

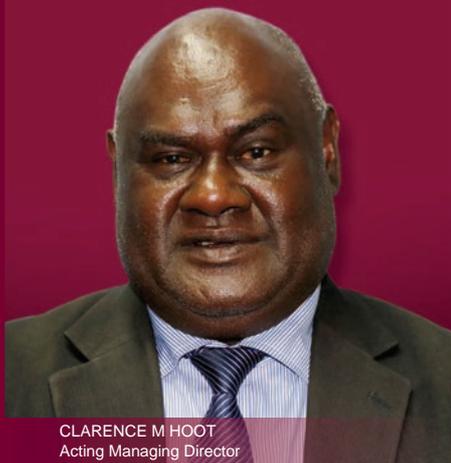


# Opportunity

Issue 3 - March 2018

Business News, reviews and overviews from the IPA

## MD's INBOX



CLARENCE M HOOT  
Acting Managing Director

Dear Readers and welcome to the third edition of the Opportunity.

The month of March saw a lot of activities happening in the investment and trade arena. In the agriculture sector, a Sri Lankan company came into the country for a fact finding mission and we saw this mission come into fruition with the company committing to invest in the coconut industry. Read more about the success of this mission in our article on downstream processing of coconut husk and kernels in East New Britain.

There are also several investment missions abroad which IPA is facilitating and work is progressing well in this area.

Normal IPA operations are also proceeding well. The management had a one-day workshop on the 2018- 2020 IPA Strategic Plan. The strategy is aligned with Government plans in the Alotau Accord and also the Medium Term Development Strategy. See inside article on this.

It's good to see the growing interest in SMEs, especially those in the creative industries contacting us to include their businesses in the "Let's Hear it" section. This is the aim of this section in the newsletter and it's great to see the response. On the same note, we have been receiving interests for those businesses profiled in the newsletter. Please read on and update yourself with what's happening within PNG's business and investment regime.

Thank you and happy reading!!!

**Clarence M. Hoot**  
Acting Managing Director

## IN THE NEWS

### Downstream processing of coconut husk and kernel planned in East New Britain

A Sri Lankan company specializing in the production and distribution of coconut products and bitumen around the world has undertaken a fact finding mission to Papua New Guinea and visited East New Britain Province from 30th January to 02nd February 2018.

Wichy Plantation Company Limited is the 5th largest company in Sri Lanka that manufactures value added coconut products, essential oils, bitumen, carbonated drinks and other agro based products. It exports to over 20 countries around the globe including USA, Australia, New Zealand, UK and Japan.

The company executives met with stakeholders from both the government and private sector and enquired about the investment climate and the prospect of establishing a processing plant in PNG. As a start, the executives visited cocoa and coconut facilities and establishments in East New Britain province and enquired about other investment opportunities in the agriculture sector. The opportunities and profile of the agri industries generally in PNG and in particular East New Britain province have impressed Wichy Plantation company to make initial commitments to further assess the viability of investing in that sector in PNG.

The company is now making arrangements with the East New Britain Provincial Government on the possibility to build a downstream processing facility for coconut kernels, shells and husks by sourcing from local coconut plantations. Plans are also for the company to venture into other coconut producing provinces such as the Autonomous Region of Bougainville, New Ireland and Madang and other parts of PNG in the near future.

As part of their mission, the team took a sam-

More news stories next page.....



## Tips & Traps

### Why it is important to reserve a Company Name

A name must be reserved before a company can be registered under that name. Use Form 6 to reserve a name.

The reservation of name process is essentially an "approval process". The Registrar of Companies will not approve a name which:

1. Would contravene any law
2. Is identical or similar to the name of another company, or a reserved name;
3. Is undesirable, misleading, deceptive or offensive
4. The Minister has directed the Registrar not to accept.

The Registrar will not register a Company,

nor register a change of name unless the name has been reserved beforehand, or an application for reservation of the name is also attached.

Note: The Registrar can direct a Company to change its registered name if the name is one which should not have been registered in the first place.

The word "Limited" must appear at the end of the company name. The word "Proprietary" and the abbreviations "Pty" and "NL" have been dispensed with.

ple of the locally produced virgin coconut oil as well as a whole nut from East New Britain to test in their lab in Sri Lanka to confirm the quality of PNG coconut.

The IPA facilitated the visit by Wichy execu-

tives and facilitated consultations with the Department of Agriculture and Livestock (DAL), Kokonas Industri Koporesen (KIK) and PNG Cocoa Board. Whilst in Kokopo, ENB the company executives met with the ENB Provincial Administration and the Provincial

Governor Honorable Nakikus Konga, MP.

The team is planning a similar visit to Madang, New Ireland and Buka in the next two months.

## IN THE NEWS

### Resource sector has potential to drive inclusive growth

With the dominance of big investment projects in the extractive industries, Papua New Guinea has the potential to build an inclusive and broad based economic growth targeting rural areas if it utilises the industry to create spin offs in other sectors which local communities and SMEs can tap into.

In 2017, PNG APEC Business Advisory Council (ABAC) developed a White Paper on 'Creating Inclusive Growth through the Extractives Industry' which was endorsed and included in the 2017 ABAC Report to Leaders.

The White Paper states that by fostering local enterprise development in the MSME and Agricultural sectors, resource companies

supported by APEC economies, government agencies, communities and civil society can work together to drive inclusive growth that reduces poverty, generates income and creates sustainable development for the region's poor.

The 2018 Road Map on Creating Inclusive Growth through Resource Industry Development by PNG is the 2018 action plan to implement the White Paper and drive PNG's APEC hosting theme on Harnessing Inclusive Growth. This road map and proposed end point is the culmination of our work that began at ABAC 2 in May 2016 hosted by ABAC PNG and is planned to conclude at the APEC Leaders Meeting in PNG.

The 2018 Road Map was presented at ABAC 1 in Auckland, New Zealand in February 2018 to outline the intended way forward, in order to see the subject matter of the White Paper and its suggested actions endorsed. The Roadmap was endorsed then by ABAC. Thereafter, PNG ABAC and PNG Investment Experts Group (IEG) agreed for PNG IEG to present this Road Map to APEC SOM 1 at IEG 1 meeting earlier last month. Members of the APEC IEG meeting then noted the 2018 Roadmap on Creating Inclusive Growth through Resource Industry Development, particularly the hosting of an inclusive business public private dialogue to discuss such matters and obtain APEC's commitment to establish an APEC Inclusive Business Centre of Excellence for the Resources Industry.

### IPA Management team attend Strategic Plan workshop

The IPA management and team leaders had a one-day workshop on its new Strategic Plan at the Koke Hanua lodge, just outside Port Moresby.

The objective of the workshop was to take

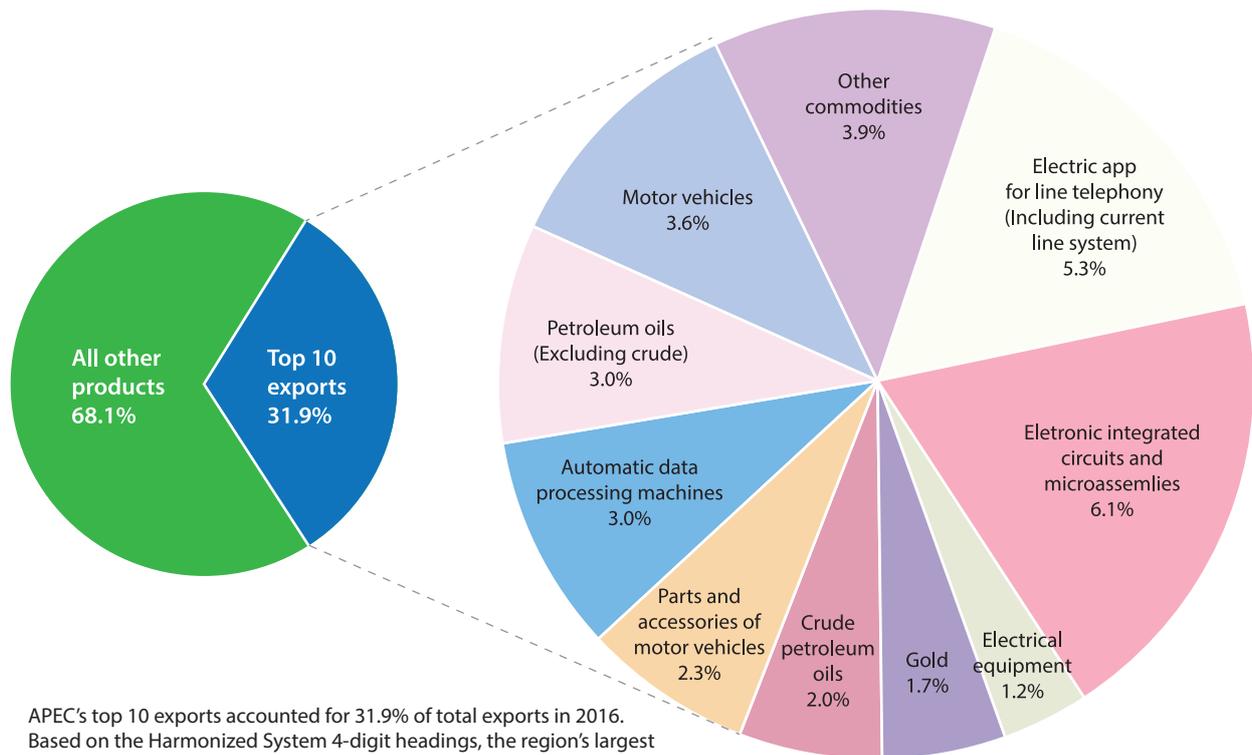
stock of Strategic Plan 2015–2017 KPIs and to develop new Corporate Strategic Plan 2018 – 2020 that will position the Investment Promotion Authority appropriately in its operation for the next Three Years.

The new plans gives consideration to the government's policy and regulations including the Medium Term Development Plan and the Alotau Accord II.



## APEC Trade Indicators

### 2.6 Top 10 Exports from APEC to the World by Value (percent share), 2016



APEC's top 10 exports accounted for 31.9% of total exports in 2016. Based on the Harmonized System 4-digit headings, the region's largest export product in terms of value was electronic integrated circuits and microassemblies with export earnings of USD 489.1 billion accounting for 6.1% of total exports.



## Trademarks as collective marks and certification marks

Trademarks typically identify individual enterprises as the origin of marked goods or services. Some countries unlike PNG, provide for the registration of collective and certification marks, which are used to indicate the affiliation of enterprises using the mark, or which refer to identifiable standards met by the products for which a mark is used.

Collective marks usually belong to a group or association of enterprises. Their use is reserved to the members of the group or association. A collective mark therefore distinguishes the goods or services of members of the association from those of other under-

takings.

The function of the collective mark is to inform the public about certain particular features of the product for which the collective mark is used. An enterprise which uses the collective mark may, in addition, use its own trademark. Example: in an association of architects or engineers, a member may use the logo of the association as well as the logo of the enterprise.

A certificate mark is a mark indicating the goods or services in connection with which it is used are certified by the proprietor of

the mark in respect of the origin, mode of manufacture of goods, quality or other characteristics. The certification mark may only be used in accordance with the defined standards. Example: ISO 9000.

The main difference between collective marks and certification marks is that the former may be used only by particular enterprises, for example, members of the association which owns the collective mark, while the latter may be used by anybody who meets the defined standards.



The Securities Commission of Papua New Guinea (SECOM) wishes to further advise the capital market participants and the general public that under its ongoing reforms and transition from a Division of the Investment Promotion Authority into an independent entity, the SECOM is now preparing the regulations for the Securities Commission Act 2015, the Capital Market Act 2015 and the

Central Depository Act 2015.

During this transitional phase, matters relating to the Takeovers Code 1998 will be dealt with on a case by case basis should the matter be of "National Interest". Otherwise, all other matters of the Takeovers Code 1998 shall await the approval of the forthcoming new Compulsory Mergers and Acquisitions

Code 2018 and be aligned to it.

The public and industry participants are encouraged to cooperate with the SECOM during this transitional period until such time the Commission advises.

For enquiries and clarification contact the SECOM on telephone 308 4454, 308 4456 or 308 4458; Email: [gungaia@ipa.gov.pg](mailto:gungaia@ipa.gov.pg)

## UPDATE ON PROGRESS OF WORK DURING TRANSITIONAL PHASE

The capital market participants and the public is informed that as part of its ongoing reform in the capital markets the SECOM is currently preparing the Regulations of the Capital Markets. This includes the general regulations, as well as the Corporate Governance Code, Compulsory Mergers and Acquisitions Code, Licensing Guidelines, and Guidelines for Trustee Fund Managers, and Financial Intermediaries.

In addition, the SECOM is drafting the Capital Markets Development Strategic Masterplan 2018-2030 (CMDSM). SECOM is also developing its systems, processes and people during this transitional phase and is in effective dialogue with key development partners including International Finance Corporation, Asian Development Bank, Japan International Cooperation Agency, the Embassy of the United States of America, the Australian Department of Foreign Affairs and Trade and

the New Zealand High Commission. SECOM is also reaching out to other partners for supporting its efforts.

Due to the ongoing work and other envisaged reforms SECOM is reaching out to the public and industry participants to collaborate with us closely during this transitional period until such time the Commission advises.



The Investment Promotion Authority wishes to advise directors of companies and their agents that the **De-registration Exercise** and switch on of the **Automated Compliance Program (ACP)** have been delayed until further notice.

Due to constant system failures in 2017, which was beyond the IPA's control, the Office of the Registrar of Companies has experienced setbacks relating to record maintenance and the turnaround time of some of the services. This in particular has affected the processes in filing and processing of annual returns through the **Online Registry System** which in turn has affected the targeted dates for the above exercises.

IPA's immediate priority is to move the Online Registry Database to Cloud anytime now. The positive news is that this is the solution to prevent the 2017 system issues from recurring. This will ensure a smoother de-registration exercise and switch on of the ACP.

Given the above circumstances, companies have an advantage of time to file their Returns.

We encourage companies to file their outstanding annual returns online as over 90% of annual returns filed online do not require review by IPA Registry Staff. Instead the records are updated immediately and the sys-

tem automatically updates the status of the company from non-compliant to compliant. Filing paper Form 22 processes are much slower and can be burdensome for the filer and for the IPA Registry Staff.

Please also note that filing annual returns online will allow the system to effectively monitor your filings in future and alert you whenever your annual return is due. This can in turn reduce the cost of annual return filing in future. For instance, you will be able to file your annual return on time without worrying about the late penalty fees.

## Oro Tapa adding variety to tailoring designs

As the tailoring and handcraft industries continue to thrive, a lot more fabric, texture and designing options are being introduced into the market.

Tapa cloth is one of the fabrics or a material that has gained popularity over the years. Locals in Oro Province have grabbed the opportunity that came with the demand and have turned it into a lucrative market.

Tapa is extracted from a tree bark and soaked in water for a day before it is beaten. The bark is beaten on a flat tree trunk to give the bark a soft texture. The continuous beating allows the bark to stretch, producing the fabric or cloth called tapa.

Oro Tapa is a local business that specializes in producing handcrafts made from tapa. Business owner Ethel Borari is passionate about the use of tapa is hoping to see most handcrafts made from tapa cloth. Given the idea, she has changed and improved her tapa products to match the modern fashion industry.

Using tapa, Ethel produces hats, caps, hand bags, ladies purse, men's wallet, key rings and ear rings to name a few. She also makes head band, belts, book marks, hair clips and wrist bands.

The Tapa tree is only found in the tropics and in PNG it grows rapidly in Oro Province especially the Tufi area. Locals cultivate the tree for this purpose.

"I sell my Handicraft at the craft market which are held on Saturdays at the end of the month in Port Moresby," she said. "And my vision is to own an art shop in the heart of Port Moresby city," she added.

Ethel also aims to see a lot more products made out of Tapa Cloth and moreover, to see the products leave the shores of PNG to overseas countries.

Ethel can be contacted on email through [Orotapa6@gmail.com](mailto:Orotapa6@gmail.com).



## IPA participates in the Southern Region Women Economic Empowerment forum

There is a variety of businesses by women, in the creative industries, of which most of these businesses are still at the informal stage.

This was one of the observations by the IPA when it joined the Department of Community Development and Religion at the recently held women's economic empowerment forum and expo for the Southern region women entrepreneurs.

During the expo, the women were given tips on the types of business entities registered at the IPA in order for them to understand the options they have for the types of businesses they have.

The IPA also stressed the importance of Intellectual Property rights and encouraged the women to have their creations protected by registering them at the Intellectual Property Office of PNG (IPOPNG). The IPOPNG is a division within the IPA and deals with the registration and administration of Intellectual Property Rights.

The women were from Milne Bay, Gulf, Oro, Western, Central and NCD provinces. Their products ranged from artifacts to bilums, food processing, cosmetics and tailoring.



# what will the changes to the Companies Act mean?



## Streamlined process for filing company documents

- Documents can be **filed online** without a physical signature, **assisting businesses** with no access to scanners or fast internet connections.
- A move in anticipation of the development of a **complete online business registration system**, which will be launched at the end of the year.



**Investment  
Promotion Authority**  
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Champion Pde  
Munidubu Street, Konedobu  
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Tel: +675 321 3900  
Fax: +675 321 3049  
Email: registrar.companies@ipa.gov.pg

[www.ipa.gov.pg](http://www.ipa.gov.pg)

*More protection, clearer guidelines, streamlined processes*

## Alluvial mining opportunity in Madang seeks investor partner

An alluvial mining project with huge potential in mineral deposits situated in Madang Province seeks a joint venture partnership to take it off the ground.

The Alluvial (Merchanized) Mining Project located in the Middle Ramu District of Madang, covers an area of about 2,230km<sup>2</sup> and is being promoted by Ramu Resources Development Limited.

The registered company represents twelve (12) landowner clans within the project area.

Mineral explorations of the area undertaken in 2010 and 2013 indicated that the major resource on this tenement was gold.

Other minerals prevalent within the Exploration Lease (EL) area include significant de-

posits of copper and nickel, as well as silver, platinum and cobalt. The lease area is also said to contain a significant amount of Liquefied Natural Gas (LNG) reserves.

The project needs K200, 000 to prepare for initial exploration license and K2 million to facilitate a two-year term exploration with intent to set up alluvial mechanize mining

Landowners in the area have also agreed to selective logging of various hardwood trees including New Guinea Rosewood, Kwila and Taun being the main species.

For further information you may contact

**Mr Benny Limbe** on  
email: [bennylimbe@gmail.com](mailto:bennylimbe@gmail.com) or

**Mr Kamis Yalakun**

(Acting Manager – Investment Promotion Unit, IPA,

Tel: 308 4531 and

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## Local Co Registration Period

### Question:

If I were to register my local company, how long will it take, given I've correctly provided all the necessary information on the given forms, before a Certificate is issued to me?

### Answer:

Our official turnaround time for processing is at least 10 days from the date of filing.

In an ideal situation it can be processed within 24 hours however where there is backlog it can take longer as filings are treated on first come first out basis.

Follow ups on documents filed for more than 10 days are treated with some priority.

The good news is that on a good day a correctly filled application if physically submitted at the front counter of IPA Haus can be processed on the spot or on the same day it is filed.

**Do you have a general question about the regulatory side of running a business or have a query on investment promotion, Intellectual Property rights or wish to know more on Securities? If so, email your question to:** [click](mailto:ipa@ipa.gov.pg)

We will publish a selection of questions and our answers in each issue of Opportunity.

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