processes such as improving its process flow to ensure more efficiency in the operations. The Covid-19 pandemic had a big impact on business with several forced closures and delays on projects, thus pushing progress further behind schedule. Monier is looking past 2021 to re-invest in other areas of business in Papua New Guinea. These include Research and Development on areas of economic, material and processes to ensure effectiveness from an economic, social and environmental point of view ensuring complete sustainability for the business.



b) The United Seafood Limited

The United Seafoods Ltd was first incorporated in September 2006 predominantly into buying/selling of Dry Marine products such as BDM, shark-fin, trochus shell & fish maw. The company has grown into a whole range of wet and dry seafood products such as frozen prawns, frozen whole fish, frozen squid, frozen lobster tails etc. United Seafood joint venture with other local companies like Maru Marine in Gulf Province to export live lobsters to Hong Kong. It also has joint venture business with Tatiduh Seafoods to export frozen prawns to Japan.

Doing Business in PNG

Cost of doing business in PNG is a challenge but the opportunities are abundant. There is a lot of areas in which government can look at supporting the industry. For example, engaging local fisherman to increase their catch, set up areas to help with getting produce to the market and providing subsidy especially with fuel or major areas of concern to the local fisherman. As a seafood operator, there are lot of issues and regulations to comply with especially PNG Customs, Internal Revenue Commission, PNG Ports, National Fisheries Authority and National Maritime Safety Authority. For example, the beche-de-mer (BDM) exports tax rate is a challenge for the industry as most of our suppliers are from the rural areas. This has huge implications on their income since the tax burden is passed onto them.

There is a big challenge In terms of shipping, port management and cargo handling for exports with regards to fees and charges that add more costs to business. If you're exporting a 20ft reefer, the cut-off date is 24 hours before the vessel arrives and you pay for having it delivered. Then you're charged again for storage and power usage because the actual cost reference should be towards the vessel's departure and not on the vessel's arrival. If you deliver closely before vessel departure date or 24 hours after vessel arrival, you get charged late penalty.

The IRC policy for paying salary wages and tax in full without the option of offsetting it against the goods and services tax is also a challenge for the industry. Operating a seafood company in PNG needs lot of capital and capital tied in those assets is not workable since it is not generating revenue for a company like United Seafood. The National Fisheries Authority as the regulatory body should manage licensing process well taking into consideration local content requirement. Issuing licenses for certain activities in the exports of fishery products should be reserved for Papua New Guinean businesses and SMEs to encourage exports of what they own.

Lending by financial institutions are not conducive for getting overdrafts to finance operational cost. Issues with regards to National Maritime Safety Authority, the current policies and training available are only for merchants shipping industry and not much for the fishing industry.

Industry into the future

United Seafood believes that there are a lot of possibilities, if less interference from the government and outside influences. There are a lot of areas which has potential to either reinvest or venture into, if the government can provide the appropriate policy and regulatory support.

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Chapter 10: Working and Living in PNG

PNG has two different official working hours observed by the public service and the private sector respectively. Public service hours are from 8am- 4:06 pm. Businesses and private companies operate from 8am- 5pm. Lunch period is 1 hour and is usually from 12- 1pm. Most businesses and private companies also operate during the weekends usually for half a day.

There are three official languages in PNG- (1) English, (2) Tok pisin (3) Motu. Although collectively around PNG there are more than 800 different native languages spoken by different localities. English is the formal language in both schools and workplaces, but the widely spoken language is Tok pisin. The Motu language is spoken by the Motu Koitabu people who are the indigenous landowners of the capital city of PNG, Port Moresby. Most foreigners who reside continuously for a longer period in PNG easily get to know the Tok pisin language and is an advantage when communicating in the work place or socially and personally outside the workplace.

PNG is a culturally diverse country and most workers who enter the workforce make their way through the formal education system or through experience gained from working as a casual or minimum wage (unskilled) worker. PNG is a land of many different cultures and at times flexibility by businesses to incorporate PNG values and traditions set a positive working atmosphere

Cost of Living

Most consumables in PNG are imports from Australia, the United States and the Asian Region. Given the weak PNG currency (PNG Kina or PGK) against the major currencies, the shelf price of most consumable goods in shops are fairly higher. Locally produced goods also attract a higher price due to imports needed in the manufacturing process. The cost of living is measured using the Consumer Price Index (CPI). The CPI is calculated by the National Statistics Office and the Bank of PNG.

Below are the latest in CPI figures

DECEMBER QUARTER 2020

Facts

The All Group CPI increased by 0.9 percent from September quarter 2020 to December quarter 2020.

The All Group CPI also shows an annual increase of 5.1 percent from December quarter 2019 to December quarter 2020.

Highlights

The main contributors to the change in December Quarter 2020 are Communications Group, Transport Group,

The Communication Group showed an increase in

- Port Moresby (+2.5%),
- Lae (+3.6%),
- Goroka-Mt-Hagen-Madang (+4.1%) and
- Alotau-Kimbe-Kokopo/Rabaul (+0.0%).

The Communication Group 12 months to December Quarter 2020 increased by 1.5 percent.

Transport Group (+2.1)

The major contributor to the rise in Transport Group Index in this quarter was due to the increase in the prices of Operations of Transport (+16.2%).

The Transport Group Index showed an increase in

- Port Moresby (+3.0%),
 - Lae (+5.3%),
 - a decrease in Alotau-Kimbe-Kokopo/Rabaul (-0.8%) and
 - Goroka-Mt-Hagen-Madang (-0.9%)
- The Transport Group 12 months December Quarter 2020 increased by 9.1 percent.

Clothing and Footwear Group (+1.6)

The major contributor to the rise in Clothing and Footwear Group index this quarter was due to the increase in prices of Footwear Items (+3.0%)

The Clothing and Footwear Group Index showed an increase in

- Port Moresby (+1.5%),
 - Lae (+1.3%),
 - Goroka-Mt-Hagen-Madang(+4.1%) and
 - a decrease in Alotau-Kimbe-Kokopo/Rabaul (-1.0%)
- The Clothing and Footwear Group 12 months to December Quarter 2020 increase by 4.9 percent.

Health Group (+1.3)

The major contributor to the rise in Health Group Index this quarter was due to the increase in Prices of Medical Supplies (+2.5%)

The Health Group Index showed an increase in

- Goroka-MtHagen-Madang (+1 1 .1%),
 - Alotau-Kimbe-Kokopo/Rabaul (+3.4%) and
 - less change in Port Moresby and Lae.
- The Health Group 12 months to December Quarter 2020 increased by 21.5 percent.

Accommodation and Real Estate

Most companies in PNG have their own private residential properties for their employees and/or also rent property for their managers and staff to live in. Although there is a building boom in the market, prices still remain high due to the excess demand and the high cost of acquiring land and building materials. The market is also unregulated and prices for accommodation and real estate are usually determined by market forces or by lead players in the market. There are high-end accommodation and real estate properties in prime locations that attract the highest price and also those in other areas that are fairly affordable. It is advisable to speak to a real estate agent or to property developers to know more about the best deal that will suit your immediate and medium to long term needs.



Shopping

PNG is seeing a major shift in the market following the opening of the first ever shopping mall in Port Moresby, the Vision City Mall. Following this there has also been an upgrade and expansion of some major super market chains and specialty shops to cater for the increase in the size of the middle-class working population. The market is uncrowded and there is room for expansion and new entrants who can provide a range of different products and services. Shops in the prime areas of the capital cities are usually cheaper than shops in the outer provinces further from the cities and provincial towns. This is due to cost of transportation. Well-known brands are sometimes sold in major supermarkets in the cities.

Communication

The vast land of PNG and the outlying islands are often not accessible by road and sea which often means that the only best way to travel is by air and often the requirement is by helicopter or a small light fixed wing aircraft, which is expensive. This limits PNG in connecting businesses, families and to the rest of the world. Hence Information & Communication Technology (ICT) remains the only viable link for the people and businesses in these areas. PNG has three mobile network operators namely Digicel, Bemobile, and Telikom. Digicel is privately owned while Bemobile and Telikom area part of the State-Owned Enterprises. The operators are rolling out 3G to 4G coverage around PNG. Roaming and international calls are provided by the network operators.

Banking

The major banks in PNG namely Bank South Pacific (BSP), Kina Bank, ANZ, and Westpac all have taken on board digital based interface to ease the burden of customers having to go in person to the bank's branches. Internet banking, mobile banking, and priority banking options makes it convenient for both personal and corporate customers. Nearly a branch of each of the major banks can be found in most provincial towns and cities.



Motor Vehicles

There are few motor vehicle dealers and prices of new vehicles are relatively higher compared to Australia and other countries. Most vehicles are imported and mostly reconditioned vehicles from Japan, Singapore, and Australia. The road conditions in some parts of the cities and towns makes SUVs, 4WDs and trucks the most suitable option. Due to the increasing number of vehicle imports, there is also a surge in traffic related congestion in parts of the major cities and towns.

Education

There are government and private schools that offer basic and advanced curriculum teaching. Most employees both in the private sector as well as government prefer to send their children to private schools due to the quality of infrastructure and education services. The International Education Agency (IEA), which is a private institution, operates a number of private schools and TAFE colleges around PNG. There are a number of other private institutions that offer early learning through to college and technical learning. Government run schools face crowding and resource issues due to the government's school fee subsidy program.

Health

PNG's main public referral hospital is the Port Moresby General Hospital in Port Moresby. There are also provincial hospitals, health centers and aid posts throughout PNG. In addition, there are number of privately-run hospitals who provide specialized health care with advanced technology and resources. The fees at private hospitals are relatively higher depending on specialist healthcare and treatment. Medivac services can also be arranged between PNG, Australia, Singapore, the Philippines, among others.

Leisure and Relaxation

PNG is open not only for business but for leisure and relaxation. In the cities of Port Moresby, Lae, Kokopo, and Mt Hagen, there are major hotels and restaurants that offer a variety of different cuisines both local and international. Port Moresby is not PNG, hence travelers for both business and pleasure are encouraged to experience the local cultures and the tranquility of beachfronts and natural environment on offer in some provincial towns.

Must visit when in town

When in Port Moresby or other parts of PNG, there are a number of attractions and historical sites that you can visit during your free time to enjoy and relax. Listed below are some fun destinations you can try out:

- Port Moresby Nature Park- Port Moresby
- Port Moresby Adventure Park- Port Moresby



- Varirata National Park- Port Moresby
- Royal Port Moresby Golf Club- Port Moresby
- National Parliament- Port Moresby
- Kokoda Trek- Port Moresby- Popondetta
- PNG's highest peak Mount Wilhelm- Simbu
- Wom Memorial Park- Wewak

Hotels& Resorts

- Lamana Hotel
- Stanley Hotel
- Hilton Hotel
- Loloata Dive Resort
- Tufi Dive Resort
- Rapopo Beach Resort
- Kokopo Beach Bungalows
- Madang Resort
- Mc Royal Hotel
- Pacific Garden Hotel

Restaurants

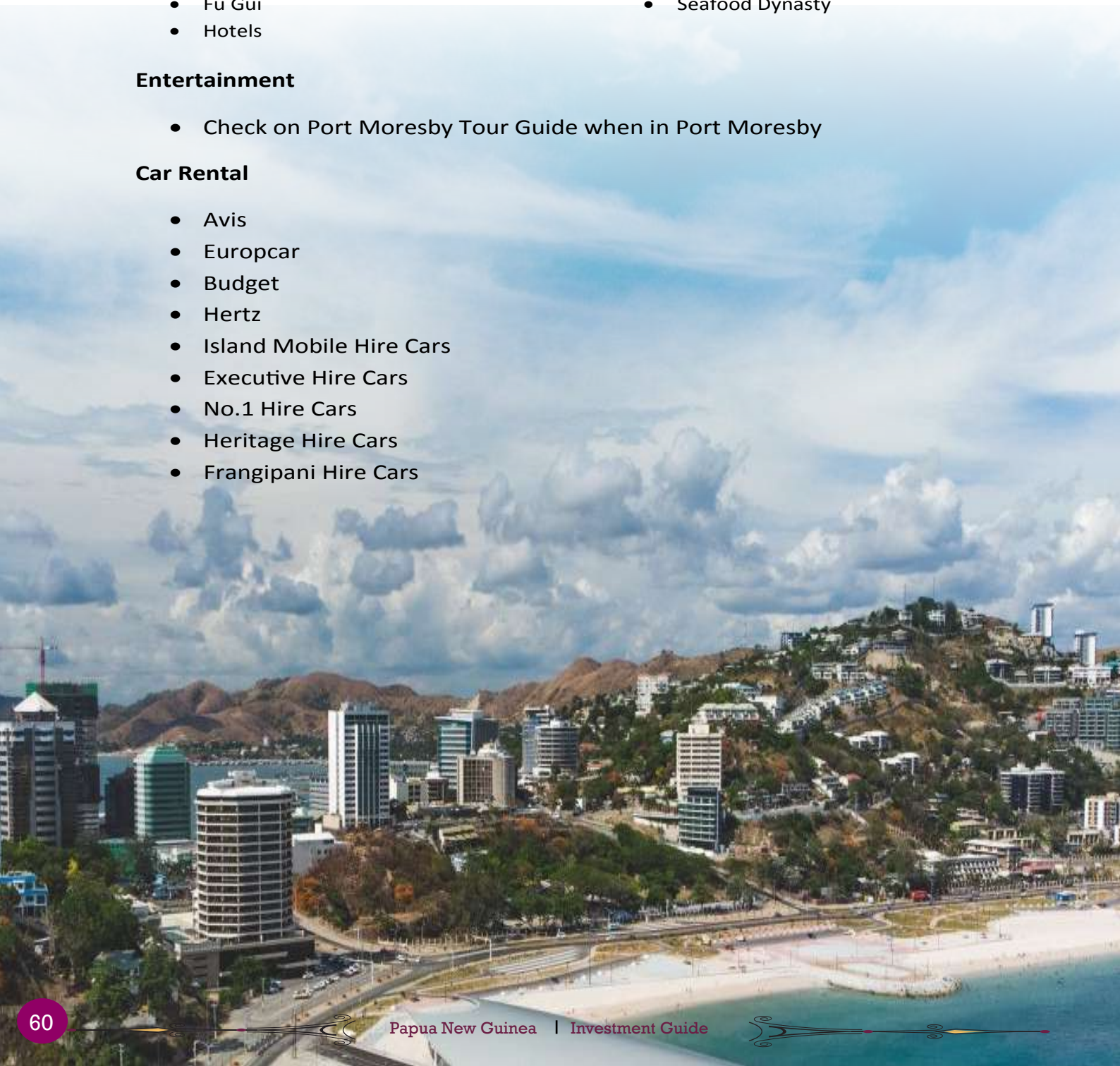
- Vision City Mall
- Fu Gui
- Hotels
- Korean House
- Seafood Dynasty

Entertainment

- Check on Port Moresby Tour Guide when in Port Moresby

Car Rental

- Avis
- Europcar
- Budget
- Hertz
- Island Mobile Hire Cars
- Executive Hire Cars
- No.1 Hire Cars
- Heritage Hire Cars
- Frangipani Hire Cars



Constitutional Offices

Office of Prime Minister	+675 301 9000 www.pm nec.gov.pg	PNG Defence Force	+675 324 2270 www.defence.gov.pg
Speaker of Parliament	+675 7439 3146 www.parliament.gov.pg	PNG Royal Constabulary- Police	+675 321 122 ssengu@rpngc.gov.pg
Auditor General's Office	+675 301 2200 www.ago.gov.pg	Ombudsman Commission	308 2600 www.ombudsman.gov.pg
Chief Justice	+675 324 5805 www.pngjudiciary.gov.pg	Public Prosecutor	325 0366
Public Solicitors	+675 301 2882	PNG Electoral Commission	+675 303 5500 www.pngec.gov.pg
Solicitors General	+675 301 2933 SolGen@justice.gov.pg	PNG Correctional Services	+675 312 1700 infodesk@cs.gov.pg
State Solicitors	301 2900 StateSolicitor@justice.gov.pg		

Government Departments

Department of Agriculture & Livestock	+675 300 7825 www.agriculture.gov.pg	Department of Labour & Industrial Relations	+675 325 5961 tevitaharo@gmail.com
Department of Commerce & Industry	+675 3239578 www.dci.gov.pg	Department of Lands & Physical Planning	+675 301 3116 dlpp.gov.pg
Department of Community Development, Religion & Youth	+675 301 0200 www.dfcd.gov.pg	Department of Mineral Policy & Geo- Hazards	+675 321 4138 jemimah_momia@mineral.gov.pg
Department of Communication & Information Technology	+675 325 0412 ict.gov.pg	Department of National Planning & Monitoring	+675 328 8324 walagato_albert@planning.gov.pg
Department of Defence	+675 324 2270 www.defence.gov.pg	Department of Treasury	313 3541 www.treasury.gov.pg
Department of Education	+675 328 8800 www.education.gov.pg	Department of Personnel Management	+675 327 6379 www.dpm.gov.pg
Department of Finance	+675 799 86000 www.finance.gov.pg	Department of Petroleum & Energy	+675 323 9307 petroleum.gov.pg
Department of Foreign Affairs & International Trade	+675 325 4571 dfathq1@gmail.com	Department of Prime Minister & NEC	+675 301 9000 www.pm nec.gov.pg
Department of Higher	+675 301 2051 info@dherst.gov.pg	Department of Transport &	325 7500 www.transport.gov.pg



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Department Implementation & Rural Development	+675 300 8583 gordon_wafimbi@dird.gov.pg		
Department of Justice & Attorney General	+675 301 2882 www.justice.gov.pg		

Statutory Organizations

Civil Aviation Safety Authority	+675 325 7320 casapng.gov.pg	National Fisheries Authority	+675 309 0444 www.fisheries.gov.pg
Climate Change & Development Authority	+675 7411 2493 www.cdda.gov.pg	National Forest Authority	+675 327 7841 HMack@pngfa.gov.pg
Cocoa Board of PNG	+675 9829083 www.cocoaboard.org.pg	National Institute of Standards & Industrial Technology	+675 323 1852 www.nisit.gov.pg
Coffee Industry Corporation	+675 532 1266 www.cic.org.pg	National Maritime Safety Authority	+675 305 4660 nmsa.gov.pg
Conservation & Environment Protection Authority	+ 675301 4500 www.pngcepa.com	National Airports Corporation	+675 324 4400 nac.com.pg
Fresh Produce Development Agency	+675 532 3356 fpda.com.pg	NiuSky Pacific Limited	+675 312 1500 www.niuskypacific.com.pg
Independent Consumer & Competition Commission	+675 325 2144 ahubert@iccc.gov.pg	National Statistics Office	+675 301 1200 www.nso.gov.pg
Internal Revenue Commission	+675 321 0041 irc.gov.pg	PNG Customs Service	+675 312 7500 customs.gov.pg
Mineral Resources Authority	+675 321 3511 mra.gov.pg	Special Economic Zones Authority	+675 311 2211 smorgan@icdc.gov.pg
National Agriculture & Quarantine Inspection Authority	+675 311 2011 pkokoa@naqia.gov.pg	Small-Medium Enterprise Corporation	+675 323 5816 info@smecorp.gov.pg
National Broadcasting Commission	+675 300 4300 info@nbc.com.pg	Tourism Promotion Authority	+675 320 0211 www.papuanewguinea.travel
National Cultural Commission	+675 323 5222 www.ncc.gov.pg	National ICT Authority (NICTA)	+675 303 200 www.nicta.gov.pg

State-Owned Enterprises & Trust/Equity Companies

Kumul Consolidated Holdings	+675 321 2977 www.kch.com.pg	Motor Vehicle Insurance Limited	+675 302 4600 www.mvil.com.pg
Kumul Petroleum Holdings Limited	+675 320 2253 kumulpetroleum.com	National Development Bank	+675 7090 8200 www.ndb.com.pg
Kumul Minerals Holdings Limited	+675 3091324 kumulminerals.com.pg	PNG Ports Corporation Limited	+675 308 4200 www.pngports.com.pg
KumulTelikom Holdings Limited	+675 321 2977 www.kch.com.pg	PNG Power Limited	+675 324 300 www.pngpower.com.pg
Mineral Resources Development Company	+675320 9600 www.mrdc.com.pg	Post PNG Limited	+675 305 3700 www.postpng.com.pg
Air Niugini Limited	+675 327 3444 www.airniugini.com.pg	Water PNG Limited	+675 303 1600 www.waterpng.com.pg
PNG DataCo	+675 313 3900 www.pngdataco.com		

Peak Private Sector & Industry Bodies

PNG Chamber of Commerce & Industry	+675 321 3057 www.pngcci.org.pg	Fishing Industry Association	+ 675325 9925 www.fia-png.com
Business Council of PNG	+675323 8465 bcpng.org.pg	Forest Industry Association	+675 325 3231 www.fiapng.com
Manufacturers Council of PNG	+675 325 9512 chey888@gmail.com	PNG Chamber of Mines & Petroleum	+675 321 2988 pngchamberminpet.com.pg
Tourism Industry Association	+675 7968 1265 www.pngtia.org.pg		

Stock Exchange & Licensed Brokers

PNG National Stock Exchange (PNGX)	+675 3201982 www.pngx.com.pg		
BSP Capital	+675 320 1212 www.bsp.com.pg		
Kina Securities Limited	+675 308 300 www.kinabank.com.pg		

Superannuation Funds

Nasfund Limited	+675 3131829 nasfund.com.pg		
Nambawan Super Limited	1801599 www.nambawansuper.com.pg		



Banks & Financial Institutions

Commercial Banks			
ANZ Bank	+675 7292 8301 www.anz.com	Kina Bank	+675 308 300 www.kinabank.com.pg
Bank South Pacific	+675 320 1212 www.bsp.com.pg	Westpac Bank	+675 312 3300 www.westpac.com.pg
Financial Institutions			
Credit Corporation Finance Limited	+675 321 7066 www.creditcorporation.com.pg	Resource & Investment Finance Limited	+675 7395 0750 www.rifl.com.pg
BSP Finance (PNG) Limited	+675 320 1212 www.bsp.com.pg	National Development Bank	+675 7090 8200 www.ndb.com.pg
Finance Corporation Limited	+675 7200 2100 www.fincorp.com.pg		
Moni Plus Limited	+675 323 3396 www.moniplus.com		
First Investment Finance Limited	+675321 7900 www.fifl.com.pg		

Law & Accounting Firms

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 pngembassy@kunduseoul.kr
 Website: www.kunduseoul.kr

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 00-322-7790609
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 kundu.brussels@skynet.be

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 Charge d Affaires
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 Ambassador
 Permanent Mission of Papua New Guinea
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 AMBASSADOR**

**REPUBLIC OF MARSHALL ISLFEDERATED
 STATE OF MICRONESIA (FSM)**

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 Papua New Guinea Department of Foreign

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HONG KONG

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 Honorary Consul
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 Asia Resources Holdings Limited
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TORONTO, CANADA

Mr Michael Binnion
 Honorary Consul
 Papua New Guinea Honorary Consulate
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ATHENS, GREECE

Mr Nick Roniotis
 Honorary Consul

ISRAEL

JERUSALEM, ISREAL

Ms Noga Lustig (TBC)

NETHERLANDS

NETHERLANDS

Mr Theodorus Danel
 Honorary Consul
 Papua New Guinea Honorary Consulate
 A F P b-v Lange
 Voohout 86
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 Netherlands



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Madam Zhou Tongyu, MBA
 Honorary Consul
 Papua New Guinea Honorary Consulate
 And Chairman
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 AUCKLAND,
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 C/- Fraser Thomas Limited
 P O Box 23273
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 Manukau City 2155
 Telephone: 00-64-93098180
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REPUBLIC OF GERMANY

BERLIN, GERMANY

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 MECKLENBURG
 WESTERN POMERANIA
 BRANDENBURG
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 Honorary Consul
 Papua New Guinea Honorary Consul
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Dr Walter Scholl
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HAMBURG

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 2000 HAMBURG 1
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 Telex : 2163349 HPHHD
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 2105 SEEVETAL 11

VANUATU

VANUATU

Ms Aileen T Nganga
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 PNG Honorary Consulate
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CYPRUS

Ms Georgia Violaris
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 Papua New Guinea Honorary Consulate
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 192 Ledraster
 P O Box 9
 NICOSIA
 Cyprus

MOROCCO

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 Honorary Consul
 Papua New Guinea Honorary Consulate
 Consulate General of the Kingdom of Morocco
 Telephone: 00 61 2 9957 6717 / 9922 4999
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Dr Celal Metin
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MALAYSIA

MALAYSIA

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UNITED KINGDOM OF GREAT BRITAIN

UNITED KINGDOM

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TRADE MISSION OF THE REPUBLIC OF CHINA ON TAIWAN AND TAIPEI

TAIPEI, TAIWAN

Mr Tommy Kambu Kungi
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PNG Honorary Trade Representative
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SOLOMON ISLANDS

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UNITED STATES

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AUSTRALIA

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HOLY SEA

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NEW ZEALAND

NEW ZEALAND

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Appendix I

COVID-19 Travel Measures

Note that the following information is sourced from the Papua New Guinea National Control Centre of the Covid-19 Pandemic

NiupelaPasin (New Normal)

International Travel

For all Incoming Travellers to PNG, all must have the following documents in hand before travelling as these documents will need to be presented at the time of check-in or will be denied boarding.

- **SOE Controller Approval** (requests for approval to be sent to; nocapproval@airniugini.com.pg or covid19-travel@police.gov.pg)
- **Proof of 14 Day Quarantine in POM** (For all International Travellers that have not been in countries listed in Schedule 2 of Measure #2 for 7 days or more. These include the transiting passengers who are transiting via Brisbane and Cairns).
 - *Please note: Transits via Singapore are currently ON HOLD pending approval from CAAS Singapore. Transits via Manila not permitted.*
- **Proof of 7 Day Quarantine in POM** (Proof of 7 Day Quarantine in POM (For all Travellers who have been in countries listed in Schedule 2 of Measure #2 for 7 days or more prior to their date of travel to PNG).
- **Medical Certificate (Covid19 PCR Test)** – to be done within 7 days period prior to the Travel Date

All International travellers or intending travellers must seek approval by sending the following documents required by the government of PNG through to this email: nocapproval@airniugini.com.pg or covid19-travel@police.gov.pg

1. A Completed [International Air Passenger Travel Form v6.3 \(I-APTF\)](#) (Updated 18 Feb 2021)
2. A Request Letter to the Controller (Updated 18 Feb 2021)
3. A copy of the intended travel itinerary or confirmed booking. (*Tickets can be purchased once approval is received*)
4. Copy of Passport Bio Page
5. PNG Visa
6. Copy of Work Permit/ Resident Permit
7. Proof of 14 Days Hotel Quarantine (Hotel Confirmation) in Port Moresby (refer to Schedule 4 of Measure 2 for the list of approved Hotels and Facilities.)

N.B. Home quarantine no longer accepted, unless only for medical reasons



What to present at the time of Check-In at the International Airports (Air Niugini flights)

- *Controller Approval
- *Travel Documents
- *Proof of Quarantine in Port Moresby
- *Medical Certificate for Covid19 PCR Test
- *Electronic Health Declaration form (<https://www.pnghdf.info/>)

Measure No. 2

Schedule 2	Schedule 4
Australia Singapore Japan Hong Kong Philippines Fiji Solomon Islands Nauru Federated States of Micronesia Vanuatu Cook Islands Samoa Palau Niue	Holiday Inn Hotel Ela Beach Hotel Grand Papua Hotel Laguna Hotel Hilton Hotel Stanley Hotel Airways Hotel Comfort Inn Hideaway Hotel Lamana Hotel Gateway Hotel Dixies Bungalows New Tribes Mission AES Facility Northbuild Camp facility MSF facilities

Appendix II

VISA FEES AND ONLINE PAYMENT GATEWAY

Note that the following information is sourced from the Papua New Guinea Immigration & Citizenship Authority

Visa Fees

Visa Type	Visa Class	Fees USD	Extension Fee USD	Late Extension Fee USD	eVisa Fee USD
Visitor	Tourist- Tour package	Nil	150	700	50
	Tourist- Own Itinerary	Nil	150	700	50
	Visiting Relative	Nil	150	700	50
	Yatch person (Crew)	Nil	150	700	50
	Yatch person (owner/captain)	Nil	200	700	50
	Journalist/Reporter	350	50	1050	
	Easy Visitor Permit 30 days	Nil	N/A	N/A	50
	Easy Visitor Permit 60 days	Nil	150	700	50
Business	Short Term Multiple Entry	350	500	1000	
	Short Term Single Entry	190	N/A	N/A	50
	Restricted Employment Visa (REV)	350	N/A	N/A	50
	*Single Entry Business & REV non-extendable				
Working Resident	Employment	380	700	1350	
	Consultant/Specialist	380	700	1350	
	Short Term Employment	380	700	1350	
	Business Person or Investor	380	700	1350	
	Working Dependent	380	700	1350	
	Dependent of Citizen (Working)	380	500	1050	
	Dependent	40	75	380	
Student	Formal education	40	75	380	
	Occupational Trainee	40	75	380	
	Dependent	40	75	380	
Special Exemption	Foreign Official (long term)	Nil	Nil	Nil	
	Foreign Official (short term)	Nil	N/A	N/A	50
	Diplomats	Nil	Nil	Nil	
	Aid Worker/Volunteer	40	75	380	
	Aid Worker/Volunteer (YWAM)	40	N/A	N/A	50
	Research Academic	40	75	380	
	Sportsperson	40	75	380	
	Religious Worker	40	75	380	
	Emergency Relief Worker	40	75	380	
	Medical Workers	40	75	380	
	Melanesian Spearhead Group	Nil	Nil	380	

(MSG)	40	75	380	
Domestic Worker (Accredited Diplomats)	Nil	Nil	Nil	
Dependents of Diplomats & International Organizations	40	75	380	
Dependents of Citizens (non-working)				
Permanent Residence	Resident (Long Term) other than a Missionary	1700	75	Nil
	Resident (Long Term) Missionary	Nil	Nil	Nil
	Dependent (Long Term). Fee covered by Principal Applicant	Nil	Nil	Nil

*Exchange rates used for payment in local currency other than those published above are available at www.ica.gov.pg

Change of Visa Status in Country

Term	Description	Fee USD
Change of Status	Legally dependent spouse with teaching, medical or other essential professional skill	500
	Completed or is deemed to have completed their contractual commitments to an employer and who has obtained employment with an alternative employer (accept those employed under the employment on Non-Citizen Act 2000)	1000
	Change of Marital Status whilst in PNG	700
	A person affected by a legal change to the name & constitution of the employer organization	700

Priority Processing

Visa	Description	Fee USD
Priority Processing	All visa classes except Permanent Residence and Change of Status	2000

Additional Migration Fees for Overstayers

Description	Overstay Period	Fee PGK
All visa types except those covered under the Aid Status and Vienna Convention (Privileges & Immunities Act)	Up to 28 days	Nil
	29-60 days	3000
	61-365 days	5000
	From 1 year onwards (may also include prosecution)	10,000

Naturalization and Dual Citizenship Fees

Item	Service	Fee PGK
1	Registration of Overseas Births within 12 months of birth	Nil
2	Resumption of Citizenship only	500
3	Resumption of Citizenship and Dual Citizenship (+19 years)	5,500
4	Resumption of Citizenship and Dual Citizenship (-19 years)	2500
5	Citizenship by Naturalization (sportsperson, investor, long term residency, marriage)	10,000
6	Citizenship by Naturalization and Dual Citizenship	15,000
7	Citizenship by Descent	10,000
8	Citizenship by Descent and Dual Citizenship (+19 years)	15,000
9	Citizenship by Descent and Dual Citizenship (-19 years)	12,000
10	PNG Citizen applying to hold Dual Citizenship (+19 years)	5000
	PNG Citizen applying to hold Dual Citizenship (-19 years)	2000

Passport Fees

Item	Service	Fee PGK
1	Diplomatic Passport	Nil
	Official Passport	Nil
	Ordinary PNG Passport	100
	Document of Identity	100
	Certificate of Identity	100
	Emergency Travel Document (No special consideration will be given to application lodged through the normal 15 days processing period)	100
2	Issuance of Passport to frequent traveler (this Travel Document will have more pages but is yet to be in circulation)	200
3	Fast processing within two (2) days (Additional fee applied to priority processing of applications for documents listed in item 1 & 2)	200
4	Renewal of Passport at Overseas Missions only	100
5	Reissuance of a lost, stolen or damaged passport except	
	Diplomatic Passport	200
	First lost	1000
	Second lost	3000
	Third lost	
6	Issuance of an APEC Business Travel Card	400
7	Renewal of an APEC Business Travel Card	300
8	Issuance of a replacement of APEC Business Travel Card	300

NEW PAYMENT GATEWAY PROCESS

- 1 Go to www.ica.gov.pg and Create your MICA account
- 2 Complete payment application online for one or more services (passport, visa, citizenship, penalties)
- 3 Make payment and print receipts
- 4 Lodge applications with copy of receipt

DISCLAIMER

- * NO refund of fees paid
- * This is only a fee payment process and not an application process
- * Payment can be done anywhere in the world as long as you have internet connection
- * All PNG Overseas Missions will no longer accept cash payments for MSF. Overseas clients will lodge application with copy of online payment receipt

Appendix III

TAXATION INCENTIVES FOR BUSINESS & INVESTMENT IN PAPUA NEW GUINEA

(As at 1 January 2020 – IRC)

Note that the following information is sourced from the Papua New Guinea Internal Revenue Commission

Summary	Industry	Conditions	Legislative Reference
TAXATION INCENTIVES			
GENERAL INCOME TAX INCENTIVES			
<p>Reduction in effective Income Tax Rates payable by Residents</p> <p>The part of taxable income that:- Does not exceed K12,500 taxed at 0%</p> <ul style="list-style-type: none"> Exceeds K12,500 but does not exceed K20,000 is taxed at 22% Exceeds K20,000 but does not exceed K33,000 is taxed at 30% Exceeds K33,000 but does not exceed K70,000 is taxed at 35% Exceeds K70,000 but does not exceed K250,000 is taxed at 40% Exceeds K250,000 is taxed at 42% 	Individual Income Earners in all Industries and Sectors		Schedule 1 of the Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2019 Budget) (Amendment) Act 2018
<p>Reduction in effective Income Tax Rates Payable by Non-Residents</p> <p>The part of taxable income derived in PNG that:-</p> <ul style="list-style-type: none"> Does not exceed K20,000 is taxed at 22% Exceeds K20,000 but does not exceed K33,000 is taxed at 30% Exceeds K33,000 but does not exceed K70,000 is taxed at 35% Exceeds K70,000 but does not exceed K250,000 is taxed at 40% Exceeds K250,000 is taxed at 42% 	Individual Income Earners in all Industries and Sectors		Schedule 1A of the Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (2019 Budget) (Amendment) Act 2018
<p>Accelerated & Flexible Depreciation</p> <p>Capital Assets can be written off at a faster rate than would otherwise be possible.</p> <p>Depreciation is normally calculated using the straight-line method based on effective life but:</p> <ul style="list-style-type: none"> Using a diminishing value method, the percentage rate of depreciation can optionally be accelerated to 1.5 times that under ordinary effective life. Depreciation deductions may be an extra 20% of the cost price for new capital plant or articles, being eligible property, acquired in the year of income. In the case of tourism, the depreciation deduction may be an extra 55% of the cost price for new capital plant or articles, being eligible property, acquired in the year of income. Depreciation methods can be switched to maximize amounts to be depreciated. Taxpayers acquiring industrial plant may elect in any year to increase the 	All	<p>Comments: Mining, Petroleum & Gas-companies - taxpayer has to make an election to depreciate plant and equipment with an effective useful life of less than 10 years under normal depreciation provision.</p> <p>In the case of the additional depreciation for the industrial plant: (1) Effective life has to be more than five years and, (2) The plant should be used in manufacturing process</p>	<p>Section 73-78 of Income Tax Act</p> <p>Section 155F of Income Tax Act</p>

<p>amount of depreciation deductions by the lesser of the amount of the taxpayer's income remaining after all other deductions, or the remaining depreciable value of the plant.</p> <ul style="list-style-type: none"> • For taxpayers in the Tourism Industry this initial year additional depreciation has been increased to 55% from 1st January 2007. • In the year of income in which expenditure is incurred, an extra 20% depreciation deduction is available for expenditure on existing plant for the purpose of fuel conservation. • Expenditure on acquiring the following types of new plant or article is provided a 100% deduction: <ul style="list-style-type: none"> – property used directly for agriculture production; – property used for fishing by residents engaged in commercial fishing; – Boats or ships and ancillary equipment used as dive boats by an accredited scuba diving/snorkeling operator. 			
<p>Application of DWT and Exclusion of dividend Income</p> <p>Dividend Withholding Tax (DWT) is only applicable on dividend income derived by the following taxpayers: -</p> <ol style="list-style-type: none"> 1) an individual whether he is a resident or non-resident, 2) any other non-resident person (including a company) and, 3) a resident trust. <p>The dividend income is not included in their assessable income where they have already paid their Dividend Withholding Tax (DWT).</p>	<p>All</p>	<p>DWT must have been paid first.</p> <p>Dividend income of an Authorised Superannuation Fund (ASF) is specifically exempt from DWT.</p>	<p>Section 189D Income Tax Act</p>
<p>Double Tax Agreements (DTAs)</p> <p>We have DTAs with 11 countries.</p> <p>The aim of the Double Tax Agreement is to avoid double taxation on the taxpayers of both countries in respect of the same income and to allow a tax credit to the other country's taxpayer (e.g. Aust taxpayer) when it pays taxes in the other treaty partner country (e.g., PNG) so as to prevent discrimination between taxpayers operating in both countries and provide a reasonable element of legal and fiscal certainty.</p>	<p>All</p>	<p>The provisions of double tax agreements apply.</p> <p>Countries which we have DTAs with are: - Canada, Australia, Singapore, United Kingdom, Malaysia, China, Germany, Korea, Fiji, New Zealand and Indonesia.</p>	<p>Income Tax (International Agreements) Act</p>

<p>Double Deduction for Staff Training</p> <p>Double deduction is allowed to companies who sponsor their citizen staff to undertake full time professional training at a Government Training Institute or at a prescribed tertiary place of education. Double deduction is also provided on salary and wages of full-time training officers, who are not engaged directly in derivation of assessable income, and of <i>bona fide</i> registered apprentices.</p> <p>Since 1st January 2007 a double deduction was also available for all tourism staff training costs.</p>	<p>All</p>	<p>Tertiary institutions providing training eligible for double deduction are listed in Regulation 9B of the Income Tax Regulations such as Divine Word Uni, PNG Fisheries College etc...</p> <p>NB: The double deduction only applies to training expenditure incurred prior to 1 January 2018.</p>	<p>Section 72A of Income Tax Act</p> <p>Income Tax Regulation 9B.</p>
<p>The Rural Development Incentive</p> <p>An income tax exemption is provided on the net income of new businesses set up in specifically designated under-developed areas that are not dependent on the exploitation of natural resources.</p> <p>Income earned by “rural development industries” (as defined under the Income Tax Act) is exempt from income tax for 10 years after the year the business commences operation.</p> <p>Losses arising from the exempt activities may be deducted against taxable income from other activities.</p> <p>The scheme is only available to new businesses in the specific rural districts listed in the Regulations.</p>	<p>Agriculture Construction Financial Manufacturing Real Estate Services Transport Storage Communication Tourism</p>	<p>Districts containing Petroleum Development Licenses or Special Mining Leases are ineligible for the incentive. Industries extracting, processing or transporting PNG non-renewable resources are ineligible for the incentive.</p> <p>The income that will be exempted must be derived in that district.</p> <p>Regulation 6AA of the Income Tax Regulations prescribes the industries and districts eligible for the incentive:</p> <ul style="list-style-type: none"> i) Agriculture production; ii) Manufacturing; iii) Construction; iv) Hotels and restaurants; v) Transport storage & communication; vi) Financial intermediation; vii) Real Estate, renting and 	<p>Sections 45I - 45M (Part III, Division 1B) of the Income Tax Act 1959.</p> <p>Income Tax Regulation 6AA.</p>



		business activities; and viii) Other community, social and personal service activities.	
MANUFACTURING INCENTIVES			
<p>Export Market Development Deduction</p> <p>A double deduction is available for expenditure on developing an export Market for PNG manufactured products and development of tourism Overseas through publicity, sample provision, market research, trade fairs, preparation of tenders, certain travel expense, technical information provisions expenses, sales office expenses and expenses incurred in bringing buyers to PNG.</p>	<ul style="list-style-type: none"> - Manufacturing - Tourism 	<p>The Commissioner General can limit deductions considered to be excessive. The tax saving from the double deduction cannot exceed 75% of the actual costs incurred.</p> <p>Reimbursements to the taxpayer are not included.</p>	<p>Section 72C of the Income Tax Act</p>
<p>Wage Subsidy for New Manufactured Products</p> <p>Taxpayers who manufacture new products may receive a monthly wage subsidy for five years from the commencement of operations. For each citizen employee, a subsidy is paid which is a proportion of the minimum wage relevant to that area.</p> <p>The subsidy is phased out over a five-year period:</p> <p>Year 1: 40% of relevant minimum wage for each employee Year 2: 30% Year 3: 20% Year 4: 15% Year 5: 10%</p>	<p>Manufacturing</p>	<p>The Commissioner General must first agree to list the product as a “new manufactured product”.</p> <p>Goods to be imported which form the main components used to manufacture the proposed new product which are already subject to Customs tariff protection, are specifically excluded in the legislation from being listed and the Commissioner General cannot legally list such products for the subsidy.</p>	<p>Industrial Development (Wage) Subsidy) Act 1984</p>
TOURISM INCENTIVES			

<p>Concessional tax rate for new or substantially improved large scale tourist accommodation facility</p> <p>A tax rate of 20% for taxpayers whose sole income is derived from the operation of such a facility, and who are registered for such purposes with IRC. This tax rate only applies for 10 years from the time income is first derived.</p>	<p>Large scale tourist accommodation facilities</p>	<p>Large scale tourist accommodation facilities are for the provision of temporary accommodation in PNG and must:</p> <ol style="list-style-type: none"> have construction commenced between 1 January 2007 and 31 December 2011; and involve expenditure of US\$10 million or more; and provide 150 rooms or more for such accommodation 	<p>Sections 154E-154G of the Income Tax Act</p> <p>Section 6D of the Income Tax Dividend(Withholding) Tax and Interest (Withholding) Tax Rates Act</p>
<p>PRIMARY PRODUCTION TOURISM, MINING & PETROLEUM INCENTIVES</p>			
<p>General Infrastructure Tax Credit</p> <p>An income tax credit (i.e. An offset to income tax payable, rather than a deduction) is available up to the value of 0.75% of assessable income derived in the year of income for expenditure on prescribed infrastructure for mining, petroleum and gas operations. For primary production and large scale tourist facility operations the tax credit available is up to 1.5% of assessable income. Unused credits can be carried forward for two years. Expenditure in excess of the 0.75% and 1.5% limits can be carried forward to the succeeding year of income within this time limit.</p> <p>Expenditure incurred on TCS project in a year should not exceed these limits. Excess tax credit not allowed in the year due to credit exceeding tax payable is carried forward to next succeeding year, and so on.</p>	<p>Petroleum, Gas, Mining Companies, Primary Production Companies & Large Scale Tourist accommodation facility Companies.</p>	<p>The Tax Credit allowable cannot exceed tax payable in any one year.</p> <p>Expenditure on Prescribed Infrastructure must first be approved by the Department of National Planning & Monitoring.</p>	<p>Section 219C of the Income Tax Act</p> <p>Income Tax Regulation 10F</p>
<p>AGRICULTURE INCENTIVES</p>			
<p>Tax deductibility of certain agriculture development expenses</p> <p>A 100% deduction is provided for expenditure in the year of income by a taxpayer engaged in primary production on</p>	<p>Agriculture</p>	<p>The deduction is reduced to the extent that the taxpayer has recouped any of the expenditure from the Government, an</p>	<p>Section 97 of Income Tax Act</p> <p>The definition of “primary production” in Section 4 of the Income Tax Act specifically excludes</p>

<p>any land in Papua New Guinea:</p> <ul style="list-style-type: none"> (a) the eradication of animal or vegetable pests from the land; (b) the destruction and removal of timber, scrub or undergrowth indigenous to the land; (c) the destruction of weed or plant growth detrimental to the land; (d) the preparation of land for agriculture; (e) ploughing and grassing the land for grazing purposes; (f) the draining of swamp or low-lying lands where that operation involves the agriculture or grazing value of the land; (g) preventing or combating soil erosion on the land, otherwise than by the erection of fences; (h) the construction of dams, earth tanks, underground tanks, irrigation channels or similar structural improvements, or the sinking or bores or wells, for the purpose of conserving or conveying water for the use in carrying on primary production on the land; (i) the construction on the land of levee banks or similar improvements; (j) the construction on the land of roads, including bridges, culverts or similar works forming part of the road; (k) the planting of the land with trees, including the purchase of seed, seedlings, cuttings and similar material; (l) the construction or alteration of fences with the sole purpose of preventing animal pests entering upon the land or any part of the land; or (m) the construction and improvement of plantation employees' accommodation (subject to certain conditions) 		<p>authority of any other person.</p>	<p>forestry, logging and timber operations</p>
<p>Pass through to shareholders of tax deductions for agriculture companies.</p> <p>Tax deductions available to agriculture companies for expenditure on agriculture development under Section 97 of the ITA and for depreciation of agricultural plant and equipment can be passed through directly to shareholders for deduction at shareholders' marginal tax rates.</p>	<p>Agriculture</p>	<p>The company must make a declaration to the Commissioner General that it is relinquishing deductions in favour of its shareholders.</p> <p>Deductions are passed through to shareholders in proportion to the monies paid on shares. The value of deductions cannot exceed the monies paid on shares.</p>	<p>Section 97A of the Income Tax Act.</p>

<p>Agriculture Extension Services</p> <p>150% deduction for expenditure on agriculture extension services undertaken under an approved plan.</p>	Agriculture	<p>Extension services must be undertaken under a plan approved by a committee chaired by the Dept of Agriculture & Livestock.</p> <p>The Income Tax Regulation specifies the types of activities that are eligible. Detailed guidelines on the types of expenditure that can be undertaken are available from the Dept of Agriculture & Livestock.</p>	<p>Section 97B of Income Tax Act</p> <p>Income Tax Regulation 5M</p>
<p>Concessional tax rate on income from new agricultural activities.</p> <p>20% income tax rate for new primary production projects that commence construction, clearing or planting between 1 January 2004 to 31 December 2011 eg: plantation</p>	Agriculture	<p>(a) The capital cost must be at least K1 million;</p> <p>(b) The project must be in an area where production of the crop/livestock has not previously occurred (or has only occurred in a marginal way); and</p> <p>(c) The project must not be an extension of an existing primary production facility.</p>	<p>Section 1 of Income Tax Dividend (Withholding) Tax and Interest(Withholding) Tax Rates Act</p>
PETROLEUM, OIL & GAS, MINING & AGRICULTURAL INCENTIVES			
<p>Extra 0.75% infrastructure tax credit</p> <p>An extra 0.75% -1.5% of assessable income (in addition to that under the general ITC) may be claimed as credit against tax payable for expenditure on infrastructure by primary production projects and mining, petroleum & gas companies as per:</p> <ul style="list-style-type: none"> - mining, petroleum & gas, 0.75% of assessable income. - primary production, 1.5% of assessable income. 	Agriculture, Mining, Petroleum & Gas operations & Tourism Industry	Credit cannot exceed tax payable in any one year.	<p>Section 219C of Income Tax Act</p> <p>Income Tax Regulation 10F</p>

<p>– tourism, 1.5% of assessable income</p> <p>Unused credits can be carried forward for two years. Expenditure in excess of 0.75/1.5% can be carried forward to succeeding years of income.</p> <p>Credit for expenditure on TCS Project not allowed in the year may be carried forward to next succeeding year of tax (indefinite).</p>			
PETROLEUM, OIL & GAS, MINING INCENTIVES			
<p>1.25% credit for expenditure on “emergency repairs” on Highlands Highway</p> <p>A special tax credit of 1.25% for emergency repairs to the Highlands Highway from Law to Koroba and Wabag introduced in the 2012 Budget tax amendments.</p>	<p>All “eligible taxpayer” but mainly taxpayers engaged in mining, oil and gas operations.</p>	<p>Highlands Highway is main highway from Lae to Koroba (Fugwa turn off) and Togoba Junction to Wabag</p>	<p>Sec 219C (6) - of the Income Tax Act 1959.</p>
<p>1.25% credit for expenditure on Gas Project Roads</p> <p>1.25% of assessable income in any year following PNG Gas Project decision may be claimed as an income tax credit forexpenditure on construction, upgrading or repairs of a road defined in the Gas Agreement as State Road Commitments.</p> <p>Unused credits can be forwarded for 2 years. Expenditure in excess of 1.25% can be carried forward to future years within this time limit.</p> <p>This only applies to the PNG Gas Pipeline Project.</p>	<p>Petroleum</p>	<p>Credit cannot exceed 50% of the amount of tax payable in any one year.</p> <p>Applies when a gas/pipeline Development License is issued.</p>	<p>Section 219C (9) of the Income Tax Act.</p>
<p>Additional Income Tax Deduction Exploration Expenditure</p> <p>Expenditure incurred by a taxpayer for the purpose of exploration in Papua New Guinea for minerals, petroleum and gas for a period of 20 years pursuant to the issue of a Resource Development Licence. This can be deducted from the income of a development project derived from that exploration license area during the course of its life period. Even the expenditure incurred in relation to other exploration areas which have been surrendered can be claimed.</p> <p>This deduction is in addition to the normal business deductions.</p>	<p>Mining, Petroleum and Gas companies</p>	<p>Expenses which have been transferred to another taxpayer or amounts recovered would be excluded from the allowable deduction.</p>	<p>Section 155A & S155C of the Income Tax Act</p>

<p>Additional General information on Gas, Petroleum & Mining operations.</p> <p>Tax Rates for Mining & Petroleum Companies (Oil & Gas)</p> <ul style="list-style-type: none"> Carry forward of losses Taxpayers involved in mining petroleum and gas operations can carry forward tax losses up to 20 years. Other companies are subject to a 7-year limitation. Pooling of exploration expenditure Mining, Petroleum & Gas Companies can elect at the end of each year of income to bring in exploration expenditure incurred outside of the project operation during that same year of income and claim this expenditure as a deduction against the project income. 	<p>Gas, Mining & Petroleum</p>	<p>Tax rates for resource projects There is a standard corporate income tax rate for all resource projects as follows:</p> <p>Type of projectRate of tax</p> <p>New Petroleum Project 30% Incentive Rate Petroleum Projects 30% Other Petroleum Project 30% Gas Operations 30% Resident Mining Companies 30% Non-Resident Mining Companies 30%</p> <p>Royalty and Development Levy (both calculated at 2% of well value of petroleum) is also payable by petroleum and gas companies.</p> <p>The total of royalty and development levy paid by a petroleum or designated gas project in a year of income shall be an allowable deduction in respect of that year of income.</p> <p>Any tax credit from the payment of royalty and development levies prior to 1 January 2018 may be carried to the next succeeding year of income until fully utilised.</p>	<p>Income Tax & Dividend (Withholding) Tax Rates Act</p> <p>Section 159 Oil and Gas Act</p> <p>Section 161A Income Tax Act</p> <p>Section 101 of Income Tax Act</p> <p>Section 155N of Income Tax Act</p> <p>(NOTE: Section 155N appears to apply to exploration companies as well, not just companies engaged in resource projects. A taxpayer engaged in “resource operations” can elect to pool exploration expenditure.</p>
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		Amount allowed as a tax deduction should not exceed the lesser of 25% of the un-deducted pool balance or such amount that would reduce income tax payable by 10%. Election must be made at the end of the year of income in which the expenditure was incurred.	
<p>Fiscal Stability Provisions</p> <p>The fiscal stability provision allows the State to enter with the resource companies in an agreement which guarantees the fiscal stability of the project in respect of duplicable taxes, duties, fees and other fiscal imposts and the rates at which such taxes, duties, fees and other fiscal imposts will be charged and the manner in which liability in respect thereof will be calculated in the event of a change in the applicable law after the effective date of the agreement.</p>	Gas, Mining & Petroleum	Mining and petroleum companies have the option of applying for fiscal stability for the original financing period or twenty years whichever is the lesser. Gas companies can apply for a period of time necessary to produce a volume or quantity of resource as defined in the relevant gas agreement to be a foundation volume or quantity for that long-term gas project. Where such a provision applies, a 2 percent premium applies to the income profit tax rates.	<p>Resource Contracts Fiscal Stabilization Act 2000 Income Tax and Dividend (Withholding) Tax Act.</p> <p>Section 11A Income Tax Act.</p>
<p>Exemption from Income Tax/Salaries and Wages Tax of Certain Travel Benefits</p> <p>In addition to the exemption of one annual leave fare from places of employment to the place of origin or recruitment, employees of resource companies are entitled to:</p> <p>1) Exemption on their domestic fares within Papua New Guinea and,</p>	Petroleum, Oil & Gas & Mining	Additional exemption on international fares is granted if the hardship and remoteness of the employment location from urban centres can be demonstrated.	Section 40AA of the Income Tax Act

2) Additional Exemption on their international fares			
Stamp Duty Concession on Transfer of Mining Information The stamp duty on the transfer of mining information for both exploration and development licences has been limited to K10,000.00 this was designed to encourage mining, petroleum and gas exploration	Petroleum, Oil & Gas & Mining		Stamp Duties Act, Schedule.
Stamp Duties Concession on Transfer of Exploration Licences If an exploration licence is transferred for the historical cost of obtaining the mining information, total stamp duties to be paid will be: 1) A K10,000 incentive rate for the mining information transfer. 2) An incentive rate of K10,000 for the transfer of the licence. Or a total of K 20,000. If an exploration licence is transferred for more than the historical cost of obtaining the mining information, total stamp duties to be paid will be: 1) A K10,000incentive rate for the mining information transfer. 2) An incentive charge of 2 percent applied on the excess between the price charged and the historical cost (instead of 5 percent previously).	Petroleum, Oil & Gas & Mining		Stamp Duties Act, Schedule.
Stamp Duties Concession on Transfer of Development Licences If a development licence is transferred, total stamp duties to be paid will be: 1) A K10,000 incentive rate for the mining information transfer. 2) An incentive rate of 2 percent of licence value instead of the 5 percent usually charged on transfers of real property valued at over K140,000.	Petroleum, Oil & Gas & Mining		Stamp Duties Act, Schedule.
Stamp Duties Concession for Intra-Company Transfers Transfers resulting from company reorganization or what is known as “intra-group” transfers attract a concessional stamp duty that is limited to K600 per transaction up to a maximum of K12,500.	All Companies	<ul style="list-style-type: none"> The parent company must own at least 95% of the subsidiary for at least three years prior to the date of the application for exemption. At least 20% of the issued capital 	Section 68A Stamp Duties Act

		<p>or voting rights of the ultimate parent company has to have held a minimum of 20% of the issued capital or voting rights for at least three years prior to the date of the application for exemption.</p> <ul style="list-style-type: none"> • The conveyance must not have the purpose or effect of avoiding or delaying the payment of any tax under the Income Tax Act 1959. • The companies must operate as an intra-group operation for a period of 5 years, otherwise the full stamp duty and penalties will apply. 	
GST INCENTIVES			
<p>Zero Rating of Exports</p> <p>Exported goods are not subject to Goods & Services Tax (GST). Exporters receive a full refund of GST paid on all inputs to production of exported goods or services.</p>	Exports		Section 19 of Goods & Services Tax Act
<p>Zero Rating of Goods Supplied to Resource Companies.</p> <p>Goods or services, other than cars, supplied to a resource company for use in resource operations are zero-rated for GST.</p>	Petroleum, Oil & Gas & Mining	Applies to registered holders of mining, petroleum or gas tenements and that the Goods must used for the resource operations.	Section 7 (f) & 21(1)(d) of Goods & Services Tax Act
<p>Other Zero Rated Goods</p>	Selected		Section 21(1) and Division 6 of Goods & Services Tax Act

Prescribed rural development areas pursuant to Regulation 6AA of the Income Tax Regulation

DISTRICT	PROVINCE	DISTRICT	PROVINCE
Amanab	West Sepik	Losuia	Milne Bay
Ambunti	East Sepik	Lufa	Eastern Highlands
Angoram	East Sepik	Lumi	West Sepik
Bogia	Madang	Maprik	East Sepik
Finschhafen	Morobe	Menyamy	Morobe
Goilala	Central	Mumeng	Morobe
Gumine	Simbu	Nipa	Southern Highlands
Henganofi	Eastern Highlands	Nuku	West Sepik
Ialibu	Southern Highlands	Okapa	Eastern Highlands
Jimi	Jiwaka	Pangia	Southern Highlands
Kabwum	Morobe	Pomio	East New Britain
Kagua	Southern Highlands	Rabaraba	Milne Bay
Kaiapit	Morobe	Rai Coast	Madang
Kaintiba	Gulf	Ramu	Madang
Kandep	Enga	Tambul	Western Highlands
Kandrian	West New Britain	Tari	Hela
Karimui	Simbu	Telefomin	West Sepik
Kikori	Gulf	Wabag	Enga
Koroba	Southern Highlands	Wapenamanda	Enga
Lagaip	Enga	Wonenara	Eastern Highlands
Lake Murray	Western Province	Wosera Gawi	East Sepik

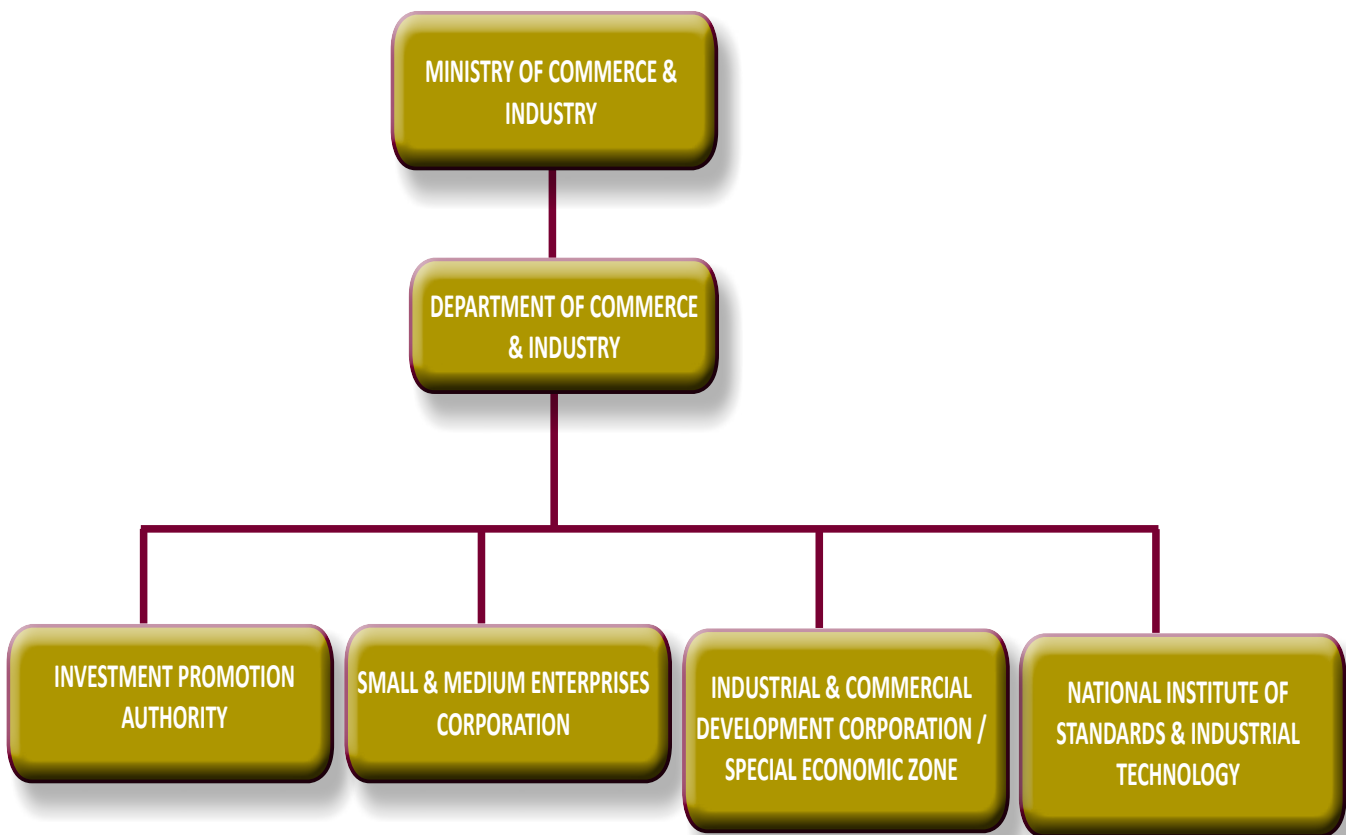
The following are the existing prescribed 'qualifying goods'

Activated carbon	Clothing and manufactured textiles
Artefacts	Confectionary
Beverages ready for consumption	Dairy products
Biscuits	Dry cell batteries
Canned fruit and vegetables	Electrical appliances
Canned, loined and smoked fish	Essential oils/oleoresins
Cement and concrete products	Fabricated steel
Ceramics	Fibreglass products
Chopsticks	Fishing nets
Cigarettes	Flexible packaging materials

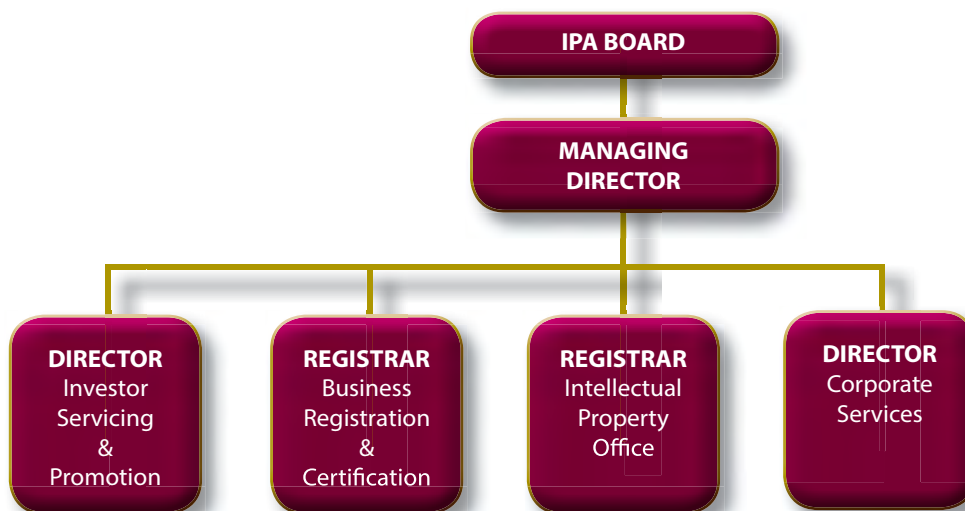


Flour	Plastic products
Foam products	Powdered cocoa beverages
Founded and manufactured metal products	Powdered coconut milk
Glass products	Processed and canned meat products
Hand tools	Processed ginger
Industrial and medical gases	Refined petroleum
Instant coffee	Rubber products
Instant full cream milk	Sawn timber, mouldings, plywood and laminated products
Instant noodles	Ship and boat building and repairing
Jewellery	
Livestock feeds	Soap
Matches	Treated and processed Crocodile skins
Motor vehicles	Wood pulp
Non-dairy creamer	Wooden furniture components and doors
Paint	
Paper products	

MINISTRY OF COMMERCE & INDUSTRY STRUCTURE



INVESTMENT PROMOTION AUTHORITY MANAGEMENT STRUCTURE



Investment Promotion Authority of Papua New Guinea

FLOWCHART showing Steps involved in registering a Foreign Company

This is a flowchart of processes and requirements involved in registering a foreign company.

The process outlines the requirements from business registration and foreign enterprise certification, to tax registrations and the actual carrying out of business by the company. This is the first tier of approval requirements for foreign companies.

**REGISTRATION OF
COMPANY**

STEP 1

Company is required to apply for registration / incorporation with the Companies of Office of PNG. Approval powers are with the Registrar of Companies.

**CERTIFICATION OF
COMPANY**

STEP 2

After the company has been registered, it is further required to apply for IPA foreign enterprise certification. Approval powers are with the IPA Managing Director. After this step, IPA requirements have now been fulfilled and company now proceeds to other jurisdictions.

**APPLICATION FOR A TAX
IDENTIFICATION NUMBER
(TIN), WORK PERMIT/
EMPLOYMENT**

STEP 3

These requirements are facilitated by IRC, PNG Immigration Services and Labour Department. When IPA issues its certificate it imposes on the company to fulfill other government regulatory requirements within six (6) months from the date of IPA certification. It forms part of the schedule of Terms and Conditions from the IPA.

**OPENING OF
BANK ACCOUNT**

After a bank account has been opened, the company has now fulfilled necessary requirements to conduct business in the country.

A foreign enterprise which has been granted a certificate does not relieve itself from complying with any other laws and regulatory requirements including those administered by the Provincial and Local Level Governments.





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