

## LAE CHAMBER OF COMMERCE INC.

## WEEKLY NEWS UPDATE

**VOLUME: 18 - 13** 

### 3 May 2013

#### 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

F-mail: president@lcci.org.pg info@lcci.org.pg

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Website: www.lcci.org.pg

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### FROM THE PRESIDENTS DESK

### ETHNIC UNREST

Last week there was a disruption to Lae business caused by the killing of an innocent trainee Pastor in the "back road area" near Tensiti and the reciprocal burning of a PMV bus and the further destruction of a Highlands settlement in that area. The subsequent withdrawal of all PMV buses on Monday last week affected the workers living in the broad area from Malahang to Taraka. Most businesses suffered by the reduced number of employees, as well as the decrease in clients and customers that were unable to get to Lae.

The Morobean people who have been involved in this conflict handed a petition to Governor Kelly Naru at a non-violent gathering in Bumayong on 24<sup>th</sup> April, which contained the following demands: 1.

- Eviction of Western Highlanders from operating buses and all other activities in Lae.
- Attention to previous petitions, including deaths & injuries caused by fighting in 2011, funding city buses for Morobe people and increased authority to Morobeans.
- Other Administrative Affairs including review of Morobe Administration, consideration to an Autonomous Government of Morobe, the review of Land deals in Lae, increased funding for an Office for Law & Order and support for opportunities and upgrading of "grass roots" people's skills.

The fact that the petitioners have given 14 days to the Governor to address these demands is well known to the Lae Community, and many LCCI members have already contacted the Chamber expressing their apprehension about this deadline, in view of the problems that arose from a previous petition handed to the then Morobe Governor in 2011.

I have had a meeting with the current petitioners who call themselves the "VOICES OF MOROBE" and they have organised a program for a NON-VIOLENT PROTEST to receive the answer to their demands at a ceremony on the 9<sup>th</sup> May 2013. They have requested the Lae businesses to let Morobe employee's time off to support this event.

The group originally wished to hold this protest at Eriku's Niall Reserve, but my strong objections caused them to change the venue to the Sir Ignatius Kilage Stadium, to which I have been invited to attend.

I wish everyone to note that this event is still only a proposal, as the Voices of Morobe group must seek permission from authorities, and there is a good chance that the Lae Police may not permit such a gathering to be held in the city. It is good however to be able to have dialogue with this group, and to voice the concern of the private sector in general. We do not want to again be the innocent victims of a demonstration that goes wrong. There has been a significant downturn in trading over the past few months, and we the business community cannot afford any further setbacks.

I have advised that I cannot endorse the request to allow Morobe workers time off to attend this event, as this is up to individual companies to decide. Similarly assistance with goods and equipment will have to be a decision by companies who may wish to assist. We will however wish to be kept in the loop of information about this event and we will continue to demand the petitioners to respect the private sector and to conduct the event in a peaceful manner.

The Chamber will continually provide updates of this situation as are necessary to members.



Lae Chamber of Commerce Inc. 2012 EXECUTIVE COUNCIL

President Alan McLay

Snr Vice President

Nigel Merrick

<u>Jnr Vice President</u> Robert Howden

<u>Treasurer</u> Stephen Beach

### **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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### ETHNIC PROBLEMS (Cont)

Governor Naru has requested the Morobe Land Transport Board to review the whole PMV licensing process, with consideration for licenses are distributed with preference to Morobe owned Buses, and then more evenly distributed to buses owned by people from all Provinces. As this is one of the chief demands of the petitioners, then this may satisfy a large part of their demands.

We advise that our projected meeting with the Governor two weeks ago did not take place due to his call to an urgent meeting with the Prime Minister. We do hope to address the implications of the petitioner's demands with the Governor as well as other matters, before the Governor answers these demands.

TELIKOM PNG

# **SERVICE DISRUPTION NOTICE**

Telikom PNG will be carrying out a stress level test on its support optic fibre in anticipation of a planned major cut over by PNG Power on the Optical Ground Wire system between Lae and Madang.

The stress test is scheduled from 02:00am to 06:00am on Sunday the 05TH of May 2013. During this time, customers may experience service congestion with minimum outage on landline, data, GSM, CDMA and International traffic.

This exercise is to ensure continuity in network operations in the event of this network cut-over.

Telikom sincerely regrets any inconvenience caused to its customers and loyal clients and is committed to ensure services are improved.

For further enquiries please contact Telikom PNG 24/7 Customer Care on 345 6789.

By Telikom PNG Management

Call Cuctomer Care on 345 6789 1



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### IMPORTANT NOTICE

### 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

<u>y-iea/</u>

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

### WHERE BUSINESS BECOMES PLEASURE...

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Airways. It's a pleasure.

Drilling at the Wafi

prospect in PNG's Mo-

robe Province, Image

courtesy of Harmony

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



### Blair Price - Wednesday, 1 May 2013

A 198m intersection grading 2.14% copper was the standout of recent tripledigit hits at Newcrest Mining and Harmony Gold's exciting Golpu block cave project in Papua New Guinea.

The interval started from 798m down the hole in the targeted Lift 1 area and also graded 0.97 grams per tonne gold.

It was part of a wider 588m intersection grading 0.97% copper and 0.43gpt gold starting from a depth of 588m.

Another hole in the area hit a 156m intersection grading 1.19% copper from a 322m depth including 84m at 2.01% copper and 0.52gpt gold.

A separate hole in the Lift 1 zone intersected 156m at 1.35% copper from a 490m depth which included a 26m interval at 3.22% copper and 0.92gpt gold.

Investigations into a possible Lift 3 expansion are continuing and were aided by some other drilling results in the recent quarter.

A hole going through the proposed Lift 2 and Lift 3 areas landed a 984.4m inter-Section grading 0.93% copper and 0.78gpt gold which included a 278m interval at 2.32gpt gold and 2.41% copper starting from a 1238m depth.

"This hole has confirmed the continuity of higher grade mineralisation within Lift 2 and demonstrated that this mineralisation extends into Lift 3 and remains open at depth," Newcrest said.

"Good potential exists to increase the extent of this higher grade mineralisation below the base of the present drilling."

The block cave project is part of the wider Wafi-Golpu project in Morobe province which includes the nearby Wafi porphyry resources which are being studied for possible open cut mining.

A hole 100m north of the established Wafi resource intersected 66m at 2.56gpt gold from a 114m depth, providing the joint venture a new zone of high-grade oxide gold to explore in this direction between Wafi and Golpu.

Unveiled in late August, the Golpu prefeasibility study was for a \$US4.8 billion two-lift block cave operation that produces an average 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 with first production in 2019.

But the PFS estimated a 30 year-plus life and production of 580,000ozpa gold and 300,000tpa copper under the expanded three-lift scenario.

Newcrest and Harmony own 50:50 of Wafi-Golpu through the Morobe Mining JV.





### 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.

INVITATION FROM THE CHAIRMAN OF TRANSPARENCY INTERNATIONAL BOARD

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





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K200.00 / Family of 10

K30.00 / Person



TRANSPARENCY INTERNATIONAL (PNG) INC. A National Chapter of Transparency International, and a member of the Community Coalition Against Corruption 2<sup>nd</sup> Floor IPA Haus, Konedobu PO Box 591 Port Moresby, NCD Phone 320 2188 / 320 2182 Fax 320 2189 E-mail: infotipng@gmail.com Website: www.transparencypng.org.pg

May 1st, 2013

Dear Sir/Madam.

### Re: Sir Anthony Siaguru Walk Against Corruption (SASWAC) 2013 - LAE

On behalf of Transparency International Papua New Guinea (TIPNG) I am pleased to write to you to inform you about this year's Sir Anthony Siaguru Walk Against Corruption (SASWAC). This year's event will be include LAE and will be staged on Sunday 26<sup>th</sup> May 2013. The SASWAC is part of TIPNG's efforts to raise greater awareness about corruption, provide a peaceful avenue for citizens to express their opposition to this scourge and most importantly to raise much needed funds for the Siaguru Endowment Fund (SEF). Proceeds from the SASWAC go towards the SEF which is a back-up stream of funds to ensure the future operations of TIPNG.

The 2012 SASWAC was very successful and raised K237, 200. As a result of your generous contributions last year, TIPNG was able to continue and carry out the following activities:

- Launch the communication and awareness campaign, generate individual, corporate, schools and civil society memberships and strengthened the Community Coalition Against Corruption The Wake Up PNG Exhibition.
  - Teach 56 students from around the country the basic principles of democracy, good governance and advocacy skills to enable them to pass on the knowledge and skills gained at the camp **The Mike Manning Youth Democracy Camp**.
- Provide free legal assistance and support to state authorities when processing corruption complaints The Advocacy & Legal Advice Centre
- Ran activities aimed at equipping youth with the necessary skills to take up the fight. These activities included youth forums, leadership training, media workshop, radio talkback show and mock elections run by the **Youth Against Corruption Association**
- Increase Awareness on governance issues in the forestry sector through capacity building and strengthening stakeholder networks - The Forest Governance Integrity Program
- Help build integrity in the 2012 National General Elections through Civic and Electoral Advocacy The Voter
  Education project

I write to you to seek your participation this year. Corruption is an issue that affects us all and can only be stopped if people work together against it. This is why TIPNG works through events like the SASWAC to build relationships and empower people to take action against corruption. Therefore the organisers of this year's SASWAC are revamping this year's event with the inclusion of Family Teams and Individual Participation.

Family Team (NEW)

Individual (NEW)

The Entry Fees are as follows: Corporate Teams

to the TIPNG Lae SASWAC Committee.

**Civil Society Team** 

School Team

| K2000.00 / Team of 10            |
|----------------------------------|
| K500.00 / Team of 10             |
| K200.00 / 10 Students,2 Teachers |

Additional details including the patron, site, theme, route, program and other logistical arrangements will be communicated to you and publicised closer to the event. If you have any queries please contact (Mrs. Evah Banige – Lae TIPNG Committee Secretary of SASWAC) she will be

To register, please complete the following registration form and send back to the Lae Chamber of Commerce office to forward

happy to answer any questions you have. She can be reached on email: <u>ekbanige@works.gov.pg</u>, Bemobile: 67322905 Digicel: 738 37005 or Office Ph: 472 6818 We thank you for your consideration and look forward to receiving your support.

Yours sincerely,

Lawrence Stephens Chairman - TIPNG Board of Directors



# ANCO

### **VANCO TRAINING**

We are pleased to announce our Business Support Soft Skills Competency based Training: The following courses tabled below are open for enrolments:

| Training Course             | Target Group                      | Days | Investment |
|-----------------------------|-----------------------------------|------|------------|
| Customer Services           | Customer Service personnel        | 1    | K750 pp.   |
| Employee On-boarding        | Supervisors, HR, Team leaders     | 1    | K750 pp.   |
| 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

| 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 |

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

| Training Course                 |                  |     |    |
|---------------------------------|------------------|-----|----|
| 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 |

SCHEDULE - June 2013

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

## Business Advantage article of the week!

# **Business Advantage PNG**

on this workshop or to reserve your sp

YOUR GATEWAY TO PAPUA NEW GUINEA AND THE REGION

# The end of Papua New Guinea's mining boom? Five key questions answered

1 May 2013 by Business Advantage Leave a Comment

re Direct Information on this illiams -76662499 Or 733780

This month, global gold, copper and silver prices hit lows not seen for over two years, causing commentators around the world to suggest that the global mining boom, driven largely by demand from China, is over. How could this affect Papua New Guinea?



An aerial view of the Hidden Valley gold mine. Credit: Morobe Mining Joint Venture/PNG Chamber of Mines and Petroleum

### 1. Is PNG's mining boom over?

Dr Ila Temu, outgoing President of the Papua New Guinea Chamber of Mines and Petroleum, believes so.

Read these 5 comments on the Mining Boom – is it over in PNG?

# The global mining boom 'is definitely over', with the current downturn expected to have a 'big impact on capital spending, exploration expenditure and financing for many existing and planned projects', Temu told his organisation's annual general meeting last week.

David Lennox, resource analyst with the stockbroking firm Fat Prophets in Sydney, Australia, agrees. The 'boom' is over but will be replaced 'with a more sustained, stable growth'.

'Just as in Australia, the infrastructure couldn't be sustained-it's the same with PNG,' he told Business Advantage PNG.

#### 2. What's going to happen to PNG's pipeline of future resources projects?

'The recent decline in gold prices is affecting projects globally ... and projects with higher costs have already been impacted,' notes Adam Cowen of Ironstone Capital, a corporate advisory firm specialising in the resources, energy and infrastructure sectors.

Cowen told Business Advantage PNG he did not think all resources projects in PNG would be affected, however:

'PNG has a number of high quality proposed projects and I suspect that a number of these will be viable even with today's pricing. On a positive note, there is a great deal of interest in PNG oil and gas, which may partially offset deferred spending on mining in PNG over the next few years.' (To view a list of future mining projects in PNG, click <u>here</u>.)

#### 3. What should the Government do about it?

Given the PNG Government's reliance on resource revenues to fund its future development expenditure, a healthy mining and petroleum sector is in its best interests.

Dr Temu argued that the Government could do more to address some of the issues that make PNG a high cost place to do business, such as law and order, infrastructure and red tape. (As reported in this week's <u>Around the world</u> column, PNG is ranked equal last in the world by Behre Dolbear for the time it takes to bring a new mine on line.)

'If the [PNG] Government were to invest in infrastructure and training this would assist in bringing costs down, thereby improving the viability of projects from an investment perspective,' observes Ironstone Capital's Adam Cowen.

One thing Temu was adamant about is that this is no time to increase the tax burden on resources companies:

'The current tax review must take these global developments into account. This is not the right time to increase taxes. It is a good time to review expenditure as well and to cut unnecessary spending.'

The Chamber of Mines will hope this message will be carried to the body of eminent persons-former Internal Revenue Com-

missioners Sir Nagora Bogan and David Sode and former Australian Treasurer Peter Costello—currently reviewing the taxation regime for mining and petroleum in PNG.

#### 4. What impact will the slowdown have on the rest of the economy?

While reduced activity in the mining sector is likely to have some knock-on effect across the economy, there are positives in the slowdown, according to David Lennox.

'Because mining was going at such a rapid pace, other industries were not able to keep pace. Growth will be more manageable,' he says. 'Other parts of the economy can now step in and mining can continue at a moderate pace.'

### 5. Does this change PNG's long-term future?

While the current mining boom may be coming to a close, the longer-term picture still looks positive.

Speaking at last month's Australia–Papua New Guinea Business Forum in Port Moresby, ANZ's Chief Economist Warren Hogan observed that China was still planning to bring 300 million people into cities over the next decade and 'when you bring people into cities, you need to build them first.'

With between two-thirds and three-quarters of real economic growth coming from Asia over the next decade, Hogan said 'PNG is sitting right now in the zone of the greatest opportunity.' Hogan said capital would continue to go into the economic sectors with the highest potential return, and for PNG that would continue to be the resources sector.

With the right policies from government, research conducted for ANZ by Port Jackson Partners has predicted that PNG can increase its exports sixfold by 2030—something asserted by ANZ CEO Mike Smith during his February 2013 visit to PNG.

### <u>Arthur Strachan Ltd</u>

Lot 7 Section 75, Corner Kamarere Street & Mango Street Lae FOR SALE BY TENDER - Tenders Closing 17<sup>th</sup> of June 2013 – 4.00pm

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Late advice was received on this Stakeholders Meeting on GOOD CORPORATE CITIZENSHIP.

To be held at the Melanesian Hotel this coming Monday

### The Department of Labour also wrote to advise of Compulsory worker's compensation inspections!

Department of Labour Inspectors will commence Inspections on 19<sup>th</sup> April through to 19<sup>th</sup> November 2013.

### Office of Secretary for Labour and Industrial Relations "STAKEHOLDERS EDUCATION AND AWARENESS ON GOOD CORPORATE CITIZENSHIP"

### Initiative of the Department of Labour and Industrial Relations

The Department of Labour and Industrial Relations wishes to advise Stakeholders, Business Houses, Companies and Corporate Clients of the Foreigner Work Permit system that there will an education and awareness session on **"Good Corporate Citizenship Awards 2013 & Work Permit and Compliance Issues"** held throughout the country between 29 April-29 May 2013.

### Applications for Good Corporate Citizenship

Good Corporate Citizenship is based on the belief that businesses and organizations that 'do the right thing' consistently should be rewarded and recognised.

The Department is now calling for applications for the 'Good Corporate Citizenship Awards for 2013'. The Department is seeking nominations from interested employers/organisations to submit your application with supporting evidence to the Secretary, Department of Labour and Industrial Relations, PO Box 5644 Boroko, NCD by close of business on 24<sup>th</sup> May, 2013 at 4.06 PM.

The awareness sessions are free of charge and will provide interested parties the opportunity to learn more about these prestigious awards issued by the Department. Registration will be done upon arrival at the presentation venue.

Details of the session to be held in Lae is as follows:

| Region: | Lae (Momase)                    |
|---------|---------------------------------|
| Date:   | Monday 6 <sup>th</sup> May 2013 |
| Place:  | Melanesian Hotel                |
| Time:   | 0900 to 1200 noon               |

We take this opportunity to encourage businesses, non-government organizations and volunteer groups to consider the benefits that Good Corporate Citizenship offers to your organization:

- Public and government recognition;
- 5 year term Work Permits; and
- Priority processing of applications (10 working days)

Most of all, the pride in the knowledge that your organization has contributed to the employment, training and development of Papua New Guinean workers in a safe, compliant workplace.

For further information please contact Pius Lahari, Executive Manager, Employment Promotion on telephone 325 2911/301 1600 during office hours or forward your query to enquiries@workpermits.gov.pg.

(signed)

George Vaso

Secretary, Department of Labour and Industrial Relations

