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| **Papua New Guinea’s Bogor Goals Progress Report (as at 30 September 2016)[[1]](#footnote-1)\*** |
|   | **Highlights of Achievements and Areas for Improvement** |

* About 76% of imports are duty free. Tariffs are mostly applicable to agricultural products.
* The government is working to encourage private sector participation in the service sector.
* The government has implemented a liberal investment regime open to foreign investors. 100% ownership is accepted in many areas. Some restrictions to foreign ownership apply in very specific areas.
* The registration of foreign enterprises at the Investment Promotion Authority (IPA) can be made online now.
* Customs services have been expedited with the implementation of a computerized system.
* Challenges in the enforcement of intellectual property laws.
* Amendments to the Independent Consumer and Competition Commission (ICCC) Act 2002 are being made to strengthen legislation.
* Current work to prepare guidelines on government procurement, with the intention to make clarifications to the tender approval process.

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|   | **Summary of Topics** |

**Tariffs**

76.2% of Papua New Guinea (PNG)’s imports are duty-free as of 2014. The simple average MFN tariff is equivalent to 4.7%. Tariffs are applied mainly on agricultural products.

The second phase of the Tariff Reduction Program (TRP) also commenced in 2015, where PNG reports that a number of items will receive a 2.5 percentage point reduction in their tariff rates. Additionally, the rules of origin legislation is currently being reviewed.

Two new tariff items regarding meat and edible offal, as well as cigarettes were introduced on 1 January 2015 to clarify existing descriptions.

**Non-Tariff Measures**

PNG maintains few non-tariff measures, with minimal import licensing agreements for national health, safety, security and environmental reasons and no import quotas. Prohibited items include pornographic material, recreational drugs, certain weapons, gaming machines, non-biodegradable plastic shopping bags and goods manufactured or produced using prison labor. There are also no export licenses or tariff rate quotas applied.

**Services**

The service sector remains small in PNG, compared to primary sectors. However, the government is working to reduce barriers and increase competition in this sector. For instance, within the telecommunications sector, the governments aims to roll out telecommunications infrastructure to rural areas through private sector operators via a bidding process. The Independent Consumer and Competition Commission (ICCC) is also encouraging greater private sector participation in the electricity industry.

**Investment**

PNG maintains a liberal foreign investment regime, with a priority on downstream processing of natural resources. It allows 100 per cent foreign-owned businesses in most cases, and highly encourages joint ventures with local partners. However, challenges related to enforcement of contracts and public infrastructure continue to impede foreign investment into the economy. Certain activities within the agriculture, forestry, wildlife, fishing, mining, catering and wholesale and retail sectors have been restricted to locally-owned firms

Foreign enterprises are required to obtain certification from the Investment Promotion Authority (IPA) before investing in the economy. After an amendment in the 1997 Companies Act in 2014, IPA introduced an online registry system that allows foreign investors to register online, without physically visiting IPA offices.

**Standards & Conformance**

The National Institute of Standards and Industrial Technology (NISIT), is the government body in charge of PNG National Standards. These standards are developed based on registered technical committees with representatives from both the private and public sector. Most standards are adopted from the International Standardization Organization, the International Electrotechnical Commission and Australian and New Zealand standards.

**Customs Procedures**

PNG has been working to improve its customs procedure, although it continues to face institutional, financial and manpower challenges. The Customs Service Plan 2013-2017 aims to strengthen border protection, trade facilitation and revenue collection. As of 2014, PNG reported that 80% of all declared Customs ports are connected to the Customs ICT network and ASYCUDA, a computerized customs management system. Trade facilitation, revenue and data collection is also reported to be 100% automated, with 80% of cargoes processed without Customs intervention. A Container Examination Facility project is in progress to speed up examinations of high risk containers passing through PNG customs.

**Intellectual Property Rights**

The Intellectual Property Office of PNG (IPOPNG) is in charge of intellectual property legislation in PNG. Although legislation has been put in place to address IPR infringements, there are still challenges in enforcement of IPR, particularly the import and sale of counterfeit and pirated products.

**Competition Policy**

PNG is reviewing the Independent Consumer and Competition Commission (ICCC) Act 2002, and a draft of the amended Act has been made available as of December 2015. The amendments include making notification of mergers and acquisitions to ICCC before completion compulsory, rather than voluntary and giving the Commission the power to vary or revoke authorization.

**Government Procurement**

The PNG government recognizes the need to improve the efficiency of the current procurement systems. In 2015, it commissioned the Central Supplies & Tenders Board (CSTB) to draft a set of clear guidelines on the tender approval process. The PNG Parliament also passed the Public Private Partnership Policy legislation in August 2014 to enhance procurement and delivery of infrastructure and services to the public.

**Mobility of Business People**

PNG is looking to implement a Biometric E-Passport Program to facilitate visitor arrivals. All foreigners wishing to visit PNG for business purposes need to have a valid business visa. The cost ranges between PGK 500 (USD 162) for single entry and PGK-1,000 (USD 325) for multiple entry. Foreigners wishing to work in PNG need a work permit, which can take up to six weeks to obtain.

**RTA/FTAs**

Papua New Guinea has two RTA/FTAs in force and one Trade and Commercial Relations Agreement[[2]](#footnote-2).

1. \* This brief report was prepared with information from Papua New Guinea’s submission of 2016 APEC Individual Action Plan (IAP) template and the 2015 WTO Trade Policy Review – Report by the Secretariat – PNG. Information from the PNG Customs, the Investment Promotion Authority, the Central Supply and Tenders Board, the Department of Treasury, the Independent Consumer and Competition, and Tax Review websites. Information from the Department of Labour and Industrial Relations, and the Immigration and Citizenship Service Authority were also used. [↑](#footnote-ref-1)
2. Papua New Guinea’s RTA/FTAs in force are the following ones: Melanesian Spear Head Group Trade Agreement (1995), Pacific Island Countries Trade Agreement (2003). PNG also has a bilateral agreement with Australia – the *Papua New Guinea-Australia Trade and Commercial Relations Agreement*, which has been notified at WTO. [↑](#footnote-ref-2)