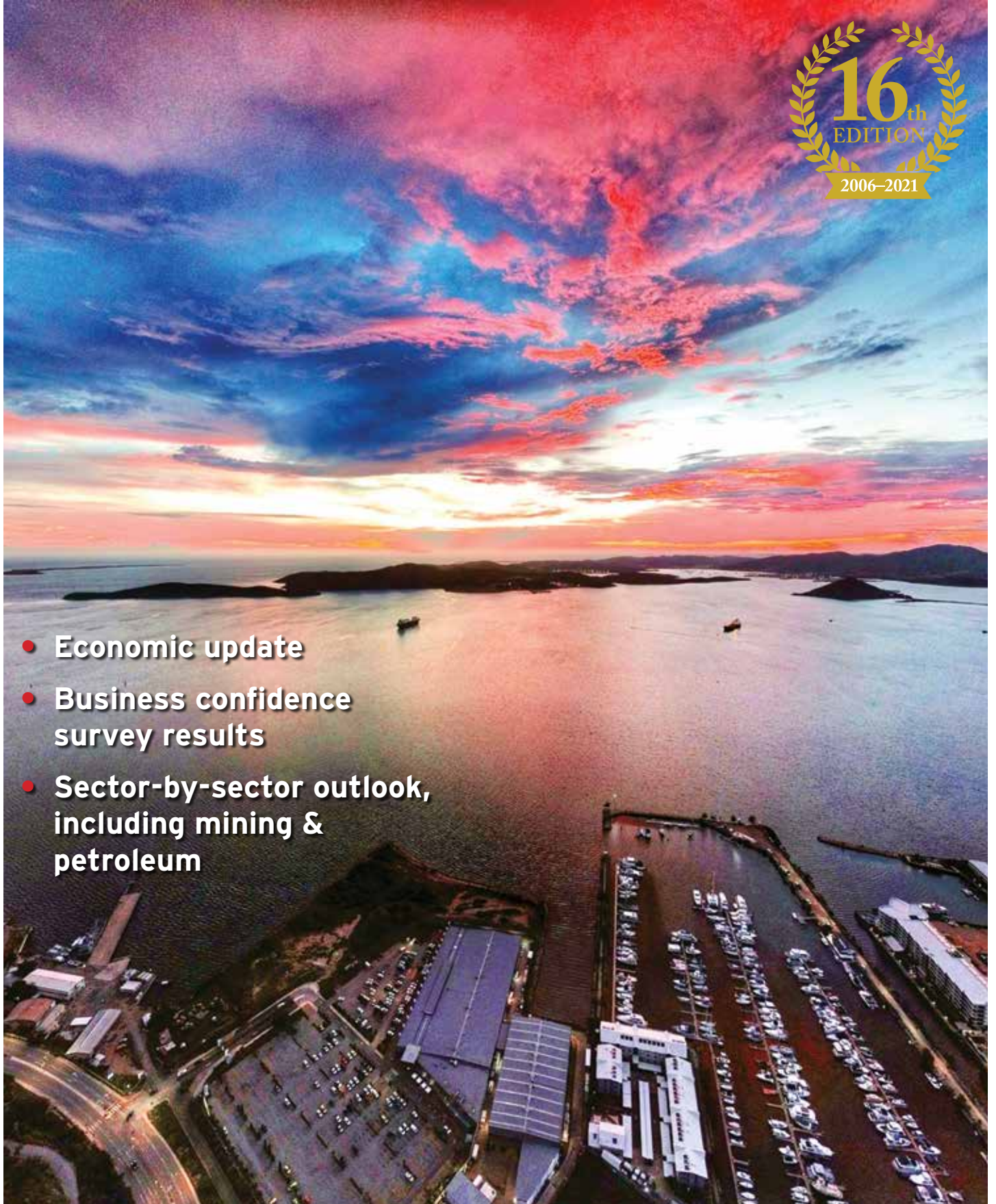


PAPUA NEW GUINEA 2021

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- Economic update
- Business confidence survey results
- Sector-by-sector outlook, including mining & petroleum





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Welcome

Welcome to the 16th annual edition of *Business Advantage Papua New Guinea*.



Business Advantage International has produced this annual snapshot of Papua New Guinea's business and investment prospects each year since 2006.

It is the longest-standing and most respected guide of its kind, and has a genuine worldwide readership.

We also publish its online sister, PNG's top-ranked online business magazine, businessadvantagepng.com, where you'll be able to subscribe to our free *PNG Business Update* email, access our comprehensive *Doing Business in PNG* investor guide, and search our premium online business services directory, png1000.com.

If you want to do business in PNG, these are the resources you'll need.

While nothing prepared the Pacific's largest economy for the trials of COVID-19, PNG undoubtedly possesses the qualities to see it emerge from the global epidemic with optimism.

First, it remains a country endowed with rich natural resources: not only gold, copper, nickel, gas and oil, but

also the growing conditions necessary for agricultural commodities such as palm oil, coffee, cocoa and copra. Its exclusive economic zone also contains one of the region's richest fishing grounds.

Second, PNG possesses all the rainfall, topography, sunshine and geothermal assets it will need to meet its stated goal of being a carbon-neutral economy by 2050.

Finally, it has one of the world's youngest populations, with 76 per cent of its nine million citizens under 35 years old. Youthful PNG is increasingly aspirational and entrepreneurial and, with its population set to double by the middle of the century, it is a market with significant trade potential.

If you are intrigued by what you read in this publication, join us at our next Papua New Guinea Investment Conference. This annual event, to be held in September 2021, brings together PNG-focused business people from across the globe for a series of online and physical sessions. To find the latest information, visit pnginvestmentconference.com.

Andrew Wilkins

Publishing Director

Business Advantage International

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An aerial photograph of Port Moresby's Vision City Mega Mall. The mall is a large, modern building with a curved glass facade and a flat roof. It is surrounded by extensive parking lots filled with cars. To the left, a multi-lane highway runs parallel to the mall, with a bridge crossing over it. The bridge has a large red and white advertisement for Huawei. In the background, there are other commercial buildings, green spaces, and a hilly landscape under a clear sky. The overall scene depicts a bustling urban environment.



Key points

- PNG set for positive GDP growth in 2021
- COVID-19 has compounded existing weaknesses in economy
- Resources, infrastructure and agriculture lead recovery
- Expectations build for major new projects

PICTURE: AARON CHIN

2021 promises to be a year like no other in Papua New Guinea, as business leaders look beyond the COVID-19 crisis to an economy preparing for a major transition. They share their expectations with **Andrew Wilkins**.

Like the economies of its major trading partners – Japan, Taiwan, Australia, the Philippines and Thailand (although, notably, not China) – PNG's economy contracted in 2020, with the World Bank suggesting real GDP fell by 3.8 percent.

Mitigation measures aimed at addressing the COVID-19 pandemic were undoubtedly a factor in the fall, with COVID-19-related restrictions identified as the number one impediment facing PNG's top companies in the 2021 Business Advantage/Westpac PNG 100 CEO Survey (see p.16).

However, there were also contributing factors unique to PNG.

Crises

'PNG faced three crises – health emergency, economic contraction and political turmoil – at the end of 2020,' notes Ilyas Sarsenov, the World Bank's Country Economist for PNG. 'They will continue impacting the lives of Papua New Guineans in 2021 as well, although on the economic side we will see a rebound in growth in 2021.'

The World Bank is projecting an increase in GDP of 3.5 per cent for 2021 as PNG's economy bounces back. Two other multilateral agencies have more tentative predictions. The International Monetary Fund, which has had a staff-monitored program embedded in PNG's Treasury since 2020, is predicting just 1.2 percent growth, while the Asian Development Bank's forecast is for 2.5 percent, a prediction shared by the country's central bank.

COVID-19

The national effort to combat the COVID-19 pandemic has largely avoided strict lockdowns, allowing the formal business sector to self-manage mitigation controls under *niupela pasin* or 'new normal' arrangements.

While this has not allowed the country to defeat the pandemic (at the time of writing, the number of COVID-19 cases in the country continues to rise), it has allowed economic activity at all levels to continue.

'We felt that our customer base weathered the storm,' says Brett Hooker, Managing Director of bank, Westpac PNG.

In a country that lacks a formal social safety net and a universal health system, this has been seen as critical to the welfare of ordinary Papua New Guineans. As 2021 progresses, measures aimed at reducing population movement and gatherings are being pursued, ahead of an expected donor-supported vaccine rollout.

Sluggish

Alongside COVID-19, the country has seen the continuation of recent sluggish economic conditions, which were affecting

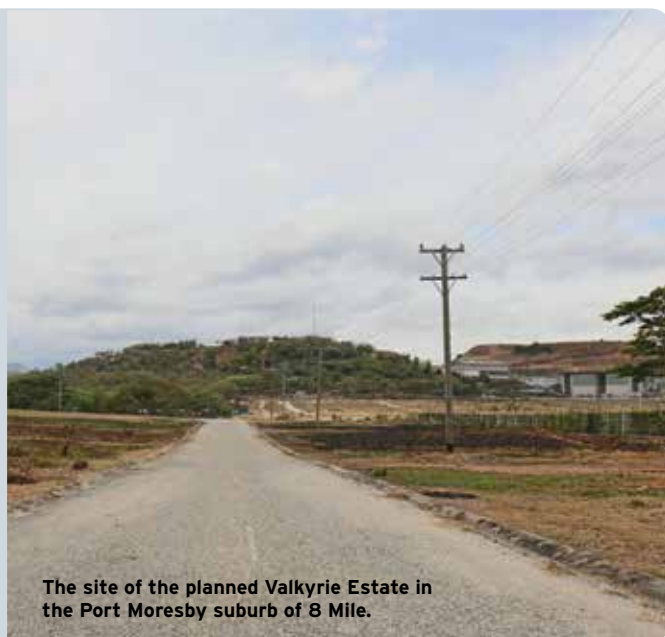
PNG'S GROWING MIDDLE CLASS

One notable feature of the COVID-19 pandemic has been the reduction in the number of expat workers in PNG.

Often brought in to fill skills gaps in PNG's workforce, particularly in management roles, international travel and quarantine restrictions have led to a marked reduction in their number.

While this has taken the heat out of the local rental market (residential rents have fallen by between 30 and 50 per cent in the past year), it has also led to the fast-tracking of the next generation of Papua New Guineans into management positions, expanding the country's middle class.

In turn, PNG is seeing growth in home ownership (boosted by attractive deals for first home owners) and an increased demand for household goods such as furniture and white goods.



The site of the planned Valkyrie Estate in the Port Moresby suburb of 8 Mile.

PICTURE: HAUSPLES

government revenues pre-COVID and have driven up the government's budget deficit to an expected K6.6 billion (US\$1.88 billion) in 2021.

While PNG's government, led by Prime Minister James Marape, has been able to borrow to cover that deficit, mostly at low concessional rates, its cashflows have undoubtedly been affected, with flow-on effects. For example, the Business Council of PNG has pointed out the slow pace of the government's payment of some K1 billion of arrears owed to business. This has not only affected the government's landlords and suppliers, but also the income of state-owned enterprises, most notably electricity utility PNG Power.

Another symptom of PNG's languid economy has been ongoing delays in obtaining foreign exchange.

'The number one concern is still the lack of foreign exchange,' notes Rio Fiocco, President of PNG's largest business chamber, the Port Moresby Chamber of Commerce and Industry. 'We think that situation is going to continue throughout the whole year, particularly until we see the Porgera mine reopen.'

Take Back PNG

Porgera is, of course, one of PNG's largest gold mines, which closed in March 2020.

The government's decision to end negotiations to extend the lease of the mine – which produced almost 600,000 ounces of gold in 2019 – led to its closure just as the COVID-19 crisis arrived in PNG in 2020. It has been in 'care and maintenance' mode ever since, although a 'binding framework agreement' struck between the government and operator Barrick Niugini should see it reopen in late 2021.

In principle, many in business have sympathy for government attempts to improve PNG's share of its considerable mineral wealth. This sentiment, broadly popular, is at the heart of the 'Take Back PNG' agenda which saw Prime Minister Marape come to power in 2019.

However, these attempted reforms have had some unfortunate short-term consequences. The closure of Porgera is one.

The short-term economic impact has been significant. During 2020, Ilyas Sarsenov estimates PNG's GDP fell some seven percentage points below the growth expected by the World Bank.

'If we consider the Porgera impact, it was 1.5 per cent out of that seven per cent,' he tells *Business Advantage PNG*.

New resources projects

Another result of the 'Take Back PNG' agenda has been a slowdown in the expected pace of several promising new resources projects, as the Marape government has sought to negotiate the best deal from developers and do due diligence on existing agreements.

Put together, the Total-led Papua LNG project,

THE SIGNING OF A FISCAL
STABILITY AGREEMENT FOR PAPUA
LNG HAS PUT THAT GAS PROJECT
ON TRACK FOR A FINAL INVESTMENT
DECISION IN 2022

ExxonMobil's P'nyang gas project and Newcrest Mining's Wafi-Golpu copper and gold project represent a potential investment of around US\$20 billion. For most businesses in PNG, they can't happen soon enough.

The signing of a fiscal stability agreement for Papua LNG in February 2021 has put PNG's second gas project on track for a final investment decision in 2022.

However, anxiety about the pace of these major projects and the fate of Porgera has caused some political unrest, which the Marape government has so far survived. With National Elections due in July 2022, the onus will be on the government to deliver on the expectations it has set for improved fiscal management, regulatory reform (including new regulatory regimes for mining, petroleum and foreign



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STEAMSHIPS



Artists' impression of the new Airways Residences.

investment), and these new resources projects (see p.21).

'I describe it as a "90 per cent economy". Superficially, it's not doing too badly but the fundamentals of the economy remain weak,' summarises Rupert Bray, Managing Director of Steamships Trading Company Ltd, the diversified group of that includes property, logistics and hospitality subsidiaries.

'We still have the same underlying challenges of a very sluggish economy that we've had for the past decade, and that has been exacerbated first and foremost by delays in project approvals; secondly, by the decision over Porgera and lastly, and least significantly, by COVID-19.'

Papua New Guinea in brief

Population:	8.776 million (2019, World Bank)
Capital:	Port Moresby
Surface area:	463,000 sq km
People:	Melanesian, Papuan, Negrito, Micronesian, Polynesian
Time zone:	GMT +10 hrs
Business language:	English
Political status:	Parliamentary democracy
GDP:	US\$24.83 billion (2019, World Bank)
GDP growth:	2.5 per cent (2021 forecast, Asian Development Bank/Bank of PNG)
Inflation:	4.5 per cent (2021 forecast, Bank of PNG)
Currency:	PNG kina (PGK)
Major industrial sectors:	Mining, gas/energy, crude oil, petroleum refining, palm oil, forestry, coffee, fisheries, construction, tourism, manufacturing
Exports:	Liquefied natural gas (LNG), gold, silver, copper ore, crude oil, logs and timber, coffee, palm oil, cocoa and copra
Major export markets (in alphabetical order)	Australia, China, Japan and Singapore
Imports:	Refined petroleum, excavation machinery, crude petroleum, other edible preparations and delivery trucks
Major import markets:	Australia, China, Singapore, Malaysia and Japan
World Bank Ease of Doing Business 2020 Ranking	120 out of 190 economies

Trade

As an exporter of key mineral and agricultural commodities, PNG experienced both reduced global demand and lower prices for its goods during 2020. Indeed, volumes through PNG's two major international ports, Lae and Motukea (outside Port Moresby) were down by two per cent and 15 per cent respectively in 2020, although domestic coastal shipping volumes remained stable.

'The volumes are a function of the global environment,' observes Robert Maxwell, Chief Executive Officer of ICTSI, which operates the two ports under a 25-year concession granted by state-owned PNG Ports Ltd.

'Our projections for 2021 are for volumes to be a little bit up on 2020 – it's a lot more positive now.'

Profits and growth

While 60 per cent of respondents to the PNG 100 CEO Survey reported lower profits than expected in 2020, the picture was by no means universally one of disappointment. The financial services sector, agriculture and retail were three areas that performed ahead of the overall economy in 2020.

'From a trading perspective, 2020 was one of our best years ever,' Cameron MacKellar, CEO of the Brian Bell retail group, told *Business Advantage PNG*. 'We are expecting growth, so we are fairly bullish with our numbers.'

Notably, much of the Brian Bell Group's 2021 capital investment will be in PNG's populous but remote Highlands region, in agricultural centres such as Mt Hagen and Goroka.

Steamships was one of a number of businesses that performed marginally more strongly in 2020 than they did in 2019. PNG's banks also held up reasonably well, in spite of having to make greater provision for bad loans.

In his March 2021 *Monetary Policy Statement*, Bank of PNG Governor Loi Bakani said he expected higher activity in the Agriculture/Fisheries/Forestry and mineral sectors as well as a general pickup for most other businesses for the year.

PNG's two largest superannuation funds, Nambawan Super and Nasfund, also both delivered positive returns to their members and fund growth in 2020.

While private sector-focused Nasfund reported increased member withdrawals due to economic hardship, Paul Sayer, Chief Executive Officer at PNG's largest fund, Nambawan Super, says an anticipated rush by his members did not eventuate.

'I would have expected that the outflows would have been higher than the previous year, but in actual fact, they weren't. That's a positive,' he tells *Business Advantage PNG*.

Both super funds continue to be major drivers of longer-term domestic investment. Nambawan Super's Rangeview Heights retail and residential development will open in Waigani in 2021, and the construction of a new head office is at the planning stages.

Other notable construction projects include Airways Residences' 24-apartment expansion set for completion this year, the Valkyrie Estate residential development at 8-Mile and Steamships' Harbourside South development in Port Moresby Town, set for completion in 2022.

'If you're going to pick a time to invest, then when things are down is probably a better time,' observes Sayer. ♦

ENABLING INFRASTRUCTURE

For business, investment in enabling infrastructure, and the state-owned enterprises that run them, is the key to driving down the cost of doing business in PNG.

'We're very reliant on a lot of these state enterprises,' notes Greg Pawson, Chief Executive Officer of Kina Bank. 'Because they're inefficient, it adds a layer of cost for us to do business here.'

There are signs that some costs are coming down. Recent investment in both international and domestic undersea telecommunications cables is leading to rising data traffic and lower wholesale data costs. It hoped that more competition in the mobile telephony space - in the form of a new telco owned by Fiji's Amalgamated Telecom Holdings - will start to drive down mobile charges in a similar way in the second half of 2021 (see p.32).

Similarly, PNG's two major ports, Lae and Motukea, are set to receive significant upgrades (see p.34), while PNG's first special economic zone, at Ihu in Gulf Province, took another major step forward this year with seed funding for early works. The zone will be close to two of PNG's new resources projects, Papua LNG and the Orokolo Bay mineral sand mine.

Powering on

One area of infrastructure where more investment is badly needed is electricity. While a new generation of independent power producers now supplies state utility PNG Power with electricity, much of it generated using local gas, there has been under-investment in transmission and maintenance for some time.

Thanks to concessional funding and sectoral reform, however, the prospects for more stable transmission and an expansion of power to more rural and remote areas



The US\$902 million (K3.2 billion) Ramu 2 hydro project will be sited below the existing Yonki Dam in Eastern Highlands Province.

PICTURE: PNG POWER

in the future are improving (see p.27).

The gamechanger project in the sector is the 180MW Ramu 2 run-of-the-river hydropower project in Eastern Highlands Province. Set to be built by China's Shenzhen Energy Hydropower Development Co Ltd at a cost of US\$902 million (K3.2 billion), the project will take six or seven years to build and is aimed to supporting mining activity in the region.

'The investment will be the largest infrastructure investment in the history of PNG - that is a nation builder,' enthuses PNG Power's Managing Director, Flagon Bekker, who points out the project is not just about the mining sector. 'The investment that goes into that part of the country will be a gamechanger for the local economy. I would be very surprised if the local businesses that come from that investment don't outlast the mines that we are all focusing on.'



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PNG Perspectives

Business leaders provide their personal takes on Papua New Guinea's outlook.



PICTURE: NAMBAWAN SUPER

“PNG has a good opportunity to provide food into Asian markets: Singapore, for example. You’re seeing, potentially, some big developments in the Sepik Plains with large production agriculture.

We have a lot of small-scale farms but, to go out into the world, you typically need to get bigger lots and get the farm, the cold chain, the transportation, everything lined up to ensure reliable supply. There are some opportunities there that are worthwhile looking at.”

Paul Sayer

Chief Executive Officer, Nambawan Super



PICTURE: PUMA ENERGY

“This year, we’ve got a very aggressive capex plan in place. With the lockdowns, we are still positive and optimistic that we can be able to get through those investments and the upgrades to our facilities.

Our business model will be changing this year. We need our Future Energies business to take it to the level, where we become a one-stop shop energy solutions provider in-country. We’re moving from oil dependency to having diesel as a secondary or backup fuel source of power generation. We’re turning all our terminal facilities to solar-generated power.

It’s important that we embrace the technological changes that are evolving around the world, and that we implement them within country.”

Hulala Tokome

PNG Country Manager and Director, Puma Energy



PICTURE: WESTPAC PNG

“We obviously see the resource sector as the main contributor to growth aspiration. The fiscal agreement on Papua LNG is a really good sign for the economy and for foreign investment.

The contagion effect of a transaction like this could have a huge impact in the wider economy.

With that fiscal agreement now signed, we would be more confident of seeing some growth in 2022.”

Brett Hooker

Managing Director, Westpac PNG



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Getting serious about

ASX- and PNGX-listed Kina Bank is leading the way in Papua New Guinea's digital revolution. CEO **Greg Pawson** outlines the opportunities for business, government and consumers.



In terms of ecommerce, the focus is on the public sector. We're very reliant on a lot of these state enterprises. But making them more efficient reduces the cost of doing business.

Our objective is to get state enterprises onto electronic banking, accepting payments and making payments electronically.

The key driver for government, of course, is revenue, because they get payments instantly.

We have a pilot program with the Department of Lands and Physical Planning for our payment gateway. The Department can accept online payments, do title searches, produce documents and so on. It's working very well.

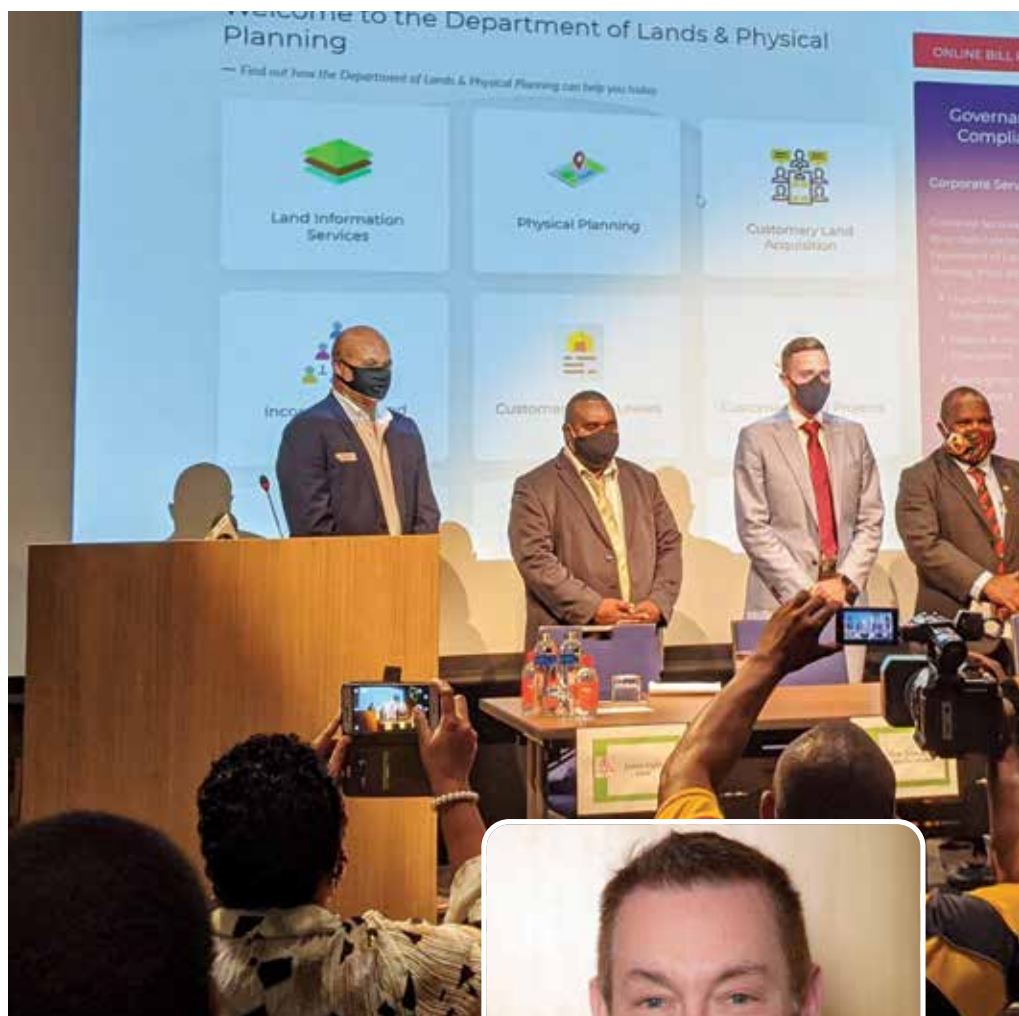
We've also done online payments for the Immigration and Citizenship Authority, and we are talking to PNG Power and the Internal Revenue Commission.

Online banking

Reducing cash handling is another big focus. We're reducing the volume of cash in branches and installing digital kiosks to encourage customers to transact electronically.

We're heavily reliant on the telecommunications infrastructure for customers to be able to do online transactions but, for many, the cost of doing it is prohibitive. This is why we've set up these kiosks – and when our customers come in to do a manual transaction, we show them how to bank online.

Our fee-free banking encourages more customers to transact online, and it's a first in the Pacific. We are charging



a fee to customers who come into a bank to withdraw checks but not to those doing it online.

Almost two-thirds of our transaction volumes are now digital. It's a big opportunity.

Ecommerce for business

We've taken the internet payment gateway out to market with our commercial customers. We can't keep up with the demand, to be honest.

It's a huge untapped market opportunity. Obviously, this technology is well known in developed markets but in PNG it's relatively unique. It was slow to launch due to the perceived risk, but we've got over that hurdle because it was just a case of demonstrating that Kina's got the appropriate risk management in place, particularly in relation to card fraud.



WE'RE INSTALLING DIGITAL KIOSKS TO ENCOURAGE CUSTOMERS TO TRANSACT ELECTRONICALLY.

GREG PAWSON, CEO KINA BANK

digital



Launch of the pilot program with the Department of Lands and Physical Planning. Prime Minister Marape [second from right] attended the event.

PICTURE: NIUPAY

Smartphones

With our new-look corporate online platform, there's no reason for a business customer to come into a branch anymore. Again, it's something that business customers in first-world markets would be familiar with, but not quite yet in PNG.

And as the cost of mobile data comes down, people will start using smartphones more, and we've got a mobile banking app ready.

For simpler phones, we have Kina Connect, which is on the USSD (GSM) platform in PNG. The uptake has been remarkable: the transaction volumes have increased by about 150 per cent year-on-year. Using your phone to check your balance and transfer funds is a pretty basic offering but, for most people here, it's perfect. ♦



In Lae, the SME Incubator Hub is helping small business grow.

Picture: Tok Stret Holdings

PNG'S SMES GET INTO DIGITAL COMMERCE

By Gabriella Munoz

From online cupcakes to ticketing systems, rideshare services and fundraising platforms, Papua New Guinea's entrepreneurs are starting to get serious about going digital.

For example, Isaac Jipsy's ODESH (On Demand Express Services Hub), a ride-hailing solution that connects taxi drivers and chauffeurs with customers in real time, is now employing over 100 drivers. The service provides a safe, affordable and convenient public transport service in Port Moresby.

Jipsy has plans to expand the service to Lae, Rabaul and Alotau, and to introduce delivery, online grocery shopping and other on-demand services in 2021. His business is an Asia finalist in the 2021 Seedstars global startup competition.

Meanwhile, Emstret Holding's Vani Nades in 2021 launched ShopSmart PNG, an ecommerce platform that SMEs can use to sell their products online to an international market. Nades describes it as 'PNG's first Ebay'.

'Some users don't have the experience or exposure to do digital business. So, we are going in partnership with various



Emstret Holding's Vani Nades launched ShopSmart PNG to help businesses of every size get online.

Picture: Emstret Holdings

organisations to run digital online training platforms for Shopsmart,' she explains.

Founded in 2013, Tapioca Delight is a fully fledged cake and catering business that now sells its wares online.

'We have a team of 11 staff who now have a full-time job thanks to our business,' says Founder Ginia Sialis.

The 2021 PNG

Business Advantage International has run a survey of senior PNG executives every year since 2012. Known as the **PNG 100 CEO Survey**, this year it has captured the depth of the COVID crisis and the sense of uncertainty that remains. Westpac's Senior Economist Justin Smirk takes a closer look.



In the nine years of data collected by the PNG 100 CEO Survey, some trends are emerging. We can see where improvements have been made to business conditions in PNG, where there has been slippage, and where there is more work to be done.

However, the number one message from this year's survey is that COVID-19-related restrictions were, and remain, the most significant shock to hit PNG businesses since the start of the survey and we are still a long way from getting out of the woods.

Without the support of a significant resources project, the PNG economy remains vulnerable to any external shocks (including further COVID restrictions) and the recovery expected is modest and gradual compared to the V-shaped recovery being experienced by many other nations.

From the 2020 survey we identified four key highlights.

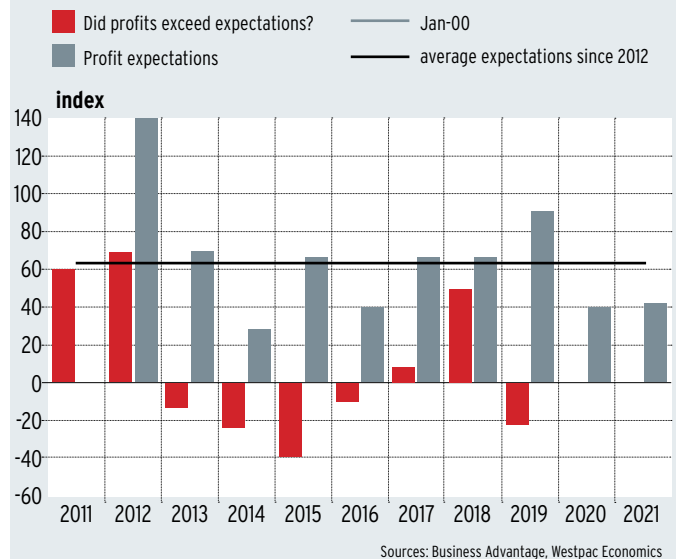
This year's survey in a nutshell

- COVID-19 restrictions the biggest ever impact on business
- Firms anticipate another disappointing year for profits
- Investment and recruitment expectations subdued
- Foreign exchange and security/law and order remain key impediments



BUSINESS ADVANTAGE - PNG PROFITS

Expectations remain contained following two hard years



1. COVID hit profits for six and the expected rebound is very disappointing

The COVID pandemic has been the biggest shock to PNG business profits in the short life of the survey. Only 13 per cent of firms reported that 2020 profits exceeded expectations, 28 per cent said they met expectations, 59 per cent reported profits falling short of expectations, and 35 per cent reported a substantial fall below expectations (the previous highest share for a substantial fall below expectations was 18 per cent in 2014).

What is disappointing is the lack of a significant bounce in the expectation for profits in 2021. Throughout the history of the survey, firms have expected an improvement in profit in the current year compared to the previous year. The lift in expectations varied from year to year, but there has never been a year where profit expectations for the current year were not positive.

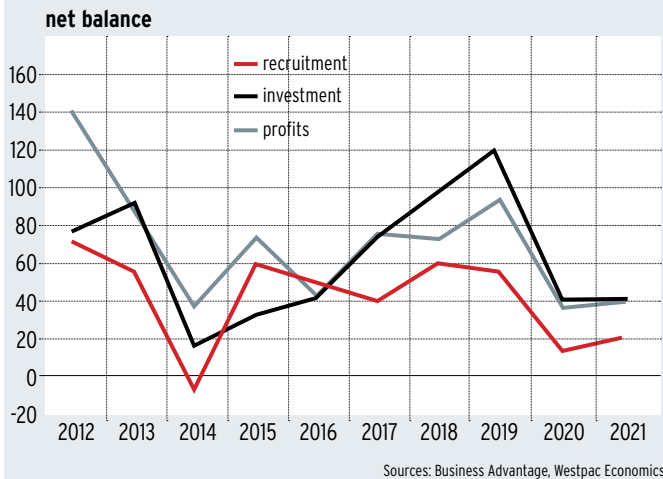
An expected rise in profits is a base or neutral position. Given the size of the COVID hit to profits in 2020, which followed a disappointing profit outcome in 2019, you would hope that the expectations for profits in 2021 would be larger than usual.

This is not the case, with a weighted 37.5 per cent reporting lift in expectations for 2021, only marginally higher than the 36.6 per cent reported in 2020 and well below the average for the survey history of 67.5 per cent. Following two disappointing years, firms appear to be resigned that 2021 is going to be another disappointing year.

100 CEO Survey

PNG BUSINESSES REMAIN POSITIVE THROUGH TOUGH TIMES

Weighted percentage expecting a better outcome less than those expecting worse



2. Recruitment, investment and profit expectations went sideways for 2021

Expectations remain below the historical averages, suggesting a below average outcome for employment, investment and profits.

While plans for investment and recruitment were more upbeat than 2014's low, profits remain just on par. Given the magnitude of the COVID shock, it is very disappointing that businesses are not looking for a more meaningful recovery, which would at least see an average rise in expectation plus a further boost to make up from some that lost in 2020.

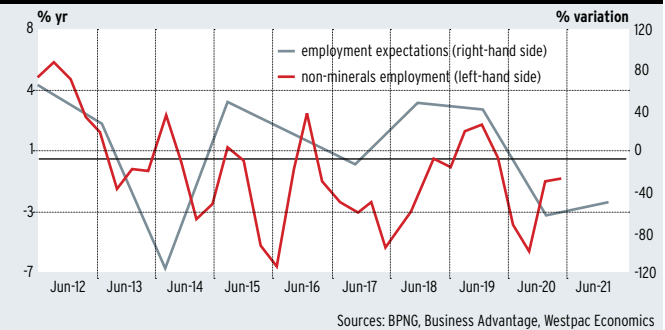
This is very worrying for formal employment expectations. In each year of the survey, employment has been expected to grow but the official data has been more volatile than that. The 20 per cent result for 2021 should be considered relative to the average of 37.7 per cent.

For investment expectations, the print was 40.0 per cent, compared to an average of 59.2 per cent, while profits printed 37.7 per cent compared to the historical average of 59.3 per cent.

For employment in particular, the outlook is not very promising. So far, the hit to formal employment from COVID has been relatively modest given that it is on par with the last downturn through 2017 and 2018. However, the poor employment expectations for 2021 suggest that it is likely formal employment in the non-minerals sector will contract again through 2021. We are still some distance away from a robust sustainable recovery in employment.

EXPECTATIONS vs GROWTH IN NON-MINERALS EMPLOYMENT

Non-mineral employment is at risk of a further contraction in 2021



EXPECTATIONS vs TOTAL GDP

Wild swings in minerals sector driving volatile headline growth



3. Flat expectations raise questions on how robust the recovery will be.

In the March Monetary Policy Statement, the Bank of Papua New Guinea forecast the economy to grow 2.5 per cent in 2021 following a -3.8 per cent contraction in 2020. COVID shock hit the economy hard, but we can see that there is more going on than just COVID.

While total GDP rose 5.9 per cent in 2019, fell -3.8 per cent in 2020 and is forecast to rise 2.5 per cent in 2021, non-mineral GDP rose a more modest 2.4 per cent in 2019, fell a smaller -1.1 per cent in 2020, while the BPNG is forecasting a bounce of 2.2 per cent in 2021.

The completion of large resources projects and the delay or cancellation of new projects had a bigger impact on overall economic growth than the COVID restrictions did in 2020. With COVID restrictions behind most of the contraction in non-mineral economic activity in 2020, the reopening of the economy in 2021 should see a bounce. As such, the outlook is tied to how quickly the pandemic is brought under control. Businesses remain very uncertain and, without a positive external shock of a large of resources project, the PNG economy remains vulnerable to new outbreaks.

4. Outside of COVID, foreign exchange remains the business constraint

Business Advantage has been asking CEOs what the top constraints on their businesses are since 2012. Over that time, the top five have been: skill shortages, foreign exchange (FX) availability, security, unreliable telecommunications, and unreliable utilities.

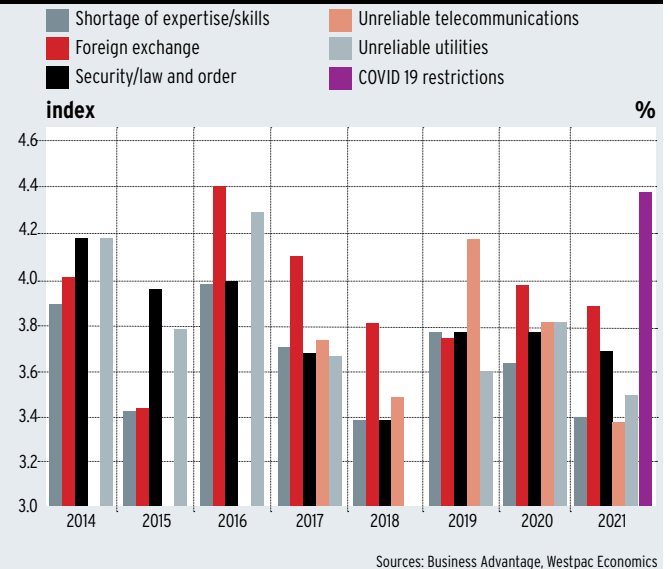
From 2016 to 2019, as liquidity improved, FX dropped back down the list but in 2020 it popped back to be the most significant constraint and it was only beaten in 2021 by the COVID restrictions.

Telecommunications improved from 2019 and are now seen as a much less significant constraint than they were. There have been similar improvements in utilities and skills but there has been little change in law and order. It is tempting to see the effect of COVID restrictions swamping other issues but the fact there was no real improvement in FX or security/law and order suggests these issues are significant in their own right.

It is also interesting to note the jump in logistics being a constraint on businesses in 2021 compared to the improving trend seen since 2016. COVID restrictions have significantly disrupted transport and distribution networks and you would expect that this to improve as the COVID restrictions are lifted. ♦

TOP BUSINESS CONSTRAINTS IN PNG

Outside COVID restrictions, FX remains a key concern



The 2021 PNG 100 CEO Survey was conducted between January and March 2021. The survey polled senior executives from a representative sample of PNG's largest companies, across all sectors of the economy. For the full survey report, visit www.businessadvantagepng.com.

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PNG LNG Contribution to the State



PGK **10 billion**

paid to the government for taxes, landowner royalties, provincial development levies, and distribution to Kumul and MRDC since 2014

PGK **195 million** invested in Hela and Highlands Highway infrastructure since 2017 through advanced tax

PNG LNG is supplying up to 50% of Port Moresby's

gas & electricity

helping the city with cheap and reliable power supply through PNG Power

PGK **6 million** pledged and in-kind support for humanitarian relief support after the 2018 earthquake

PGK **1.2 million** donation and support to combat COVID-19

Building Community

PGK **1 billion**

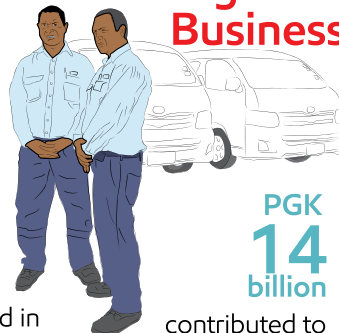


has been invested in infrastructure and building communities focused on education, health, women's empowerment and community livelihood program since 2010 (for details see pnglng.com website)

Growing PNG Business

PGK **6 billion**

invested in landowner companies



PGK **14 billion**

contributed to local businesses & SMEs

20,000 trained at IBBM enterprise centre and more than **22 million** kina invested in capacity building

Developing Future Leaders



3900 workforce **86%** are Papua New Guineans **48%** are now holding supervisory roles

220 Operations and Maintenance **25% women** technicians trained

296,000 hours of training has been delivered to more than **14,600** course participants since start of production

As of September 2020, **100%** Control Room Technicians are Papua New Guinean citizens, including 10 women

ExxonMobil



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Justin Olam
PNG LNG Kumuls

Airways Residences development takes shape

By Robert Upe

A spacious new gated garden estate with one-, two- and three-bedroom luxury apartments is taking shape in Port Moresby.

The project, due to be completed in August 2021, is a collaboration between Airways Residences and ETS Architects.

The apartments are being built on the back of speculation that more executive-level accommodation will be needed as the oil and gas sector ramps up with new projects.

The 'Airways C Residences 8' development will include 24 apartments in blocks of eight on the existing Airways Residences site, adjacent to the award-winning Airways Hotel.



Each apartment will be furnished with custom-designed furniture and will be fully serviced.

The apartments also include secure private lifts and private balconies with floor-to-ceiling windows revealing views of Jacksons International Airport, the Owen Stanley Ranges, or Bootless Bay.

Facilities will include a recreation park, a mini supermarket, a bank/ATM, pharmacy and medical clinic.

Residents will also have access to the hotel's top-class facilities, including restaurants, bars, swimming pool,

health club and day spa.

In an early nod of approval, the new apartment development has already been recognised for its excellence in the residential development category at the Asia Pacific Property Awards (2020–2021).

ETS Architects is an award-winning Australian firm based in Brisbane, which has a long association with PNG. The firm's projects here have included Airways Hotel's impressive Dakota Wing, Airways apartments and penthouses, Nambawan Plaza and Gekko Bar at the Holiday Inn. ♦

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Kumul Petroleum set to step into the driver's seat

A major shake-up of the country's oil and gas regime is being proposed that would give national oil company Kumul Petroleum Holdings Ltd a far greater role in future projects.

By David James

As new legislation moves forward to allow Papua New Guinea to further develop and profit from its gas and petroleum resources, national oil company Kumul Petroleum Holdings Ltd (KPHL) is expected to take on a more central role.

Wapu Sonk, Managing Director of KPHL, says that some legislative amendments made last year to PNG's *Oil and Gas Act* have been put through and will trigger a considerable transformation in the sector.

The June 2020 amendments to the 1998 *Oil and Gas Act* indicated that country would move into a production-sharing contract regime from 2025, rather than the current royalties-based regime. This, it is believed, will allow the government to claim a greater share



THE AIM IS TO
FUNDAMENTALLY CHANGE
THE FISCAL REGIME IN
PNG BY PUTTING KUMUL
PETROLEUM IN CONTROL
OF ALL THE LICENCES IN
THE COUNTRY.

Kumul Petroleum's MD Wapu Sonk.

of future petroleum revenues. A minimum expected level of return is stipulated for petroleum projects that are considered to be of national significance.

New organic law

Sonk says that what he calls 'the main event', however, is yet to be implemented.

'This is the *Organic Law for Mining and Petroleum*,' he says. 'The aim is to fundamentally change the fiscal regime in PNG by putting KPHL in control of all the [petroleum] licences in the country.'

Organic laws in PNG require a higher majority in Parliament to pass and are therefore typically harder to introduce but also harder to change once passed. A draft *Organic Law for Mining and Petroleum* is expected in Parliament sometime in 2021.

'[The Organic Law] will set out the parameters for how all the mining and petroleum activities will operate including the role of Kumul Petroleum, [sister company] Kumul Minerals and government entities,' explains Sonk.

One feature of the proposed *Organic Law*, according to Vaughan Mills, Head of PNG Practice for Corrs Chambers Westgarth, is that it will confer all regulatory power in relation to the state's interests in petroleum into a proposed new National Petroleum Authority.

Well placed

KPHL is required to pass on profits to the government and to retain earnings for its own business development. Sonk says the relative amounts vary from year to year.

'The *KPHL Act* that governs the company's operations says that we can reserve capital for the next five years.'

Sonk believes the LNG market has been recovering after the impact of COVID-19 and that PNG is well placed to benefit.

'There's still a demand gap in the late 2020s that we are targeting and there is still room for [PNG projects] given that other projects are facing challenges. It creates an opportunity for PNG to step back in and take a position in the marketing queue.' ♦

LNG STORAGE

KPHL is already initiating its own projects. One of these, in Morobe Province, is a floating regasification storage facility that will store liquefied natural gas (LNG) in Lae and distribute it from there, either as gas or LNG.

'It is really targeted at producing clean, reliable energy for projects - mining projects especially,' explains Managing Director Wapu Sonk.

Sonk says KPHL will deal directly with corporate customers rather than through the state utility, PNG Power.

'The mining companies will demand that, because they want to control it. It's an indemnity [against risk]. The entire mining operation (air circulation, air conditioning, pumps) depends on the electricity. They need absolute certainty.'

Papua LNG: back on track

Total's Papua LNG project is now moving closer to reality, with a final investment decision looking likely for 2022.

By David James

The signing in February 2021 of a Fiscal Stability Agreement between the Papua New Guinea government and French oil major Total SA for Papua LNG has brought the project one step closer to realisation.

Prime Minister James Marape said the deal, which followed the passing of enabling legislation for the project in October 2020, 'demonstrates PNG's commitment to this Papua LNG project and gives comfort and encouragement to the developers to progress the project.'

Forecast

The US\$10 billion Papua LNG project is forecast to produce 5.4 million tonnes per annum (Mtpa) capacity, using two LNG trains of 2.7 Mtpa capacity each.

The gas production will be operated by Total and the LNG plant will be developed in synergy with the ExxonMobil-operated PNG LNG through the addition of two new LNG trains at its existing LNG plant in Caution Bay near Port Moresby.

The project is based on the Elk and Antelope fields in Gulf Province. Total is the largest shareholder with a 31.1

per cent interest, followed by partners ExxonMobil (28.3 per cent) and Oil Search (17.7 per cent). The PNG State has a back-in right of 22.5 per cent, which will be held by its nominee, Kumul Petroleum.

Redesign

The signing of the Fiscal Agreement opens the way for the front-end engineering design (FEED) to commence.

'First of all, before we start creating too much expectation, we need to make sure that there's a market for the gas,' Dr Kieran Wulff, Managing Director and CEO of Oil Search tells *Business Advantage PNG*.

'There is also a whole series of commercial agreements that need to be finalised for sharing facilities with the ExxonMobil-led PNG LNG. ExxonMobil and Total will this year undertake studies to determine the optimum tie-in arrangement for bringing Papua LNG into the PNG LNG facilities just outside of Port Moresby.

'It's really those three areas that need to be determined prior to making a final investment decision, which would probably be scheduled for 2022.'

Total announced in its *2020 Results & Outlook* that LNG would play a more important part in the company's ambition to move to net zero emissions and turn itself into a 'broad energy' company. ♦



Dr Kieran Wulff became Managing Director and CEO of Oil Search in 2020.

THE INSIDE VIEW: DR KIERAN WULFF, MANAGING DIRECTOR AND CEO, OIL SEARCH LTD

Looking ahead to about 2027, you're starting to see a divergence in supply and demand [for LNG], that PNG is ideally placed to fill.

It's ideally placed on the basis of being in proximity to the Northern Asian markets. You don't have an issue with going through any geopolitically sensitive areas ... and the cost of transportation from PNG to the markets is very good.

So, PNG is very competitive to get into that market timetable.

It's got a very supportive government in terms of the projects, and the PNG LNG project has been a very good success for both the joint venture and for the government. It demonstrates the ability to undertake a major project in PNG.

Frankly, we're excited by it. It creates a real opportunity for the company. ♡



Oil Search workers.

Patience the key to unlocking Gulf of Papua's potential

Twinza Oil is getting ready to develop PNG's first offshore gas field, but patience will be a must.

By David James

The Gulf of Papua is a region that has long been thought to have potential for oil and gas, and it has the added advantage that the process for negotiating access is greatly simplified.

'I think the undersea, offshore potential in the Gulf, all the way down to Central Province, hasn't been explored yet – and it has huge potential,' says Wapu Sonk, Managing Director of Kumul Petroleum.

ExxonMobil, Total E&P, Oil Search and Australia's Palmer Petroleum are among those with petroleum prospecting licences in the Gulf.

'All the big players in the industry are swimming around it, let's put it that way. There has been huge interest,' says Sonk.

The government hopes that its 'in-principle' agreement with the oil and gas company Twinza Oil over the Pasca A



Negotiations over a gas agreement for Twinza Oil's Pasca A project have been ongoing since 2020.

offshore gas field in the Gulf of Papua will be a template for new offshore oil and gas projects.

Twinza is aiming to produce 220,000 tonnes of liquefied petroleum gas annually – 20,000 barrels of liquid per day – roughly 55 per cent condensate and 45 per cent LPG. The gas will be

WHO IS TWINZA OIL?

Twinza Oil Ltd is an unlisted oil and gas company operating within the Asia-Pacific region. The head office is in Perth, Australia, and its assets are managed out of Singapore.

It has two majority shareholders: Clough Engineering (which has been involved in PNG oil and gas infrastructure projects, including the Kutubu and Hides field development, the Kumul Marine terminal and the construction of the Napa Napa refinery) and Kerogen Capital, a private equity fund manager specialising in the oil and gas sector.

stored on an offshore vessel and then taken either into the domestic market or exported for international sales.

At the time of writing, negotiations for a gas agreement for Pasca A between Twinza and PNG's State Negotiating Team were at a critical stage, with benefit-sharing the outstanding issue. ♦

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Economic map of

PAPUA NEW GUINEA



Infrastructure

- Airports
- Ports
- Manufacturing
- Special Economic Zone
- Thermal power stations
- Hydro power stations
- Power zone substations
- Transmission lines

Mining projects

- Operating mine
- Mine under develop-
- Possible mine

Petroleum projects

- Oil project
- Possible oil or gas
- Gas project
- Oil export pipeline
- Gas export pipeline

Primary production

- Livestock
- Fisheries
- Forestry
- Coffee
- Cocoa
- Copra
- Palm oil

Telecommunication cables

- Kumul Domestic Submarine Cable 2019
- Coral Sea Cable System 2019
- PIPE Pacific Cable-1
- H2 (2022)



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P'nyang: PNG's next gas success story?

The Western Province-based gas project must now stand on its own two feet.



PNG's main oil and gas fields, including P'nyang

By David James

The two resources projects would be negotiated individually, said Kua, with a view to getting more revenue for the PNG government. P'nyang's venture partners are ExxonMobil and Oil Search (each holds 36.9 per cent), Santos (14.3 per cent) and Merlin Petroleum Company (11.96 per cent) – the total cost would be US\$9.2 billion (K32.5 billion) and it is expected to generate pre-tax cash flow of US\$23.3 billion (K82.3 billion) over 20 years.

Delays

Negotiations between ExxonMobil and the PNG government over the development broke down in 2020 but Wapu Sonk, Managing Director of Kumul Petroleum, says negotiations are expected to resume in mid-2021.

'What the government is trying to do is say: "Let's allow Total to announce FEED (Front-End Engineering and Design) [for Papua LNG] and let that project take off and then we will bring P'nyang back to the table a few months later. It could come right back,' he explains to *Business Advantage PNG*.

Analysts Fitch Solutions recently downgraded their forecast for growth in export volumes post-2025 partly



PNG LNG CERTAINLY HAS THE CAPACITY TO ACCOMMODATE MORE GAS



because of the delays in negotiation over P'nyang.

'The revised expectation is for annual growth in exports to average 7.2 per cent over the 2026–2030 period, down from 16.1 per cent previously.'

Integration

P'nyang is located about 130 kilometres northwest of Hides, the main field in the ExxonMobil-led PNG LNG, PNG's first and only gas project. A pipeline will be needed to connect P'nyang to Hides, from where its gas could be transported by pipeline to ExxonMobil's LNG plant at Caution Bay, 20 kilometres north of Port Moresby.

PNG LNG certainly has the capacity to accommodate more gas than originally planned. In 2020, it recorded annual production of 8.8 million tonnes, up four per cent from the previous year and 25 per cent above the facility's originally intended nameplate capacity.

Reforms

Kumul Petroleum is the state's nominee for all future gas projects, including P'nyang, with the right to acquire up to 22.5 per cent of any project under current laws.

The regime for oil and gas is changing, however. The *Oil & Gas (Amendment) Act 2020* allows PNG's Petroleum Minister to set a minimum expected level of return from future petroleum or gas projects. Reforms which look likely to give a primary role to Kumul Petroleum in developing PNG's future gas projects have also been flagged.

Asked if the P'nyang project would be subject to new oil and gas laws or to the old legislation, Sonk indicates that any new legislation would have a 'sunset clause of some sort to encourage companies that are sitting on licences now to move into development and get those licenses committed.'

He said companies have to be given enough time to adjust their business plans.

'If the licences have expired and you haven't done anything within that period, well, then the government takes it back and gives it to Kumul Petroleum.' ♦

PICTURE: ADB



Poles and wires come first

Energy sector reform and new investment are on their way, according to **Flagon Bekker**, Managing Director of the country's power utility, PNG Power.

A reliable and expanded electricity grid is essential for the PNG's economic development. While there has been progress in the sector, mostly notably the increased utilisation of locally-produced gas for power generation and the emergence of private power producers who are selling electricity to the state utility, actual investment has lagged behind what is needed.

'We believe strongly that there has been under investment particularly in the national grid and in the distribution system,' says Flagon Bekker, Managing Director of PNG Power. 'There has been a lot of talk over the years about investment in power stations and fuel conversion – and those things are important. But in the end, without a stable and reliable national grid, it is all futile.'

In the short-term, PNG Power is focusing on poles and wires.

'We are looking at what we are calling the Grid Stabilisation Plan, which is a strategic plan to inject capital into PNG Power, which will be hundreds of millions of kina. Over the longer term, we are looking at a very aggressive turnaround plan.'

Energy mix

Bekker says an element in PNG Power's strategy is to use more gas,

now in plentiful supply thanks to the ExxonMobil-led PNG LNG. And with future gas projects in the offing, local gas makes sense as a replacement for costly imported diesel fuel. Already, the Port Moresby grid receives the bulk of its electricity from gas, through independent power producers, Niupower and Dirio Gas & Power.

But gas is just part of the picture.

'The answer overall is going to be about energy mix. There is going to be a place for all energy sources. Gas is integral to us, but not at the expense of renewable energy.'

Bekker says the centrepiece of power production in PNG in the long term needs to be hydropower. PNG Power has signed an agreement with a consortium including China's Shenzhen Energy Hydropower Development Co Ltd to develop the Ramu 2 Hydropower Project, a proposed 180 megawatt hydroelectric power station on the Ramu River, below the existing Yonki Dam in Eastern Highlands Province.

Bekker suggests the US\$902 million (K3.2 billion) project will be the largest infrastructure investment in the country's history, and will depend on providing baseload power to surrounding mines such as Wafi-Golpu.

'What that deal does is it creates scale in the centre of a resource-rich region of PNG. It is a nation builder,' he enthuses.

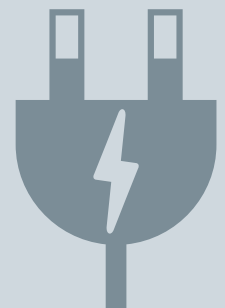
'It is not just about the mining industry. I would be very surprised if the local businesses that come from that investment don't outlast the mines that we are all focusing on. It creates the scale to play at a totally different level as a country.' ♦

NEW REGULATOR FOR ENERGY

In a major reform of PNG's energy sector, a new regulator, the National Energy Authority (NEA), will be formed.

PNG's *National Energy Policy, 2017-2027* proposes the NEA will 'regulate and promote the development, dissemination of information regulation and licensing relating to all forms of energy', taking over some of the roles previously performed by the Department of Petroleum and Energy and the Independent Consumer and Competition Commission.

It is also expected to manage the auctions for future power production agreements.



Underground jewel closer to lift-off



PICTURE: NEWCREST MINING

The K18 billion Wafi-Golpu project is the most promising prospect in PNG's mining sector.

With estimated reserves of 13 million ounces of gold and 4.4 million tonnes of copper, the Wafi-Golpu project is edging closer to commencement.

By David James

The Wafi-Golpu gold and copper project in Morobe Province is PNG's most promising prospect in the minerals sector. The US\$5.4 billion (K18 billion) project has estimated reserves of 13 million ounces of gold and 4.4 million tonnes of copper.

The project, which has an estimated mine life of 28 years, is a 50/50 joint venture between South Africa's Harmony Gold and Australia's Newcrest Mining. An application for a special mining lease for the project has already been lodged and an environmental permit was granted in December 2020.

Newcrest describes Wafi-Golpu

as 'one of the premier undeveloped gold-copper projects in the world.' Production is expected to begin about five years after a special mining lease is granted.

Should the investment receive the green light, it will provide a much-needed injection of foreign exchange into PNG and a boost to the economy of host province, Morobe, in particular.

WAFI-GOLPU IS "ONE OF THE PREMIER UNDERDEVELOPED GOLD-COPPER PROJECTS IN THE WORLD".

As well as jobs for local service providers and workers, the Wafi-Golpu Joint Venture (WGJV) will require supporting infrastructure in the form of a major new power plant and improved roads. Lae's Nadzab airport, currently being upgraded and set to be renamed Sir Michael Thomas Somare International Airport, is also expected to benefit from increased traffic.

The Minister of Mining, Johnson Tuke, reportedly said in January 2021 that a 'framework agreement has already been reached' with the joint venture partners. He indicated that the project could be licensed by the end of July or early August 2021, noting that all due diligence had been done and that the 'proponents are very happy and we are very happy – we are set to go.'

Milestones

There are some milestones the project still needs to pass before a lease can be issued, including a mining forum with all stakeholders. In spite of the environmental permit, there remain local concerns about the method of waste disposal – a deep sea tailings placement (DSTP) system – selected for the project. While local landowners have expressed their support for DSTP, Morobe's Governor, Ginson Saonu, has flagged the possibility of legal action. At the time of writing, the issue is still in play.

For its part, the WGJV claims the waste disposal method aligns with international best practice, noting that it is feasible because PNG has very deep water close to the coast.

'The tailings pipeline through Lae poses no specific harm to the community and is similar to the existing buried sewerage and infrastructure pipelines beneath the road network.'

The WGJV is intending to use block caving technology for the project: an underground mining method that involves undermining an ore body, allowing it to progressively collapse under its own weight and fall into a pre-constructed series of funnels and access tunnels.

The method will allow the company to justify investing the capital to develop a high-grade gold area that lies deep underground. ♦

Lihir is considered the fifth most productive gold mine in the world.

A tale of two mines

The two largest gold mines in Papua New Guinea, Porgera and Lihir, are set to monopolise headlines this year, but for very different reasons.

By David James

PNG's two largest gold mines are Porgera in Enga Province and Lihir in New Ireland Province. In 2020, they suffered very different fates.

In April 2020, the PNG government announced it would not be renewing Porgera's special mining lease for operator Barrick Niugini Ltd (BNL), a joint venture between Canada's Barrick Gold and China's Zijin Mining Group.

A desire for an improved share of economic benefits was given as the reason for the move and it does appear as if the government and Barrick Niugini have reached a compromise deal, subject to the signing of final documentation.

In April 2021, a 'binding framework agreement' was signed between the parties which should see the mine reopen in late 2021. A new joint venture will be created, which will be 51%-owned by PNG stakeholders (state-owned Kumul Minerals Holdings Ltd and local landowners), and 49% owned by Barrick Niugini. The deal will secure the mine's operation for another ten years, after which PNG stakeholders will have the right to acquire Barrick Niugini's stake in the project 'at a fair market value'.

Time to grow

Meanwhile, Australia's Newcrest Mining, owner of Lihir, the world's fifth most productive gold mine, has identified the potential to 'unlock additional high-grade mineralisation' at the mine.

By achieving a higher average gold grade feed to mill, the company claims there is the potential to make available an additional 1.4 million ounces of 'contained gold' between 2022 and 2034.

Lihir is expected to produce over one million ounces of gold per annum for the next 10 to 12 years.

Lars Mortensen, General Manager of PNG stockbroking firm JMP Securities, tells *Business Advantage PNG* he is forecasting Lihir will produce 47.8 per cent of PNG's gold output in 2021 and generate US\$1.38 billion (K4.89 billion) in export sales. ♦



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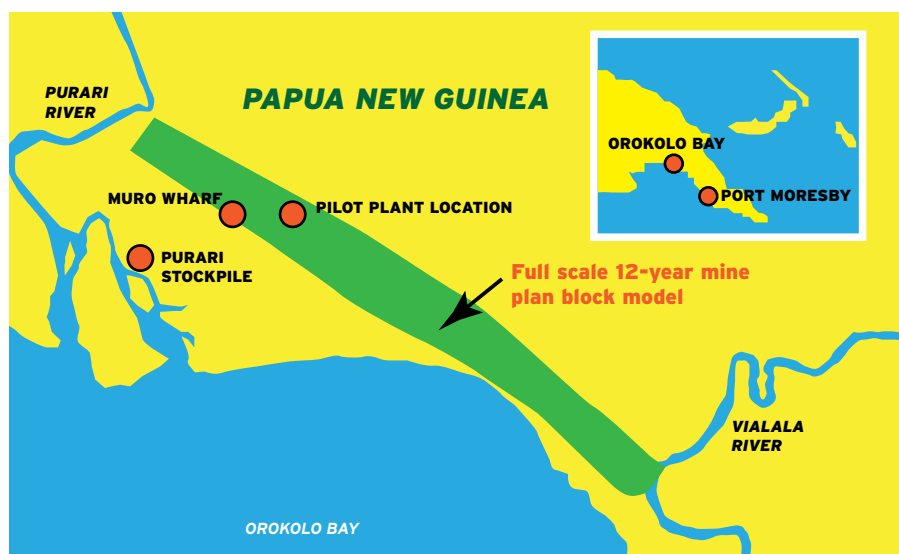
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A future built on sand



Location of Mayur's Orokolo Bay site

Diversified miner Mayur Resources is close to commencing its mineral sands project at Orokolo Bay in PNG's Gulf Province.

By David James

Mineral sands are a new potential export for Papua New Guinea. Paul Mulder, Managing Director of Mayur Resources, tells *Business Advantage PNG* there has been 'a huge amount of work' in preparing bulk mineral samples for prospective international customers.

Minerals at Mayur's Orokolo Bay site include titanomagnetite (used in metallurgy), DMS magnetite, construction sands and a zircon-rich valuable heavy mineral concentrate.

MAYUR RESOURCES
IS LOOKING TO BUILD A
DIVERSIFIED PORTFOLIO ...
WITH PROSPECTS IN CEMENT
AND LIME, COAL, INDUSTRIAL
SANDS AND ENERGY
GENERATION.

Projected to last 15 years once a mining licence is granted, the mineral sands project will be a 'stand alone' operation.

'It has its own wharf, and it will receive goods, and export goods, off that wharf. It is a very simple operation. We are talking about US\$25 million (K88 million) capital expenditure. There are no chemicals, no grinding. It is not difficult terrain,' says Mulder. The project is being fully funded by a Chinese private group, with Mayur retaining 51 per cent of the 'future economics.'

Building a robust portfolio

Mayur is looking to build a diversified portfolio in PNG, with prospects in cement and lime, coal, industrial sands and energy generation. It is listed on the Australian Securities Exchange and in February 2021 the company successfully spun off its PNG copper and gold assets on the TSX Venture Exchange in Canada.

Mulder says that the mine area at Orokolo Bay can later be used to grow sago, based on a technique already being trialled in PNG by the International Finance Corporation and France's Total.

Another area of potential is the metal vanadium, used in vanadium redox batteries.

'PNG just happens to be endowed with a huge amount of vanadium magnetite, which is [included in] our mineral sands project. We will cooperate with the [government's] energy company in looking at large-scale vanadium storage.' ♦

BOUGAINVILLE'S SLEEPING GIANT

In December 2019, the people of the Autonomous Region of Bougainville (ARB) voted overwhelmingly for independence from PNG, and independence negotiations are now under way.

This development has boosted speculation about the reopening of the Panguna mine on Bougainville Island. Dormant since 1989, when it closed due to civil unrest, it is based on one of the world's largest copper and gold reserves, tentatively

valued at US\$57.5 billion (K201 billion).

Before its closure, Panguna was operated by ASX-listed Bougainville Copper Limited (BCL), in which the PNG State and the ARB's Bougainville Minerals Ltd both have a 36.4 per cent stake.

In March 2020, the PNG government flagged it would fully transfer its stake in BCL to the ARB, a move that would undoubtedly improve BCL's prospects of

reopening Panguna. Other international miners have also shown interest in this mine but any reopening is unlikely to be rushed.

'The Panguna mine remains a very sensitive issue on Bougainville and parties wishing to reopen it must maintain a sense of decorum that respects the land, the landowners and the Autonomous Bougainville Government,' warns Bougainville's President, Ishmael Toroama.

The Kundiawa-Gewa Road is part of the Asian Development Bank's Highland Region Road Improvement Investment Program.

PICTURE: ADB

Building economic lifelines across the country

Connect PNG is the PNG government's long-term plan to not only establish a single, unbroken highway network but to integrate it with other essential infrastructure. Paul Chai reports.



The government's Connect PNG project seeks to distil the 20-year National Road Network Strategy into a series of five-year projects that will result in a more connected island nation.

'In the first five years, we are looking at the Trans-Island Highway – that is the number one priority,' says David Wereh, Secretary of PNG's Department of Works and Implementation. 'This would come across the country. It starts from Nine Mile Junction in Lae [Morobe Province] and finishes in Malalaua in the Gulf Province. You have to upgrade the existing roads to standard two lanes as well as opening up 302 kilometres of new road.'

The ambitious project would mean that traffic will be able to drive between PNG's two major cities, Lae and Port

Moresby, for the first time.

Wereh adds that this main road artery would also serve as a lifeline for other infrastructure 'enabling power and energy, as well as internet, to share the same multi-function corridors.'

Funding the roads

Wereh says that the preferred K20 billion (US\$5.67 billion) funding for Connect PNG is through concessional loans from development partners Australia, the Asian Development Bank, World Bank, European Union, European Investment Bank, China Exim Bank and India Exim Bank.

'We have Cabinet approval to go ahead with different donors and development partners who have shown a lot of confidence in this important government policy,' Wereh tells *Business Advantage PNG*.



THE AMBITIOUS PROJECT WOULD MEAN THAT TRAFFIC WILL BE ABLE TO DRIVE BETWEEN PNG'S TWO MAJOR CITIES, LAE AND PORT MORESBY, FOR THE FIRST TIME.



To assist with economic growth in a post-COVID landscape, Connect PNG is also seeking to make sure that local contractors get a fair slice of the infrastructure pie.

'Under the major international players we bring on board, there is room for building our local contractors,' he says. The PNG Road Fund Authority, established under the *Road (Management and Fund) Act 2020*, will be responsible for maintenance, safety and rehabilitation of the road network.

'What we need is the commitment to roads, because they are the predominant mode of transport in PNG,' Wereh says. 'And it is my belief that, now these economic lifeline roads have been identified, it is important that government gives priority to them and makes it happen.' ♦



Crossing the digital divide

Papua New Guinea's telecommunications infrastructure has evolved fast following the commissioning of two undersea cable networks in the past three years.

By David James

Having faced low bandwidth, high data prices and frequent call drop-outs for years, many PNG-based executives can now Zoom with confidence.

The completion of the 4700km CS2 international fibreoptic cable at the end of 2019 allowed network wholesaler PNG DataCo to finally decommission its ageing APNG2 international link in early 2021.

Together with the Kumul Domestic Submarine Cable, which circles PNG's coastline and islands, the CS2 cable now forms the backbone of a national telecommunication infrastructure.

Digital divide

PNG DataCo is looking to increase the capacity of its data centre services this year to accommodate a surge in

demand, as cloud technology gets adopted by PNG businesses and government.

The next challenge, says PNG DataCo's Managing Director, Paul Komboi, is to overcome the 'digital divide' – to close the gap between those who have access to internet-based services and those who don't.

He claims that PNG has made great advances in the skills needed to develop new cloud-based services. 'We have in the past decade increased [skills] exponentially. Bridging the digital divide is not impossible any more.'

According to Une O'Ome, General Manager Commercial for PNG DataCo, internet connectivity prices in PNG fell on average by 40 per cent in 2019 and about the same amount again in 2020.

Mergers and coverage

The merger of two state-owned telecommunication retailers, bmobile and Telikom PNG, is expected to be completed in 2021, as the state-owned businesses prepare to take on

not only the largest incumbent telco, Digicel, but new competition. (Both companies and PNG DataCo fall under the control of an umbrella state entity, Kumul Telikom.)

According to Anthony Pakakota, CEO at bmobile, the integration of the two companies' mobile networks is now complete (see Inside View).

Meanwhile, a new entrant is preparing to enter PNG's increasingly competitive mobile space. Digitec, a subsidiary of Fiji's Amalgamated Telecommunications Holdings, is currently building its own network of around 1100 mobile towers in PNG ahead of a launch expected in late 2021.

'The introduction of a third mobile network operator will bring much needed competition to the market to drive retail prices down for the benefit of our people,' says Communications Minister, Timothy Masiu. 'We've also done our independent assessments and we believe mobile coverage could easily jump from 42 per cent to 85 per cent within one year after the launch of the third operator.' ♦



THE INSIDE VIEW: ANTHONY PAKAKOTA, HEAD OF NETWORK (PNG & SI), BMOBILE

“In terms of mobile data, we’ve reduced our retail price more than 80 per cent already. In terms of price point, we are the cheapest price point in the market.”

We now have more than 500 sites. Today, the combined bmobile and Telikom-built NBN network covers across 22 provinces and covers over 2.2 million Papua New Guineans.

The market is there, the garden is ready for the harvest. And that is the drive for 2021: to basically go and get the customers, because we have the network. ➤



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KUMUL PETROLEUM



Lae set to become Pacific hub



A view of Lae Port.

PICTURE: ICTSI

Port operator International Container Terminals Services is looking to improve efficiency at PNG's ports, and opening the way for new business opportunities.

By David James

PNG's busiest port of Lae is set to become a hub for the South Pacific, according to Robert Maxwell, CEO of International Container Terminals Services (ICTSI) South Pacific, which manages both Lae port and Port Moresby's port at Motukea Island under licence.

Major investment from ICTSI in new cranes, gangries and vehicles in Lae will greatly improve the port's capacity, explains Maxwell. This will enable Lae to become 'a transshipment hub' for freight across the Pacific region.

'Rather than the main line ship travelling to smaller outports and experiencing delays, that vessel will be

able to discharge the containers in Lae quickly. A feeder vessel can then take the containers and serve the outports. This represents massive cost savings for the shipping line. Eventually, that will be translated into improvements for both importers and exporters.'

Maxwell tells *Business Advantage PNG* there is some transshipment in Lae already, so there is a precedent and an understanding of how it works.

'The main change will be the sheer volume of it, and we are already in discussion with the shipping lines. We have at least 200 to 300 containers a month that are transshipping already. We aim to increase that up to 3000 or 4000 a month.'

Under ICTSI's management, which started in 2018, PNG's two main ports have progressively become more efficient.

'Cargo coming from overseas previously had to wait outside the port for three or four days, and now it's a

matter of hours. [That] reduces the working capital that the importer has tied up on his order to be delivered and placed into stock and the warehouse'

Going digital

The company, which handles 200,000 containers a year, is now digitising many processes in its quest for greater efficiencies.

It is already using artificial intelligence to determine the optimum location to stack a container based on when it will be collected.

As well as having automated inventory management for its own spare parts, Maxwell says the company is also introducing electronic data interchange technology to send messages between the shipping line, customs and the importers.

'We have already digitised the invoice and what is called the gate pass, which authorises the truck to come in to collect a container,' he says. ♦

PNG's banks look to expand

With its planned acquisition of Westpac Pacific, Kina Bank is set to enhance its regional footprint and introduce more competition to PNG's banking sector. Meanwhile, the country's largest bank, BSP, is looking at an overseas listing.

By David James

Kina Bank has consolidated its position as PNG's second largest bank, and also taken a first step towards becoming a regional bank, by acquiring the assets of Westpac in PNG and Fiji.

Kina's CEO and Managing Director, Greg Pawson, who was formerly the General Manager of Westpac Pacific, claimed the acquisition of Westpac's Pacific Businesses would enable Kina to achieve scale and enhance its regional footprint.

'The Westpac Pacific businesses are well known to the Kina board and management team and this will assist a seamless customer and employee experience,' he says, adding that it would create 'a stronger and more effective banking competitor.'

Kina Bank, through its legal entity Kina Securities, will acquire 89.91 per cent of Westpac's PNG business and 100 per cent of its Fiji business. The deal is expected to be completed by 30 September 2021. It is subject to regulatory approval in both PNG and Fiji. PNG's Independent Consumer and Competition Commission started the regulatory approval process in PNG in late March 2021.

The bank said in a statement that the move will transform Kina from being 'a leading digital bank in PNG' to an 'at-scale regional bank.' That greater scale is expected to reduce costs relative to income across the group.

New brand

Kina will adopt a 'multi-brand' strategy according to Lesieli Taviri, Executive General Manager for Banking. She says Kina will create a 'completely new brand for the acquired business' and maintain Westpac's independent commercial banking licence, adding that the merger will 'continue to disrupt the banking sector in this country' in a positive way.



PICTURE: KINA

THE
NEWLY-BRANDED
BANK WILL BE
INDEPENDENT AND
SEPARATE FROM THE
EXISTING KINA
BANK BRAND.

'The newly-branded bank will be independent and separate from the existing Kina Bank brand, and it will compete directly and vigorously with Bank South Pacific (BSP), ANZ and Kina Bank,' she says. 'There will be no disruption to customers. No changes to systems or processes, or the way customers go about doing their business. Literally nothing changes except for the name above the door.'

The acquisition is expected to increase Kina's PNG customer base

from 165,000 to 523,255. The bank's loan book will increase by 275 per cent to K5.34 billion and its deposits by 218 per cent to K8.03 billion.

Capital-raising

Meanwhile, Kina's main competitor, Bank South Pacific, has expansion plans of its own. Having weathered the COVID-19 storm in 2020, PNG's largest bank is preparing a secondary listing on the Australian Securities Exchange, and has changed both its constitution and its name (to BSP Financial Group Limited) in preparation.

Against the background of the COVID-19 economic downturn, a fall in net profits of just 10 per cent in 2020 may not have been a bad result for the Pacific's largest bank. Indeed, BSP's PNG banking revenues hardly fell at all compared to 2019.

While the country's local banks are on the rise, Australia's ANZ continues to retain a significant corporate and institutional banking operation in PNG. ♦

ROOM AT THE TOP

Kina Bank's acquisition of Westpac banking sector may encourage more entrants in PNG's banking sector.

Robin Fleming, CEO of PNG's biggest bank, Bank South Pacific, believes there is room for more competition. He says that two major banks are not enough for a country with a population of almost nine million, comparing PNG's market to that of Fiji, where six banks service a population of one million.

'If you are in a two-bank - or two shareholder groups - market, there is no competition to drive banks to develop products that are going to be more competitive,' he says. 'And there is no pressure to provide banking services to customers outside of the key larger centres.'

Fleming says BSP, which intends to list on the Australian Securities Exchange, currently has operations in 60 centres where there is no other bank.



PICTURE: BANK SOUTH PACIFIC

'If the banking system contracts to key centres, is that in the long-term interest of PNG?' he asks.

A number of smaller institutions have signalled their interest in acquiring banking licences. Changes to the *Saving and Loans Societies Act 2015* have allowed saving and loans societies to apply for banking licences.

The Teachers Savings and Loans Society Ltd (TISA), a subsidiary of Tisa Community Finance Ltd, has applied to the Bank of Papua New Guinea for a licence.

'If TISA wants to get a licence, I welcome that,' says Fleming. 'We need more competition.'



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PICTURES: PARADISE FOODS

Paradise Foods CEO James Rice and workers receive new cocoa beans for production of Queen Emma chocolate.

A chocolate-led recovery

Despite COVID-19, food and snacks manufacturer Paradise Foods may expand its operations in 2021, as it looks to develop a market for its unique Queen Emma chocolate.

Gabriella Munoz reports.

James Rice joined Paradise Foods, Papua New Guinea's oldest food manufacturing company, as CEO in 2019 with the goal of doubling the business across five categories (oil, water, snacks, ice-cream and biscuits) in just three years. To this list, he added chocolate later.

Although 2020 was challenging for almost every industry, Rice reports Paradise Foods 'has turned around.'

'Sales for the first half of 2020 were 31 per cent over the first half of 2019. We are now looking forward and planning significant growth investments starting in 2021,' he tells *Business Advantage PNG*.

Queen of the Pacific

In 2020, Paradise Foods signed a partnership agreement with the Australia-funded Market Development Facility (MDF) to help improve production of alkalised cocoa products. The MDF committed

to help Paradise subsidiary Queen Emma Chocolate Company with the expansion of its processing facility. Paradise will build a K55 million Queen Emma Chocolate Factory in Lae in 2021. Rice says the new factory will be '20 times bigger than our current facility in Port Moresby.'

'We are a small chocolate producer on the world scale,' says Rice. 'But we proudly buy our beans from 2000 local small-scale farmers across PNG.' Queen Emma chocolate is made of 100 per cent PNG cocoa beans and, as the brand expands, the number of farmers selling cocoa beans to Paradise Foods increases.

‘We will buy over six per cent of the country’s cocoa beans,’ he says.

Smallholders

Smallholder farmers are central to Paradise Foods’ plans. The company has signed a memorandum of understanding (MOU) with the Food Agriculture Organisation to help implement the European Union co-funded program Support to Rural Entrepreneurship, Investment and Trade (STREIT).

STREIT supports local MSMEs for sustainable and inclusive cocoa value chains and development, improving income generation for smallholders.

When the MOU was signed, 10,000 growers from East and West Sepik provinces were already engaged with STREIT and many more farmers are expected to benefit this year.

‘This kind of collaboration reflects our long-term commitment to investing in sustainable smallholder-based cocoa production and processing in PNG,’ said Rice at the time. ♦

THE INSIDE VIEW: MICHAEL KINGSTON, CEO OF MANUFACTURER KK KINGSTON

🔴 In March 2020, we received more orders for hand sanitiser in one week than we had in the previous seven years. No-one can plan for that.

We used 100 per cent raw materials, and we could get it to market quite quickly. That helped us to respond.

For products where there was a sudden kick in demand, we had to adjust our formulation in some cases and, in other cases, increase stock orders.

For those products where demand was adversely affected, we had to do the opposite. We had to talk to suppliers



PICTURE: KK KINGSTON

about deferring shipments and cancelling orders. We tried to minimise the amount of working capital tied up in inventory that we did not need.

We managed to work within our limits and make everything happen. But it was a challenging period. 🔴



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From smallholding to agribusiness

If Papua New Guinea is to achieve its rich potential in agriculture, the country's smallholder farmers need to be brought on board. **David James** reports.



PICTURE: BUSINESS ADVANTAGE INTERNATIONAL

PNG coffee producers show off their wares

According to PNG's Investment Promotion Authority, agriculture received the most foreign investment interest in 2020, with enquiries centred on commodity exports such as coffee, cocoa, vanilla, copra and even livestock.

While the Bank of Papua New Guinea reported 'lower shipments reflecting the impact of the COVID-19 pandemic on the global supply chains,' the prospects for PNG's agriculture sector in 2021 are improving.

The ANZ Bank is predicting that agricultural exports will increase by 9.3 per cent this year, 'underpinned by better global commodity prices and currency depreciation, both of which will facilitate stronger production and exports.'

Developing the sector

PNG's natural advantages in agriculture – rich soils, good rainfall and warm climate – make it a potential food basket for Asia, but more needs to be done to develop capacity and encourage commercial practices in the sector.

Grow PNG is one of several programs aimed at boosting

PNG's agriculture production. Formed at the end of 2019, and based in Lae, it is affiliated with the regional Grow Asia program, a multilateral program created to encourage smallholder production.

Lae was chosen due to its proximity to the highly fertile Markham Valley. Grow PNG aims to be an honest broker, an organisation farmers and landowners can approach to help maximise the potential of their land and that investors can approach to identify business models that work.

'One of our challenges is to encourage farmers to think of farming as a business,' says Grow PNG's former Executive Director, Ivan Pomaleu, who is now Secretary to the Department of Prime Minister and National Executive Council. 'You have to convince gardeners to become farmers.'

Another initiative is the International Finance Corporation's (IFC) plan to develop 300,000 to 400,000 hectares of land in the Markham and Ramu valleys.

Christian Reichel, the IFC's Operations Officer in Port

Coffee factory in Jiwaka, Western Highlands Province

PICTURE: ADB

ONE OF OUR
CHALLENGES IS TO
ENCOURAGE FARMERS
TO THINK OF FARMING
AS A BUSINESS'

Ivan Pomaleu,

Moresby, says both valleys have good potential for growth.

'If you are an investor and fly over the valleys – they look beautiful. Remote sensing [scanning land by satellite or aircraft] is becoming more and more advanced. With this technology, you can analyse if an area is suitable for cassava or sorghum, for instance.'

Reichel acknowledges there are challenges, including land ownership, infrastructure needs and farmers gaining access to inputs. But he points to the growth of PNG's population and demand growth in Asia.

'It's clear we need to understand how we can support farmers, manufacturers and exporters to seize these opportunities.' ♦

COFFEE'S BRIGHT FUTURE

Coffee is the second most important agriculture cash crop after palm oil in PNG. It is cultivated by over half a million households around the country and almost three million Papua New Guineans rely on it for their livelihoods.

The Coffee Industry Corporation has released its National Coffee Development Roadmap 2020-2030 with the aim of more than tripling annual production to three million bags by 2030. The roadmap has a forecasted budget of K514 million over the next 10 years.

Another initiative designed to improve PNG's coffee production is the Australia and New Zealand-funded Pacific Horticultural and



Agricultural Market Access Plus program (PHAMA Plus).

An initial partner of the program is PNG coffee exporter Kosem Limited. The partnership will strengthen the company's linkages with key international buyers and markets and create a more efficient way of sourcing high-quality green bean coffee.

PHAMA Plus will provide technical support, including helping to conduct trials to better understand and improve its product positioning in specialty markets. Green coffee beans will be sent to experienced international coffee buyers, who will provide feedback on improving quality along the value chain.

Preparing for Asian markets

PICTURE: ADB

With new infrastructure plans, better international market access and a new road map, PNG's fisheries sector looks set to reach new heights. **Gabriella Munoz** explores.

According to Bank of Papua New Guinea statistics, PNG's exports of marine products have been steadily growing over the past five years. In 2015, the sector exported 99,400 tonnes; by 2019, that amount had more than 202,300 tonnes. In the first three quarters of 2021 the sector exported 147,200 tonnes, indicating that it had been largely unaffected by the COVID-19 pandemic.

The bulk of exports are for tuna, processed and canned locally, mostly in Morobe and Madang provinces. Smaller export markets exist for PNG's reef fish and shellfish, especially to Asia.

New vision

The National Fisheries Authority (NFA) announced in February this year that PNG's cabinet, the National Executive Council, had endorsed the *PNG Fisheries Strategic Plan 2021–2030*, a roadmap and vision for the sector and industry.

Prime Minister James Marape said in a statement that the strategic plan is in line with the country's national Vision 2050 roadmap. Notably, the Marape government has also foreshadowed the creation of a state-owned commercial entity to be responsible for the government's commercial interests in the fisheries sector.

The fisheries plan also aims to create formal employment for those for whom fisheries provide the only opportunity for participation in the formal economy, and to further develop the informal fishing sector by elevating it 'from artisanal to professional'. It will be officially launched later in 2021.

Infrastructure

Director of the NFA, John Kasu, says 'the cost of building infrastructure in PNG is very high' – and it takes time.

The NFA is working on infrastructure projects to assist with the sector's expansion and greater efficiencies. These include the Wagang Fisheries Port project in Lae, Morobe Province, which is now in the feasibility study stage, the Rabaul Tuna Terminal in East New Britain and the development of small jetties through PNG's coastal areas.

International markets

PNG has an existing agreement to export tuna tariff-free to the European Union. In 2020, it also gained accreditation as an approved country to export seafood directly to China. The accreditation means that PNG-registered companies now don't need to go through Singapore or Hong Kong to reach the mainland Chinese market.

In November 2020, China's Fujian Zhonghong Fishery Company signed a memorandum of understanding to build a US\$156 million commercial fishing hub on Daru



The Asian Development Bank Women in Fisheries Project, part of the Pacific Private Sector Development Initiative, helps women by providing loans, training, mentorship and accessing markets to help them formalise their businesses.

Island in Western Province with the national and provincial governments.

China, however, is not the only country to signal its interest in PNG's fisheries sector.

In March this year, the South Korea Fisheries Infrastructure Public Agency (FIPA) signed an agreement with the NFA to share best practices and exchange administrative, technical and human resources information in fisheries port development. The agencies also agreed to explore, develop, and implement joint infrastructure to support the industry. ♦



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Waiting for the tide to turn

The COVID-19 pandemic has dealt a damaging blow to Papua New Guinea's tourism industry, but companies are using the downtime to rethink their operations. **Robert Upe** reports.

PNG's visitor numbers were trending up in the years before COVID-19 struck in early 2020. The nation was on a roll with its natural assets and adventure options of surfing, diving, birdwatching and trekking, particularly along the Kokoda Trail.

It had also seen the opening of new properties in recent years, including PNG's first Hilton Hotel and the Loloata Private Island Resort.

COVID-19 turned that on its head. Hotels emptied, tracks were deserted and eco-lodges fell quiet.

As international arrivals slowed, PNG's tourism and hospitality sectors turned to domestic travellers, when

COVID-19 restrictions have allowed.

A PNG Tourism Promotion Authority (PNGTPA) report states that visitor numbers fell by 82 per cent in 2020 to 38,940, and cruise visitation declined by 100 per cent.

When will travellers return?

According to some sources, a rebound may start in the second half of 2021 and gain momentum in 2022.

The cruise industry is reporting

extraordinary forward bookings for 2022–2023.

It's anticipated that, as people are vaccinated against COVID, they will feel confident and safe to travel again for business and leisure.

Rupert Bray, Managing Director of Steamships Trading Company Ltd, which owns PNG's largest hotel chain, Coral Sea Hotels, says many first world countries should have rolled out their vaccination programs by the third quarter of 2021.

'There will be a gradual easing [of travel restrictions] from mid-2021 onwards,' Bray anticipates.

But, as Bray points out, the wildcard for travel and hospitality is quarantine.

'There will have to be a trade-off between travel restrictions ending [due to widespread vaccination] and quarantine ending before the business rebuilds. We fear a large valley between the former and latter.'

IF YOU LOOK AT
OUR FLORA AND FAUNA,
OUR PEOPLE AND
OUR CULTURE, WE
HAVE IT ALL

Reinvigorating PNG's tourism industry

The General Manager of Port Moresby's award-winning Airways Hotel, Sunilkumar Panda, says there have been some learnings to the downtime.

'We learned to use the downtime to re-evaluate our business, train our employees and try new and flexible ways to improve,' he says. 'We started early with precautionary [COVID-19] measures and introduced innovative technologies to ensure the safety of our guests and staff.'

Meanwhile, the PNGTPA is working on plans to maximise visitor numbers.

Eric Mossman, the PNGTPA's CEO, says his organisation is looking into the potential of the domestic tourism market by developing tourism in remote communities.

'PNG remains one of the last frontiers in everything – if you look at our flora and fauna, our people and culture – we have it all; it has not been explored fully,' he says.

Mossman says the TPA is also



Airways Hotel in Port Moresby has embraced technology in its battle against COVID-19, introducing ultraviolet wands and self-sanitising door handles to kill germs.

working on a cruise ship strategy and is partnering with the Kokoda Track Authority to maintain the track and to ensure custodians receive the benefits they are entitled to.

If travel experts are correct in their thinking that there will be a trend towards small-group outdoor travel

over big flop-and-drop resorts, then PNG could be well placed for an early recovery. ♦

Robert Upe is the Editor of *PNG Now*, PNG's leading lifestyle magazine.



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DIRECTORY

This directory provides details of our corporate partners and key PNG information resources.



Maritime cadets have experienced a lack of vital 'sea time' due to the COVID-19 pandemic and the extensive downturn in global shipping. Cadets at Pacific Towing, a marine services business headquartered in Port Moresby, are acquiring some valuable on-shore learnings despite the pandemic.

PICTURE: STEAMSHIPS

Airways Hotel

Airways is PNG's leading hotel and one of the world's most unique airport hotels, offering world-class accommodation in one of the Pacific's most striking settings.

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Datec PNG Ltd

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ExxonMobil PNG Limited

ExxonMobil PNG Limited is the operator of the US\$19 billion PNG LNG Project, an integrated development that is commercialising the gas resources of PNG.

www.pnglng.com

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www.oilsearch.com
+675 322 5599

Pacific Islands International

Pacific Islands International is a wholesale supplier of building and construction materials to PNG and the Pacific Islands.

www.pacificislands.com.au
+61 417721730

Pacific Palms Property

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+675 313 7400

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Total Oil is active in PNG in the marketing of petroleum products and related services.

www.png.total.com

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Business Advantage International's online business magazine for PNG and the region. Produces a bi-weekly PNG email update.

www.businessadvantagepng.com

'PNG 1000' online directory

Papua New Guinea's leading companies and service providers

www.png1000.com

PNG Now

PNG's premium lifestyle magazine featuring lively and topical articles on PNG events, people, culture, health, travel, food, money, tech and much more.

businessadvantageinternational.com/png-now/

PNG's two daily newspapers, The National and the Post-Courier.

www.thenational.com.pg
www.postcourier.com.pg

EMTV

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www.emtv.com.pg



Business, government & multilateral organisations

Asian Development Bank

+675 321 0400

www.adb.org

Australia-Papua New Guinea Business Council

www.apngbc.org.au

Australian Trade Commission (Austrade)

+675 325 9150

www.austrade.gov.au

Business Council of PNG

+675 320 0700

www.bcpng.org.pg

Kumul Consolidated Holdings

KCH is the holding company for PNG's state-owned enterprises.

www.kch.com.pg

International Finance Corporation (IFC)

+675 321 7111

www.ifc.org

International Monetary Fund

www.imf.org



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www.doingbusinessinpng.com

Investment Promotion Authority

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www.lcci.org.pg

Manufacturers Council of PNG

+675 321 7143

Papua New Guinea Chamber of Commerce and Industry

+675 321 3057

www.pngcci.org.pg

PNG Chamber of Mines and Petroleum

+675 321 2988

www.pngchamberminpet.com.pg

PNG Institute of National Affairs

Industry-funded think-tank

www.inapng.com

Port Moresby Chamber of Commerce & Industry

www.pomcci.com

World Bank

+675 321 7111

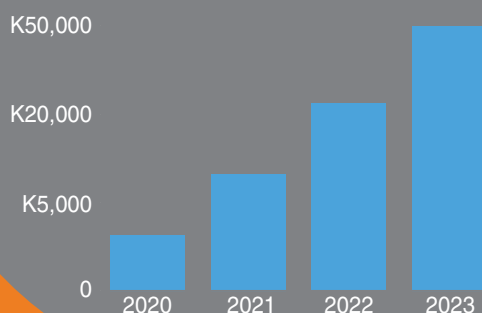
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