



# LAE CHAMBER OF COMMERCE INC.

## WEEKLY NEWS UPDATE

25 January 2013

VOLUME: 03 - 13

### LAE CHAMBER OF COMMERCE INC.

Room 5, the  
Professionals Building,  
5<sup>th</sup> 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](mailto:president@lcci.org.pg)  
[info@lcci.org.pg](mailto:info@lcci.org.pg)

Website:  
[www.lcci.org.pg](http://www.lcci.org.pg)

### Index

#### In this Issue From the Presidents Desk

Roads – Flood damage  
Business Mentoring  
Business Advantage  
Update  
PNG Industry News  
Shangri-Lae Special Offer  
ICC News Alert  
Erap River in Flood

*Thank you*



### FROM THE PRESIDENTS DESK

This week saw huge efforts being made to restore the Wau Valley Highway from Lae to Bulolo.

Zenag Farm reports that the Zenag Pass Slip zone subsided more than 10cm on Wednesday night. This section of the road will be restricted to light traffic, as heavy traffic will accelerate subsidence. Locals have confirmed that the toe of the slip below the creek has caved in as well.

The restoration of this potentially dangerous slip is still waiting for DoW engineers to make a decision on the diversion road to be cut into the hill.

DoW are still negotiating with the local landowners on a diversion road, which once approved will only take a day to complete. There is still a lot of blame being attributed to MMJV as to the cause of this slip, in an effort to be compensated.

Morobe Mining JV provided the latest report on Thursday

#### The Highway (report from Roberts)

- Work is continuing on the various section of the Road affected by the flood.
- Warabung - The washout section of the road has been restored to its original alignment with vehicle accessing this section this afternoon. Temporary access road has been closed off. Work is now concentrated on the road and river embankment protection. Couple of equipment deployed there has been stood down this afternoon.
- Timini School Cleanup - This work did not happen today. HBS bucket loader and a truck has been confirmed for the cleanup tomorrow.
- Zenag Road Slip - Ground work for landowner approval for a diversion road around the geotechnically failed zone has been set in motion with consultations made with Mumeng LLG Manager, Ward Councillors for Parakalis and Patep villages and the DoW Provincial Civil Engineer.
- Kumalu River Access – Re-gravelling of the Kamox section of the road is continuing and will extend to the Buang Junction section of the road as well as agreed to by DoW. River training and embankment protection work continued today upstream of the river access. Dark clouds gathered over the headwaters of Kumalu this afternoon therefore flooding is expected tonight. There will be some work at the river access tomorrow morning prior to vehicle access across the river.
- Saksak Bridge - Quotation received from FTM has been over half a million kina. A revised scope of work will be provided to them to revise their quotation.

### PACIFIC BUSINESS MENTORING PROGRAMME NEW ZEALAND

The BMNZ team is again in Lae, to continue with the mentoring programme for approved applicants that commenced in September last year. This team continued to mentor the 9 clients from last year. Discussions were also held with potential future clients.

The BMNZ team will return mid April to mentor a further batch of 12 businesses. Do you know anyone who would benefit from this scheme? Please contact us by return email.



**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

<b>LAE BRANCH</b> PO BOX 609, MILFORDHAVEN ROAD, LAE MOROBE PROVINCE, PAPUA NEW GUINEA. PH: 472 1144 FX: 472 6206	<b>Other Branches</b> PORT MORESBY Mt HAGEN TABUBIL RABAUL ph: 325 5255 ph: 542 1933 ph: 548 9048 ph: 982 8193	<b>Dealers</b> MADANG KIMBE ph: 852 2659 ph: 983 5035 EMAIL: <a href="mailto:info@borokomotors.com.pg">info@borokomotors.com.pg</a> www.borokomotors.com.pg www.nissan.com.pg
---	--	--



MP94245

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



Lae's Premium Hotel  
PH: 472 2000 F: 472 2534  
Direct Reservation 472 7000

Book On-line

www.laeinterhotel.com

Find us on Face book, Twitter & Google Plus



## Papua New Guinea Business Update

### How will PNG and the Pacific fare in 2013?

#### Business Advantage PNG spoke with the region's three most senior bankers to get their thoughts on the year ahead.

'There will be some slowness in the year ahead based on global economic factors, but on the whole I'm reasonably positive,' says ANZ's CEO Pacific, Vishnu Mohan (pictured below). 'I think the good news for the Pacific is that our trade is mainly within the [Asia-Pacific] region.'

While Australia and New Zealand will remain the Pacific's dominant trading partners, Mohan notes that China's influence will inevitably increase, with regional investment by the Asian giant growing at 25% per annum over the past five years. Indeed, as ANZ's Chief Economist for Asia-Pacific Paul Gruenwald has previously observed, the Pacific is now a net exporter to China thanks to its resources sector, having exported USD 1.2 billion in 2011, which is up 10% from 2010.

#### Papua New Guinea

'The Pacific as a whole is already being affected by the global economy but PNG continues to defy trends and is performing strongly,' says Westpac's Pacific General Manager, Greg Pawson (pictured below). Although he expects the Pacific's largest economy will slow somewhat over the next two or three years, he remains optimistic:

'A lot of people think PNG will slow down a lot as the PNG LNG project construction phase comes to end, but I think there are sufficient other major resources projects in the pipeline for us to remain confident.' Also helping to sustain high growth is the remarkable expansion of the banking system itself.

At the end of 2012, PNG's largest bank, BSP, passed one million active bank accounts for the first time, part of the banking industry's push towards greater financial inclusion across the region.

'Four years ago, when I came here, we had about 550,000 accounts, of which 00,000 were inactive,' Ian Clyne (pictured right), BSP's Chief Executive Officer tells *Business Advantage PNG*.

BSP is using tablet technology to deliver banking services to some of the most remote regions in the country.

'This technology enables us to open new accounts within five minutes wherever there is mobile phone coverage,' says Clyne. The solution was recognised as the best bank-led mobile money program in the 2012 Connected World Mobile Money Awards.



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](mailto:reservations@avis.com.pg)



PNG's No.1 Car Rental Company

## WHERE BUSINESS BECOMES PLEASURE...

With luxurious accommodation, PNG's finest service and world-class amenities, Airways Hotel caters to all your needs in Port Moresby:

- ✿ 3 tiers of accommodation, including the deluxe Dakota Suites
- ✿ An array of dining and entertainment options
- ✿ Full service business centre with 5 executive boardrooms
- ✿ Health and Fitness complex & Bliss the Spa



Airways Hotel, Jacksons Parade, Port Moresby | Tel 324 5200 | Fax 325 0759 | reservations@airways.com.pg | www.airways.com.pg

Extract from PNGIndustryNews.net



Essential PNG Industry News

Wednesday, 23 January 2013

### **AS the PNG LNG Project forges ahead to meet its 2014 export deadline, the nation's hopes that the O'Neill Government will nurture a controversy-free period of economic growth are fading rapidly. By Wantok**



This is ironic given the recently passed K13 billion budget, which was given unprecedented impetus with a decision to borrow some K2.5 billion to fund what was to be a transformation of the nation's infrastructure and to lift public service delivery.

Free education up to Year 12 and free services for basic health services are among the plans being implemented.

Despite the big injection of budget spending, implementation of education programs and policies are in a mess. Late last year, Prime Minister Peter O'Neill announced the current Objective Based Education system was to be scrapped forthwith. It soon became clear it would be impossible to replace at such short notice.

Now a task force has been given the impossible task of carrying out this plan by 2014. In that time the entire syllabus, teacher preparation and other facilities will have to be totally planned out, not to mention the publication of relevant books and other materials.

The main thing wrong about the previous OBE system was that it was badly underfunded, with much to be desired in administration at all levels. With the time constraint, it is unlikely the new system will do any better for several years.

Meantime, no politician or bureaucrat seems to be giving any thought to the latest statistics that suggest just 51% of primary age students are in school. Even in urban areas, more than one third of students are not in school.

Other controversies that have gained the media spotlight since the 2012 national election include reports that some K59 million have been embezzled from the coffers of parliament in 2010-12. Most of those same politicians want the time during which the government of the day cannot be toppled to be extended from 24 months to 30 months.

As it is, no challenge can be mounted in the final 12 months. So any incoming government would only face a possible no confidence vote during an 18-month window.

The latest controversy hitting the headlines is about two Vietnamese brothers with diplomatic passports issued by the Vanuatu government who are fugitives from justice in their adopted country.

They landed last Thursday in Port Moresby in a chartered Boeing 737 aircraft for meetings with Vanuatu Foreign Minister Albert Carlot, who in turn said he was visiting PNG at the invitation of the PNG Government.

Opposition Leader Belden Namah says he saw PNG Foreign Minister Rimbink Pato and Public Enterprise Minister Ben Micah meet the Vanuatu Minister at Jackson's airport. Micah claimed Namah was lying, and Namah has responded by saying he must have seen Micah's ghost.

Prime Minister O'Neill was quick to jump to the defence of his two ministers, denying his government had invited the Vanuatu minister.

**Appointed by the National Executive Council, the new boards are as follows.**

**AIR NIUGINI**

Chairman: Garth McIlwain (former CEO of Bank of South Pacific)  
 Deputy Chairman: Sir Frederick Reiher  
 Directors: Sir James Tjoeng, Mr Simon Foo, Sir Noel Levi, Luke Minjukili, Capt. Leslie Heyward.

**WATER PNG**

Chairman: Bill Sweet  
 Deputy Chairman: Peter Pokawin  
 Directors: Joseph Karap, Seseka Korona, Jack Baru

**TELIKOM PNG**

Chairman: Mahesh Patel (CEO City Pharmacy Ltd)  
 Deputy Chairman: Martin Veisame  
 Directors: Cedric Rondoke, Avia Koisen, Essau Wareh, David Cox, Malcolm Lewis, Dr Samuel Kopamu.

**MVIL**

Chairman: Dr Ken Ngangan  
 Deputy Chairman: Eno Daera  
 Directors: Janet Sios, Mark Baia, Samson Jubi, Blaise Nangoi and John Chris

**PNG Ports**

Chairman: Nathaniel Poya,  
 Deputy Chairman: Job Suat  
 Directors: Luke Niap, Igo Oala, Harey Nii, Professor John Puma, Patrick Amini and Eddie Hesingut.

**EDA RANU**

Chairperson: Mary Karo  
 Directors: David Erico, Leslie Hoffman, Vincent Mirupasi, Peter Inara

**POST PNG**

Chairman: Reuben Aila  
 Deputy Chair Mary Laimo  
 Directors: Roddie Wada, Luke Ako, Sam Goia Akmagi, Bungtabu Brown

**PNG POWER**

Chairman: Joshua Bakiri  
 Deputy Chairman: Thomas Laka  
 Directors: Robert Bradshaw, Camdan Pratt, Peter Suar, Sylvester Kenatsi, Sana Somare, Finkewe Zurenuoc



**HUGE RANGE OF SHIPPING CONTAINERS AVAILABLE RIGHT HERE IN LAE**



Head Office: +675 472 5143 email: [sales@tradecorppng.com](mailto:sales@tradecorppng.com) [www.tradecorppng.com](http://www.tradecorppng.com)

**PNG INDUSTRY NEWS (Cont)**

Even before the dust could settle on the Vanuatu issue, another has popped up in the shape of Indonesian billionaire fugitive Djoko Tjandra, who has submitted a plan to build a 26-storey building in the government precinct of Port Moresby.

The plan was submitted by Public Service Minister Dr Puka Temu and Transport Minister Ano Pala, both of whom previously backed a plan by Tjandra for an ambitious rice-growing project in Central Province. Tjandra was mysteriously given PNG citizenship last year, although O'Neill has ordered it to be revoked pending an investigation.

The rice-growing plan failed because of public opposition to the idea that it would require protection from imports. The Indonesian billionaire, who is on the run from the long arm of the law in his country, some years ago had also promoted an ambitious but economically naive cocoa project that would have resulted in imposition of a tariff on exports in order to nurture cocoa processing.

When the O'Neill government passed its 2013 budget in November, it indicated that because of the record pace of borrowing over the next few years the government would amend legislation passed by the previous Somare government called the Fiscal Responsibility Act.

The Act had been passed because of the profligate spending by previous governments that had taken the public debt burden to 72% of gross domestic product by 2002. Under the Act future governments were restricted to keeping the debt to GDP ratio below 30% and to ensuring that during a five-year term in office overall government revenue and expenditure were in balance.

Borrowing by the O'Neill government will see the 30% ratio breached within the next couple of years. O'Neill has said he makes no apologies for acceleration in government expenditure because vast sums are needed to build an adequate infrastructure and to provide better public services.

As the government lurches from one controversy to the next, the development agenda and especially the recurrent tendency for cost blowouts will be watched with great interest by PNG's development partners and others.

**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, 2<sup>nd</sup> Street Lae

**Ph: 479 1546/472 2799 Mobile: (B) 686 7580/690 3585/690 3115  
 (D): 7256 7179/7280 7360/7220 2160 Fax: 472 2798/472 8700**

Email: [mpss@datec.net.pg](mailto:mpss@datec.net.pg)

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

**A FOCUS ON THE PAPUA NEW GUINEA RESOURCE SECTOR**

Read about Non Traditional Minerals – PNG's next big thing. Coppermoly sets sights on full West New Britain

Contains valuable information on -

- LNG Project Overview
- Nautilus Minerals – what happened?
- OK Tedi extension
- Wafi Golpu
- Much More

**Magazines JUST ARRIVED and are available from the LCCI Office**

*Copies of these and other magazines can be obtained from the LCCI Office or reserved by contacting Jenna on - 472 2340 or email [info@lcci.org.pg](mailto:info@lcci.org.pg)*

Other Magazines that are also still available at the LCCI:

Business Advantage

Made in PNG 2012

Unbeatable Airlines PNG Offer

Special Offer  
Shangri-La  
Hotel  
Cairns

Exclusive to  
LCCI Members

Airlines PNG

www.apng.com



**Special Fares on sale ONLY on Airlines PNG**

Port Moresby to Lae	PGK199
Port Moresby to Popondetta	PGK199
Port Moresby to Alotau	PGK269
Port Moresby to Mt Hagen	PGK289
Port Moresby to Goroka	PGK279
Mt Hagen to Tari	PGK199
Mendi to Tari	PGK149
Moro to Tari	PGK149
Port Moresby to Tari	PGK349
Mt Hagen to Wewak	PGK189
Port Moresby to Wewak	PGK459
Port Moresby to Moro	PGK269
Port Moresby to Brisbane	PGK419
Port Moresby to Cairns	PGK279

Sale runs until 13 February 2013. Fares are one way and include all taxes

Travel is between 27 January 2013 and 22 March 2013

**CALL 72222151 OR VISIT [www.apng.com](http://www.apng.com)  
TO BOOK YOUR NEXT TRIP**



Shangri-La hotel

THE MARINA, CAIRNS

**OFFER OF SPECIAL RATES TO LAE CHAMBERS OF COMMERCE MEMBERS**

ROOM TYPE	PUBLISHED RATES	YOUR CORPORATE RATES
		(Single / Double)
Superior Garden/Pool/City View	AU\$340.00	AU\$160.00
Superior Sea View	AU\$365.00	AU\$180.00
Deluxe Marina View	AU\$375.00	AU\$190.00
Executive Suite	AU\$455.00	AU\$270.00
Horizon Club Marina Room	AU\$455.00	AU\$270.00
One Bedroom Marina View Suite	AU\$470.00	AU\$290.00
Horizon Marina View Suite	AU\$505.00	AU\$325.00
Presidential Suite	AU\$800.00	AU\$800.00

These rates include 10% GST and are non-commissionable, and are offered as one of our highly preferred accounts. In addition to the highly discounted rates, you & your guests will enjoy:

- Complimentary access to Your Fitness Gym at the ground floor of The Pier Shopping Complex
- Daily Newspaper
- Mileage credits with 32 international airlines worldwide (members only)
- Invitation to join Shangri-La's frequent guest program (Golden Circle Program)

This offer is available for the whole of 2013. Please contact the Lae Chamber of Commerce to arrange endorsement of your booking, if you wish to take advantage of this wonderful offer.

## ICC News Alert



### **Join the trade debate at the ICC World Trade Summit in Doha**

Paris, 21 January 2013

Participants are encouraged to sign up early for the ICC World Trade Agenda Summit, taking place on 22 April 2013 in Doha, and be a part of history as business shapes concrete measures for helping to pull the global economy out of crisis.

*If anyone wishes to attend this Summit meeting, the application form can be collected from the Lae Chamber of Industry Inc.*

<http://www.iccwbo.org/News/Articles/2013/Join-the-trade-debate-at-the-ICC-World-Trade-Summit-in-Doha/>

### **EU data law could hamper economic recovery unless proposed regulations are improved, says ICC**

Paris, 21 January 2013

On 28 January, the world will celebrate Data Protection Day/Data Privacy Day, which is intended to promote awareness of privacy and data protection, and presents an opportunity for individuals to increase their understanding of how to protect themselves and their data. In conjunction with Data Protection Day/Data Privacy Day, ICC has published comments on the European Union's (EU) proposed General Data Protection Regulation issues relevant to future discussions to protect privacy, while allowing cross-border information to flow freely over the Internet.

<http://www.iccwbo.org/News/Articles/2013/EU-data-law-could-hamper-economic-recovery-unless-proposed-regulations-are-improved,-says-ICC/>

## **BREAKING NEWS**

### **Erap River breaks its banks**

The Erap River has been in full flood for two weeks and thanks to our members particularly Trukai Industries, we have been monitoring the situation closely and passing information on to relevant authorities to take appropriate action, so as to protect the abutments and piers to the bridge.

Last night the Erap River changed course and there is now a real a danger of the river washing out the Airports Navigational Aids equipment and facilities.

Thanks to Mainland Holdings Limited, we have alerted the National Airports Corporation to the danger, and they are now gearing up for appropriate control measures.

We will advise members if there continues to be a threat from the flooding of this river.