



# LAE CHAMBER OF COMMERCE INC.

## WEEKLY NEWS UPDATE

30 November 2012

VOLUME: 46 - 12

### LAE CHAMBER OF COMMERCE INC.

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*Thank you*

## FROM THE PRESIDENTS DESK

This article provided from [PNGIndustryNews.com](http://PNGIndustryNews.com)

### PNG needs construction players: O'Neill

Wednesday, 28 November 2012

IN his address to the National Press Club in Canberra, Prime Minister Peter O'Neill discussed the need for competition in Papua New Guinea's construction sector, how future PNG LNG revenue will be spent and reaffirmed his views against BHP Billiton.

With the PNG coalition government aiming to spend big on addressing the country's lack of infrastructure up to at least 2017, O'Neill made it clear he wants involvement from Australian companies in PNG's small construction scene.

He believes there is an opportunity for Australian contractors, especially because the mining and petroleum industries in PNG are "not slowing down".

But the PM also stressed that fly-in, fly-out type work was not suitable because the government wanted to work with contractors who would make a long-term commitment to PNG, which included training up local workers.

One of the biggest challenges facing the government is the maintenance and upgrade of the crucial Highlands Highway. O'Neill expects there is 10 billion kina (\$A4.6 billion) of work required, which is why the government is spreading it out over several years.

In regards to the windfall revenue the government is expecting from the PNG LNG project, which is on track to start exports in 2014, O'Neill revealed the government aimed to invest strongly in agriculture to take advantage of the country's under-utilised but abundant land and fertile soil, plus its largely rural population.

He is open to receiving Australia assistance in this endeavour, and believes the agricultural industry is the future once mining and petroleum resources are depleted.

O'Neill reaffirmed his previously reported views that BHP Billiton should no longer have directors on the board of PNG Sustainable Development Program Limited, a company setup by BHP to own the bulk of Ok Tedi Mining Limited after it exited the Ok Tedi mine and PNG in 2002.

The leader also discussed the government's goals of fighting corruption. He called it a cancer and said it was a deterrent to "good foreign investment".

O'Neill further name dropped the Wafi-Golpu project (50:50 Newcrest Mining and Harmony Gold) as on track to becoming one of the world's largest copper-gold mines.

The Lae Chamber of Commerce certainly welcomes this statement, especially the message about Australian construction companies being welcome to assist in the upgrade of the Highlands Highway and the nation's failing infrastructure.

Large efficient and well equipped contraction companies – not only from Australia - will be required for all the work that is needed to be done. If the billions of Kina funding from the much publicized EXIM Bank loan is to be utilized to its full extent for the most effective benefit, then the use of the best construction companies will be paramount.

Even with our small Lae City Roads Rehabilitation Project for the past 2 years, it was the appointment of numerous small construction companies most of whom were unequipped and unprepared for the work that led to the disastrous results of the project.

If we look back to the AusAID funded Lae Industrial Road project in the Lae 1990's, Barclays won the tender for the total project, even though there was enormous pressure to appoint many smaller contractors. This led to a uniformity of work, good quality of the result and a decreased number of traffic blocks and less congestion during the road work.



Image courtesy of ABC 24.

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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



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## PNG INFRASTRUCTURE (Cont)

The initial tenders that were awarded to five contractors in February 2011 for the Lae Roads Project led to major traffic problems as the small contractors failed to communicate between each other or to the Public, and many roads were blocked off unannounced to the travelling public. It got worse when two contractors blocked off adjacent roads at the onetime which halted traffic movement altogether. It was only when the LCCI intervened and got contractors to update their Traffic Management plans almost daily and ran frequent awareness messages to members, which were well dispersed that any sense was made of the road closures.

We certainly sympathize with our sister Chamber of Commerce in Port Moresby, who are finding that the contractors currently upgrading several roads in our nation's capital at the one time are doing so with no notification, and the stoppages to the traffic are monumental resulting in major traffic congestion.

The idea of splitting the Lae Roads into many small sections was so that smaller Papua New Guinean contractors could build up their capacity and eventually take on more work. In reality the project was a disaster as some contractors performed better than others, and the standard of work between each section often varied enormously. Traffic flow has not yet returned to normal as even today there are so many unfinished sections in the middle of those that have been completed.

Even though Traffic Management was a part of these Lae Roads contracts, only a few of the contractors actually made any effort to make any plans to minimize the disruption to traffic during to the road works. Hence there was no resulting development of Traffic Management capacity skills for any of the contractors on the Lae Roads.

If Billions of Kina are to be made available for the absolutely necessary upgrade of the Highlands Highway, then it is imperative to use large fully equipped and efficient Contractors that are large enough to perform the best quality work to be finished in a timely manner. The project cannot be split into small sections to enable a buildup of the capacity of the contractors, as this exercise would only be at the expense of quality. Small contractors could of course be utilized doing sub contracts for this work, which would probably result in far more effective capacity building.

## **DON'T FORGET THE CHRISTMAS FUNCTION**

### **Come and join us at the Lae Chambers of Commerce Christmas Function**

**Where:**

**HUON CLUB**

**When:**

**Wednesday 5<sup>th</sup> December**

**Time:**

**between 5:30 to 8:00 pm**

**All members and their spouses are invited to attend this function, which is a great opportunity for networking with other business executives. Finger foods will be served with beer and wine. Please make your booking with Jenna at the Chamber office on telephone 4722340, or by fax on 472 6038 or by return email to [info@lcci.org.pg](mailto:info@lcci.org.pg) .**

**Warning on  
Drugs from  
Street sellers!**

**Set aside the morning of Saturday 8<sup>th</sup> December for this IMPORTANT EVENT!**



## The danger of street medicinal drugs

We are all aware of the large amount of medicines and drugs that are sold on the streets by street sellers. These drugs are either stolen from Government medical stores or private pharmacies or they are imported by dubious companies especially for this trade. This business is unfortunately growing as more and more Papua New Guineans see this as an alternative way of getting cheaper drugs by a prescription from a doctor or through a pharmacist.

There are many dangers to this illegal street trade, and notably the sale of expired drugs and the wrong use of the drug are at the fore. There is also a danger of the drugs being counterfeit or diluted.

These drugs are sold on the street by people who can offer no advice on the dosage, the side effects, the dangers of mal administration or threats to the health that they may pose.

Some time ago one of my staff was offered "Indocid" by one of these street medicinal drug pushers. When he asked what was it for he was told – "Oh, emi strongpela marasin bilong pein (Oh it's a strong medicine to stop pain)". So Sam started to take Indocid. He was not told that it must be taken 3 times daily only after a meal and hence whenever Sam felt pain or imagined he was in pain, he just popped an indocid or two.

Sometime later he complained to me of indigestion, so I got some of the normal over the counter medicines – Mylanta and so forth but of course the problem didn't go away. Sam unbeknown to me just took more indocid to stop this dreadful pain.

This week after a full medical examination, Sam was diagnosed with a fully blown Peptic Ulcer.

It would be advisable for all employers to warn employees of the dangers of buying all forms of Street Medicines – and this includes a wide range of antibiotics, indocid capsules and other pain killers etc, as well as so called herbal medicines.

## MARKET DAY SCOUT HALL ERIKU

(near the Bowling Club)

**When:** Saturday December 8<sup>th</sup>  
**Time:** 8.30 until 12 noon  
**Cost** K1 Entry Fee Lucky Dip

Help the Girl Guides & get a Table for K25 & sell:

- Food & Drinks
- Second Hand Clothes
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### ICC calls on governments to facilitate cross-border litigation

Paris, 29 November 2012

ICC has reaffirmed its support for the Hague Choice of Court Convention and urges governments to bring it into force without further delay. Despite strong interest from various states, as well as the signature of both the EU and the US, the ratification of the Convention has not progressed as swiftly as hoped, to the detriment of business.

<http://www.iccwbo.org/News/Articles/2012/ICC-calls-on-governments-to-facilitate-cross-border-litigation/>

### ICC and WBCSD to hold Global Business Day at UN climate conference

Paris, Geneva, 28 November 2012

The International Chamber of Commerce (ICC) and the World Business Council for Sustainable Development (WBCSD) will once again hold the Global Business Day, the premier business event at the annual United Nations Climate Change Conference. This year's event will take place on 3 December at the Diplomatic Club in Doha.

<http://www.iccwbo.org/News/Articles/2012/ICC-and-WBCSD-to-hold-Global-Business-Day-at-UN-climate-conference/>

### Partnership with ICANN to strengthen business engagement

Paris, 27 November 2012

ICC has announced a new working partnership with the Internet Corporation for Assigned Names and Numbers (ICANN). The partnership aims to raise broader business awareness about ICANN's functions and role in the Internet governance landscape while increasing engagement in ICANN issues relating to the domain system.

<http://www.iccwbo.org/News/Articles/2012/Partnership-with-ICANN-to-strengthen-business-engagement/>

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### Update on the activities of the PNG Cancer Relief Society.

Thank you to all who have supported the PNGCRS over the last 12 months. The number of companies and individuals that have supported the cause are too numerous to mention but its pleasing to see the efforts and generosity of all to such a worthy cause. We also would like to say thanks to Doctor John Niblett and his wife Andrea, because without their input and specialist knowledge, the money raised and efforts of the Society would be in vein.

#### Achievements over the last 12 months.

1. Canvassed the Health Department regarding the purchase of a CT Scanner- The tenders Board is currently arranging to call tenders for machines in Port Moresby and Lae.
2. Purchased Fibre Scopes for K20,000 for the identification and treatment of throat cancers.
3. Developed a Brachytherapy treatment room, which has involved building modifications, air-conditioning supporting water tank and facilities.
4. Acquired with the support of the Gaming Board a Brachytherapy machine for the treatment of cervical cancer costing K140, 000. This is now installed. Cervical cancer is one of the major killers in PNG.
5. Purchased radioactive sources for the Bracytherapy machine at a cost of K72,000, these are being transported to PNG possible with the help of the Australian Airforce.
6. Purchased speech therapy equipment for K5500 for people who have lost speech as a consequence of throat cancer surgery.
7. Replaced and repaired televisions for the Cancer Ward.
8. Attended a cancer workshop in Port Moresby with representatives from the Government and Health Department to involve the PNG Cancer Relief Society in the development of a blue print for the development of cancer treatment services.

Doctor Niblett has made contact with the Faculty of Radiation Oncology of the Royal Australia and New Zealand College of Radiation Oncology who have put together a very experienced and capable team who will be visiting Port Moresby and Lae in Feb 2013 to look at ways in which they can assist the improvement and sustainability of cancer treatment in PNG.

#### Objectives for 2013 and Beyond.

1. Acquisition of a low energy superficial x-ray machine for the treatment of skin cancers. Anticipated cost approximately K600,000.
2. Conversion of an office to a nutrition room to provide liquidized foods for throat cancer patients.
3. Provision of accommodation for cancer sufferers who travel in from all parts of the country but are not confined to bed.



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**WHAT IS HAPPEN-  
ING IN LAE AND THE  
REST OF PAPUA  
NEW GUINEA?**

Assist with the collection of blood to boost supplies available for anemic patients undergoing cancer treatment.

4. Construction of additional toilet facilities.
5. Building of a new concrete bunker to house a second linear accelerator which will double the number of cancer patients that can be treated.
6. Acquire a second linear accelerator or cobalt machine.

#### **Thank You- Golf Day 2012.**

The Society would like to express their gratitude for the support of Oil Search, Mapai Transport and the Golf Club Committee for their tireless support and efforts in arranging the 2012 Daffodil Golf Day premier fund raising event of 2012. The event was a major success raising **gross funds of K206,000**. Not only did the event make a considerable contribution to the Society's funds but the day was very enjoyable for all participants and this has ensured the ongoing success of the event.

#### **Monster Raffle**

The Monster Raffle has been extended to raise more funds prior to the **draw date on 25<sup>th</sup> march 2013**. The success of this is essential to facilitate the acquisition of the skin cancer treatment machine. Major prizes include an 11 KVA Generator, holiday in Cairns at the Shangri-La Hotel for four nights, Lap Top Computer and a signed by the team Broncos players' jersey. **Tickets are available at Brian Bell, Andersons and the PNG Cancer Centre - first Angau gate after the Huon Gulf Motel. Please buy more!**

#### **Proposed Calendar of Events- dates to be advised**

- March – Morning Tea
- April -Head shaving
- More to follow

#### **Conclusion**

The Society continues to make significant progress in saving and enhancing the lives of cancer patients. We once again acknowledge all our supporters who have helped the Society to achieve its objectives and we look forward to your ongoing support.

Kind regards - **Bob Hansen President**

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

## **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.



## **Lae City Mission**

I just wanted to say thank you to the chamber for running my request in September to help City Mission purchase a second hand vehicle.

As a result of your advertisement we managed to purchase a good second hand double cab off Huon Lawyers and Ela Motors also came to the party and last week they generously donated us a second hand 3 ton Toyota Dyna complete with crane on the back. This was a wonderful donation to the Mission and we are grateful for their support.

Unfortunately a month after we purchased the double cab one of our staff was involved in an accident that completely wrote off another older double cab that we had.

Fortunately nobody was seriously hurt and my driver was not at fault but we are once again in need of purchasing a well maintained second hand double cab to replace this wrecked vehicle. I am currently



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awaiting Insurance payment.

Finally with Christmas soon upon us could I please send out a request to any companies that would like to donate food or Christmas presents for the 200 young men at the City Mission "Plantation" and "Buabalong Haus" and for the 20 children who currently reside at the City Mission "Haus Clare" Children's Crisis centre. Unfortunately this year due to difficulties in organising a suitable date and the severe wet season the Mission was unable to run its usual Golf Day Fund Raiser. This is our major fund raising event for the year so our funds are depleted. Should any companies like to make a cash donation towards the work of the Mission any assistance would be greatly appreciated. We are only able to continue our work with the support of your donations.

God Bless and we wish everyone a very Merry Christmas and a prosperous New year from City Mission.

Larry & Bonnie George  
City Mission PNG

**Papua New Guinea Cancer Relief Society**

# MONSTER RAFFLE

1st Prize: 11 KVA Generator

2nd Prize: 4 Nights Accommodation with Shangri-La Hotel Plus Airfares with Airlines PNG

3rd Prize: Laptop Computer

PLUS LOTS OF OTHER PRIZES INCLUDING A BRONCOS PLAYERS SHIRT SIGNED BY ALL THE TEAM

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# 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](mailto:info@lcci.org.pg) or just come into