



ppportunity

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Business news, reviews and overviews from the IPA

MD's IN BOX



Ivan Pomaleu

It is with great pleasure we bring you the first issue of Opportunity.

As the name suggests, *Opportunity* will bring to your inboxes valuable information about Papua New Guinea's trade and investor arena.

The fresh new format is designed to foster open communication between IPA and the PNG business community and your advisers. We encourage you to share your views on business and investment or any of IPA services. Please feel free to email your comments to

opportunityeditor@ipa.gov.pg. In future issues such feedback will be published in the **Let's Hear It** column in the newsletter.

For example, we welcome your views on the Online Business Registration Program, which we are about to roll out. IPA has taken considerable steps to see this project come into fruition. We are confident online registration will benefit thousands of businesses. You can read more information about the project in this issue of *Opportunity*.

Unsure about business procedures or registration processes? If so, email your query and we'll answer it in the **Question Time** section.

In the **News** this issue we take you on two successful trade missions, one to Indonesia, which coincided with Prime Minister Hon. Peter O'Neill's official state visit to Indonesia and the second to the Solomon Islands.

We also welcomed a business delegation from Belgium seeking opportunities in investment and trade.

In **Opportunity Knocks** we feature Yha Hauka Kopi Limited from Morobe Province who seeks a joint venture partner to develop its business to assist its rural coffee growers.

I encourage you to take a short break to read this first issue of *Opportunity*.

Ivan Pomaleu, Managing Director

Tips & Traps

Registered PNG companies are required to submit annual returns to the Companies Office within the IPA on time or risk being de-registered. On time lodgment also saves you having to pay a late fee of K150 on top of the K50 lodgment fee.

Irrespective of who owns the company or how long it's been operating, the Registrar of Companies may issue a notice to remove a company from the register if the company's annual return is 6 months late or if the company fails to submit documents required by the Office.

De-registered companies are not permitted to conduct businesses in PNG.

Don't risk de-registration. Lodge annual returns on time!

If you can't get your return in before the due date and need an extension of time, lodge a Form 55 with the Companies Office.

When completing your return make sure the information it contains is consistent with records held by IPA.

The Companies Office publishes in the media a list of companies that face de-registration for not meeting their legal requirements. This information is also available on the IPA website www.ipa.gov.pg

Stay off that list by lodging your annual return on time!

IN THE NEWS

Forum strengthens business relationship between PNG and Indonesia

Good business relations between PNG and its neighbour Indonesia were given a boost with the success of a business forum held recently in Jakarta. The aim of the Forum was to strengthen economic cooperation and bilateral ties between the two countries.

The forum coincided with the official state visit of Prime Minister Hon. Peter O'Neill at the invitation of his Indonesian counterpart His Excellency President Susilo Bambang Yudhoyono, who made his official visit to PNG in 2010.

IPA led a delegation from PNG's private sector representing 46 companies from the construction, oil & gas and other prominent PNG industries as well as state-owned enterprises.

During the forum both countries signed eleven agreements comprising three treaties and eight Memoranda of Understanding in a range of key areas, including education and training, tourism and extradition.

In addition a number of business-to-business MOUs were signed in the areas of oil and gas, banking and finance, telecommunication and water.

A signing ceremony also took place between the PNG Chamber of Commerce & Industry (PNGCCI) and the Indonesian Chamber of Commerce & Industry (KADIN), which was witnessed by Prime Minister O'Neill, government ministers and their Indonesian counterparts.

IPA presented a paper on "Doing Business in PNG" following a presentation by the Indonesia Investment Board (BKPM) on "Doing Business in Indonesia". ■

More News stories next page

Belgians on the look-out for business in PNG

A business delegation from Belgium visited Papua New Guinea recently on a fact-finding mission to seek out local investment and trade opportunities. Former Ambassador of the Kingdom of Belgium to Australia, His Excellency Patrick Renault led the nine-member Belgian delegation, accompanied by First Secretary, Political and Economic Affairs, David Jordens, and two trade Commissioners from the Walloon and Flemish regions of Belgium.

The Belgian group included Besix International, Eloy Water, Dredging International, Australia (DEME), Jan De Nul and Sarens, companies with interests in building and construction, the financial sector, water and sanitation engineering, energy and heavy industries, dredging and hydraulic engineering.

IPA arranged a one-day seminar in Port Moresby for the Belgian investors to establish business contacts with leading PNG organisations, including the Bank of Papua New Guinea, National Capital District Commission, Department of Petroleum and Energy, Department of Transport, National Development Bank, PNG Ports Corporation, WaterPNG, Independent Public Business Corporation, Department of National Planning and Monitoring, PNG Power Ltd, Department of Treasury, Eda Ranu and Port Moresby Chamber of Commerce and Industry.

Ambassador Renault also met with PNG Government leaders including Governor General Sir Michael Ogio, Prime Minister Hon. Peter O'Neill, Minister for Foreign Affairs Hon. Rimbink Pato, Minister for Commerce, Trade and Industry Hon. Richard Maru and Minister for Environment & Conservation Hon. John Pundari.

Belgian investments in Papua New Guinea include the Galley Reach Plantation, the biggest rubber plantation based in Central Province, and Jan De Nul, a sub-contractor for Ok Tedi Mining Limited, currently carrying out dredging works along the Fly River. ■



New Zealand High Commissioner to PNG Marion Crawshaw (left) and Carolyn Blacklock from IFC (right) present Ivan Pomoleu, Managing Director of IPA, with funding for the Online Registry Program.

Countdown to Online Registry

Very soon Papua New Guinean businesses will be able to register their businesses from the comfort of their own premises.

Thousands of companies from PNG are set to benefit from the much-anticipated Online Business Registration program, which the Government is introducing through the Investment Promotion Authority.

IPA's Online Lodgement System will allow clients to lodge company forms, file documents or do company searches online from anywhere without coming to the IPA front counters.

IPA has been developing the program with assistance from the IFC (a member of the World Bank Group) and the New Zealand Aid Program.

"This new online registry is an exciting and much needed step for PNG business owners, who find the current registration process cumbersome and a barrier to making their business formal and registered," said Ivan Pomaleu, the Managing Director of IPA.

The New Zealand business registry software developer Foster Moore Limited has been contracted to develop the online registry. The software is based on the software currently used by the NZ Companies Office (Ministry of Business, Innovation and Employment).

IPA made the decision to procure a New Zealand-based system because New Zealand is consistently ranked the top of the World Bank's Doing Business rankings. As well, the chosen solution gives IPA access to the expertise of the

New Zealand Companies Office in assisting PNG to make the transition to the new on-line environment. This assistance will be invaluable as NZCO is a world-recognized leader in business registration.

"The level of expertise NZCO possesses is invaluable to us. As well as the suitability of the software application to our situation, the experience and expertise NZCO has in managing a business registry office simply cannot be replicated by any private party," said Mr Pomaleu.

The New Zealand Aid Program is providing grant funding to support the engagement of the New Zealand Companies Office. NZ Companies Office support will facilitate a thorough User Acceptance Testing process and will assist IPA staff conduct its own User Acceptance Testing with the aim of ensuring that the new registry system is fully operational from the day it is implemented.

"New Zealand is very pleased to provide training so that this proven software can be used in PNG," said New Zealand High Commissioner, Marion Crawshaw.

"There is enormous potential here for small and medium sized businesses and I am confident that this online registry will lead to more PNG entrepreneurs turning their good ideas into successful businesses."

Customers without internet access will still be able to lodge their documents in hard copy at the IPA front counter for some time until the registry process is fully integrated into an online facility. ■



The recent 74 delegate trade mission to the Solomon Islands attracted plenty of attention from visitors to the business forum and trade exhibition.

Solomon Islands trade mission attracts strong interest

Minister for Trade, Commerce and Industry Hon. Richard Maru recently led a business delegation on a Trade and Investment mission to Honiara, Solomon Islands.

The PNG business community showed very strong interest in the mission, with 74 delegates representing 53 companies across various industries forming part of the delegation.

The business visit included a one day business forum, trade exhibition and one-to-one business talks between the private sectors of both countries.

According to Minister Maru the visit had two key objectives - to develop and encourage business

relations between the private sectors of the two nations and to harness and build on existing bilateral relations and partnership under the Melanesian Spearhead Group Agreement.

In conjunction with the trade fair, Mr Maru also held talks with his Solomon Islands counterpart and their Foreign Affairs Minister.

PNG currently has 51 companies operating in Solomon Islands, across hospitality, food & beverage, banking and finance, information technology, telecommunication, agro industry and furniture and consumables industry sectors.

PNG-made products currently hold 75% of the Solomon Islands market. ■

Simplified business names registration and easier-to-understand company law for SME entrepreneurs are now a step closer, following the recent endorsement of bills to amend the Business Name Act 1963 and the Companies Act 1997 by the National Executive Council.

Cabinet approval of the proposed bills is required before the bills can be passed by Parliament.

IPA, with assistance from International Finance Corporation (part of the World Bank group), has been working on the legislative review leading up to the submission of the amendments for some time, towards achieving the national Government's stated aim of encouraging investment in PNG by reducing barriers to entry.

The proposed bills aim to:

- provide increased protection and benefits for shareholders
- clarify the duties imposed on directors
- streamline and make more transparent the process of issuing shares
- protect creditors
- simplify annual return lodgement
- clarify the powers of the registrar.

Announcing the endorsement of the bills by Cabinet, Acting Prime Minister Leo Dion said "The changes are intended to update the act to bring it in accord with the changing trends, using the changes made to the New Zealand Companies Act since 1997 as a guide".

Further updates on the progress of the bills through Parliament will be featured in future issues of *Opportunity*. ■

LET'S HEAR IT!



Frangipani Car Hire blooms

Frangipani Car Hire, 100% nationally owned, is blooming. Established in November 2006 to cater for the increase in tourism, the business now has a fleet of 26 quality cars and currently employs 15 people.

Business owner Janet Sios says the car rental business started in Rabaul in East New Britain Province with a head office in Kokopo, "the first flower to bloom after the two volcanic eruptions". Now with branches in Port Moresby, Kimbe and Kavieng, plans are afoot to expand to other strategic locations in PNG.

According to Sios, Frangipani Car Hire has worked hard to achieve its position in the market. "We aspire to provide a high quality, affordable and friendly service. We have been able to compete successfully and now have established a good reputation with clients, banks and financial institutions and generally in the communities".

Sios, a qualified accountant, has invested her knowledge and experience into her group of businesses, which also includes Frangipani Printing Solution.

She would like to see the business expand to other parts of the country, such as Madang, Lae and Wewak.

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OPPORTUNITY KNOCKS

Coffee producer seeks JV partner

Yha Hauka Kopi Limited (YHK), a certified coffee producer, has been in the coffee business for more than 20 years, dealing with rural coffee farmers from the rich mountainous terrain of Menyamar and Aseki who produce premium coffee beans from their village based plantations.

YHK is seeking a joint venture partner with the financial resources and management structure and capability to help the company develop to its market potential.

To date YHK has been supplying both high-end specialized and conventional certified coffee from smallholder growers. However the company's business dealings with the main exporters have not been consistent and in recent times have stalled.

The company has some infrastructure already in place, including two dry processing mills and buying depots. Its administration office is conveniently located in Lae, Morobe Province.

YHK has a number of other attributes, including a workforce of 83 employees across its locations in Lae, its factory in Aseki and its coffee buying depot in Menyamar. The company has obtained organic certification from NASAA (National Association for Sustainable Agriculture Australia) and Fair Trade Certification. It also has two CIC (Coffee Industry Corporation) Dry Processing Licenses 2012 for its dry processing factories in Lae and Aseki.

As well, the global market for certified coffee has increased 38%. YHK is keen to develop its capacity to supply this growing demand.

The current management is seeking to boost business by helping increase growers' production. YHK is seeking an appropriately experienced joint venture partner able to make a financial investment of between K1.5 million to K3 million to achieve this strategic goal and with the expertise to get the business back on track.

In the past YHK has submitted funding proposals to the National Government for amounts of K1.5 million and K3 million to assist the local community involved in the coffee plantation development project. In both cases the Government had pledged the funds would be made available. Unfortunately to date no money has been forthcoming. However, the funding submissions, which detail the feasibility of the project and future viability, are likely to be useful to prospective joint venture partners or potential investors in the project and can be made available to interested parties.

For further information on Yha Hauka Kopi Limited, contact:

*The General Manager
Yha Hauka Kopi Ltd
PO Box 1447
Lae, Morobe Province*

or go to the link

www.youtube.com/watch?v=4yYnOKY-kqA ■

LET'S HEAR IT! continued

Aside from business, Sios has also built the company reputation on being a good corporate citizen tied in with her advocacy work on health issues. "Currently, we are a major sponsor of Wheels for Change program on Kundu, which highlights disability issues. We have sponsored a food program at the PNG Rehabilitation Centre in Port Moresby and the company is at the forefront of health awareness on lifestyle diseases with successful programs carried out to date.

Sios believes Papua New Guinea offers a lot to be desired in terms of business opportunities. "PNG is a land full of business potential and opportunities. Companies from overseas can come and partner with Papua New Guineans and realize opportunities in the country in areas such as tourism, construction, fishing, agriculture and so much more. ■

Do you have a story you would like to share about your business in PNG? Email your story (maximum 300 words) and a good quality photo to opportunityeditor@ipa.gov.pg

QUESTION TIME

Do you have a general question about the regulatory side of running a business or the various roles of IPA? If so, email your question to opportunityeditor@ipa.gov.pg We'll publish a selection of questions and our answers in each issue of *Opportunity*. If your question is chosen for publication you will go into a draw for the chance to win a gift.

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