



LAE CHAMBER OF COMMERCE INC.

WEEKLY NEWS UPDATE

1 March 2013

VOLUME: 08 - 13

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

- Air Niugini
- Police Commissioner
- AusAID Insight Newsletter
- PNG Power News
- Business Advantage PNG
- ICC Publications
- Shangri-La Hotel deal

Thank you

FROM THE PRESIDENTS DESK

Meeting with Air Niugini

During the week we had a very positive and fruitful discussion with an executive team from Air Niugini. The newly appointed acting Chief Executive Officer Mr. Simon Foo requested this meeting to address some of the concerns that the Lae Private Sector has with the operations of Air Niugini into Nadzab. Mr. Foo brought with him the right team consisting of Colin Lyttle the General Manager Sales, Marco McConnell the General Manager Ground Operations & Aviation Security and Geoff Jackson the Momase Regional Manager. Key business representatives were able to express the main concerns on behalf of the LCCI.

International Operations were discussed with the Nadzab/Cairns route being looked at as the first undertaking. A draft plan for a temporary International terminal facility was considered for Nadzab and it was noted that this plan has been approved by the National Airports Corporation with minor adjustments. As NAC has funding restraints, the cost of erecting this extension will be shared by the main stakeholders, including some Lae companies. The Morobe Provincial Government was approached and they have agreed to wear some of the building and equipment costs.

The all too regular delays and cancellation of flights are a major concern with Nadzab flights incurring most due to the night flying facilities. The delayed flights result in lengthy waits for pick-up services at Nadzab which is a real security concern. Needless to say the long delays wastes the time of the business traveller which means money to them and their company.

Air Niugini is agreeable to schedule the late flights to Nadzab to a time when it can reliably depart, even if this is 1800 or 1900. Even if the last flight arrives at night, if the arrival can be relied on, then the security issue can be addressed.

Air Niugini agreed that they need to provide better advice of delays to the travelling public. They agreed to text messages to the Chambers, advising of delays, so this information can be relayed to members. This is a service that can be relayed easily by the LCCI using the current email distribution addresses to key member personnel. The problem is that this system would not work after hours or on the weekends.

The LCCI is working with Digicel on a bulk SMS facility to enable us to send out these messages after hours. As this will be an added expense, we will need to get feedback from our members, as follows:

1. Would you like to receive short SMS advice on delays of Air Niugini Flights?
2. Would you be prepared to pay for the slight charges for this SMS service?

Other concerns about scheduling, executive club and runway maintenance were raised. Air Niugini will look into these matters and advise.



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

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

Other Branches
PORT MORESBY ph: 325 5255
MT HAGEN ph: 542 1933
TABUBIL ph: 548 9048
RABAUL 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



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



Discussion with Police Commissioner

The Police Commissioner Tom Kulunga took time off to have a discussion with Alan McLay about Policing in general and in Lae in particular.

Mr. Kulunga was able to provide good news that the Police numbers in PNG are increasing, from a low of about 3,000 three years ago to about 5,000 today. This was the result of more recruitment, additional housing and improved training facilities. The Government has provided more funding so that a further 1,000, three bedroom houses will be built – 300 earmarked for Lae.

The Commissioner is grateful for the Lae MP Ms. Loujaya Toni, setting aside K1 million from the Lae DSIP fund to address single housing needs at the Bumbu Police Barracks. He has asked that this money be used for construction of standard Police 3 bedroom houses rather than a barrack type building, as this would comply with the new Police policy (3 single police can be housed in one of these houses rather than to a barracks). This added to the Police funded houses, will certainly guarantee more Police can be posted to Lae.

Training facilities will be upgraded at the Bumbu Barracks, which would mean more in-service and post graduate course can be operated, which will provide Police with the ability to upgrade their skills.

Needless to say, Mr. Kulunga said that the Police Department is addressing the problem of the image of the Police and the need for the Police to conduct themselves in a Professional manner and not to be 'heavy handed' with the public. To assist with this the Police have printed a booklet titled "GUIDE FOR POLICE CONDUCT AND BEHAVIOUR" which is handed to every Policeman as a reference on their required behaviour standard.

AusAID Insight Newsletter

Working with business to reduce poverty in the Pacific

27 February, 2013

Australia is working with regional bodies, such as Pacific Islands Trade and Invest, to increase knowledge about the potential of Pacific markets and to connect entrepreneurs with export markets. Photo: Pacific Islands Trade and Invest

On 20 February 2013 AusAID and the Australia Pacific Islands Business Council jointly hosted a roundtable with business at the Lowy Institute on ways we can work together to reduce poverty in the Pacific.

The event brought together more than 50 business executives and government officials to discuss:

- aid priorities in the region
- ways to promote economic opportunities for women in the Pacific, and
- how we can work together to achieve sustainable development outcomes.

Discussion also focused on the role of the private sector in service delivery and ways to leverage information technology solutions for development. Through these consultations with business AusAID can build on existing programs and partnerships in the Pacific to make the Australian aid program more effective.

AusAID's Regional Pacific Assistant Director General Zoe Mander-Jones said the forum was 'a first step in making the engagement with Australian business an enduring element of AusAID's efforts to strengthen development outcomes in the Pacific'.

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

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
PORT MORESBY

Airways. It's a pleasure.

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

AusAID Insight Newsletter (Cont)

The Pacific Roundtable with Business follows through on AusAID's commitment at its first Consultative Forum with Business in August 2012 to strengthen links with the business community on the aid program. This event is also the second in a series of geographically-focused roundtables AusAID is convening with business—the first of which focused on Indonesia in September 2012.

The Pacific Roundtable also enabled discussion on private sector perspectives on constraints to economic development. This is important as AusAID acknowledges in its [Private Sector Development Strategy](#) (released at the 2012 Consultative Forum) that private-sector led growth can be a key driver for alleviating poverty.

The private sector in the Pacific

There are unique challenges that Pacific island economies face including small domestic markets, unreliable transport and distance from world markets. This makes it difficult for Pacific island economies to integrate within the global market.

Notwithstanding these challenges, the Pacific has many opportunities for business development, particularly in fisheries, agriculture, mining, tourism and services. Australian aid is making a difference in these areas across the region.

In 2011-12, Australia invested almost \$480 million in private sector development across the Pacific. This has helped more than 500,000 people in the region, including 180,000 women to gain access to mobile money and open new savings accounts since 2009. It has also enabled 4,500 students to access training at the Australia–Pacific Technical College in trade-related sectors, such as construction, hospitality and tourism.

The Pacific is central to Australia's international development objectives. A quarter of Australian aid goes to the Pacific, aimed at building a stronger region and reducing poverty.

More information

[AusAID's Business Engagement Agenda](#)

[AusAID's Private Sector Development Strategy](#)

[AusAID at work in the Regional Pacific](#)

[Sustainable economic development in the Regional Pacific](#)

AVIS
We try harder.



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

**PNG Power
Important Notices**

**BUSINESS ADVAN-
TAGE PNG
ARTICLE**



Depots in Lae & POM

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

Head Office: **+675 472 5143** email: **sales@tradecorppng.com** **www.tradecorppng.com**



CALL CENTRE (LAE)

Digicel Numbers
7030 6211 / 7030 6212

Landlines
472 2544 / 472 6865
472 4014 / 472 2958

After Hours
Milford haven Power Station
472 4027
Taraka Power Station
475 7108
Taraka Substation
7177 1572

NATIONAL CUSTOMER SERVICE CALL NUMBERS

The general public throughout the country is advised to take note of the following after hours telephone numbers or contact points in your respective centres.

Business Advantage PNG
YOUR GATEWAY TO PAPUA NEW GUINEA AND THE REGION

Papua New Guinea's fisheries boom

27 Feb 2013 by [Business Advantage](#)

The northern coast of Papua New Guinea is experiencing a boom in investment from international companies looking to process fish onshore. Samantha Magick examines why.

Around 18% of the world's total tuna stock is found in PNG's 2.5 million square kilometre Exclusive Economic Zone (EEZ). The fishing industry has grown from a dependency on access fees in the early 1980s to a more diversified sector, with significant downstream processing today.

Annually, about three-quarters of a million tonnes of tuna are caught in PNG waters. Most of these are landed in other countries for further processing. The Pacific Tuna Forum estimates the raw value of PNG's annual catch at about US\$1.5 billion per annum and says this figure could more than double if more value-added activities were implemented. Indeed, PNG has a long-term goal of processing in-country 100% of the tuna catch from within its EEZ.

Room for expansion

Much of the growth in the fisheries sector is taking place near Lae, where four new plants are planned for Malahang, with broad support from the provincial government and landowners.

Among them is Majestic Seafood, a joint-venture between Frabelle Fishing Corporation of the Philippines, Philippine-based Century Canning Corporation, and Thailand's Thai Union Corporation (a subsidiary of Thai Union Frozen Products—the largest tuna canner in the world). Majestic Seafood's K80 million (US\$38 million) tuna canning

PPL REQUEST

PNG Power Limited is embarking on an exercise to facilitate proper power installations in all the larger companies in Lae, and they have engaged a professional consultant to assist with this task.

Some businesses have grown over the years with building extensions or bigger machinery, without upgrading the power installations. It is only when there are blown fuses, regular breaks in the circuits, or worse that they realise there is a problem.

PPL requires companies to notify them of any new buildings, extensions or purchase of new plant, so that advice and quotes on necessary power upgrades can be arranged.

Contact Martin Bigglen on mbigglen@pngpower.com.pg or 72014018.

plant, scheduled to commence operations in June 2013, is expected to create as many as 5000 local jobs when in full production.

Others planning tuna loining plants in Lae include the South Korean company Dong Wong, Nambawan Seafoods and Haili Sheng from mainland China. Two other operators, Malaysia's International Food Corporation and Frabelle already have canneries in Lae.

Meanwhile, Managing Director Pete Celso says R D Tuna—currently PNG's largest canner—is about to begin construction of another cannery in Madang, which will double its production and employ 3000 people. The cannery is expected to be operational in early 2014.

Why PNG, why now?

The surge in investment is motivated in part by the advantages of bringing the canning process closer to the Pacific's fishing grounds.

R D Tuna's Pete Celso says PNG's duty-free access to the European Union (EU) has also been a plus. Under its Economic Partnership Agreement with the EU, ratified in 2011, PNG can not only enter the European market duty-free but it has also been permitted to export processed fish to the EU from any vessel fishing outside its territorial waters, thus exempting PNG from the usual Rules of Origin compliance, provided the fish is processed in PNG.

'This is not the end, as we still have further growth in processing planned, and thousands more jobs being created.'

Germany, the United Kingdom and the Netherlands are PNG's main European markets for canned tuna. Loin exports to Spain and Italy are also significant, and increasing.

The increased emphasis on the fisheries industry also reflects national government priorities. The country's Vision 2050 strategy makes frequent reference to the fisheries sector as an area of the economy requiring more development if PNG is to diversify beyond its oil and gas revenue base. The EU estimates that by 2016 some 53,000 jobs will be created in the PNG tuna industry if planned projects go ahead.

Madang Industrial Centre

The proposed Pacific Marine Industrial Zone (PMIZ) has been the flagship project of PNG's fisheries industry for several years. Planned for a 215-hectare site 30 km north of Madang, it is designed to create greater economies of scale and greater efficiency for fish processing factories, port facilities, power generation and waste water processing. A Chinese contractor has already been selected for the construction work—the state-owned enterprise, Shenyang International Economic and Technical Cooperation Company.

In recent months, the PMIZ it has undergone a name change and a shift in focus. It is now known as the Madang Industrial Centre and activities will be broadened beyond fisheries, according to National Fisheries Authority (NFA) Director Sylvester Pokajam.

Niugini Tuna Limited—a partnership between the R D Corporation of the Philippines, Fairwell Fishery Group of Taiwan, and Tri Marine International of the US—plans to operate at the zone, while the PNG Government recently held discussions with the French Sapmer-Piriou joint venture, which is considering a fisheries wharf, tuna processing plant, dry dock and shipyard in the zone.

The zone is being funded by a loan of US\$72 million from China Exim Bank—a matter of contention amongst some landowners which is now being challenged in the courts. Political support for the project remains strong, however, with Madang Open MP and Police Minister Nixon Duban saying it is important for the province and must be progressed.

Looking ahead

The industry faces several challenges, including the need to improve productivity, achieve great scale, and deal with high operating costs and infrastructure constraints. R D Tuna's Pete Celso says reducing the cost of freight is a major challenge, as export is a 'volume game.'

Sylvester Pokajam at the National Fisheries Authority says the planned doubling of domestic tuna processing capacity for early 2013 is only the start of a new expansionary phase.

'This is not the end, as we still have further growth in processing planned with thousands more jobs being created.'

- ✓ Web Design & Hosting
- ✓ Cloud Services
- ✓ Security Audits
- ✓ eMarketing
- ✓ Remote Support & Monitoring

KUAKAWA
SOLUTIONS

Your One-Stop-Shop for all your
Web, Cloud and Internet needs

hello@kuakawa.biz

ICC
Publication

This Model Sale
Contract could save
you time and money

International Chamber of Commerce Services
PUBLICATIONS

**GET YOUR COPY
NOW**

The [ICC Model International Sale Contract](#) is a time-saving tool for traders, business men and lawyers. This updated version takes into account recent developments in international business, i.e. the [Incoterms® 2010](#) rules, and trade finance.

Providing clear directions to sellers and buyers, its introduction takes the parties step-by-step through the process – from A to Z covering:

- general characteristics of the contract
- scope of application
- termination of the contract
- dispute resolution
- and more.

PLUS: The CD-Rom containing the text of the contract is now even easier to use with check and choose boxes, and alerts when important fields were not filled in.

Order now at www.iccbooks.com and receive a FREE [G20 Business Guide](#) with every online purchase!

Kind regards

Brigitte Horn

Marketing ICC Publications publications@iccwbo.org



2013 Edition

For more information, contact:
Customer Service
ICC Publications
Tel: +33 1 49 53 29 56
Email: publications@iccwbo.org
Related Training
ICC Training on International Contracts
Paris, 3 - 6 June 2013
[Register now.](#)

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"

**WHEN IN
CAIRNS**

**STAY AT THE
SHANGRI-LA**

**BEST RATES
IN TOWN!**



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

Shangri-La Offer (Cont)

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 fabulous offer.

Arthur Strachan Ltd

MALOLO PLANTATION LODGE – FOR SALE BY TENDER

Tenders Closing 29th of March 2013 – 4.00pm

Set amidst palm trees and lush tropical gardens overlooking volcanic islands in the Bismark Sea is a most magical and peaceful retreat - Malolo Plantation Lodge.

Guests are accommodated in 14 air-conditioned rooms, each with en-suite bathroom, private balcony and stunning ocean views. The main lodge building with its restaurant, bar and comfortable lounge area is set amidst extensive lawns and palm trees, a mere stones throw away from a tranquil private beach and fresh water swimming pool.

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

PNG REPORT

Latest February/March edition just received.

Can be collected at the LCCI Office or contact Jenna on 472 2340 to reserve your copy.

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

*Other Magazines
that are also still
available at the
LCCI:*

Business Advantage

Made in PNG 2012