

LAE CHAMBER OF COMMERCE INC.

WEEKLY NEWS UPDATE

VOLUME: 19 - 13

10 May 2013

LAE CHAMBER OF **COMMERCE INC.**

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Thank you

FROM THE PRESIDENTS DESK

ETHNIC UNREST

The fourteen days notice given by the Morobe people on handing their petition with a log of demands to the Governor expired yesterday. The threats of a demonstration yesterday were very real and naturally many businesses and employees were very nervous.

The VOICE OF MOROBE people, who had formed themselves into a group, were basically the petitioners and they discussed how to receive the Governors response to their demands, with the Police and the Morobe Administration. They obviously heeded our request to hold the discussions in a place that will not be a hindrance or a threat to business houses, as the meeting was held at the NARI community hall at Bubia.

The meeting was attended by the Morobe Governor, as well as many National Politicians and members of the Morobe Provincial Government. The Police had a strong presence just in case any problems occurred. The Morobe people were represented by six delegates from each of the nine Morobe Districts.

Although there was much heated discussion, the meeting finished well with many of the notable issues dealt with by the Governor. The people accepted his promise to direct the Morobe Land Transport Association to distribute licenses more evenly amongst Provinces, with a 60/40 leaning to Morobe businesses. The Governor also pledged K2million to assist the development of Morobe owned Small and Medium sized businesses. There was a strong call on the Ahi leaders to sort out their own land with a need to formally lease land on which so many illegal settlers are located.

CLOSURE OF LAE PORT

The other problem faced by businesses this week was the forced closure of the Lae Port on Tuesday and half of Wednesday. Two of the current Stevedoring companies that operate at the wharf are majority owned by the Ahi and Labu landowners. This has been a convenient arrangement as there have few Industrial stoppages at the wharf for years.

The landowners shut the wharf on Tuesday as a result of no action on their demands to the Government for facts and information on the introduction of a new Stevedoring company from Australia to operate at the Lae Port. The shutdown was planned for 48 hours from 0800 on Tuesday but as many of the grievances were addressed at a meeting with senior IPBC and PNG Ports Corporation Management, the port was re-opened at 1300 on Wednesday.

This issue is far from settled as the Landowners are now waiting for official responses from the Prime Minister. From our perspective business is tough enough at the moment, with a slowdown in many resource industries having a flow down effect. A closure to the Port, adds unwanted costs to business.



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PORT MORESBY Mt HAGEN



Lae Chamber of Commerce Inc. 2012 EXECUTIVE COUNCIL

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- **Councillors**
- Philip Franklin Peter Diezmann Kaity Bluett Dennis Brewster Terry Fuery Danny Kepi Andrew Gunn Mike Quinn Vanessa Chan Pelgen Robert Hansen Belinda Edwards

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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HIGHWAY CLOSURE AT KEROWAGI (SIMBU)

The massive Landslide on the Highlands Highway near Wairago Village in Kerowagi District, Simbu Province, has closed the Highlands Highway indefinitely. The photographs of the damaged road that were circulated this week freely through the internet clearly show the unbelievable damage. One double classroom from Kondiu High School actually slid into the Waghi River.

There is an access road that allows small vehicles to skirt around the damaged Highway. This allows vehicles of about 3 ton and 25 seater bus size to get through but not larger trucks because of the unstable wooden bridges on the road. Villagers had initially set up barricades and were demanding cash payments to use this road, but we believe that the Government has made a payment of K500,000 to the landowners to allow continual free access.

The damaged section of the Highway is still moving and cannot be fixed until it settles down. The landowners have formed an association to air their demands for compensation for the damage caused to their land by the landslip.

Reports in the newspapers have indicated that the road may be repaired in one week, but our information is that it will be longer due to the unstable slip area and the need for the land to settle before it can be fixed. This is of course apart from dealing with the compensation demands.

The trouble is that there will be limited supplies of food and fuel that will be able to get through to Mt. Hagen and beyond whilst the road is closed. The Mines and LNG Project will obviously suffer immensely.

PNG CANCER SOCIETY COMMITTEE – LAE BRANCH

Are you interested in helping this important committee? There are a number of positions on the Lae Board that are available and more people are needed to bring some fresh ideas and skills to the committee.

The committee usually only meets on a monthly basis and there is a need to help with the vital fund raising events throughout the year. It just needs more man power.

If you are interested, please contact Christie King on Mobile Phone 72843706, or email <u>king.christiana@gmail.com</u>.



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International Schooling LAE

At the last LCCI Meeting that preceded the AGM the very topical <u>Interna-</u> tional Education Agency <u>schooling</u> in Lae was discussed with vigour.

This is in light of the fact that TISOL have introduced a new single fee structure and budgetary cuts that has resulted in a perception that these moves may lower the standard of International Education in Lae.

The get a better understanding the meeting decided to conduct a survey of LCCI members.

Please click the following URL and complete the survey:-

http://www.lcci.org.pg/surve y-iea/

Results of this survey will be used to decide on any course of action that the Lae Chamber will take.



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The following article has been extracted from **PNGIndustry News**



Health and Fitness complex

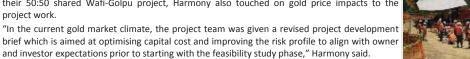
Bliss the Spa

Cost-cutting Harmony

Blair Price - Wednesday, 8 May 2013

WHILE Harmony Gold's Papua New Guinea update suggests the Wafi-Golpu copper-gold project's first production date may be pushed back, it also includes plans to abandon its Mt Hagen copper-gold project.

Harmony's reaction to last month's tumble in gold prices was a plan to cut capital expenditure by 1.4 billion rand (\$A152 million) in South Africa and Papua New Guinea for the next financial year. While Newcrest Mining's recent quarterly report focused more on the strong drilling results of their 50:50 shared Wafi-Golpu project, Harmony also touched on gold price impacts to the project work.



"The revised approach presents an opportunity to reconsider a new strategic approach for the project, possibly a staged approach.

The Wafi-Golpu project is promising. Image courtesy of Morobe Mining.

"The project team is in the process of defining the scope, cost and schedule to complete an optimisation study."

While plans for possible open cut mining of the Wafi deposit are yet to be unveiled, a prefeasibility study outlined a \$US4.8 billion two-lift block cave operation for the Golpu deposit with first production in 2019.

The PFS foreshadowed production averages of 400,000 ounces per annum gold and 250,000 tonnes per annum copper in the first 15 years of the 26-year mine life.

Drilling is continuing to prove up deeper mineralisation for a possible third lift expansion with Harmony saying the optimisation work is likely to continue during the whole of the 2014 financial year.

Harmony said early works would be limited next financial year which would result in lower capital expenditure ramp-up rates than "previously communicated".

"The project schedule and first production will be revisited based on the outcomes of these activities," Harmony said. While Harmony says large cost-cutting measures such as mine closures are not yet envisioned, the Hidden Valley gold and silver mine it shares with Newcrest is yet to hit its nameplate capacity of 250,000ozpa gold since production started in September 2010.

At the moment both miners are anticipating big cost savings from replacing the primary crusher to allow full use of the overland conveyor but Harmony also flagged improvement projects for the plant and mobile equipment along with "restructuring the operations" to remove "20% or more" of total costs.

Over to Harmony's wholly owned suite of five other gold or copper projects in PNG, disappointing drilling results were received at the Mt Ton exploration licence while the Mt Hagen project ran out of prospectivity.

"A toll gate review was completed for the Mt Hagen project and concluded the drilling completed to date had tested the key targets in the western half of the project area (the Kurunga intrusive complex prospects in particular) and the potential for an economic mineral deposit was unlikely," Harmony said.

"A recommendation for full withdrawal from the project was approved in March 2013."

Harmony chief executive officer Graham Briggs also commented on the impacts of gold prices.

"For the past year the high gold price has assisted us in producing strong margins.

"With the gold price decreasing to levels close to \$1400 per ounce, it means that we have to do more to improve production while reducing costs at the same time.

"We are using our annual budgeting sessions, which takes place from April to June every year, to find ways of doing just that."





STILL OFFER SPECIAL RATES TO LAE CHAMBERS OF COMMERCE MEMBERS

Please quote **COR2013** when you make your booking at the Shangrila to get this selection of complimentary offers.

If in doubt ring the LCCI Office and we will assist you contact the hotel.

To participate in the: SIR ANTHONY SIAGURU WALK AGAINST COR-RUPTION to be held in Lae for the first time on Sunday 26th May.

Registration forms are available from - Evah Banige on 738 37005/ 763 22905.



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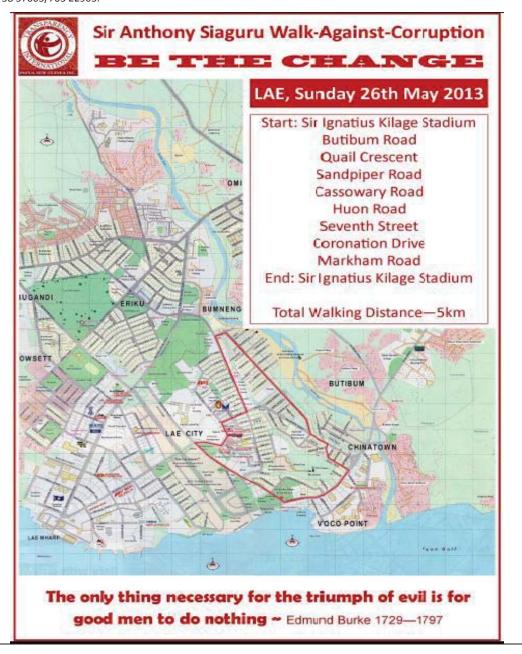
WALK AGAINST CORRUPTION COMMITTEE

The Lae Sir Anthony Siaguru Walk Against Corruption (SASWAC) will be having its 3rd TIPNG MEETING of the Lae Committee Date: Sunday 12th May,2013

Your partner in building a strong Nation

Venue: Lae Christian Academy Chapel Time: 3pm

All committee members and other interested individuals are asked to come along. For further information, please contact the Chairman Mr.Brian Alois on 768 79931 or Secretary - Evah Banige on 738 37005/763 22905.



The PNG Report and PNG RESOURCES magazines are on display at the LCCI Office for your collection. Both are brimming with UP TO DATE news of the Nation – with absolute must read information on MOROBE PROVINCE.

Collect your copy today or book a copy by ringing Jenna on 472 2340.



VANCO TRAINING

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| Training Course | Target Group | Days | Investment |
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| Employee Recruitment | Supervisors, Recruitment Officers | 1 | K750 pp. |
| Human Resources Management | Line Managers, Supervisors, | 3 | K1300 pp. |
| Interpersonal Skills | All Employees | 1 | K750 pp. |
| Time Management | All Employees | 1 | K800 pp. |
| Fundamentals of Supervision | Managers, Supervisors, Potentials | 1 | K950 pp. |

Courses on offer are an investment which covers; pre-course work, materials and Facilitation. Corporate fees are negotiable. Training will commence at 8:30 AM to 4:30PM on stated dates.

SCHEDULE - May 2013

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| Training Course | | | |
|---------------------------------|------------------|-----|----|
| Employee Recruitment | 14 May | LYC | 12 |
| Employee On-Boarding | 15 May | LYC | 12 |
| Interpersonal Skills | 16 May | LYC | 12 |
| Customer Service | 18 May | LYC | 12 |
| Time Management | 21 May | LYC | 12 |
| Fundamental of Supervision | 22 May | LYC | 12 |
| Introduction to Pidgin Speaking | 25 May | LYC | 12 |
| Human Resource Management | 29.30 and 31 May | LYC | 12 |

For any enquiries please contact our office on Phone: 431 2949/ 431 2948, Fax: 4791515 or email: <u>vancogri@gmail.com</u>, <u>vancotraining2013@gmail.com</u>

We will be more than happy to discuss your specific training needs including options on courses and schedule accordingly. SCHEDULE - June 2013

REPORTING ON PNG'S PETROLEUM & MINERAL INDUSTRY

| Time Management | 11 June | LYC | 12 |
|---------------------------------|------------------|-----|----|
| Fundamentals of Supervision | 12 June | LYC | 12 |
| Interpersonal Skills | 13 June | LYC | 12 |
| Employee Recruitment | 18 June | TBA | 12 |
| Employee On-Boarding | 20 June | TBA | 12 |
| Introduction to Pidgin Speaking | 22 June | TBA | 12 |
| Human Resource Management | 25, 26 & 27 June | TBA | 12 |
| Customer Service | 29 June | TBA | 12 |

We will be more than happy to discuss your specific training needs including options on courses and schedule accordingly.

And For more Direct Information on this workshop or to reserve your spot, please contact <Sony McWilliams -76662499 Or 73378001>

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The NZPNG Business Council-New Zealand High Commission will hold a Cocktail Function and Mini-Expo at 6 PM on 23rd May. The LCCI will send invitations to this function to members next week.



New Zealand trade mission back to PNG

For the fifth time in two years the New Zealand Papua New Guinea Business Council is leading a trade mission to Papua New Guinea this time traveling to Port Moresby and Lae. The delegation which includes almost 30 people is here from 19 to 24 May. Business Council Chairman Stephen Eagle said from Auckland that he's excited about bringing such a large group to PNG. "We've had large delegations in the past but it's great to see this level of interest in the Business Council's 20th Anniversary trade mission", he said.

New Zealand companies on the trade mission span a range of sectors including infrastructure, food and beverage, business services and Maori enterprise. Many of them already do business in PNG and are looking to build on those partnerships while others are visiting for this first time. Mr Eagle said the frequency and size of New Zealand trade missions reflects the growing commercial relationship between the two countries. "We know that the PNG Government wants New Zealand companies engaged in PNG especially where they have expertise that is relevant to PNG's development and the group we're bringing has a lot to offer", said Mr Eagle.

Michael Greenslade, who is New Zealand's Trade Commissioner to the Pacific and helping arrange the programme for the trade mission said the New Zealand Government and the PNG Government signed a tax agreement last year that will make it easier for companies from both countries to do business with each other. "That's great news from a business perspective and will really help push the trade relationship in the right direction", he said. "But business partnerships don't happen by themselves so it's great to be coming to PNG again with a motivated and quality team".

Mr Eagle said the support the Business Council has received from PNG, including from the Investment Promotion Authority and from the Port Moresby and Lae Chambers of Commerce, to arrange the programme has been superb. In PNG the delegates will meet with government representatives and with companies from a range of sectors including mining and gas, roading, banking, food and beverage, transport, logistics, energy, marine, manufacturing and more. "Site visits and the Business Council's 20th Anniversary functions in Port Moresby and Lae will be highlights too", Mr Eagle said. The New Zealand and PNG Governments are both hosting functions for the delegates.

New Zealand High Commissioner to PNG Marion Crawshaw, whose office has also been helping put the trade mission programme together, said she is excited about seeing another trade mission. "This is the fifth trade mission from New Zealand since I've been here and I think that's a great illustration of the growing strength of the commercial relationship between New Zealand and PNG", Ms Crawshaw said. Ms Crawshaw also said she is delighted that new companies are coming to learn about PNG and the opportunities here.

People who want to find out more about the trade mission should email the New Zealand Papua New Guinea Business Council at <u>info@nzpngbc.org.nz</u>.

| Business Advantage article of the week! | Arthur Strachan Ltd Lot 7 Section 75, Corner Kamarere Street & Mango Street Lae FOR SALE BY TENDER - Tenders Closing 17 th of June 2013 – 4.00pm "Looking at to consolidate your staff in one central location" For sale by tender the following property has three dwellings that are furnished and air conditioned throughout, suitable for any organization looking to accommodate all staff in one central location, 9 bedrooms in total. Property has backup power and backup water connected as well as a swimming pool. The property has Kappa fence and razor wire installed, electric gate and adequate parking for up to five cars. Excellent investment opportunity. Introstructure arthure trachan competenders-prections. Business Actions Actions Ponders and the property for the property | | | |
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| | Tradelinked helps build business links | | | |
| | between Cairns and Papua New Guinea | | | |
| | | | | |
| | 8 May 2013 by <u>Business Advantage</u> Interest in Papua New Guinea among businesses in far north Queensland, Australia, has never been higher. Business Advantage PNG dropped in on a regular PNG networking event in Cairns last week to learn more. Nearly 40 business people attended the monthly Papua New Guinea networking session at Ba8 at the Cairns' Shangri-La Hotel | | | |
| | on 30 April. | | | |
| | The monthly sessions, held on the last Tuesday of the month, are organised by Tradelinked Cairns & PNG, a not-for-profit or- | | | |
| | ganisation that 'is about building on the existing relationship between Cairns and PNG to mutually benefit both business com- | | | |
| | munities'. Besides networking events, it offers business facilitation and has an up-to-date <u>website</u> , which includes an extensive bilateral business directory. The companies represented last week ranged from Cairns-based SMEs to local representatives of companies like Telstra and ANZ, but one thing they had in common was a willingness to provide services to PNG. | | | |
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| | | | | |
| | On one hand, PNG's economy is growing fast but is chronically under-serviced. On the other hand, Cairns is located nearby and | | | |
| | its own economy is struggling, in part due to a weak tourism sector. | | | |
| | There is even more to it than that, though, as Tradelinked Director Gary Aylward told the assembled executives. 'We took a trade mission to Lae recently and businesses there were really keen to work with us. They said "You guys know what | | | |
| | it's like to get 100 mm of rain in a day, so you make things to the right specifications for us." | | | |
| | | | | |
| ICC News Alert! | International Chamber of Commerce The world business organization | | | |
| | Certificate of Origin experts meet to strengthen trade documentation | | | |
| | Doha, 24 April 2013 More than 60 chamber trade experts from more than 36 countries have met to continue a series of dialogues on electronic certificates of origin (eCOs), preferential certificates of origin (PCOs) issuance and self-certification. Strengthening trade documentation ties among the chamber network and rein- forcing its central role in global trade facilitation, discussions took place in Doha at a Certificate of Origin Council meeting in Doha. | | | |
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