



LAE CHAMBER OF COMMERCE INC.

WEEKLY NEWS UPDATE

16 November 2012

VOLUME: 44 - 12

CRIME REPORT

At 10:45 this morning a gang tried to hold up the vehicle of the Manager and workers of Extreme Work Ventures at Mala-hang. They drove past the gangsters who fired a shot which hit the back of the car windscreen.

There was also a hold up at Lings Freezer this afternoon. Fortunately no one was hurt.

It is obvious that there is an escalation in hold ups and carjacking. Please be very careful when driving and keep all premises as secure as possible.

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

Index

In this Issue From the Presidents Desk

Ethnic Clashes in Lae

Lunch with the Morobe
GOVERNOR

Customs Examination
Facility

ICC News Update

Spotlight on PNG Budget

Thank you

FROM THE PRESIDENTS DESK

ETHNIC CLASHES IN LAE

The Post Courier took up our last week's article on ethnic clashes with their following story in their newspaper on 16 November 2012. In the week that has elapsed since I wrote this article, there has been more land cleared on the banks of the Bumbu River, in preparation to building residences. These potential squatters must be deterred from residing in this area now before they actually make any constructions.

Urban migration an issue

By BUSTIN ANZU

THE influx of people into the urban areas in the country in search of job opportunities is increasing at an alarming rate and there is no control and planning for such an invasion, according to the Lae Chamber of Commerce and Industry.

Chamber president Allan Mclay said the Government must not ignore this as it will cause more social problems and ethnic clashes, which is already a problem in PNG's second largest city.

He said tensions are building up as more and more people flock to Lae in search of work and are living anywhere they can find land or shelter to stay.

The president said the settlers have tried to stick together in their own ethnic groups but as the availability of land is taken up, there is an overlapping with settlers from other areas, which is the cause of a whole range of social problems and ultimately result in ethnic clashes and related law and order problems.

"The dilemma that is now faced in all urban areas in the country is that the settlements are growing unabatedly and with no planning or control. Hence there definitely will be more and continued problems," Mr Mclay said.

"This is an evolving crisis and the PNG Government and the Provincial

Governments can no longer turn a blind eye to this crisis. Otherwise there will continue to be ethnic clashes, as well as an increase in the already well established illegal activities such as dealing drugs and homebrew, stealing, sale of stolen goods, prostitution etc," he said. In the Chamber's weekly newsletter to its members, President Mclay said the government must take immediate steps to:

■ **PREVENT** the unemployed squatters from setting up residence in urban areas.

■ **REMOVE** squatter camps from so called vacant Government Land, especially drainage and river reserves, where the settlements occupy land that is in danger of flooding with disastrous results.

■ **ASSIST** landowning communities mobilize their land so that long term leases can be offered to those employed and need a permanent place of residence.

■ **UPDATE** plans for the City to include recreational facilities, schools and parklands that are required to give the youth an area to play sport keep themselves occupied.

He said now is the right time for the Government to take the necessary steps to plan for and control urban migration in Papua New Guinea.

He said there is no quick fix to this intricate problem but the superficial steps set out above is a good start.

**BOROKO
MOTORS**

Now you have **MORE CHOICES**
from PNG's **LARGEST RANGE**
of Vehicles, Trucks and Equipment with
Full Service & Parts Backup
Countrywide

• NISSAN • MITSUBISHI • ISUZU • MERCEDES • UD NISSAN DIESEL • KENWORTH • NEW HOLLAND • TCM
• FUSO • HONDA • JOHNSON/EVINRUDE

LAKE BRANCH
PO BOX 609,
MILFORDHAVEN ROAD, LAE
MOROB PROVINCE,
PAPUA NEW GUINEA.
PH: 472 1144
FX: 472 6206

Other Branches
PORT MORESBY ph: 325 5255
MT HAGEN ph: 542 1933
TABURIL ph: 548 9048
RABAU ph: 982 8193

Dealers
MADANG ph: 852 2659
KIMBE ph: 983 5035
EMAIL: info@borokomotors.com.pg
WEBSITE: www.borokomotors.com.pg
www.nissan.com.pg



**Lae Chamber of
Commerce Inc.
2012
EXECUTIVE COUNCIL**

President

Alan McLay

Snr Vice President

Nigel Merrick

Jnr Vice President

Robert Howden

Treasurer

Stephen Beach

Councillors

Philip Franklin

Peter Diezmann

Kaiti Bluett

Dennis Brewster

Terry Fuery

Danny Kepi

Ben Woo

Andrew Gunn

Mike Quinn

Vanessa Chan Pelgen

Robert Hansen

**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.

LAE INTERNATIONAL HOTEL



Book on-line at
www.laeinterhotel.com

PH: 472 2000 FAX: 472 2534 DIRECT RESERVATIONS: 472 7000

LUNCH WITH THE GOVERNOR

Our lunch with the Governor yesterday was an absolute success. The Bulolo room at the Lae International Hotel was packed to the limit, and we do apologize to those members who tried to book a seat and had to be turned away. It is unfortunate that with the "HAUSWIN" being knocked down for rebuilding, the Bulolo Room isn't able to cater for the large numbers that an event of this nature demands.

The Governor took time off from his busy schedule to address our luncheon, even missing out on the first day of the GOVERNORS CONFERENCE which started in Port Moresby yesterday. The following Post Courier article in today's newspaper sums up fairly well the content of the Governor's speech.

Since the luncheon the LCCI has been requested to put together all the items that were raised, being LCCI most urgent priorities for Lae City and Morobe Province, in an information paper for our newly appointed representative to raise it at the first Tutumang meeting.

Naru commits to Lae CCI

By OSEAH PHILEMON

MOROBE Governor, Kelly Naru, yesterday pledged to work closely with the business community in Lae to boost development in the city and the Province.

Speaking at his first luncheon meeting with Lae business chiefs, Mr Naru declared himself as the "nambawan wokboi or kago boi" (servant) of the Morobe people and committed himself to working with the Lae Chamber of Commerce and Industry and its members on all issues of common concern for the city and province.

Expressing regret for the lack of co-operation between the business community and previous Morobe governments, Mr Naru said all that will change under his leadership.

He promised to ensure the chamber has representatives on the provincial lands and physical planning board, building board and liquor licensing commission

among others. He also announced that the provincial executive council had just appointed Mrs Nellie McLay as the representative of the Lae Chamber of Commerce and Industry to the Morobe Tutumang (the provincial assembly).

During his speech Mr Naru told chamber members that the Morobe Provincial Government will be happy to assist any company that is interested in setting up a mortuary in Lae, as the city did not have a funeral home.

Mr Naru assured the business chiefs of his commitment to tackle the growing law and order problem in Lae, and look at the future of the present liquor ban which many agree has been a failure in curtailing liquor abuse and illegal sales.

The governor announced his government's commitment to work with the national government to develop the Nadzab international airport

and four-lane highway from the airport to Lae.

The chamber's president Alan McLay, highlighted a long list of concerns of the business community – most of which Mr Naru had already answered.

But Mr McLay raised others such as the need to re-establish the Morobe Tourism Bureau which was run by the chamber with funding from the Morobe Provincial Government until funding ceased this year.

He also asked the government to provide funding for a Lukautim Morobe project, similar to the one in Port Moresby and also asked the governor to push for the headquarters of Water PNG to be relocated to Lae where it collects most of its water rates.

He acknowledged other serious impediments to businesses such as bad roads, unreliable electricity and water supply, acute land problems, social problems and communication problems.

The International School of Lae



Still a great school ! Still a great choice !



The Logical Alternative for an International Education

- Forming lifelong friendships
- Embracing culture
- Friends around the world
- Enjoying spacious grounds
- Feeling safe at school
- Being challenged in learning
- Being the best you can be



OUTAGE NOTICE TO LAE CONSUMERS

PLANNED INTERRUPTION

PNG Power advises consumers that it will carry out emergency power interruptions to allow workmen to do urgent maintenance work.

Date: **SUNDAY NOVEMBER 18**

Time: **8 AM - 1 PM**

Areas Affected: **Town Area, 4th, 3rd, Half Street, Melanesian Hotel, Town Post Office, Lae Down Town.**

PNG Power regrets any inconvenience caused to consumers.
ISSUED BY PPL CORPORATE RELATIONS

Customs awareness session

International Chamber of Commerce News Alert



VANCO LIMITED

RECRUITMENT, LABOUR HIRE (TEMPORARY, FULLTIME), PASSPORTS, WORK PERMITS & VISAS .

Contact: 431 2948/ 431 2949 Fax: 479 1515 or Email: vancohr@gmail.com



Container Examination Facility

As we have been promoting over the past few weeks, the Commissioner of Customs Mr. Ray Paul made a good presentation on Monday this week, about the soon to be erected Container Examination Centre (X-ray facility) on the old Airstrip. A reasonably good number of members turned up to listen to these plans.

If you missed the forum and still wish to know about the facility and the expected completion, the Commissioners Power Point presentation can be downloaded from our website at www.lcci.org.pg.



International Chamber of Commerce
The world business organization



World economic climate continues to decline, according to latest ICC/Ifo survey Paris, 15 November 2012

The health of the world's economy continues to deteriorate as insufficient demand, unemployment and the on-going debt crisis in Europe undermine recovery efforts, results of the ICC-Ifo World Economic Survey (WES), released today, revealed.

<http://www.iccwbo.org/News/Articles/2012/World-economic-climate-continues-to-decline,-according-to-latest-ICC/Ifo-survey/>

Ethics training and government transparency needed to fight corruption, survey reveals Paris, 15 November 2012

Ethics training can be a major tool in fighting corruption in developing countries, according to the results of the latest quarterly World Economic Survey (WES) by the International Chamber of Commerce (ICC) and the Institute for Economic Research (Ifo) in Munich.

<http://www.iccwbo.org/News/Articles/2012/Ethics-training-and-government-transparency-needed-to-fight-corruption,-survey-reveals/>

NO.1 HIRE CAR

"Your alternative Car Rental Choice"

17 Branches Nationwide

Range of 4WD D/Cabs, Troopers (10 Seaters), Sedans & Buses. Call Central Reservations at:-
Lae (HQ) – Nasfund Haus, 2nd Street Lae

Ph: 479 1546/472 2799 Mobile: (B) 686 7580/690 3585/690 3115

(D): 7256 7179/7280 7360/7220 2460 Fax: 472 2798/472 8700

Email: mpss@datec.net.pg

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

**ICC News Alert!
(Cont)**

The new 2012 MADE
IN PNG Magazine is
on display and
available for you to
collect from the LCCI
Office

AVIS
We try harder.

Air Niugini
DESTINATIONS
Loyalty Program

AVIS has partnered with the Air Niugini Destinations Loyalty Program

**Earn 1000 Destinations points
when you rent with AVIS. Conditions apply**

Contact our Central Reservations on Ph: 324 9400 Fax: 325 3767
Email: reservations@avis.com.pg

PNG's No.1 Car Rental Company

INTERNATIONAL CHAMBER OF COMMERCE NEWS ALERT (Cont)

ICC and UNDP seek nominees for the 2013 Business for Peace Award
Paris, 14 November 2012

The International Chamber of Commerce (ICC) and the Oslo-based Business for Peace Foundation are seeking nominees for the 2013 Business for Peace Award, a global honour accorded to inspiring business leaders and entrepreneurs who combine ethical responsibility with business success.

<http://www.iccwbo.org/News/Articles/2012/ICC-and-UNDP-seek-nominees-for-the-2013-Business-for-Peace-Award/>

ICC unveils new rules for forfeiting

Mexico City, 14 November 2012

The International Chamber of Commerce (ICC) today unveiled new uniform rules on forfeiting (URF) to govern the international forfeiting market estimated at more than US\$300 billion annually. The URF will enter into effect on 1 January 2013, providing a set of rules for the sale of instruments used for financing trade – which include bills of exchange, promissory notes, documentary credits and invoice purchases as well as some newer instruments.

<http://www.iccwbo.org/News/Articles/2012/ICC-unveils-new-rules-for-forfeiting/>

MADE IN

PNG

2012

MANUFACTURING

AGRIBUSINESS

FISHERIES

FORESTRY






Depots
in Lae
& POM

HUGE RANGE OF SHIPPING CONTAINERS

AVAILABLE RIGHT HERE IN LAE



TRADECORP
PNG LIMITED

Head Office: +675 472 5143 email: sales@tradercorp.png www.tradercorp.png

*Just arrived – Issue 3
– 2012 PNG
Resources Magazine*

*Extract from PNG
Industry News -
BY WANTOK*

PNG RESOURCES

REPORTING ON PNG'S PETROLEUM & MINERAL INDUSTRY

This Magazine contains reports on PNG's Petroleum & Mineral Industry, and is jam packed with the most up to date and comprehensive news on this sector. Copies can be obtained from the LCCI Office or they can be reserved by contacting Jenna on - 472 2340.

Bigger spotlight to fall on PNG budget

Wednesday, 14 November 2012

THE forthcoming budget, delayed until November 20 to allow for the visit by Prince Charles, will be closely scrutinized for clues as to where the O'Neill-Dion Government may be heading.

The recent sudden decision to declare Professor Ross Garnaut an unwelcome visitor came as something of a shock to many PNG observers. After all, Garnaut's involvement with PNG pre-dates independence in 1975.

Until the recent merger between Newcrest and Lihir Gold, he was chairman of Lihir Gold. Although he stepped down recently as chairman of PNG Sustainable Development Program Ltd, he remains chairman of Ok Tedi Ltd, the single largest contributor to the government's tax coffers in recent years.

On the surface, it seems the only thing Garnaut did wrong was to state that the country's political leaders had a tendency to use new-found wealth for immediate purposes rather than long-term development, a point more true of PNG than most developing countries.

So it is clear the problem that led Prime Minister Peter O'Neill to declare Garnaut unwelcome in PNG until BHP Billiton surrenders control of PNGSDP to his government and people does not make sense.

Radio Australia made this point by contrasting the treatment of Garnaut with the PNG government's decision to grant citizenship to an Indonesian refugee from justice, an individual facing corruption charges in his native country.

Other signals from the government will continue to cause foreign observers to be wary of future developments.

One of the interesting signals from the forthcoming budget will be whether O'Neill and his treasurer, Don Poyle, are seeing eye-to-eye in terms of budget strategy and planning. Then again, Finance Minister James Marape has been sending out his own signals.

O'Neill seems to be a man in a hurry, a little like his early-1990s predecessor, who wanted to push the pace of development on the basis of a perceived resources boom. Instead, it brought on an era that saw the collapse of the kina and intervention from the World Bank and International Monetary Fund.

One of the most sobering pieces of news for O'Neill to contend with is the big cost blowout for the PNG LNG Project, now estimated at US\$19 billion rather than US\$15.7 billion. The increase could well reduce the early dividends for government equity and impact on corporate tax revenues.

For the wider world, it indicates PNG remains a difficult place to do business, despite being well endowed with the immense wealth of its resource base.

For the PNG government, which has signalled plans to raise a K6 billion loan from China, it means it must now look for up to US\$1 billion more to pay for its share of those additional costs.

Another interesting recent development came from left field, an invitation from Petroleum Minister William Duma to the president of the Autonomous Bougainville Government, John Momis, to enter negotiations over the Bougainville Copper Mine.

Momis declined, insisting that resolution of mine issues was a matter for his provincial government and not of concern to the national government.

Why Duma was entering the trouble-prone Bougainville arena on a matter totally outside his portfolio still remains a mystery.

These are trying times for junior mining companies in PNG, with Barrick wanting to opt out of its farm-out deal with Coppermoly, and Xstrata looking to possibly sell all or part of its equity in the world-class Frieda River copper-gold deposit.

Arthur Strachan Ltd

Attention First Home Owners, Property Investors, Company Directors
PROPERTY FOR SALE BY AUCTION - LOT 6 SEC 105, WAGTAIL STREET, LAE, MP.

This is an opportunity to buy 3 Bedroom House (High Covenant) with little to no work required, ready to occupy, ready to rent. Rental potential of K144,000.00 P/A, K12,000.00 Per Calendar Month.

Good Location, High Rental Demand, Do Not Miss This Opportunity.

<http://www.arthurstrachan.com.pg/tenders-auctions>

Auction 10am on Site 23rd of November 2012

Interested bidders attending the auction will be required to be registered prior to the auction.

Collect you latest
Business Advantage
Magazine

PNG Industry News (Cont)

November/ December
edition only just
arrived yesterday

PNG REPORT

Collect your free
copy from the LCCI
Office

Avail yourself to
information about
Southport School

the Deputy
Headmaster will be
at the Yachtie this
coming Sunday

Business Advantage

PAPUA NEW GUINEA

2012/2013

Bigger spotlight to fall on PNG budget (Cont)

Nautilus Minerals found itself in an unexpected squabble with the government after it obtained all environmental and mining approvals to proceed with its deep-sea mining venture at Solwara 1.

Even though there was no ministerial or National Executive Council approval, bureaucrats decided to force Nautilus into arbitration over issues that are yet to have any clarity.

The miners and their supporters will not see many direct signals in the budget unless they are negative. Nevertheless, actions in other arenas and general plans will be closely scrutinised to determine whether the opaque nature of government processes is going to make it more difficult for investors.

Eyebrows were raised just prior to Prince Charles' visit when Port Moresby road works were carried out at lightning pace, in contrast to usual delays for maintenance jobs. It seems hundreds of millions of kina may be made available for similar purposes in the capital city in the coming year.

[Click here to read the rest of today's news stories.](#)

A FOCUS ON THE PAPUA NEW GUINEA RESOURCE SECTOR

PNGREPORT

NOVEMBER 2012

The very latest November/December 2012 edition of this magazine is now on display at the Lae Chamber of Commerce. Read the reports on the **ENERGY COSTS** and Fuel and Energy explored, **RESOURCE NATIONALISM** – the elusive fair deal, **DUTCH DISEASE** – getting crunched and **EXPLORER UPDATES** – Clive Palmer and more, when you get your free copy of this 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 Deputy Headmaster of the Southport School, Mr Alan Parsons,
and the Head of Community Relations, Mr Tony Watt,
have pleasure in inviting you to attend a function at the*

Lae Yacht Club

SUNDAY 18 NOVEMBER 2012
12NOON

CARTE

Drinks and nibbles

RSVP

tony.watt@tss.qld.edu.au or 0415 449 722

