



APEC

SPECIAL FEATURE

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 **Business Advantage**
INTERNATIONAL

APEC, THE BIGGEST SHOW IN TOWN

PICTURE: ROCKY ROE

Kevin McQuillan backgrounds the purpose of APEC and looks at the impact the massive event will have on PNG.

The biggest event in Papua New Guinea's history is the Pacific Economic Cooperation (APEC) forum, which reaches its climax in Port Moresby during November, with 10,000 delegates, world dignitaries and media in attendance.

The Singapore-based 21-member forum was established in 1989 to create greater prosperity for people in the region by developing free trade and synchronising customs procedures.

But, says Alan Bollard, executive director of the APEC secretariat, the forum has moved

on from its initial emphasis on commodity.

Tariffs have fallen from an average of 18 per cent to six per cent, so the nature of trade has changed, with economic growth now happening in service industries such as tourism, transport, banking, data movements, and telecommunications, he says.

He says it's now important to harmonise the digital platforms between the different countries and to make sure that it all works for medium, small and micro-enterprises in the region.

"We think there are about 100 million micro and small businesses in the region. We

think five million are involved in exporting and importing, maybe another five million indirectly.

"If we can get that up to another 20–30 per cent there is going to be a huge revolution in terms of involvement in regional economic growth.

"Papua New Guinea will be right in the middle of that."

PNG's APEC ambassador and chairman of APEC Senior Officials, Ivan Pomaleu, says 10,000 delegates are expected for the Leaders' Week in November and 15,000 delegates have come to PNG in the lead-up.





Fired up ... the new APEC Haus in Port Moresby is the venue for many events (opposite page); PNG APEC mastermind Chris Hawkins (above).

Among the world leaders who have confirmed they will attend the Economic Leaders' Meeting on November 17 and 18, are China's president, Xi Jinping; Russia's prime minister, Dmitry Medvedev; Japan's prime minister, Shinzo Abe; Indonesia's president, Joko Widodo and Malaysia's prime minister, Mahathir Mohamad. The US will be represented by vice president, Mike Pence, with Donald Trump electing not to attend.

Pacific leaders include Australia's prime minister, Scott Morrison, and New Zealand's prime minister, Jacinda Ardern. Thirteen

Pacific leaders have been invited to attend as observers, and to meet APEC leaders. Fiji's prime minister, Frank Bainimarama, has been invited to give the keynote address at the CEO Summit.

To ease congestion and minimise disruption at the peak meetings, the PNG government has declared the two days ahead of the Economic Leaders' Meeting, Thursday and Friday, November 15 and 16, as public holidays.

The mastermind behind the PNG APEC organisation is chief executive officer, Chris Hawkins, a former broadcaster, army captain and communications specialist who has worked as an advisor to the APEC secretariat, APEC committees and regional governments.

"The summit is the most significant foreign affairs series of events we have ever held in Papua New Guinea and the eyes of the world will be on the nation," he says.

"Security is paramount and we will ensure there is ongoing discussion so that any disruption is minimised and the summit proceeds smoothly."

The theme of the Economic Leaders' Summit is 'Harnessing Inclusive Opportunities, Embracing the Digital Future'.

Since October, 2017, hundreds of meetings of APEC ministers and officials, broken up into 70 specialist committees, have convened to prepare their leaders for their meeting.

The busiest meeting of officials, says Pomaleu, saw nearly 2000 delegates descend on Port Moresby in mid-August, where they held 107 meetings over a two-week period. As well, delegates were taken out of the capital to see other parts of PNG, including a cocoa plantation at Buka, in the Autonomous Region of Bougainville, and to assess women's business development. Mining delegates visited the Lihir gold mine in New Ireland Province.

One of the most influential meetings is that of the APEC CEO summit, held over the two days before the Economic Leaders' Meeting, but culminating in meeting APEC leaders on the first morning of their summit. Some 500 global CEOs are expected to attend this year.

Topics for this summit include the 'State of the Global Economy', 'Pursuing Inclusive Growth', 'Innovation and the Digital Future' and 'Climate Change and Trade'.

Hosting the CEO Summit has been the APEC PNG Business Advisory Council, headed by local business leader, David Toua, who ➤

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says one of the challenges is to defend the benefits of globalisation.

"The message is that business, as well as governments, have to work harder to address issues of rising income inequality, job losses and the need to upgrade human skills and training."

Winning the right to host APEC was a "monumental achievement" for PNG, according to PNG prime minister, Peter O'Neill.

"We may be one of the smallest (APEC) countries but PNG is demonstrating it is able to make a positive contribution to driving business in the Asia-Pacific region."

He said after November "everyone will remember where Papua New Guinea is and not confuse it with an African country".

Charles Lepani, director-general of the PNG APEC Authority, says APEC is an opportunity to showcase PNG's culture and biodiversity, including regional visits to Goroka, Lae, Kavieng, Madang, Tabubil, Wewak, Buka and Tari.

While Australia is paying about one-third of the cost of running



Charles Lepani ... says APEC is an opportunity to showcase PNG's culture and biodiversity.

the forum, China, NZ and the US have also contributed to new buildings, roads and security. The PNG government has set aside PGK800 million for the summit.

The summit has meant building a convention centre for the Economic Leaders' Meeting, as well as new hotels, and upgraded airport facilities in the capital.

Perhaps the standout new building is APEC Haus, a PGK120 million conference facility funded

by China, which will house the Economic Leaders' Meeting, as well as the Leaders' Dialogue with the APEC Business Advisory Council.

A new road infrastructure for Port Moresby has also been built. It includes five bridges, a ring road and a road to APEC Haus.

Among the list of new buildings is Star Mountain Plaza, a PGK1.5 billion integrated project, which will feature a 212-room Hilton Hotel. Ten hotels are providing delegates' accommodation: Airways, Gateway, Stanley Hotel and Suites, Laguna, Lamana, Holiday Inn, Grand Papua, Crowne Plaza, Ela Beach Hotel and the Hilton.

Jacksons Airport now has a runway extension, with aprons

refurbished for VIP aircraft parking. Port facilities have been extended to berth three cruise ships, which will also provide accommodation for delegates and officials.

Local businesses are providing seven core services for the summit, says Hawkins. They include transportation, venues interiors, providing audio-visual, hospitality and catering, healthcare, branding and security.

Hawkins says that local companies will be contracted to provide 20,000 *bilum* (gift) bags, memorabilia, and official APEC shirts. ■



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KEY POINTS

- The biggest-ever event in PNG
- 10,000 delegates for the November Leaders' Summit
- 15,000 delegates already visited
- The leaders of China, Russia, Japan, Indonesia, Malaysia, Japan, Australia, New Zealand and the US attending
- Billions of kina spent in Port Moresby on new hotels, roads and other infrastructure
- PNG, Australia, China, NZ and the US sharing APEC and infrastructure costs



APEC PARTNERSHIP ON BILUMS

David James reports on efforts to market *bilums* online to potential buyers around the world.

The co-founder of Port Moresby-based software company Crysan Technology, Crystal Kewe, says a partnership with Google, the APEC secretariats in Papua New Guinea and Singapore, and the San Francisco-based Asia Foundation is aiming to sell *bilums* online.

Called the Digital Bilum Project, the idea is to create an international presence.

"The idea behind it is to develop a national platform for *bilum* weavers, or what we call '*bilum* mamas' in PNG, to

The idea is to develop a national platform for *bilum* weavers in PNG, to promote and market *bilums* on a global scale.

promote and market *bilums* on a global scale.

"We are working on a model that we will test during the APEC Leaders' Meeting," Kewe says. APEC delegates will have the ability to purchase *bilums* while

they are in the country.

She says the focus is fundamentally on promoting traditional *bilums*, not those made of synthetic fibres.

Kewe says she will be working with Westpac PNG



In the bag ... a *bilum* in everyday use in PNG.

AkzoNobel
colours of PNG

Kulau

green

90GY 83/098

yellow

Mon Rupa Warere 84Y 65/021

orange

Pumpkin Patch 84Y 35/088

off white

Waka Rila Rila 84Y 95/114

neutral natural

Highlands Plains 84Y 55/181

blue

Riu Orem Rila 75Y 55/38

violet

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and MasterCard to develop a payment gateway.

Kewe, who started her first company with her father when she was 15 (she is now 18), says developing an innovation culture is critical to the future of PNG.

"A country which does not innovate will stagnate and regress at the peril of its citizens," Kewe says.

"Papua New Guinea is fortunate to have natural resources that have sustained our economy comfortably since independence. However, most of these resources are non-renewable.

"Without innovation I think the country will be doomed when resources run out and there is no inflow of new ideas, businesses and opportunities to sustain the modern economy," she says.

Crystal Kewe ... spearheading the bilum project.



"There is a need to recognise and modernise all actors in the economy in order to sustain innovation as a critical element of national development."

Kewe believes there is an urgent need to develop innovation clusters and supportive government policies.

She says the development of a national innovation policy in PNG is underway. It is focusing on inclusive economic growth, she says, which aims to develop, support, fund and guide the development of non-extractive sectors such as cocoa, coffee, copra, fisheries, timber and other

ordinary commodities headed by the development of regional innovation hubs.

"This means that the PNG tech industry will be a key contributor to the changing development landscape in PNG.

"Currently we have a small vibrant community of ICT start-ups, with a membership of over 30. We have organised ourselves into the PNG ICT cluster with several of our members already contributing in the education sector, conservation, micro-enterprise and other areas using web apps.

"We are working to raise awareness and link up with international organisations," Kewe says. ■

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