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Image Caption: Prime Minister James Marape presenting his Keynote address at the opening of the 2021 PNG Mining and Petroleum Conference and Exhibition

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Prime Minister James Marape

PNG Mining and Petroleum Conference and Exhibition Keynote Address

At this note, let me first give all of you who are tuning in, a very warm welcome to Papua New Guinea. If you are in Brisbane, well Brisbane is a stopover for many Papua New Guineans.

Papua New Guinea is a business address for well over five thousand Australian businesses, big, medium, and small. And so welcome to those of you in Brisbane. Thank you very much for your attendance to the meeting. As well as us here in Port Moresby, we are very much thrilled to know, we are being joined by well over 300 to 400 participants through virtual technology. And so, we offer greetings from Papua New Guinea. Wherever you are across planet Earth, Papua New Guinea citizens, businesses, who are presently in existence, convey our warmest greetings to each one of you.

Just to give you all a snapshot from a leadership perspective, Papua New Guinea has never been an uncertain place for investment.

We are existing as a nation, that is an oil and gas and mining nation. As evident in the fact that quite a substantial part of our GDP, has its anchor in the mining and oil and gas space. Papua New Guinea is a traditional mining and oil and gas country.

Irrespective of government, that comes in or goes out, by season or politics, our goalposts remain fixed and static. That is something investors right across planet Earth must know from the outset.

We are a robust democracy. Our judiciary is totally independent from the executive government. Our parliament functions every term of parliament, and I reside, as head of the executive government in the 10th parliament.

We are going into election on time and on schedule for our eleventh parliament next year. We have successfully held ten democratic elections since 1977. We have been independent, as an independent nation since 1975. Right through the course of our nationhood, 46 years on, despite every part of our country experiencing the usual law and order issues from time to time, our country has never failed to live on.

Our country has never failed to honour legally binding commitments. Our country remains picking up the slack of projects. For instance, we picked up the legacy of the Bougainville crisis. We are picking up social and local issues that goes around all projects that we sign up with. We as government have been important partners to all mining and oil and gas companies who have lived and operated in our country. For the record, for those who are junior miners, and for all those are juniors in the oil and gas business, we have the privilege, as a nation, to host world class investors.

Our country has hosted Placer Dome. Our country has hosted BHP. Our country has hosted Chevron. What was Chevron before in our country, and the company which was operating the first oil project in our country, from my part of Papua New Guinea.

Today we have ExxonMobil's business address in our country. We have Total's business address in our country. We have Barrick's business address in our country. We have Santos' business address in our country. We have JS Nippon of Japan; they have been a consistent business resident in our country for many years. And so, it is undisputed that Papua New Guinea finds itself, a welcome business address for world-class investors.

I just want to say upfront to members who are tuning in and participating. Have no doubt. Politics can be played by Papua New Guineans in all strata of society. But Papua New Guinea lives on. We play politics in the robustness of our democracy. But the goalposts for investment are fixed. Because we play within our robust constitution, that is, in all manner and form, subscribing to democratic principles and ideals.

And I just want to comfort everyone who is tuning in. Don't be disheartened. Don't see COVID-19 as a time in which you become inclusive and look within. Crisis creates opportunities. In Papua New Guinea, opportunities are abundant. If Total can remain here and working with government through and through without going to the media every now and then, and to progress Papua. If Barrick can remain in the country and working through issues without going to the media in every instance. And if ExxonMobil remains fixed to our commitment to deliver, to the fullest expectation, the PNG LNG Project Agreement that was signed in 2009 and is still honoured today by our government, three governments on, from the time it was signed. The National Alliance-led government signed in 2009 and 10. The PNC-led government carried it through in its fullest form and shape and size and intent in the eight years they were in power. And my government honouring the agreement that was signed over 10 years ago. This is a testament to the robustness of our democracy. Our country that believes in the rule of law, and what is legally signed, will carry on.

And I would like to encourage everyone that is listening in from the outset: Papua New Guinea is not a place to fear, in as far as your investment dollar is concerned, or your investment Kina is concerned. We have had world class investors with us, and I beg your pardon to my friends in Newcrest and Harmony. They are part of world class investors in our country.

And so we are open for business today as we have been open for business for the last 46 years, and we will be open for business for the next 46 years and beyond.

Papua New Guinea is placed in a very interesting part on planet Earth. The next hundred years, I am no prophet, but I can tell you the next 100 years, are the years that belong to the Asian Tiger economies.

Papua New Guinea is closest to the 1.5 billion people in China. We have been in good relations with China since 1975 amongst the first nations to declare a One-China policy, which we keep up to today. We are a friend and close associate to the 1.5 billion people in India. We are a friend and associate to the 110 million people in Japan, who were amongst the first to be the traditional buyers of our PNG LNG project.

We have a good relationship with the rest of the 500 million people plus, in Asia, west of us. The 110 million people in the Philippines, the 280 million people in Indonesia. And so Papua New Guinea, with close proximity to the Asian market, is a very exciting place for investment.

This place stands open, as we have been open for the last 46 years to investment. And, as the catch phrase goes: 'the early bird gets the worm'. For those who want to come in, we have been open for business, and we are still open today.

I point to you five projects, which in my view, remain 'low hanging fruits', the presentation from Total, will inform this august conference, that the Papua LNG Project has never been off track. Papua LNG project is working on time and on schedule. The project partners, led by Total and assisted by Exxon and assisted by PNG government's flagship company, Kumul Petroleum, and all partners in the Papua LNG are working on site. We are on schedule for pre-FEED, the running FEED and pre-FEED together. FID will possibly be in 2023, and 2024. And of course, if we can get Papua LNG synchronized with what is now being ramped up in our discussions with ExxonMobil for P'nyang, then we have construction synergies. Papua LNG, P'nyang LNG that could easily mean for us – two trains in Papua LNG confirmed, and an additional four (4) TCF of gas from P'nyang, combined into a synergy that should see our economy, and our country, being increased, in as far as our LNG production is concerned, from our present two trains from the PNG LNG, to incorporate what will be two trains from Papua LNG, and the possible extension of us as a gas-producing nation beyond the 2060s, with P'nyang coming on board later on.

And so, those are exciting activities going on in the oil and gas sector. The headline 'noise', and I don't say 'news' because noise that Twinza, our partners in Pasca have been making on and off.

Please, look at Total as an inspiration. Look at ExxonMobil as an inspiration. They don't run to the media in every instance. They work with government. Government is here to stay. If you feel that government has an issue, by way of policy. Then we are only a letter away. We are only a phone call away. We are only a meeting away. We are only a session away. We are not running a dictatorship as in many parts of the world. We are running a democracy.

A democracy means meeting. Democracy means talking. Democracy means consensus. Democracy means making decisions that are good for all, including our investors. Especially in respect to their internal rate of return for their shareholders, and for various boards that our investors hold.

So, as I said earlier. Our five low hanging fruits in the oil and gas and mining space – in oil and gas as I mentioned earlier – Papan, P'nyang, and of course, the Pasca project is now being moved into our State Negotiating Team level. And for the mining space – Porgera and Wafi-Golpu, remain our two projects that we are moving towards conclusion.

When these projects come on board, it will be evident that Papua New Guinea, we do not change goalposts in between. We honour commitments we have made with those who have secured legally binding licenses, whether in exploration, or the development stage. Governments come in, and governments go out, but the honour of these agreements will stand the test of time.

I just want to step out of the mining and oil and gas space for the time being and move into the economy. Yesterday we handed down our budget, and an interesting aspect of the numbers we put out from our 2022 budget was that our economic outlook, under instructions from myself, had no consideration of the positive impact that Papua LNG, and P'nyang LNG, and possibly Pasca LNG, Wafi-Golpu and all other projects that will contribute to our economy post 2023 and beyond. I asked our Treasury team, and we were given oversight by IMF and our friends from Australia, to look at our economic modelling to the 2020s and beyond.

As we open the window to what our economy will be in the next 10 years and based on our focus on downstream processing. Especially our sustainable industries – forestry, fisheries, agriculture. And of course, our greater push for downstream industries in the mining space, downstream industries in the domestic market side of things for our gas that we will secure from our partners. The little bit of gas they give for our domestic market obligations. As we modelled them, I instructed our Treasury: Don't input Papua LNG numbers. Don't input P'nyang numbers and Wafi-Golpu numbers in there. We are working them. If they come, they come as a big bonus for us.

So, from the trajectory we have modelled or carved out for our nation, we will see a consistent decline in deficits over the next few years.

As most of you have known, economists in the room. When I took government, we inherited a fiscal deficit of 5.6 percent. When we took office in 2019, we restructured all our sovereign debts, as well as our inherent debts which we were carrying in many of our state-owned enterprises, onto the table. And we established a deficit proper to be at around 8 percent by 2020. And from 8 percent deficit, we reduced to around 7.6 percent last year, and for next year, we are focusing our deficit to be at 5.6, so we are running on a fiscal consolidation strategy, and as the Treasurer did allude to, next year, we will be hitting, possibly, a surplus in 2027. And we are on our way to total debt eradication if governments in the future choose to walk down this path, by 2034.

So, at the greater scale, Papua New Guinea is confident as we are – the earnings from our revenues from our oil and gas, from mining, from agriculture, from forestry, from our fisheries and I point out to you, Fisheries. For those of you who have been worrying about our intention for a refinery and mint in the gold industry – it is something we are not in a rush to go into. Our industry members in Newcrest, Barrick, and all our existing players will be deeply consulted. But you can see on the other side of our economy – we are investing a hundred million kina into Madang and Manus maritime zones, for all our fish catches to be brought onshore. To add value to our economy. And so the value-adding, downstream processing concept and discussions we are having as government, is not just strictly confined to the mining space or the petroleum space. It is a general step-back for us as a body of leaders, to look at what we have achieved in the last 46 years. The last 46 years achievements still stand, where 80 percent of our people remain marginalized and in the rural enclaves of our country. That's a sad statistic, that I, as a leader, inherit today. And for the next 10, 15, 20 years, I want to unlock Papua New Guinea, so that all citizens have equal opportunity – like those of us who live in conference rooms and the ambience of modern comfort.

And so, in this pursuit, we are trying to go into the unlocking of our resources, and going for partnership with all resource developers in our country.

That is why in the oil and gas and mining space, you have Kumul Petroleum and Kumul Mining as partners in the extractive industry or partner in the oil and gas, and mining business.

When you have Kumul Petroleum and Kumul Mining as your partner, rest assured, your goalposts are fixed. They are equal partners in this business, and they give you the added security you need to ensure that government is at your fingertips to attend to, not just business issues, but more importantly, social issues that you work and operate in PNG, and the place of extraction of the resources.

So, I just want to give comfort to our investors who are tuning in, especially the junior investors and potential new investors, who want to know what Papua New Guinea is all about.

In summary, we are a democracy. If there is any dispute between government, or agencies of government, or landowners, and investors, our judiciary and court rooms have been a fair place for all our investors and all people who have residency in Papua New Guinea.

We have been a known investment address for many world class investors over the last 46 years, and we will continue to be, because Exxon is here to stay with us for the next 20 to 30 years plus. Total is here to stay with us for the next 20 to 30 years plus. Newcrest, Harmony, Barrick, JX Nippon. So, this is the place of evidence to see, in terms of investors in Papua New Guinea.

Fear not. Elections can come and go. Prime Ministers can be changed, but Papua New Guinea as a robust place of investment, remains. And these companies that have been with us, have been making a good rate of return for their shareholders. You only have to ask Oil Search. They came in as a team of unknowns in 1908. As I have said, they are folding today. But if they choose not to fold, they will remain one of Papua New Guinea's flagship oil and gas companies.

But over 100 years of being in Papua New Guinea, they grew from absolutely zero portfolio, into a billion-kina business that is now fusing with Santos, to move into a tier 1 oil and gas company.

That is enough evidence that you need, that a company to make sure it returned dividend to PNG over a hundred years. Government stood with that company, in good and bad times, to make sure it returned dividend to its shareholders.

What more evidence do you need for PNG to be shown to you as an investment destination?

We have the majors in our country. I ask everyone – for exploration, we will give the exploration incentives you need. For investment, we have been known to give incentives that investment companies need. And we remain the same in terms of working with investors and giving them the correct protective environment and ensuring that they invest, and secure their investment, as government always does. And I give you a commitment – my government, or any government in the future, will always be a welcoming place for investors in our country.

And mining and oil and gas space, you have contributed substantially to our GDP, and you are a huge exporter for FOREX in our country.

That respect remains today, and my presence here is testament to that.

The headlines go off, but the core focus in the oil and gas and mining business remains. And we are here to support the sector. Thank you very much for the invitation.

Hon. James Marape
Prime Minister of Papua New Guinea

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We are a non-profit, peak industry association that represents the interests of the mining and petroleum industry and associated industries in Papua New Guinea.

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For further enquiries about us or membership please [contact us](#) today.

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