

11 April 2014

#### 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

E-mail: president@lcci.org.pg info@lcci.org.pg admin@lcci.org.pg

Website: www.lcci.org.pg

The website is maintained by Kuakawa Business Solutions on support@kuakawa.biz.

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Lae Chamber of Commerce Inc.

**Weekly News Update** 

VOLUME: 14 - 14

#### FROM THE PRESIDENTS DESK 2014 ANZAC DAY NOTICE

The ANZAC Day Dawn Service will be held at the Lae War Cemetery, Friday 25<sup>th</sup> April 2014 commencing at 05:30 AM. The service will be followed by the Gunfire Breakfast at the Lae Yacht Club. **You are most welcome to attend!** 

### LAE ROAD WORKS

We believe that the court case on the so called block of land in the middle of Markham road has been determined in favour of the road contractors, and so now the contractors are preparing to close off this section on Saturday 12<sup>th</sup> April, so to complete concrete sealing Markham Road.

The contractor JV PNG Investment Constructions Limited will erect detours around the Rugby League stadium. It will take the contractors approximately one week to complete weather permitting. Hopefully then about 7days after completion the concrete will meet the required strength and with Works Departments acceptance they will endeavour to open the road again.

### DEPARTMENT OF LABOUR AND INDUSTRIAL RELATIONS NOTICE TRIPARTITE PARTNERS WORKSHOP

#### "Promoting Decent and Productive Work through Effective Work Standards"

The workshop was promoted by the Lae Chamber of Commerce this week at the following venue, dates and time. It has already attracted a good number of participants. If you still wish to attend, please contact Jenna at the LVVI (below details)

Date: Monday 14th April to Thursday 17th April 2014

Venue: Melanesian Hotel

TIME: 08:30 AM Registration, followed by Official Opening at 08:50 AM

The Tripartite is the **Employers, the Workers** and **the Government Agencies**, with functional responsibilities under the various Labour Legislations administered by the Dept. of Labour and Industrial Relations.

The Workshop, presents an avenue for the relevant core functions of the Dept. and Statutory Offices, to be promoted through formal presentations on the key issues and current development initiatives including *"Promoting decent and productive work through effective labour standards"*.

This workshop is free of charge and is important to every company.

Please contact the a/Administration Officer at the NTCC Secretariat Office on telephone 321 1757 or fax 321 2476 for further information. Please register attendance to Jenna on 472 2340, email <u>admin@lcci.org.pg</u> or fax 472 6038.



#### Lae Chamber of Commerce Inc. 2014 EXECUTIVE COUNCIL

<u>President</u> Alan McLay

Snr Vice President

Nigel Merrick

<u>Jnr Vice President</u> Robert Howden <u>Treasurer</u> Alison Judd

#### **Councillors**

Philip Franklin Peter Diezmann Kaity Bluett Dennis Brewster Terry Fuery Danny Kepi Andrew Gunn Belinda Edwards Samadhi Lewis Angus King Rajitha Ratwatte Paul Savage

#### 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;
- To provide business with a common voice.





#### Opening Soon April 2014 is the Ultimate Conference Centre for Morobe Province

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## Business Advantage PNG

## It's time for consolidation and better infrastructure, says Air Niugini's CEO

9 Apr 2014 by Business Advantage Leave a Comment



Simon Foo has been with Papua New Guinea's national airline, Air Niugini, since day one and is now its Chief Executive Officer, after 12 years as a board member. Celebrating the airline's 40th anniversary, he talks to *Business Advantage PNG* about the airline's priorities and needs for the next 10 years.

*Business Advantage PNG*: You've been with Air Niugini a long time in various roles. What are the company's priorities now you are CEO?

**Simon Foo:** I've been appointed on a two-year contract until such time as a substantive appointment can be made, and I see my term here as more about stabilising, consolidating and preparing the platform for the next eight years.

We released one Boeing 767 in late October 2013 and two de Havilland Dash 8100s in early November. So, now we have 30 aeroplanes. This gives us an opportunity to look this year at possibly putting another Boeing 737 on.

What we call in airline terms 'available seat kilometres' is probably down by about eight per cent. We're experiencing a 10% slow down in our business in revenue terms, so we've got to take the move to rein in the costs and rationalise our capacity.



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Air Niugini's Simon Foo

Business Advantage article of the week!

courtesy of www.businessadvantage png.com

More stories are available on the Business Advantage Website.

Business Advantage



Making a better PMG The latest- Made in PNG Magazine <u>IS NOW</u> <u>AVAILABLE</u> from the LCCI. Please arrange to collect this must read document.



#### **BUSINESS ADVANTAGE ARTICLE (Cont)**

Business Advantage PNG: In recent times, Air Niugini has launched some new routes—to Bali, and from Cairns to Rabaul direct. What was your thinking behind those routes?

**Simon Foo:** Firstly, we're a government airline and I think it's important that we follow government policy.

We hadn't had an air service arrangement with Indonesia for many years. With the fastgrowing economy in Indonesia, and with closer political ties between our governments, our government asked us to have a good hard look at opening up an air service, which we have done as of April 2013.

Talking about Rabaul: the government has initiated a four pillars strategy, Port Moresby being the administrative capital, Lae the industrial, Mount Hagen being agricultural, and Rabaul in East New Britain being tourism.

'For players coming into this market, they need to have a hard look at where the business is.'

The government sees a future for tourism after the mining boom is finished.

So, we have to start putting some steps in place for the future. Newcrest used to run a charter service between Rabaul and Cairns to move its fly-in and fly-out mine workers.

It was just a case of Air Niugini making an arrangement with Newcrest to sell commercial traffic on that run. Newcrest has now come to an arrangement with us to do another solution for their mining people but we have kept the Cairns–Rabaul route open, with tourism development funding from the East New Britain provincial government.

Business Advantage PNG: Where else are you looking for further route development?

**Simon Foo:** For an airline our size, and for the volumes that we experience, we need to concentrate on those routes we have now and try to develop frequency, rather than opening too many gateways. We operate to 19 domestic airports, and it's part of our mandate as a national airline that we service as many routes in PNG as possible.



#### The PNG Games will be held in Lae in 2014



The Host Organising Committee (HOC) humbly invites you to be part of Papua New Guinea's very own game, the PNG GAMES 2014.

- The success of the 6<sup>th</sup> PNG Games in Lae from 16-29<sup>th</sup> November 2014 will very much depend on how we the stakeholders and the community in Lae and Morobe Province interact and cooperate.
- Your partnership in association with the Host Organizing Committee is vital and needed to successfully stage the 2014 PNG Games.
- Your contribution, effort and commitment will not go astray.
- You are part of Lae: Let's make it happen for Lae and Morobe Province.

#### OFFICIAL ADDRESS AND CONTACT

Chairman, Host Organising Committee, PNG Games 2014, C/- P O Box 1991, LAE 411 Morobe Province.

Telephones: 4791200/1/2; 4791220 Facsimile:4791550 Email:pnggames2014@global.net.p g Location:Ground Floor, PNG Sports Foundation – Momase Region Sir Ignatius Kilage Indoor Stadium

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#### **BUSINESS ADVANTAGE ARTICLE (Cont)**

Some routes are marginal, some routes are run at a loss. The golden triangle, if you like, is Port Moresby–Lae, Port Moresby–Rabaul, and Port Moresby–Mt Hagen.

*Business Advantage PNG*: Your competition includes some international airlines, Airlines PNG, and charter flights. Is there room in the market for more players, or do you feel that the market is well-serviced as it is?

**Simon Foo:** The first issue, of course, is the lack of economy of scale. Last year, Air Niugini carried 1.2 million passengers, but we count our passengers by sectors. So, if you travel between Lae and Port Moresby, for example, you're counted twice.

'As a result of those infrastructure restrictions, our aeroplanes are only flying on average four hours a day. In Australia, planes fly about 10 to 12 hours a day.'

So, that 1.2 million becomes 600,000. Then, some people in PNG travel several times a year, so you divide again. The core aviation market in PNG may only be about 350,000 or 400,000 passengers.

For players coming into this market, they need to have a hard look at where the business is.

Air Niugini has bilateral agreements with many countries in the world, including Australia, the Philippines, Malaysia and Thailand. These open up the way for the designated carriers of each country to fly in to each other's countries. The airlines of those countries make the commercial decision whether or not to fly into PNG.

Business Advantage PNG: So, the door is open to them if they choose to take it?

Simon Foo: That's correct.

*Business Advantage PNG*: You have expressed a desire to purchase a Boeing 787 Dreamliner, which is one of the largest passenger aircraft ever built. Is there really a capacity for that kind of aircraft for PNG?

**Simon Foo:** The Dreamliner is on the planning table to replace the Boeing 767s on the routes connecting PNG to Brisbane in Australia, Singapore and Hong Kong. The 767s have recently been refurbished with the state-of-the-art interiors. There are nice seats, up-to-date in-flight entertainment systems. The investment has been put in there so that they will last until 2017, when we expect the first Dreamliner to come online. Another will come in 2018.



#### 11 April: Lae Game Fishing Titles

Starts today - 11th of April sees the beginning of a week and a half of the Lae Game Fishing Titles taking place. This only happens once every four years, and the Lae Yacht Club turns into a hive of activity during this time - especially in the evening when the boats return with their catches! It is well worth it to head down to the Yachty to see all of the action.

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#### **BUSINESS ADVANTAGE ARTICLE (Cont)**

The cost of two Dreamliners is just over US\$300 million and Air Niugini's board, management and Shareholder will have to be satisfied that this is the right aircraft type for Air Niugini at this time. The Dreamliner will be more cost-efficient, even though the capital costs are higher. Its capacity is also slightly bigger than the 767.

## *Business Advantage PNG*: Do you have a wish list of things you'd like to see done to the infrastructure affects the impact on your business?

**Simon Foo:** To start off with, let's get every strip that we fly to up to a standard where there aren't any closures of the strips due to wash-off by rain, and impediments in the airway approaches where the trees grow too high. Plus, improve runway strength, length and width. Right now, we have eight different types of aeroplanes to service the various demanding airstrips that we have.

We could reduce crews, reduce the costs of engineering and spare parts holding—that's where we could get a better hold on our costs.

The other 'big ticket' item is that there are only four night landing strips in PNG, outside of Port Moresby. We can only fly at night to Kavieng, Lae, Madang and Manus Island. And there are only four ports into which you can fly a 737, so we're limited to twice a week to these destinations due to the strength of the runways.

As a result of those infrastructure restrictions, our aeroplanes are only flying on average four hours a day. In Australia, planes fly about 10 to 12 hours a day.

Business Advantage PNG: Long-term, what kind of services would you like to be offering?

**Simon Foo:** The ultimate dream is to service the current network internationally with daily services. I'd like to see us servicing the communities within PNG seven days a week.



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#### CONTACT: Lae Agent; Lorenga

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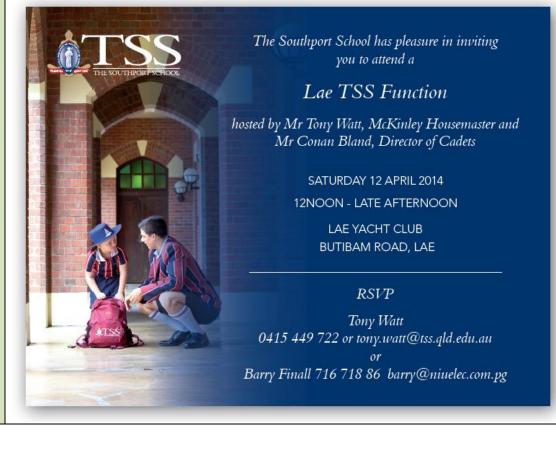
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#### WORKING GROUP ON APPRENTICE TRAINING IN LAE

About four years ago an attempt was made though the LCCI to set up a working group to explore ways that Lae Polytechnic and other technical institutions could be supported by the private sector in Lae. This arose from the ongoing concern of the high cost of sending apprentices to block courses in Port Moresby, Mount Hagen and Madang and also because of the continual shortage of places for apprentices at existing colleges. Unfortunately this initiative never got off the ground.

On Monday the 31<sup>st</sup> of March at the National Apprenticeship Trade Testing Board (NATTB) Promotion and Awareness seminar there appeared to be support for this working group to be established. The issue of shortage of places at existing colleges and the high cost of apprentice training still seem to be matter of major concern. Staff at Lae Polytechnic also indicated their support for being part of this working group and wished to develop a closer working relationship with the private sector in Lae.

Should your organization have an interest in participating in a working group can you please contact Geoff Whitehouse at Mainland Holdings Limited on gwhitehouse@mainland.com.pg.



Don't Forget about the special offer from the Shangri La Hotel in Cairns to LCCI Members.

If you need more details contact us on 472 2340.

Check the LCCI for details of the special deal throughout March!!

#### <u>CONTACTS TO</u> <u>PNG FIRE SERVICES</u> <u>LAE FIRE STATION</u>

Phone numbers. 4720252 - Acting Commander Alphonse Amia

Emergency Numbers are still the ones in the directory which are:

#### 472 4818 or 4724333 or Digicel subscribers (cell phones) can call on toll free number 110. Telikom PNG have kindly donated two wireless telephones that can be reached should the

emergency numbers be out of order –

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the popular

extract from

The nurses are commemorating the International Nurses Day on the 12<sup>th</sup> of May, 2014 - at which the members will march. The Lae Nurses Association Branch wishes to ask the Business Houses with clinics on site, to join the March.

The nurses and interested employees from private sectors are making a formal request to Lae Chamber of Commerce to contact participating companies to release their company logos to be printed on shirts for the March.

This is also a good opportunity for the private sector to show case their industry or business.

Please contact:

Cherrish Nasaking cnasaking@mainland.com.pg 'Tolly Lafanama' <u>tlafanama@tablebirds.com.pg</u> 'Anne Bernatt' abernatt@tablebirds.com.pg



The latest February/ March edition of the PNG Report has just been received at the Lae Chamber office. You are invited to collect your free copy.



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