



LAE CHAMBER OF COMMERCE INC.

WEEKLY NEWS UPDATE

28 September 2012

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LAE CHAMBER OF COMMERCE INC.

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5th PNG Games

Thank you

FROM THE PRESIDENTS DESK

The LCCI alerted members about the accidents that occurred at 3 and 5 mile this morning. There were 2 trucks, a mini bus and a staff transport vehicle involved and the wrecks were strewn over the road causing a traffic jam, which took over 1 hour to free up. To add to this the looters moved in quickly and stripped what they could off the damaged vehicles causing further disruption.

As we mentioned in our newsletter a few weeks ago – it is our fear that many drivers have forgotten how to drive properly and safely. The potholed ridden city roads forced drivers to drive on the wrong side of the road, to take short cuts etc. Now we have reasonably good roads again, a lot of these drivers continue to drive all over the roads. Added to this is the fact that the roads can support faster vehicles, some drivers are just downright dangerous. With the rain and slipperier cement roads, we have a real problem with more accidents happening.

We sent a message to the National Road Safety Council about our concerns and are still waiting for a reply. We will remind them of our letter and further point out the need to make drivers more aware of driving in a responsible manner, as well as reintroduce learn to drive books at the Motor Traffic Registry.

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MOROBE GOVERNOR

The Morobe Governor has accepted our invitation to address members at a future Chambers Luncheon. We are waiting for the Governors Chief of Staff to return from a trip to make the arrangements. The Governors statement as set out below is worthy of being discussed further, plus there are a number of other issues that we have been savouring to raise with him. I am sure you all would like to hear what he says, and we will advise well in advance when the luncheon will be.

We wish to raise in particular a review of the Provincial Planning Board, Provincial Lands Board, Liquor Licensing Commission and the Provincial Building Board. Also the ever popular topic the Lae City Roads, the Lae City Council/Commission, Tourism Bureau, Law & Order, assistance to Police and the Fire Service amongst other issues.

**Lae Chamber of
Commerce Inc.
2012
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**Objectives
of the LCCI**

- To promote the business interests of the private sector;
- To further the economic development in Lae;
- To ensure the provision of services and utilities essential to such development;
- To provide a representative body for business people, which government can consult;
- To promote support or oppose legislation; or take any other measures to improve the business community;
- To provide a forum for discussion of private sector goals;
- To pool the strengths of business people so that together, they can accomplish tasks that each one alone cannot achieve;
- To promote the economic viability of the area, so those current businesses will grow and new ones will be developed locally;
- To provide business with a common voice.



CONTINUED GROWTH IN MOROBE REQUIRES IMPROVED INFRASTRUCTURE

Extract from Growth Challenge No.7--Steamships Trading Co Newsletter

Morobe's new Governor, Kelly Naru, believes the investment climate in his province has never been better. Investment in the province has grown dramatically. If the Governor wants growth to continue, the province needs a recent "PGK 10 billion" loan from China to fund the necessary revitalisation of its ailing infrastructure.

Governor Naru and provincial administrator, Kemas Tomala, recently affirmed they are keen to attract more investment into Morobe and the province's busy capital, Lae. According to Naru, the new provincial government will "approach the growth and development of the city and province with an open-door policy" and allow trade and investment as "part and parcel" of the region.

Morobe has seen a large amount of investment in recent times, ranging from the development and expansion of the Lae port to a number of significant mining projects, including the huge Wafi-Golpu project and the Hidden Valley Joint Venture.

Provincial administrator Tomala believes Lae is also developing into a commercial fishing hub for both PNG and the Pacific, with the government and landowners doing "everything possible" to ensure the local industry prospers and that it continues to provide employment for Morobeans. He stated that access to the European tuna market has encouraged new investors to the region, which has driven growth in the industry and encouraged further investment in spin-off industries.

The rate of growth achieved will depend on improvements to infrastructure across the province. Business points to Lae's potholed Nadzab Airport and the commercial centre's heavily congested port. Logistics companies continue to manage the high costs of operating along the province's Highlands Highway, which, despite being the key trade route between the port of Lae and the highlands region, suffers from severe deterioration in parts.

Work to improve this vital infrastructure has begun. The national government recently confirmed it had secured a PGK 6 billion dollar soft loan from China's Exim bank, which will fund a number of infrastructure rehabilitation projects, including the Highlands Highway.

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Waterfront House - Madang, Shed & Land - Hagen, Land - Kimbe
Tender Closing 28th of September 2012, 4.00pm
<http://www.arthurstrachan.com.pg/tenders-auctions>



WTO DISPUTE SETTLEMENT

EU challenges US non-compliance in the WTO Boeing case

A review of the US compliance notice of 24 September 2012 has given evidence that the US has not lived up to its obligations in complying with the World Trade Organisation (WTO) ruling in the Boeing Dispute Settlement case. The EU believes that the US has neither withdrawn the illegal subsidies granted to Boeing, nor removed their adverse effects. There are even indications that more illegal subsidies have been granted to Boeing in the meantime, which damages the interests of the European Industry.

Therefore, the EU will insist on proper compliance before the WTO and has requested the US to enter into consultations. On 27 September the EU has also requested authorisation to impose countermeasures against the US amounting to up to US\$ 12 billion annually. This amount is based on estimates of the damages suffered by the EU due to unfair and biased competition from the US industry. The two parties have now 15 days to enter into consultations in order to resolve any disagreement. Thereafter, the EU has the right to establish a panel to review the issue of US compliance.

EU Commissioner Karel De Gucht on the failure of the US to comply with its WTO obligations

"We had expected that the US would have finally complied in good faith with its international commitments and would have abided by the WTO rulings that clearly condemned US subsidies to Boeing. We are disappointed that this does not seem to be the case. So, the US leaves us with no other choice but to insist on proper compliance before the World Trade Organisation. We are confident that this process will finally lead to a level playing field in the aircraft sector."

[Commissioner De Gucht's website](#)

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PLANNED SHUTDOWN FOR RAMU HYDRO POWER STATION

As circulated by email earlier this week, the latest from PNG Power is that:

1. Load shedding will start this **Friday 28th Sept** at Midnight till **6 PM Sunday 30th Sept** (although it appears to have started last night). The Load Shedding Schedule is the same as appeared in Page 42 of Wednesday's Post Courier.
2. PNG Power will visit companies with large generators, to see if they can arrange to operate these sets from 6 PM on Friday 28th, to relieve the necessity to Load Shed.

PNG Power Ltd has informed the LCCI that this planned shutdown of power from the Ramu hydro power station is for restoration of one of the units, which will eventually increase the generation by another 10MW.

Notification of changes to the power load shedding notice Will you be able to watch the Grand finals?

RENTAL PROPERTIES

One 3 bedroom town unit at Siravia Place (Allotment 4, Section 130, Eriku) fully aircond and furnished with 24 hr security and power, practically brand new. Rental: K10,000 per month.

One 3 bedroom town unit at Shrikes Crescent (Allotment 11, Section 22) fully aircond and furnished with 24 hr security and power, with a swimming pool. K8,000 per month.

Contact: Telephone 76390510 or 4723924



International Chamber of Commerce

The world business organization

Updated framework helps industry navigate responsible food and beverage marketing Beijing, 27 September 2012

The International Chamber of Commerce (ICC) today released a revised Framework for Responsible Food and Beverage Marketing Communications, intended to provide an updated and relevant self-regulatory tool at a time when pressure on industry is increasing, particularly with respect to marketing to children and growing concerns regarding obesity.

<http://www.iccwbo.org/News/Articles/2012/Updated-framework-helps-industry-navigate-responsible-food-and-beverage-marketing/>

ICC to co-host intellectual property seminar in Beijing

Beijing, 25 September 2012

The ICC Commission on Intellectual Property is teaming up with the China Council for the Promotion of International Trade to co-host a conference entitled "Increasing economic and business competitiveness using intellectual assets" in Beijing on 26 October.

<http://iccwbo.org/News/Articles/2012/ICC-to-co-host-intellectual-property-seminar-in-Beijing/>

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PACIFIC BUSINESS MENTORING PROGRAMME

WHATS HAPPENING?

PACIFIC BUSINESS MENTORING PROGRAMME NEW ZEALAND

Wendie has now received a good number of applications from prospective candidates for the Business Mentoring.

The BMNZ team will be in Lae on 29th October 2012, to see applicants and further discuss the program. There are still a few mentoring places available at this point, so if you are interested or know someone who will benefit, please reply and we will send the application for completion and further information. The criteria that PBMNZ require are:

- We want to talk to the business owner
- Have to have been trading for at least 6 months
- Maximum of 20 staff
- Be local business owners (we can only mentor in Lae at this stage, say maximum of 20 minutes by car)
- Operate a business with a potential for growth

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"WITH OUR EXTENSIVE REPRESENTATION, WE ARE IN A POSITION TO MEET ALL YOUR CAR HIRE ARRANGEMENTS"

GAS

Last week we ran an article that was inserted on behalf of Origin Energy, complete with an advertisement. The article contained various claims that Genoka Trading of 8th Street Lae and Faniufa Goroka were distributing gas in Origin cylinders which was Butane Gas and not Propane Gas (LPG) as distributed by Origin. The article stated that – "Supply of Butane to Propane rated appliance and LP rated appliance and supply installations is NOT CONSIDERED SAFE.

Interestingly the Managing Director of Elle Gas (formerly Genoka Trading), More Kaupa refuted the claims by Origin Energy that his company distributed pure Butane in an article in yesterday's newspapers. He said that his company distributes LPG (which he says is a mixture of 60% Propane and 40% Butane) which is not dangerous.

After the LCCI raised this as a matter of concern with ICCC and NISIT (National Institute of Standards and Industrial Technology) we have been provided with the following information:

Propane, chemical formula C3H8, produces 96 Mega joules of energy per cubic metre.

Butane, formula C4H10, produces 126 Mega joules of energy per cubic metre – far more than either natural gas or propane.

For comparison, natural gas has the chemical formula CH4. When burnt, a cubic metre of natural gas will provide 38 Mega joules of energy.

Inconveniently butane doesn't work well at low temperatures. When too cool it stays as a liquid and the gas pressure drops. That means a butane gas cylinder will produce lower pressure once the bottle temperature drops below 10 degrees C. The bottles actually get colder in use, as heat is removed from the bottle when the liquid butane boils into the gas that comes out of the regulator. The higher the rate you use gas, the colder the bottle gets. Use it too fast in cool temperatures and the gas pressure can drop significantly.

A given quantity of butane will burn hotter than propane but in fact propane regulators release the gas at a higher rate to compensate. In fact many people will tell you that propane burns hotter. Both gases are heavier than air, which is one reason why barbecues have holes in their bottoms. If they didn't, any leaking gas, (for example from a burner that has blown out) would build up in the bottom, ready to explode in the face of someone lighting the barbecue.

An investigation into this important matter is being conducted at the moment by ICCC and we look forward to receiving their report. We will keep members up to date of any item of importance from this report.

NISIT have kindly provided information on the burning capabilities of Propane and Butane gas.

This is after concerns were raised last week.

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Basic Explosive Awareness Training (BEAT) Course arranged by Orica Mining Services



Basic Explosive Awareness Training (BEAT)

Orica Mining Services invites you or employee from your Company to attend the Basic Explosive Awareness Training (BEAT) to be held in Lae. The in class training is schedule the 30th, 31st Oct and live practice 1st November 2012

COURSE OBJECTIVES

This program is designed to implement the recommended safe working practice with explosive to your workforce. The objective of this course is to provide participants with a solid knowledge of our product to insure they are using them efficiently.

TRAINING OUTCOMES

Completion of the BEAT training will equip participants to:

- Safely work with explosive under the directive of the shotfirer
- Compare Explosives Types and know how to use them
- Correctly Prime and Charge blastholes to ensure optimum performance,
- Select a suitable Initiation System, and apply hook-up methods,
- Identify potential Safety Hazards relating to explosives and know how to avoid them,
- Comply with Explosives and Mining Regulations pertaining to using explosives.

TARGET GROUPS

Participation will be invited from quarries owners, mines, regulators, contractors and others seeking a solid overview of the manufacturer recommended practice. This training is highly recommended for employees who are planning to work with explosive, or to current explosive worker who did not received any training with explosive. This training is a mandatory pre-course to any standard Safe and Efficient Blasting (SEB) course.

The BEAT is adapted to an audience with a low level of education. The tempo of the training will allow each participant to review each topic with one of the trainer. Each participant will be provided with a course manual and Orica technical literature.

FEES

The cost of training is as follows:

Basic Explosive Awareness Training

1 Person from your organisation	PGK 3000 per person
2 or more people from your organisation	PGK 2500 per person

Please note that all prices are exclusive of GST.

A tax invoice will be issued for all payments.

REGISTRATION

The preferred method of registration is to contact M. Kevin Lot at +675 472 3633

The fee covers lectures, lecture facilities, course manual, lunches and the Conference Dinner on Day 1 evening. Accommodation is not included in this fee.

August/September
edition

PNG REPORT

Collect your free
copy from the LCCI
Office

PNGREPORT

The very latest August/September 2012 edition of this magazine is now on display at the Lae Chamber of Commerce. Read the reports on the BRAIN DRAIN (Poaching PNG Nationals), SELLER'S MARKET (explorers hold the cards), PNG RETREATS (the FIFO tourist dollar), LAST FRONTIER (PNG's unknown biodiversity) and more, when you get your free copy of this August/September edition, which can be reserved by contacting Jenna on 472 2340 or by emailing us at info@lcci.org.pg or just come into the chambers and pick up your copy.

**USE THE
MOROBE SHOW
TO
ADVERTISE**

**SEE HOW YOU
CAN DO IT.....**

INFLATE YOUR ADVERTISING CAPABILITY



The Morobe Show blimp is a highly visible advertising medium, and will float across the Lae showgrounds for the entire weekend of this year's Morobe Show on the 27th and 28th October.

About 100,000 people are expected to descend on the grounds over the two days and you can now take advantage of this captive audience.

Two spaces on the blimp are available for advertising, at a cost of K2,600 each.

You can either lease:

- The surface area on one side of the blimp OR
 - The flag area below the undercarriage of the blimp.
- The removable sticker signs suitable for the blimp ARE available locally - details of dimensions/flag weight will be made available to companies who secure advertising space.

This opportunity is available only on a first come, first served basis – so be quick!

Email the Morobe Show secretary on info@morobeshow.org.pg or call 71497619.

LAE ROAD REPORT

ROAD REPORT

The contractors working on the Chinatown Roundabout advise that they have finished the concreting of the roundabout, and this part of the Markham road is now open to all traffic.

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2012/2013

- Inaugural PNG 100 CEO Survey
- The rise of the private sector
- PNG: overcoming the challenges
- Mining and LNG updates

MOROBE TEAM TO PNG GAMES

This is a request from the Morobe Provincial Administration to seek funding assistance from the Private Sector to support Team Morobe to the PNG Games in Kokopo from 19th to 28th November 2012. The full submission was displayed in the Newsletter last week. If you want a further copy please reply with your request/

PARTNERSHIP & SPONSORSHIP PROPOSITION TEAM MOROBE – 5TH PNG GAMES - 2012

A proposal has been sent to the Lae Chamber of Commerce to seek assistance from the private sector for fund raising for the Team Morobe to attend the 5th PNG Games in Kokopo from the 19th-28th November 2012, prepared by the Morobe Provincial Administrator. The target is estimated according to all travelling logistic expenses compiled at **K1, 595,540.00**. This covers administration, accommodation, transport, pre-selection trials, training of officials and all other operational costs relating to the Games.

While the Morobe Provincial Government has already allocated **K500, 000.00** for the administration and initial preparations of the team and with the National Government assistance of **K200, 000.00** and all our Players and officials levy fees and other fundraising – **K159,000.00** the team is still in short fall of **K736, 840.00**. This request is for the Private Sector to participate in the suggested fund-raising events, to assist the team as much as possible!

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K100 per head, K1000 per table

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