



# LAE CHAMBER OF COMMERCE INC.

## WEEKLY NEWS UPDATE

28 June 2013

VOLUME: 26 - 13

### LAE CHAMBER OF COMMERCE INC.

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*Thank you*

### FROM THE PRESIDENTS DESK

## BIG WEEK FOR LAE

The arrival of Prime Minister O'Neill in Lae yesterday accompanied by most of his Cabinet Ministers and other Parliamentarians certainly stirred up a lot of interest amongst the Lae Community.

The Prime Minister's first Port of call was the National Polytechnic College, where before a sizeable crowd of staff, teachers, students, parents and other guests, he officiated in the ground breaking for the new Female dormitory which has been funded through the Lae Member and Minister for Religion, Youth and Community Development Hon. Loujaya Toni. Whilst at the Polytech the PM also launched the Lae District 5 year Development Plan and the District Population verification project.

The students from the Hospitality & Tourism Department prepared snacks and drinks, and proudly served them to all the official attendees.

From the college, PM Peter O'Neill and his group of Parliamentarians went straight to the Niall Reserve, to launch the LAE-NADZAB ROAD RECONSTRUCTION PROJECT. A grand stand had been erected to cater for this event and the official guests were able to sit under two tents. A crowd of over 1,000 also witnessed the event, where they stood in awe of so many Parliamentarians and dignitaries assembled at the one time.

Peter O'Neill has certainly gone past his learners licence on an excavator, as this is the third time in as many days that he has been at the controls of a back hoe.

The Morobe Governor Kelly Naru whilst introducing the members of the entourage took advantage of a short blackout, when the sound system failed. "We are indeed fortunate that we have this blackout at this time", said the Governor. "This shows you what we go through daily in Lae". This sentiment was acknowledged by the PM in his responding remarks.

The Works Minister, Francis Awesa said that the Contract for the Lae-Nadzab has been signed and there is now a 3 month mobilization period before the construction will commence in earnest. The most pleasing remarks made by the Minister were that there will be no unnecessary compensation payments entertained. Only genuine claims will be paid.

The representative from approved contractor - China Railway International Limited expressed her sentiments in her lilting Chinese, that the company was more than happy to show what they are capable of doing, by taking on this challenging contract. The crowd showed their appreciation by cheering and clapping at the way she presented herself.

The Prime Minister was given the opportunity to respond to all the speeches and said that this project is the first in a plan to re-construct the entire Highlands Highway. Shortly the section between Togoba and Mt. Hagen will commence, and this will be followed by others. Initial funding for the Lae-Nadzab section will come from the National Government but will be followed by a low interest loan from the Chinese EXIM Bank.



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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 developed locally;



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**PRIME MINISTERS RESPONSE (Cont)**

The O'Neill Dion Government have earmarked 2013 as the year of Implementation, which is why the Lae-Nadzab Road has been fast tracked. Peter O'Neill went on to say that the Lae Port Development is part of this plan, and the culmination will be the development of an International Air Terminal at Nadzab. He said that funds had been secured for a feasibility study for this Nadzab international terminal.

Mr. O'Neill also announced that the K100 million is this year's National Budget for the Lae Roads Project will be spent on producing roads at a high standard, unlike some of the roads over the past few years. This was reiterated by the Works Minister who said that this funding is already in a trust account and has not yet been touched. So we look forward to the next Lae City roads developments.

The Prime Minister concluded the day's events by presenting a steer (bulamakau) to each of the AHI clans for their cooperation on the Lae Port Development project and their continuing cooperation on the Roads Projects.

The official visits also included the opening of the NARI Agricultural Innovations Show by the Deputy Prime Minister Grand Chief Leo Dion on Thursday morning.

**LAE CHAMBER MEETS ORGANIZERS OF THE LAE NADZAB RE-DEVELOPMENT PROJECT**

On Tuesday 25<sup>th</sup> June a meeting was held in the LCCI Board Room with representatives from companies along the Highlands Highway corridor, that will be affected by the new Road development, including - HBS Machinery, Chemcare Group, Guard Dog Security Services, City Mission, Hornibrooks, Interoil, Mainland Holdings, IPI Group and MMJV.

The meeting was called as it was obvious that the awareness that Provincial Government had conducted, had not reached the targeted companies. John Wakma from the National Roads Authority and Terrance Kuniaka from Nambawan Surveyors, who has been engaged by the project were able to satisfy all the queries on the road development and also to show the initial plans on what will happen.

Basically the Highway will be developed along a 40 metre corridor all the way from the Boundary Road junction at Lae to Nadzab. Stage One will be to a point just past the Wau/Bulolo Highway turn-off. Currently the road reserve covers a 30 metre belt, and the extra 10 metres that are required, will need to be acquired from adjacent property owners.

All the attending companies were very supportive of the project and the benefits that it will eventually bring to Lae, and all said they are willing to make the extra land available, as long as consideration can be given to skirting around some existing improvements.

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## ANNOUNCEMENT FROM WATER PNG

Dear our Valued Clients,

We will be carrying out some much needed and **URGENT** pump maintenance work this Saturday, the **29<sup>th</sup> of June 2013**.

Work is planned to commence at **8.30 am** and end by **5.00 pm** the same day.

As a result, water service will be disrupted to the following areas; University of Technology Campus, East and West Taraka, Bumayong and Tent City Suburbs.

Please pass this info accordingly to your network of clients.

We do apologise for giving such a short notice and for any inconvenience that is caused by this sudden maintenance requirement.

Joe R Agavi  
Manager Customer Services  
Water PNG-LAE

Phone: 472 3852 /  
7109 6001

## SECOND MEETING ON HIGHWAY PROJECT

After the Prime Minister launched the Lae Nadzab Highway development project on Thursday, a meeting was organized with Bruce Warner the Project Engineer. Bruce is a highly regarded engineer from a Melbourne based Engineering Company and has been working on the project for 3 months, so he is familiar with all the current aspects.

He reiterated that the road will be done with a **FULL DEPTH ASPHALT PAVEMENT (20 cm)** for the first time in PNG. Hence the lengthy mobilization period as the contractor will have to bring in all their own pavement machinery.

The road will be constructed with a raised cement medium strip of about one metre, where street lights will be located. On either side there will be two lanes, then a shoulder (stopping lane) and kerbing and guttering, under which will be a sub soil drain. This will be skirted by a crash barrier, footpaths and further drains.

All members who believe they may be affected by the road development are requested to contact the LCCI and we will provide a contact so you can obtain further information. Eventually the design plans will be sent to the LCCI for the use and benefit of our members.

## LAE ROADS

As the Minister for Works announced on Thursday the K100 million for Lae Roads in this year's budget is yet to be used. These two new projects are under the control of the newly formed **HIGH IMPACT PROJECT Unit**, and have the same Project Managers. The steering committee for the Lae Nadzab Highway will also become the steering committee for the Lae City Roads Rehabilitation Project.

The CSTB have just awarded contracts on two further Lae City Roads – Air Corps Road and Kwila Road. The Project Managers will also be assessing the work that has been performed in the past few years, and looking whether to do a bitumen overlay on some of the already concreted roads.

## NOTICE TO THE PUBLIC ON THE REDEVELOPMENT OF LAE TO NADZAB SECTION OF THE HIGHLANDS HIGHWAY

This notice is to advise the property owners and developers along the Lae to Nadzab road corridor that the work on the project road is scheduled to commence in July 2013. The National Executive Council has directed the Department of Transport and the Department of Works to Reconstruct and Rehabilitate the Lae to Nadzab Road to a four lane Highway. To meet the standard as specified by the government, a road reserve of forty (40) meter is needed. That is 20 meters each side from the road center line.

Properties or assets located within the limit of 40 meter road reserve will be removed and / or relocated. They include power pylons, telephone lines, cables, water and sewerage reticulation system, houses or properties of any kind, gardens and plantations. Properties located on the identified state land shall be removed at no cost to the state. For reason that the 40 meter reserve encroached into private or traditional land, the state shall reasonably compensate the property or land owner and acquire the land for the proposed road work.

The government is kindly seeking the support and cooperation of the people of Morobe, the Morobe Provincial Government, those living along the road corridor and general road users to ensure the project commence on time, and completed as scheduled with less interference.

For further information please contact my office on mobile number 7201 3297 and email: [pgamato@yahoo.com.au](mailto:pgamato@yahoo.com.au)

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## 2013 MEMBERSHIP SUBSCRIPTIONS

Most members have already paid their LCCI 2013 membership fees and this has been greatly appreciated as this has allowed the LCCI to continue to strongly support the business community. There are a few members who have not yet brought their membership up to date and we request that these companies pay the arrears as soon as possible.

In the event that the fees still remain outstanding after June the 30<sup>th</sup> we will regretfully have to stop sending the weekly newsletter and our notices, to these forgetful members. We will contact errant companies this week to find out if there is a problem and on request we will re-send the 2013 invoices again



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### Update on the activities of the PNG Cancer Relief Society.

Thank you to all who have supported the PNGCRS over the last 18 months. The number of companies and individuals that have supported the cause are too numerous to mention but its pleasing to see the efforts and generosity of all to such a worthy cause. We also would like to say thanks to Dr. John Niblett and his wife Andrea, because without their input and specialist knowledge, the money raised and efforts of the Society would be in vein.

Unfortunately the numbers of active committee members has diminished and we would be delighted for anyone with a little time to devote in raising funds to join our committee. We are also looking for someone who can assist in coordinating blood collections. Anyone interested contact anyone listed at the end of this report.

### Achievements over the last 18 months.

1. Canvassed the Health Department regarding the purchase of a CT scanner- The tenders Board has now approved a Tender from Siemens.
2. Purchased Fibre Scopes for K20,000 for the identification and treatment of throat cancers.
3. Developed a Brachytherapy treatment room, which has involved building modifications, air-conditioning supporting water tank and facilities.
4. Acquired with the support of the Gaming Board a Brachytherapy machine for the treatment of cervical cancer costing K140, 000. This is now installed. Cervical cancer is one of the major killers in PNG.
5. Purchased radio active sources for the Brachytherapy machine at a cost of K72,000, these are being transported to PNG with the help of the Australian Airforce.
6. Purchased speech therapy equipment for K11,000 for people who have lost speech as a consequence of throat cancer surgery.
7. Replaced and repaired televisions for the Cancer Ward( Thanks to time an TV's donated by Tolec)
8. Attended a cancer workshop in Port Moresby with representatives from the Government and Health Department to involve the PNG Cancer Relief Society in the development of a blue print for the development of cancer treatment services.
9. Met with representatives of the Faculty of Radiation Oncology of the Royal Australia and New Zealand College of Radiation Oncology who, on a voluntary basis, are putting together a report to the Government on the future for Cancer treatment in PNG. They will provide us with a copy of this report.

### Objectives for 2013 and Beyond.

1. Acquisition of a low energy superficial x-ray machine for the treatment of skin cancers. Anticipated cost approximately K620,000. Anticipated to save an extra 100 lives per annum.
2. Conversion of an office to a nutrition room to provide liquidized foods for throat cancer patients.
3. Provision of a 20 bed accommodation unit with toilet facilities for cancer sufferers who travel in from all parts of the country but are not confined to bed (Anticipated cost K400,000)
4. Assist with the collection of blood to boost supplies available for anemic patients undergoing cancer treatment. (Rotary are to provide a collection vehicle)
5. Building of a new concrete bunker to house a second linear accelerator which will double the number of cancer patients that can be treated. (Concrete to be donated by Boinamo Enterprises)
6. Acquire a second linear accelerator or cobalt machine.
7. Erection of a steel fence around the existing linear accelerator. ( Fabrication and erection of fence to be donated by Albion Engineering)
8. Assist with training for Radiologists and develop a plan in liaison with the Health Department for service after Dr. Niblett retires

### Thank You- Golf Day 2012.

The Society would like to express their gratitude for the support of Oil Search, Mapai Transport and the Golf Club Committee for their tireless support and efforts in arranging the 2012 Daffodil Golf Day premier fund raising event of 2012. The event was a major success raising gross funds of K206,000. Not only did the event make a considerable contribution to the Society's funds but the day was very enjoyable for all participants and this has ensured the ongoing success of the event.

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## Cancer Relief Society (Cont)

### Monster Raffle

The raffle was drawn in March 2013 and raised a total of K25,000.

### Head Shaving Event

This was held in April 2013 and raised K55000. Thanks to all sponsors and donors of heads- and special thanks to Mike Quinn- who ran the Auction with his usual ease with only 5 minutes notice- well done!!

### BOC/HBS

BOC allocated some of their old stocks to the Society which were purchased from us for K15,000 by HBS Machinery Limited.

### Donations

The Womens' Doctors Association and the Port Moresby Cancer Relief Society through Oil Search have each donated K50,000 towards the new Cancer Ward. Jenny Smith donated close to K1000 from the sale of Jewelry. Soo Traders Limited donated K30,000 towards the new nutrition kitchen.

### Upcoming Events

Golf Day 2013- Thanks to Jacob Luke, Oil Search and their teams, who have already started organizing the 2013 event.

### Conclusion

The Society continues to make significant progress in saving and enhancing the lives of cancer patients. We once again acknowledge all our supporters who have helped the Society to achieve its objectives and we look forward to your ongoing support.

Kind regards  
**John Clarke**  
Treasurer

### Contacts

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Jan Clarke	4727910	janvclarke@datec.net.pg
Murray Fletcher	4792344	
Jein Browne Duffield	4726244	accounts@plumtrade.com.pg

*Another successful  
meeting with Air  
Niugini*

## AIR NIUGINI

On Wednesday 26<sup>th</sup> June an Air Niugini team consisting of Chairman Garth McIlwain, the a/CEO Simon Foo, Country Sales Manager Colin Lyttle, Sales Manager Geoff Jackson and Michael Boyacii the Executive Club Manager visited the LCCI, on a second visit to discuss Lae related travel requirements.

The Chairman reiterated Air Niugini's commitment to improving the services provided by ANG, the better scheduling and the International Services, especially the Lae-Cairns-Lae route.

The LCCI expressed satisfaction to the steps already taken by Air Niugini to improve the scheduling and the timeliness of the aircraft, although both sides agree that there is more work yet to be done.

The audio announcements on late flights still needs to be improved a lot more. ANG made a short power point presentation and further briefed the LCCI on the changes that have been made to the Executive Club and future improvements.

Phil Franklin had already met the ANG team on arrival at Nadzab and went through with them the proposal for a temporary arrivals and departure facility in the current terminal building that is an immediate requirement to facilitate direct flights to Cairns. After the last visit by ANG, they re-arranged the schedules so the Lae/POM/Cairns flight would be more convenient for Lae travellers. The results were lower than expected and would not support a Lae Cairns direct flight. As a result ANG have asked the LCCI to contact the ICCG to support a case for a code share flight with Qantas to service this route, which would hopefully make it more viable.

ANG said that the pavement at Nadzab still needs an upgrade, and have asked the LCCI to assist to point the urgency of this to NAC. If this happens, then Nadzab could become the alternate destination to Jackson's airport, which is currently stressed and congested. The LCCI will also present a case to the Government for Nadzab to become an International Airport.



**Business Advantage**  
article of the week!

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## Business Advantage PNG

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### Newcrest Mining to lay off up to 7% of Lihir workforce

26 Jun 2013 by [Business Advantage](#)

**Following recent announcements that it will aim to reduce operating costs at its Papua New Guinea sites, Newcrest Mining Ltd will cut at least 150 jobs from its workforce at the Lihir gold mine.**

According to *The National*, PNG country manager Peter Aitsi has confirmed that 'positions at the Newcrest Lihir gold operations have been reduced between 5% to 7% of the overall workforce specifically 10% of our expatriate workforce and around 8% from our national workforce.' The mine employs nearly 3,000 direct employees and 2,000 contractors.

The board of Newcrest has also appointed former Australian Securities Exchange Chairman, Dr Maurice Newman AC, to conduct an independent review of the company's disclosure and investor relations practices.

Chairman, Don Mercer, said the board was 'deeply concerned' about the criticism of the way in which the company announced [asset write downs](#) in early June, which has been described as the [largest single write-down in gold mining history](#).

The company announced a US\$6 billion reduction in the value of its assets with around half of the write down coming from Newcrest's PNG operations.

Newman's inquiry will run parallel to investigations already underway by market regulators at the Australian Securities and Investments Commission and the Australian Securities Exchange

### Lihir loan scheme a model for Papua New Guinea: Yates

18 Jun 2013 by [Business Advantage](#)

**In what is believed to be a first for Papua New Guinea, Lihir Island landowners will have access to a new lending scheme to finance their small businesses and help foster economic development on the island.**

Under the plan, Kina Funds Management, PNG's largest fund manager, will finance individual loans and provide investment management services to the Lihir Mining Area Landowners Association.

'An essential part of this arrangement is that Kina Funds Management Ltd has also entered into an agreement to manage landowner funds on behalf of the association,' Kina Group of Companies Chief Executive Officer Syd Yates told *Business Advantage PNG*.

Each enterprise that receives a business loan will also be able to take part in a training and education program to help maximize its success. Loans will be available to all types of small and medium-sized enterprises.

'We believe this will be a role model for management of landowner funds within PNG,' said Yates.

Shareholders in Kina Asset Management, another division of the Kina Group of Companies, will get a taste of the latest technology at the firm's annual general meeting on 28 June, when they will be able to cast their votes for the first time using their mobile phones.

### Don't panic: agricultural markets will weather the global storm

26 Jun 2013 by [Business Advantage](#)

**Commodities prices have been sold off heavily over the past week on worries that the global economy will slow. What does this mean for Papua New Guinea's agricultural producers?**

Base metals, gold and soft commodities such as palm oil, cocoa and coffee were all swept up in the selling that followed comments from Federal Reserve Chairman Ben Bernanke about tapering off the central bank's stimulus of the US economy.

But, despite the sharp reaction in financial markets, analysts say the medium-term outlook has not changed dramatically.

For Papua New Guinea's key agricultural exports, changes in investor sentiment can have ripple effects through the commodities world, but the fundamentals of supply and demand do prevail.

'If there is bearishness in grain and oilseed prices, that influences palm oil,' Rabobank senior industry analyst Pawan Kumar told *Business Advantage PNG*. 'But the biggest factor for palm oil is the oversupply that has been the case for the last 10 months or so.'

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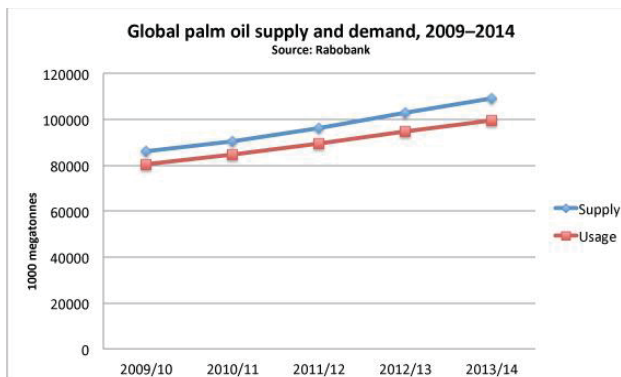
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### Palm oil stocks

Even though stock levels have declined somewhat in key producing nations such as Malaysia, which would normally help prices, palm oil prices remain flat because of expectations of another strong production cycle in the second half of this year.

Kumar said China's stock of palm oil imports was 55% higher in May than a year ago, and Chinese imports were likely to slow as the nation buys more soybeans in coming months. The price of palm oil has slumped some 35% over the past year.



### Cocoa to improve

Cocoa, another key commodity for Papua New Guinea's farmers, should see prices improve over the rest of the year, according to Kumar.

'Cocoa is the only commodity at the moment which is looking bullish, the reason being that demand is slightly higher than production,' he said.

The current crop in Indonesia, which is forecast at 435,000 tonnes or just over 10% of global production, is expected to decline slightly from last year due to disease and other issues, while demand continues to rise.

### Dramatic moves

The recent moves in financial markets were more dramatic than many economists expected.

*'What we are going to see is swings between euphoria and depression.'*

Just as extra cash pumped into the banking system over recent years has helped to fuel recovery in stock markets and commodities prices, investors now fear that a reduction in liquidity will slam the brakes on the US economy, and lead to a wider global slowdown.

### 'Don't panic'

But the knee-jerk reaction that hit markets from Wall Street to Tokyo and Sydney may have been overdone, argues Sydney-based Westpac senior economist Justin Smirk.

'Now is not the time to panic, because the arguments that people are using to create that panic do not gel,' Smirk says.

'If the U.S. economy does deteriorate, then the argument for the Fed removing liquidity is not there and I think you will find the Fed will be back in action later in the year,' he said.

### Volatility will be the norm

Smirk expects that prices for key commodities will continue to soften through the rest of 2013, with the economic slowdown in China adding to concerns.

But he says the outlook for demand and prices will improve again next year.

Rather than a long-term downtrend in commodities markets, Smirk argues that volatility will become the norm as uncertainty over the strength of recovery persists.

*'What we are going to see is swings between euphoria and depression.'*

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PNG REPORT

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Essential PNG Industry News

## Elk-3 awaits Exxon deal

Blair Price  
Wednesday, 26 June 2013

INTEROIL has kept a rig in position to spud the Elk-3 well in Papua New Guinea once it finalises a deal to sell a big enough stake of its Elk-Antelope discoveries to fuel a third train expansion at the ExxonMobil-led PNG LNG project.

In a presentation at its annual and special meeting yesterday, InterOil said its management and advisors were focused on completing the proposed transaction with Exxon, which won a lengthy bidding process by offering the "highest potential value to InterOil shareholders".

InterOil made the point that the possible sale of stake in the Elk-Antelope hosting licence PRL 15 was not dependent on recertifying the resources. According to previous announcements, Exxon has considered funding more wells to further evaluate the field.

"The resource recertification will be used to determine the economic interest in the licence and to allocate up-stream capital costs," InterOil said.

With negotiations underway to finalise a binding agreement, InterOil has previously raised that Exxon wants 4.6 trillion cubic feet of gas to underpin the long-mooted third train expansion of PNG LNG.

The under-construction two-train LNG plant is targeting 6.9 million tonnes per annum of capacity in 2014, indicating this major project may expand up to 10.35Mtpa if a deal goes ahead with InterOil.

InterOil also aims to retain enough of the Elk-Antelope field in Gulf province to support its own LNG plant in this region, which could also be fuelled by gas found in the neighbouring Triceratops field-hosting licence.

According to an industry source, InterOil, its PRL 15 partner, Pacific LNG, and key PNG government figures are interested in an Energy World Corporation-developed LNG plant in this regard.

If a deal went ahead to process gas at PNG LNG's plant, InterOil said it would require approval from other PNG LNG partners.

InterOil said those discussions are expected to start in the September quarter after the Elk-Antelope "strategic partner agreement is executed".

In the meantime, InterOil has kept its Rig#3 in position at the Elk-3 site, on standby with a minimum crew.

The PNG government is a key stakeholder of PRL 15 and any deal over this field requires its approval.

As of late last year, GLJ Petroleum Consultant's figures for the field included a best case estimate of 9.07Tcf of initial recoverable sales gas and 135.4 million barrels of initial recoverable condensate.

The PNG government is using separate and undisclosed estimates from Gaffney, Cline and Associates.



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## PROMOTE YOUR BUSINESS THROUGH THE NEWSLETTER

Whilst we do run regular paid advertisements in the newsletter, we have a standard offer to Profile your business, as a one off opportunity – free of charge deal. All we need is for you to put together information on your business, what it does and the main contacts. This can be up to one page in size with limited graphics. Send it electronically to the Chamber and we will include it in the next newsletter publication Free of Charge.

## SOLOMON ISLANDS TRADE & INVESTMENT MISSION

The EOI Form is available at the LCCI Office. If you wish to be included on this important Trade Mission, please ask for the respective EOI Form from the LCCI Office.

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### INVESTMENT PROMOTION AUTHORITY *Office of the Managing Director*

Our ref:

Your ref:

20<sup>th</sup> June 2013

Mr. Alan Mclay  
President  
Lae Chamber of Commerce & Industry Inc.  
P O Box 265  
LAE, Morobe Province  
Papua New Guinea

Dear Mr. Mclay,

SUBJECT: INVITATION TO PARTICIPATE IN PROPOSED  
TRADE & INVESTMENT MISSION TO  
SOLOMON ISLANDS, 31 JULY – 2 AUGUST 2013

As you are probably aware, the Investment Promotion Authority (IPA) in collaboration with other stakeholders has been directed by the Ministry of Commerce, Trade & Industry to coordinate a government led trade and investment mission to the Solomon Islands on the indicated dates. The mission will be led by the Hon. Minister for Trade, Commerce & Industry, Mr Richard Maru.

The purpose of this trade and investment mission is to strengthen mutual partnership and relations between the two countries in the area of commerce & trade and encouraging and establishing partnerships between the private sectors of the two nations and for greater economic participation and cooperation between PNG and Solomon Islands.

Minister Maru has made his intentions known for the private sector to accompany him, participate in a one day business forum and have one-to-one business meetings in parallel with a product exhibition.

A working committee is liaising with relevant stakeholders both in PNG and on the ground in Solomon Islands to assist coordinate with the private sector in Solomon Islands for the business meetings.

Please find attached is an Expression of Interest Form for interested members to complete and submit to the IPA as soon as possible should they be interested to participate on this program.

For confirmation of participation and/or for further information, please contact Ms. Julienne Leka-Maliaki, Manager-Marketing & Export Promotions on telephone 321 731/308 4417, fax 320 2237 or email: [jleka@ipa.gov.pg](mailto:jleka@ipa.gov.pg).

We thank you for your usual cooperation in our joint efforts and look forward to your favorable response.

Yours sincerely,

IVAN POMALEU, OBE  
Managing Director

cc: Office of the Minister for Trade, Commerce & Industry  
cc: Department of Trade, Commerce & Industry  
cc: Manufacturers Council of PNG

## TB FACT SHEET

*Did you know that an Australian Journalist contracted a drug resistant strain of TB whilst doing a story on this dreadful development of the disease in the Western Province?*

*We should all know about TB – you never know when the information you read today could save lives in the future!!*



Australian Government  
AusAID



### TUBERCULOSIS FACT SHEET<sup>1</sup>

#### What is tuberculosis?

Tuberculosis is a disease caused by bacteria (germ) and usually affecting the lungs (pulmonary TB). Other parts of the body can also be affected, for example lymph nodes, kidneys, bones, joints, etc. (extra-pulmonary TB).

#### Who gets tuberculosis?

Tuberculosis can affect anyone of any age. People with weakened immune systems are at greatest risk.

#### How is tuberculosis spread?

Tuberculosis is spread through the air when a person with untreated pulmonary TB coughs or sneezes. Prolonged exposure to a person with untreated Pulmonary TB usually is necessary for infection to occur.

#### What is the difference between latent tuberculosis infection and tuberculosis disease?

Latent tuberculosis infection (LTBI) means the person has the TB germ in their body (usually lungs), but has yet to develop obvious symptoms. Tuberculosis disease indicates the person has symptoms (cough, fever, weight loss, night sweats etc). In order to spread the TB germs, a person must have TB disease. Having latent TB infection is not enough to spread the germ. Tuberculosis may last for a lifetime as an infection, never developing into disease.

#### What are the symptoms of tuberculosis?

The symptoms of TB include a low-grade fever, night sweats, fatigue, weight loss, chest pains and a persistent cough usually for up to 2-3 weeks. Some people may not have obvious symptoms.

#### How soon do symptoms appear?

Most people infected with the germ that causes TB never develop TB disease. If TB disease does develop, it can occur two to three months after infection or years later. The risk of active disease lessens as time passes.

#### When and for how long is a person able to spread tuberculosis?

A person with TB disease may remain contagious until he/she has been on appropriate treatment for several weeks. Without appropriate treatment people with TB can infect up to 10-15 other people through close contact over the course of a year. However, a person with latent TB infection, but not disease, cannot spread the infection to others, since there are no TB germs in the sputum.

#### What is the treatment for tuberculosis?

People with latent TB infection should be evaluated for a course of preventive therapy, which usually includes taking anti tuberculosis medication for several months. People with active TB disease must complete a course of treatment for six months or more. Initial treatment includes at least four anti-TB drugs, and medications may be altered based on laboratory test results. The exact medication plan must be determined by a physician. Directly observed therapy (DOT) programs are recommended for all TB patients to help them complete their therapy. Tuberculosis is a treatable and curable disease.



#### What can be the effect of not being treated for tuberculosis?

In addition to spreading the disease to others, an untreated person may become severely ill or die.

#### What can be done to prevent the spread of tuberculosis?

The most important way to stop the spread of tuberculosis is for TB patients to cover their mouth and nose when coughing, and to take all the TB medicine exactly as prescribed by the physician.

#### What is multidrug-resistant tuberculosis (MDR-TB)?

This refers to the ability of some strains of TB bacteria to grow and multiply even in the presence of certain drugs which would normally kill them.

#### What is extensively drug-resistant tuberculosis (XDR-TB)?

Extensively drug-resistant TB (XDR-TB) is a subset of MDR-TB in which the strains of TB bacteria are resistant to several of the best second-line drugs for TB. These strains are very difficult to treat. XDR-TB cases may make up approximately 10 percent of MDR-TB cases.

#### Who gets MDR-TB?

TB patients with drug sensitive disease may develop drug resistant tuberculosis if they fail to take anti-TB medications as prescribed, as well as TB patients who have been prescribed an ineffective treatment plan. TB cases diseased with MDR-TB can transmit the drug resistant infection to other individuals. We are all at risk of MDR-TB.

#### What is the treatment for multidrug-resistant tuberculosis?

For patients with disease due to drug resistant TB, expert consultation from a specialist in treating drug resistant TB should be obtained. Patients with drug resistant disease should be treated with drugs to which their TB is susceptible. The effectiveness of treatment for latent infection with MDR-TB is uncertain.

#### What can be done to prevent the spread of MDR-TB?

Ensuring people with MDR-TB take all their medication and teaching patients to cover their mouth and nose when coughing and sneezing can reduce the risk of spread of MDR-TB. In addition, directly observed therapy should be used to ensure patients complete the recommended course of therapy.

#### What is the Government of PNG doing to tackle TB?

The Government of PNG and its partners have developed, and are implementing, the National Strategic Plan for Tuberculosis Control in PNG 2011–2015 (NTP). The NTP is built around three strategic objectives:

- Objective 1: Pursue high-quality TB DOTS expansion and enhancement
- Objective 2: Introduce quality management of MDR-TB, including the laboratory component
- Objective 3: Improve TB/HIV collaborative activities.

In 2012, a total of 2,862 new smear positive and 22,488 all-forms cases were notified. This meant a notification rate, for all forms of TB, of 284/100,000 population, and a significant increase from 2011 when the same figures were only 17,133. The exceptional increase is explained by a nearly two fold expansion of DOTS to cover additional provinces in 2012 and increased diagnosis in all the provinces.

The Global Fund has approved USD\$9.5 million for an additional investment to extend the current Global Fund (GF) grant for TB in order to avoid disruption of TB treatment and control services in provinces and districts in PNG. This extension will allow PNG time to prepare for and submit a TB proposal under the new GF funding model in 2014, without suffering any service interruption. The interim extension will (a) maintain the key achievements of the grant and (b) will aim to further those achievements, reaching 100% service coverage.

The investment will fund the following interventions:

- preventing reversal of significant gains in DOTS expansion
- increasing treatment success rate from 69% to 85% through improved quality of care and increased treatment adherence, as a result of greater capacity of provincial health authorities in managing TB programs, support their basic management units and engage community based volunteers;
- improving the quality of the program by expanding the number of labs participating in external quality assessment (EQA),
- improving the reporting from the health facilities and increasing supervision,
- expanding programmatic management of MDR-TB by improving diagnosis, patient care and surveillance in 13 facilities;
- and improving Provider Initiated Counseling & Testing from 16% to 70% by building the capacity of TB staff in ten provinces not covered under Round 10 HIV grant and strengthening TB-HIV collaboration.

#### What is Australia doing to support the TB effort?

Providing funding to the Global Fund, who in turn fund PNG's National TB Program. This funding has supported the rollout of DOTS across PNG.

AusAID is funding a specialist TB Medical Officer for WHO's office in PNG. This position supports the supervision and training of health workers to improve TB management across PNG.

At the request of the Government of PNG Australia is also funding a National Drug Resistance Survey. This is being conducted in four sites (NCD, Morobe, Madang and Western Province) over 2013 and will inform future policy and programming.

In addition to this broad support to address TB in PNG, AusAID is also providing targeted assistance to help the PNG Government address TB in Western Province.

With AusAID's support, the Government of PNG is putting in place a comprehensive, best practice approach to detection and treatment of TB in Western Province in line with the World Health Organisations best practice guidance on Stopping TB.

AusAID has committed \$31 million to help support the Government of PNG with the improvement of health service delivery, including TB, in the Western Province which includes support for

- additional TB specialist staff for the province and a TB medical officer at Daru Hospital
- training for community health workers and volunteer treatment supporters
- a sea ambulance
- funding for laboratory diagnosis support in Queensland
- construction of a new TB and Isolation ward that will be finished in June, 2013
- up to \$10 million for the rehabilitation of Daru Hospital
- up to \$5 million for the rehabilitation of Mabaduan Health Centre
- and \$5 million to support the Middle and South Fly Health Development Program - a \$37 million initiative jointly funded by the Ok Tedi Fly River Development Program, the PNG Government and AusAID to improve primary health care in Western Province.

This support to improve TB services in South Fly District, is delivering impressive results with clear progress in TB prevention and control in South Fly, better diagnosis that has led to an impressive (31 per cent) increase in the number of patients notified with TB and MDR-TB between 2011 (Q1-3) and 2012 (Q1-3), and MDR-TB patients being promptly started on treatment with promising results so far with the number of deaths in MDR-TB patients declining sharply.

#### What can business do to support the TB efforts?

Businesses can support the TB effort by:

- Promoting awareness of TB among employees; and
- Allowing employees to become TB DOTS treatment supporters so that employees with TB can be helped to ensure they complete their treatment - Ela Motors is a great example of success in this area.

Interested businesses should contact Dr Paul Aia at Department of Health on 3013819 and Dr Curt von Boruslawski at World Vision on 311 2530

Port Moresby  
2013