



# LAE CHAMBER OF COMMERCE INC.

## WEEKLY NEWS UPDATE

8 March 2013

VOLUME: 09 - 13

### LAE CHAMBER OF COMMERCE INC.

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*Thank you*

### FROM THE PRESIDENTS DESK

#### BREAKING NEWS

#### Lae – Madang Road Link

The a/Provincial Works Manager for Morobe, Mr. Simeon Suagu confirmed to the LCCI that the troublesome Surinam river has now been bridged with a temporary Bailey Bridge. This bridge is capable of taking loads up to 30 metric tonnes in total weight. The old bridge was washed away in a flash flood of the Surinam River last week causing loss of lives and a bank up of traffic that could not cross the swollen river. This is good news indeed for the travelling public that use this road, especially the many businesses that rely on this access to Madang. It is of course good news for those people who wish to travel to Madang for the Easter break.

Mr. Suagu went on to say that plans are already in place to construct a replacement permanent bridge over the Surinam River. The temporary bridge will remain until the permanent one is in place.

#### Minimum Wage

The Lord Mayor is at it again – today's National Newspaper contains an article, where James Khay is making an issue about his claims that companies continue to ignore the Government approved Wage Rate and are underpaying employee wages.

Khay is pictured on page 7 showing 30 payslips of employees from 9 companies that he claims are being underpaid.

We again wish to point out to the Lord Mayor that the minimum wage has not been increased officially since the 5<sup>th</sup> February 2010 determination of K2.29 per hour.

The O'Neill Government has announced that it will put together the structure to set up a Minimum Wages Board (MWB) to conduct a review of the minimum wage but this has not been officially established. The MWB is the structure for determining a new Minimum Wage and until the Minimum Wages are reviewed, the minimum wage throughout the country remains at K2.29 per hour.

We are critical of the reporting on this issue, as the reporter should have checked on the official minimum wage before going to print and not relied simply on the Lord Mayor's statement. Such a misleading public release is a real concern as some companies have already contacted the LCCI wondering whether the official wage rates have changed.

As we have stated in the past, it is a fact that many companies in the Lae City are paying above the minimum wage, in recognition of the relatively high cost of living in the city. We also r to our members, the need to pay a wage based on the actual living costs and needs of the employees, especially those with families. We acknowledge that our member companies do heed the advice of the LCCI on many occasions but as to what rate they pay their employees we have no control. Of course we have no influence what-so-ever over non member companies.

### UNITECH RUGBY LEAGUE TEAM

*Invite an interested any corporate members to the launching of their constitution:*

Date: **Saturday 9 March 2013**

Time: **7:00 to 9.00 PM**

Venue: **Duncanson Hall Unitech**

RSVP: **Mr. Zechariah Yakap on 71990510 or  
Mr. Pennua Hila-Cook on 71288718**

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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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**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 Koisien, 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 Amiri 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

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### **CUSTOMS TARIFFS**

We would like to receive the views of industries/importers in relation to the recent amendment of the import tariff on used vehicles specifically the threshold value of US\$3,000.00. We have received many complaints from members, especially those who were in the middle of importing vehicles that were valued at less than \$3,000.00.

Please direct your comments to me so I can document the details, and use the facts to lodge them with the respective officers and departments concerned in the hope of getting the base amount adjusted appropriately.



### **PACIFIC ISLANDS PRIVATE SECTOR ORGANISATION**

#### **Press Release: Seeding Success: SME Export Development Programme**

**01 March 2013**

The Pacific Islands Private Sector Organisation (PIPSO) would like to announce the launch of the pilot SME Export Development Programme. This pilot project is funded by the United Nations Development Programme (UNDP) and will be implemented in collaboration with the Pacific Cooperation Foundation (PCF)

The SME Export Development Programme which provides direct financial assistance to businesses with export potential and will look to assist in improving business capacity and competitiveness to enable them to penetrate export markets. The Programme is focussed on supporting businesses in quality management and assurance by supporting quality assurance accreditation and post accreditation implementation support. This pilot initiative will enable us to understand the needs of Pacific exporting businesses and we look forward to learning more about these issues and how best to direct our assistance to improve SME Competitiveness, said Mereia Volavola, PIPSO CEO. She added, that this pilot project builds on work that PIPSO and PCF is doing in improving the opportunities for Pacific SMEs to export with its current training of trainers' project on Improving Marketing and Quality Assurance Toolkits.

UNDP recognizes that achieving the Millennium Development Goals (MDGs) depends on a sustainable economic growth driven by markets and private enterprises that create jobs, deliver goods and services, and generate tax revenues to finance essential social and economic infrastructure. Therefore, the private sector plays an essential role in achieving broader UNDP goals in areas such as energy and environmental service delivery, crisis prevention, gender equality and democratic governance. Many SMEs in the PICs have excellent products but needed the support for developing quality and standards, labelling, packaging and certification such as HACCP, ISO, Organic, and Environment. UNDP is therefore supporting this initiative which involves PIPSO, national private sector organizations and other players to develop SMEs capacities and competitiveness in PICs.

By supporting this initiative UNDP envisages a strong and vibrant SMEs in PICs which are not only export ready and competitive but also sustainable to meet the demands of the regional and outside regional markets. Ultimately it aims to assist business in attaining or earning the license of a True Pacific Brand Standard. The True Pacific Brand is a programme initiated by the New Zealand based Pacific Cooperation Foundation in 2011 to introduce outstanding Pacific Island origin products to the rest of the world. Companies that are already part of the programme have had to meet a set of assessments to confirm that their products are high quality before they are allowed to use the True Pacific Trademark on their products. PIPSO would like to also assist more companies to achieve a 3 year license in support of a high quality Pacific trademark and encourage exports into target markets such as New Zealand, Australia, USA, Japan and China.

For further information on the SME Export Development Programme please contact Ma'ake Komailevuka on [maakek@piso.org.fj](mailto:maakek@piso.org.fj)

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## **Business Advantage PNG**

**YOUR GATEWAY TO PAPUA NEW GUINEA AND THE REGION**

### **First public-private hydro plant opens in Morobe**

6 Mar 2013 by [Business Advantage](#) [Leave a Comment](#)

**PNG's first privately-built hydro electricity power station has opened in Bulolo, Morobe Province.**



The US\$50m Upper Baiune power project was built by PNG Forest Products (PNGFP). It is the first commercial venture to supply electricity to state-owned utility, PNG Power.

Forests Minister Patrick Pruaitch opened the 9.4MW plant, which is located on customary land owned by the Katumani integrated land group, who are partners in the project.

It has taken six years to bring the plant to fruition, according to Tony Honey, Managing Director of PNGFP.

### **Is LNG a safe bet for Papua New Guinea?**

6 Mar 2013 by [Rod Myer](#) [Leave a Comment](#)

**Papua New Guinea will be heavily reliant on its liquefied natural gas exports for many years to come. Rod Myer considers how PNG's aspirations may be affected by global trends.**

Papua New Guinea is beginning to reap the rewards of its nascent LNG industry but the potential for LNG in PNG is far greater than that with the government and the petroleum industry looking to a range of potential new projects that many hope will be the foundation of the nation's growth into the future.

The PNG Government has positioned itself to participate in the expected boom with the [creation of the National Petroleum Company of PNG](#) to hold its stakes in petroleum projects.

*Remember, PNG is not alone in its LNG ambitions.*

#### **The Next Wave of LNG**

**PNG LNG is only one of a number of potential LNG export projects for the country.**

US group InterOil has won approval from the PNG Government to develop its Gulf LNG project, while Talisman Energy is driving an ambitious plan to aggregate a number of gas deposits in Western Province to create a third major LNG project.

Smaller players are also enthusiastically exploring how to get in on the boom.

#### **Global competition**

The question that needs to be answered for PNG is whether the LNG industry is sustainable. This will determine how many of the potential projects are actually built and how profitable the industry is in the long term.

Remember, PNG is not alone in its LNG ambitions.

Australia is currently building AUD\$180 billion worth of LNG projects across its northern regions. The US is experiencing a

boom in unconventional gas, mainly found in shale deposits, which has the potential to turn it into a major exporter. China is also believed to have massive shale gas reserves of some 21 trillion cubic metres and there is talk of a Russian gas pipeline running into China. So the question is: will all this potential supply flood the Asian LNG markets? Geoff Appleton ExxonMobil's Asia Pacific marketing chief says no. Speaking at the recent **PNG Mining and Petroleum Investment Conference**, he pointed out that global LNG trade has doubled in 10 years with the Asia-Pacific region accounting for 60% of it. The world's population should rise by 25% to almost nine billion by 2040 and demand for natural gas will grow 60% by 2040, with the Asia-Pacific becoming its largest single market. Demand for gas will be particularly driven by power generators as Asian giants, like China and India, continue to industrialise and coal becomes increasingly unattractive in a carbon-conscious world.

#### Increased exploration

And the industry is certainly putting its money where its mouth is.

Oil Search Limited, a partner in the PNG LNG project, more than doubled its exploration efforts in PNG to \$144 million last year and expects to grow that further to \$200 million this year. The company is also exploring in the Gulf of Papua, as it sees a strong future for LNG.

'During 2012, Oil Search and its partners made significant headway in finding additional gas to underpin potential LNG expansion in PNG,' said Oil Search's Managing Director Peter Botten in a recent statement on the company's 2012 financial results.

"The P'nyang South 1 gas discovery in PRL 3 resulted in a material increase in estimated gas resources at P'nyang. The PRL 3 JV, led by ExxonMobil, has initiated and is now well advanced with concept selection studies. We are targeting to finalise the optimal development concept in 2013."

*Rod Myer is a writer on business, energy, infrastructure and sustainability.*

#### Australia Week

What will be on offer

The LCCI will host a Trade Delegation from Cairns in April and host a welcoming function

The Cairns CCI have arranged the Cairns delegates all of whom will visit respective Lae Businesses

The Mayor of Cairns will also visit. The Lae Lord Mayor will host a function and further strengthen the Sister City agreement

## The Australian High Commission presents Australia Week 10 – 16 April 2013



**Amongst numerous events that will take place in the National Capital and around Papua New Guinea, the events that will take place in Lae are as follows:**

#### Australia Week Dinner Event | Lae International Hotel

Hosted by the Lae Chamber of Commerce and Industry and featuring guest delegations from the Australian Federal Parliament (TBC) and the Cairns Chamber of Commerce (TBC)

The Cairns Chamber of Commerce have arranged for a Trade delegation of Cairns Businessmen to visit between 11<sup>th</sup> - 13<sup>th</sup> April. These delegates will be guests at the function that will be arranged by the LCCI. The Cairns businessmen will meet with Lae Businessmen in fields that are of interest to them during the 21/2 days visit.

A further guest will be the Cairns Mayor Bob Manning. The Lae Urban Local Level Government is very interested in meeting Cr. Manning to re-affirm their commitment to the Lae/Cairns sister city agreement. The Lord Mayor of Lae will host a function during the stay where he will award a certificate highlighting this agreement.

More details of this most auspicious delegation will be provided when they are available.

#### Flickerfest 2013 National Screenings - Lae, Madang and Goroka

Screenings of eight of the best short films entered in the 2013 Australian short film festival, **Flickerfest**. Screenings will be at Universities in Lae, Madang and Goroka.

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

Other Magazines that are also still available at the LCCI, including:

Business Advantage  
Made in PNG 2012

## 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 this 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)

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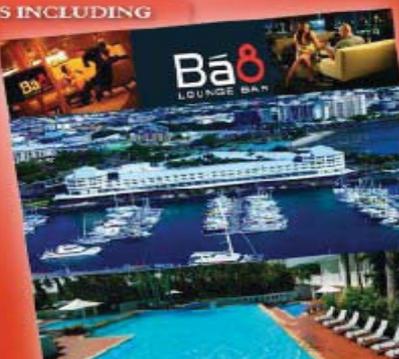
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