



LAE CHAMBER OF COMMERCE INC.

WEEKLY NEWS UPDATE

7 September 2012

VOLUME: 34 - 12

LAE CHAMBER OF COMMERCE INC.

Room 5, the Professionals Building, 5th Street
P O Box 265, Lae 411
Morobe Province
Papua New Guinea

Tel: (675) 472 2340
Fax: (675) 472 6038

E-mail:
president@lcci.org.pg
info@lcci.org.pg

Website:
www.lcci.org.pg

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Traffic in Lae

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New LCCI Email addresses

Breakfast with the ANZ

Thank you

FROM THE PRESIDENTS DESK

TRAFFIC IN LAE

The Lae traffic has increased greatly in the last year, so the reconstructed roads have been crucial to decrease the affects of congestion due to the increased traffic.

We realise that when the Lae Roads all but collapsed a few years ago that a lot of bad driving habits developed. This was due to the fact that drivers had to drive all over the road just to avoid potholes. Remember those days when a car from the opposite direction drove straight at you only to avoid you at the last moment, in an effort to avoid a gaping hole in the road.

Unfortunately a lot of those bad driving habits have unnecessarily continued on the roads to this very moment. Vehicles veer right to turn left, or veer left to turn right. We know that the roads are narrow but some inconsiderate drivers stay in the middle of the lane when turning right, effectively blocking all following traffic until they can complete the turn.

The concrete roads have a slipperier surface than bitumen, and so care must be taken when braking vehicles, especially in the wet weather. There have been numerous vehicles that have slipped into drains or into other vehicles simply because they have braked too suddenly on the concrete roads.

We will notify the Road Transport Safety Council about these concerns, but in the meantime we urge companies to point out the need to their company drivers and employees, to adopt proper driving safety standards on the Lae roads.



The International School of Lae

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Information Sessions
TISOL 2013
The Plans: The Facts
School Library
Wed 12 Sept 12:30 pm
Thurs 13 Sept 5:30 pm.
Come and get the facts!



CITY MISSION

The Lae City Mission requires a used vehicle and they ask any company intending to trade in their old vehicle that is still in reasonable/ good condition to consider offering it to City Mission for at least the car dealer trade in price?

We have been watching the notice boards around town but there has not been much available. Hence any assistance you can offer would be greatly appreciated. If you think you can assist, please contact the Lae City Mission on Phone: (675) 475 1214

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Commerce Inc.
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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.



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Extracts from the:



Lae City Mission News

Phone: 475 1214

April, 2012 – Issue 18

Email: PomCity_Mission@online.net.pg

<www.citymission.com.pg>

NEW GENERAL MANAGER

Bruce 'Thart, our new General Manager and his wife Dina and 8 months old daughter Lilian, arrived to take up their new appointment in May and have settled in well.

It was a last minute dash to complete construction on their new home on the Plantation. This was built by our Mission carpenter with the help of City Mission boys who gained valuable work experience during the construction of this home. They are rightly proud of the finished job and it was a great sense of achievement for all the young men involved in this project.

Bruce and Dina are very pleased with their accommodation and are currently doing a six week language and cultural training course in Madang, with the Summer Institute of Linguistics, which will better prepare them for the big job ahead. Bruce and Dina together with their 10 month old daughter Lillian, have given a 5 year commitment to the City Mission and we are blessed to have them join our team. They are in the centre of the photo of Missionaries plus business couple Ben and Nancy Woo (left). The other Missionary couple, to the right are, Jochen and Nadine Stern with baby Neline.

PERSONAL TESTIMONY – CHRIS BOB

Chris Bob is 18 years old and comes from Buka, Bougainville. His mother died when he was a small boy and his father is old and feeble and lives with his sister in the Bumayong Settlement in Lae.

Chris left school after Grade 5 because there was no money for school fees and he soon got into bad company and caught up in petty theft and bag snatching to survive. He was eventually apprehended by a policeman, who gave him a strong warning and suggested he come to City Mission.

Since coming to the Mission five months ago, Chris has been a model student and has a wonderful attitude. He is hard working and nothing is too much trouble for this young man. He is currently working around the Executive Directors house and can always be heard singing worship songs as he works. He has a wonderful smile and with his very black skin his teeth just light up.

Chris has indicated that he would like to move into our Carpentry Department next as he would like to become a builder. He would be a very willing worker for anyone looking to employ a very likeable young man.

FUNDING FROM NEWCREST MINING

Thanks to a very generous donation from Newcrest Mining of \$240,000 to be shared between Port Moresby and Lae City Mission, Lae City Mission will now be able to complete construction of additional buildings on the plantation.

A new classroom and kitchen block will be built and any remaining funds will go towards the cost of additional staff housing. Further necessary buildings, including a workshop and classroom, will be constructed at the Mission farm in Port Moresby.

EXTRACTS FROM THE LAE CITY MISSION NEWSLETTER

We are extremely grateful to Newcrest for their ongoing support to our Mission. Newcrest is represented in Morobe Province through its partnership with Morobe Mining Joint venture. Peter Aitsi, the Newcrest Country Manager, made the presentation.

THANKS TO BUSINESS HOUSES

Before closing we would like to thank the many business houses that support the Lae City Mission in cash, kind or employment. One of our main roles is to locate suitable employment for the many young men that come through the Mission program. Recently K.K. Kingston Ltd has moved nine of our young men from casual work into permanent employment with their company. Other companies that provide regular employment for our young men include PNG Ports, SVS Ltd, Papindo Trading, Alva Motoring, Dulux Paints and Prima Smallgoods. We have developed a good working relationship with these companies and because of the training we instill into our young clients, they are happy to employ them. Thank you all so much for caring.

Without the ongoing support of the many business houses and private donors that support the Mission we would not be able to continue. As we continue to grow and expand new Missionary staff are joining our team and costs associated with buildings and accommodation are very expensive. Two further Missionary homes now need to be constructed in Lae.

For our Australian friends and supporters funds can be deposited and clearly marked for Lae City Mission but placed in the following account. A receipt will be issued in A\$ if requested. Please advise us by email of any donation for easy follow up.

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Bank: Westpac Banking Corp.
Branch: Pennant Hills NSW
BSB No. 032 377
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SEE A SUM- MARY OF THE PRESENTATION FROM THIS LUNCHEON BY THE ADB COUNTRY ECONOMIST MR. AARON BATTEN

LCCI-BSP JOINT LUNCHEON

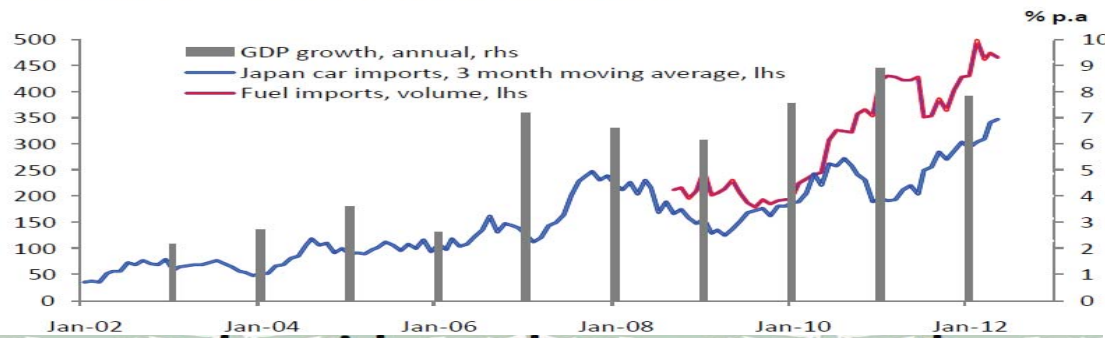
PNG Economic Outlook

On Wednesday 5th September, a presentation on the PNG Economic Outlook by ADB County Economist Mr. Aaron Batten was made possible by the Bank of South Pacific, , and was observed by a good gathering of LCCI Members in the Vanda Room of the Lae International Hotel. The presentation was well worthwhile listening to and overall the luncheon was a great success.

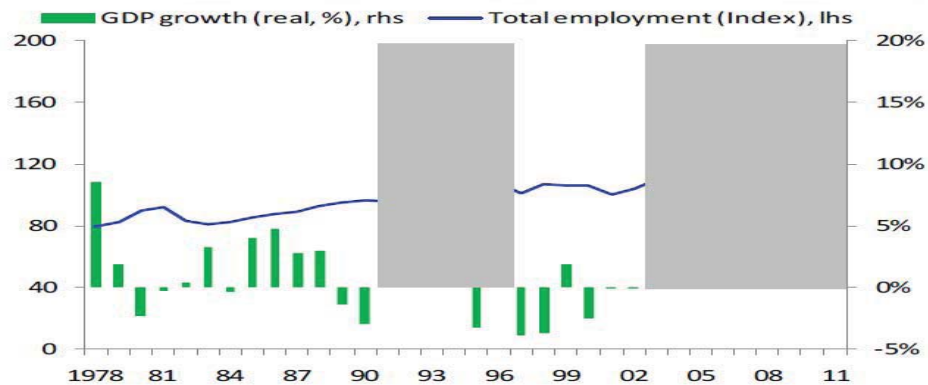
For those members who missed the presentation, we summarise the main points as follows (note the full Power Point presentation is available to anyone who requests a copy by return email):

...with surging domestic consumption...

Number cars per month/ Fuel imports, tonnes (100's)



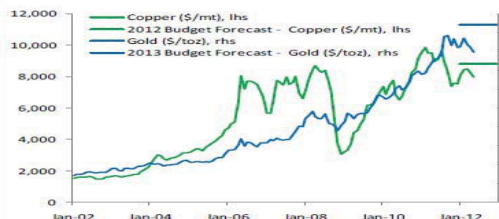
...and rapid employment growth.



ADB

...but challenges are growing, including declining TOT...

(Commodity prices, Monthly, \$US)

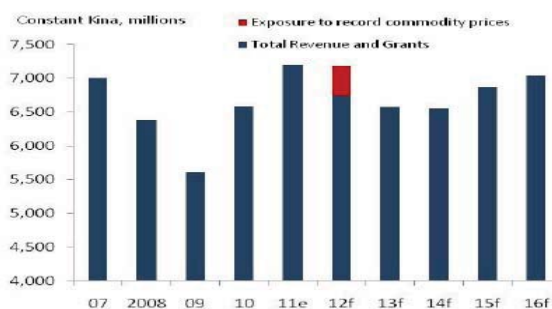


Export product values (Index 2000 = 100)

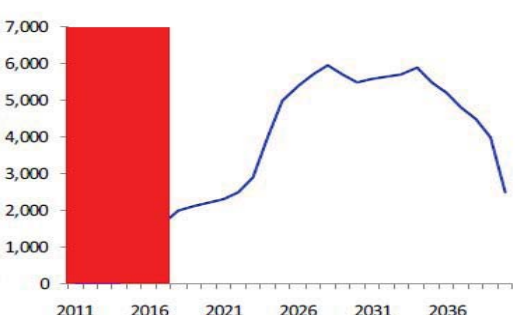


...softening revenue outlook...

(Domestic Revenue, constant prices)



(Expected LNG Revenue inflow profile, Kina, Millions)



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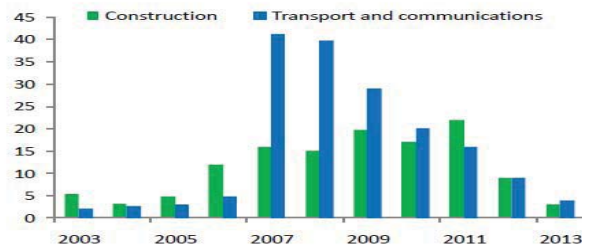
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...moderating FDI funded construction boom...

Net Inward Foreign Direct Investment (USD, millions)

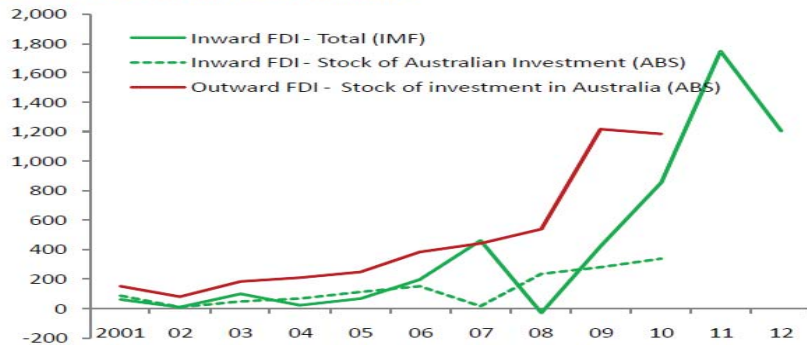


GDP growth by sub-sector (%)



...an increasing flow of funds offshore...

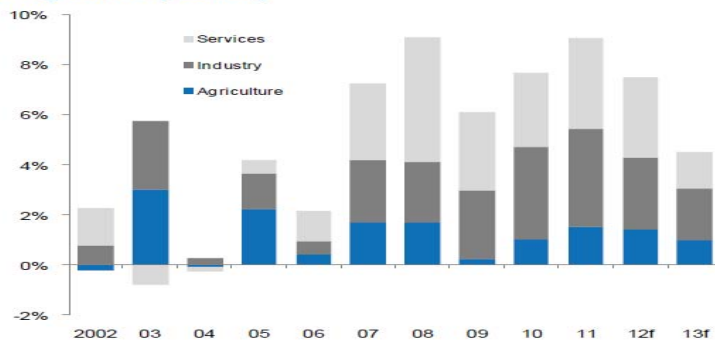
(Foreign Direct Investment, USD, millions)



ADB

...with a significant growth slowdown expected next year...

(Contributions to growth by sector)

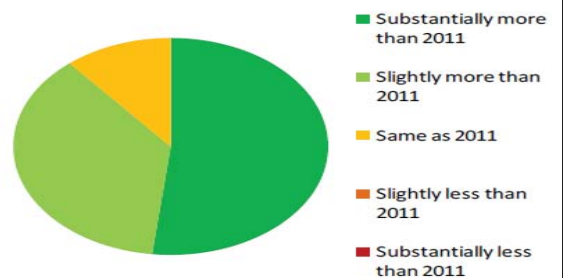
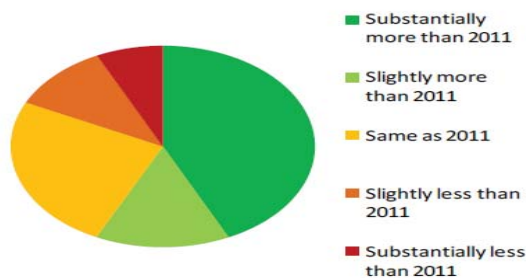


ADB

...outlook for business conditions have been ripe for asset bubbles to emerge...

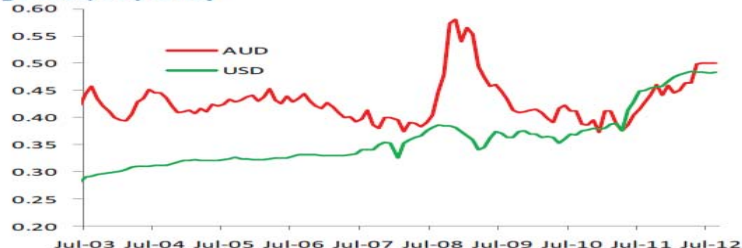
Expected Capital Investment in 2012

Profit Expectations for 2012



...Whilst the kina is likely to have peaked it will remain elevated...

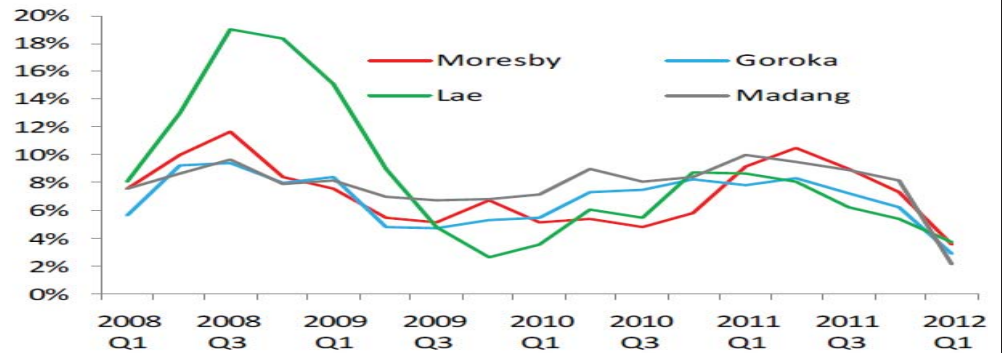
(Kina exchange rate, FX/Kina)



ADB

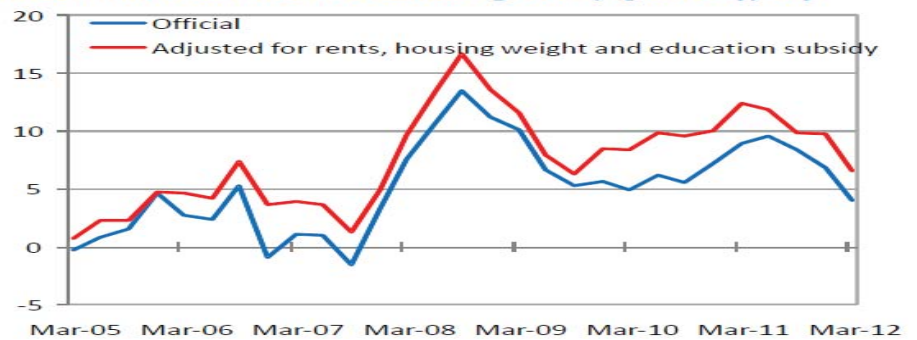
...Helping to bring down official inflation...

(Official Consumer Price Index growth, Quarterly, %)

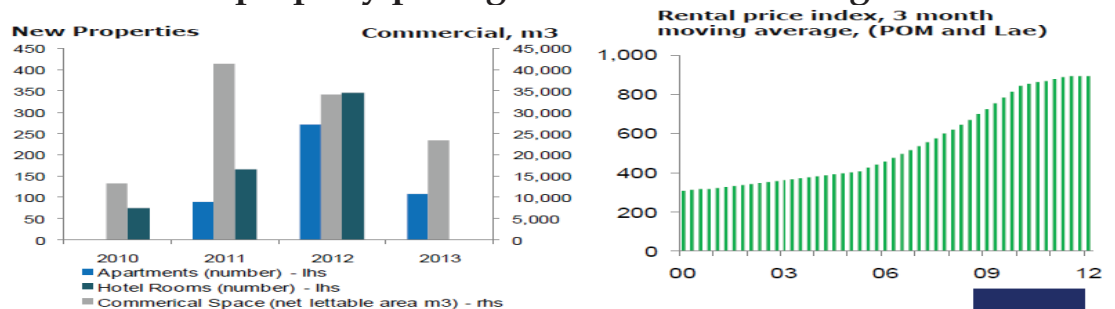


...although official figures tend to exaggerate the real decline in price growth...

(Official and alternative Consumer Price Index growth, Quarterly, %)

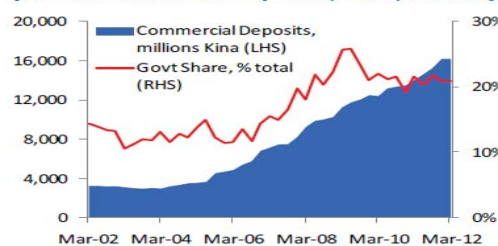


...property price growth is also slowing...

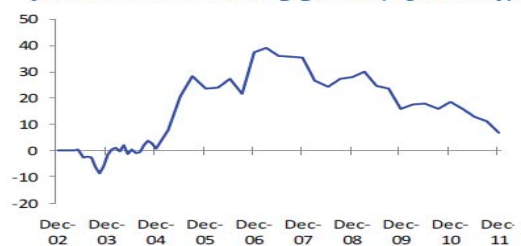


...and financial sector remains sound...

(Commercial Bank Deposits, Kina, Million)

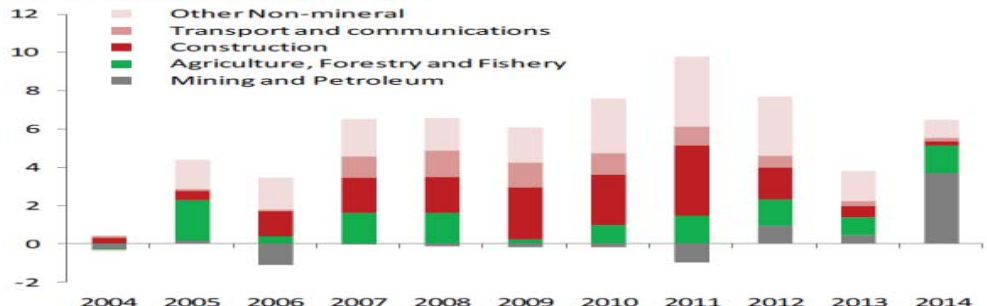


(Private sector lending growth, Quarterly, %)



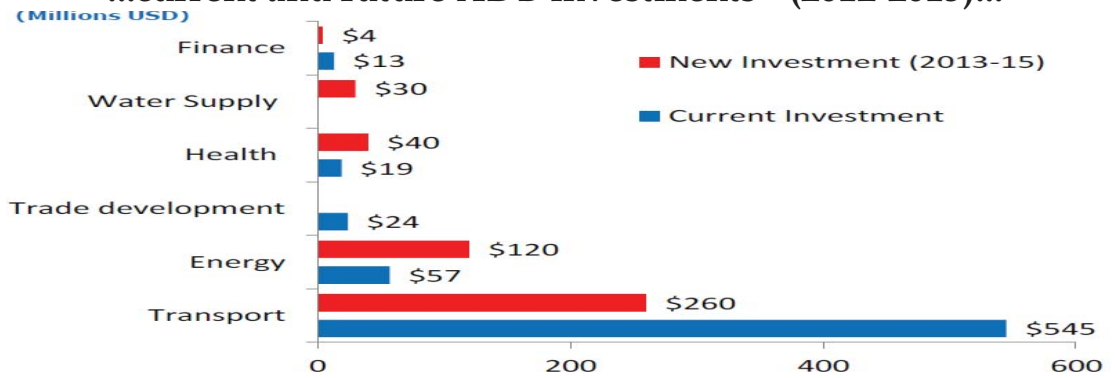
...growth will rebound but will be driven by the mineral sector...

(Contributions to growth by sector)

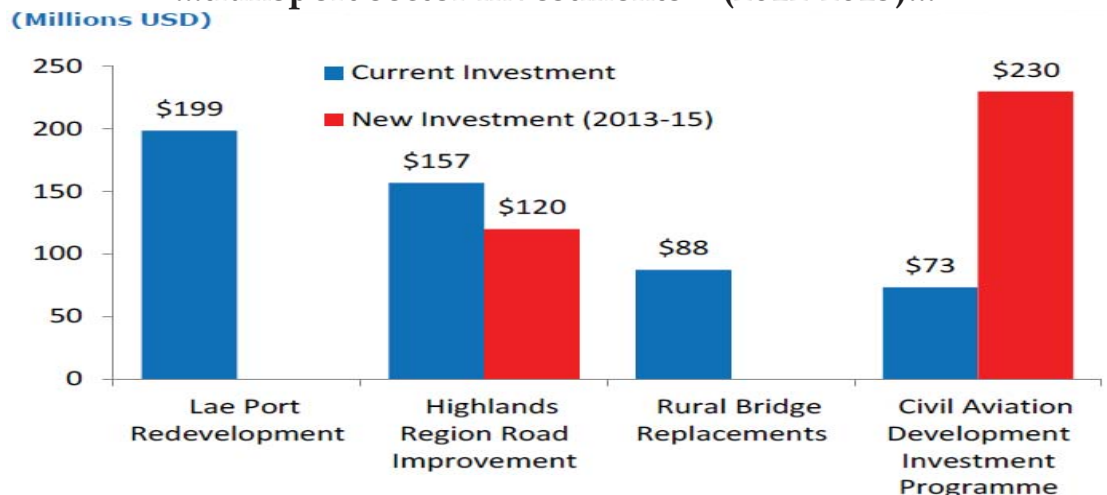


ADB's role in addressing infrastructure constraints

...current and future ADB investments - (2012-2015)...



...transport sector investments - (2012-2015)...



...investments in Morobe Coastal Infrastructure - (2012-2015)...

- Lae Port (2012-2014)
 - \$US199m to assist finance expansion of Lae port and tidal basin -> 70% ADB, 30% Government.
- Navigational Aids for Shipping Lanes (2012-2015)
 - \$45m installing new bouys and nav aids
- Subsidized Franchise Shipping Routes (2012-....)
 - Subsidizing commercial shipping operators to service remote communities

...Private Sector opportunities - (2012-2015)...

- PNG is encouraging greater private sector involvement in transport sector.
 - PPP legislation, Transport Infrastructure Act (2010)
- Increased opportunities for shipping/port operations surrounding Lae Port post-2014.
- PPP opportunities in civil aviation sector including performance based management contracts.
- Roads sector – private contractors, long term build and maintain contracts, domestic capacity.

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“growing with the tradition”

...conclusion...

- Economy will remain buoyant in 2012, but with considerable slow down expected in 2013.
- Slowing FDI, fiscal austerity and structurally higher exchange rate will add pressures to the economy.
- Growth will pick up again in 2014, but become increasingly dominated by mineral sector.
- Key challenge will be creating conditions required for a rejuvenation of non-mineral growth.

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BUSINESS ADVANTAGE PAPUA NEW GUINEA

2012/2013

This newly arrived magazine is a Business and Investment Guide to Papua New Guinea.

Contents include:

- Inaugural PNG 100 CEO Survey
- The rise of the Private Sector
- PNG overcoming the challenges
- Mining and LNG updates

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These are our new email addresses. The telephone numbers remain the same – primarily 472 2340.

NEW LAE CHAMBER OF COMMERCE EMAIL ADDRESSES

The Lae Chamber of Commerce is now operating with 2 new email addresses:

Executive President – Alan McLay

president@lcci.org.pg

Executive Secretary - Wendie Garalom

info@lcci.org.pg

The old email address lcci@global.net.pg will continue to work alongside the new addresses for the time being. We do advise all recipients to change to the new email addresses as soon as practicable.

Please note that our phone, fax and website contacts remain the same.

JOIN US AT BREAKFAST WITH THE ANZ CHIEF ECONOMIST FOR THE ASIA PACIFIC MR. PAUL GRUENWALD ON WEDNESDAY 12TH SEPTEMBER

PNG REPORT

June/July edition

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WHERE: Lae International Hotel "HAUSWIN"
DATE: Wednesday 12th September 2012
TIME: 07:00 am to 09:00 am
COST: K65.00 for Members
K75.00 for non-members

Bookings to: Contact Person Wendie or Jenna
Email: info@lcci.org.pg
Phone: 472 2340
Fax: 472 6038
Deadline: Monday 10 September

Paul Gruenwald is the ANZ Chief Economist for Asia Pacific and has been a special guest of the Lae Chamber of Commerce for the past 3 years. Join us to hear his perspective on the region's economy, in particular the emerging economies in the Asia Pacific Region.

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PNGREPORT

The latest edition for June/July 2012 of this magazine is now on display at the Lae Chamber of Commerce. Read the reports on the ELECTION EXPECTATIONS, LAE PORT EXPANSIONS, PNG DEVELOPMENTS, BUSINESS CONCERNS and more, when you get your free copy of this June/July edition, which can be reserved by contacting Wendie on 472 2340 or by emailing us at lcci@global.net.pg or just come into the chambers and pick up your copy.

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