

**APEC**

**Individual Action Plan (IAP)**

**Papua New Guinea**

**(2012)**

**1. Executive Summary**

The PNG Vision 2050 is the National Government’s strategic directional Statement that will drive the development process over the next 40 years. The PNG vision 2050 has seven (7) development pillars (focus areas) which will become the foundation upon which development plans from 2010 to 2050 will be anchored. The APEC IAP process is therefore viewed as part of this overall process in which PNG will vigorously participate in, in order to assist its efforts in attaining the Bogor Goals in 2020 as well as its Vision 2050 aspirations.

PNG last presented its IAP Peer Review during SOM2 in Singapore in 2009. The following IAP updates are based solely on the achievements since 2009. However, reference is also made to pre-2009 to provide background information on the achievements then right up to the present.

* 1. **Macroeconomic performance[[1]](#footnote-2)**

After a long period of stagnation experienced during the 1990s, PNG showed positive economic growth in the last decade with GDP growth averaging 5-6% and reaching 7.2% in 2009. This strong growth has been attributed to the commodity price boom enhanced by the structural reforms and supported by the Government’s prudent macroeconomic and fiscal policies.

As a small commodity exporting economy, Papua New Guinea’s economic performance is influenced by international prices movement for tradable goods. A major contributing factor that has helped PNG moderate the negative impacts of the global economic recession and maintained sustainable periods of uninterrupted economic growth has been the Government’s prudent economic and fiscal management. The Fiscal Responsibility Act introduced in 2006 aims for greater accountability and tighter discipline on government expenditure.

The Medium Term Fiscal Strategy (MTFS) 2008-2012, is another key platform that has supported Papua New Guinea’s economic growth by guiding the Government through challenges faced in the commodity booming years and the recession.

The major factors that have seen inflation moderate from 2008 levels include: the reversal of the international drivers of inflation such as oil and food prices in 2008; the lagged effect of the appreciation of the Kina in 2009; and the tightening of monetary policy by BPNG in the second half of 2008. However, inflation remains at high level due to strong domestic demands and very high levels of government spending from trust funds.

In the last five years, the Government has embarked on substantial structural reforms in the communication, transport and financial sector. The communication sector saw another new competitor, Digicel enter the mobile phone sector. The aviation sector has also seen new competitors Pacific Blue and Airlines PNG enter the market and are now servicing some international routes originally serviced by the national flag carrier, Air Niugini. In 2012, Travel Air, a locally owned Airline commenced its domestic operations. Substantial reforms have also been carried out in the financial sector, which has seen BPNG become independent from the government and seen removal on limitations on capital transactions.

The structural reforms have enhanced domestic activities and are considered generally conducive for the business environment. Consumers have also benefited from these reforms by having wider coverage and access to these services with wider variety of products to choose from at lower prices.

The general economic outlook remains bright with the LNG project nearing the completion of its construction phase and higher prices expected for agriculture and mineral products. Employment is also expected to increase as a result of the LNG construction. An increased production of existing mining products (as well as that of the Ramu Nickel Mine when it goes into production) are expected to boost mining output despite a decline in oil production. However, inflation is expected to remain high due to rising domestic demand, high global commodity prices and a high level inflow of investment.[[2]](#footnote-3)

However, there continue to remain other challenges that need to be addressed to support further economic growth, including the need to get back to tighter disciplines on government spending and the need for closer coordination of fiscal and monetary policy to control inflation.

**2. Abbreviations**

ADR - Alternate Dispute Resolution Courts

APLAC - Asia-Pacific Laboratory Accreditation Cooperation

APLMF - Asia-Pacific Legal Metrology Forum

APLAC MRA - APLAC Mutual Recognition Arrangement

APMP - Asia-Pacific Metrology Program

BITs - Bilateral Investment Treaties

BMS - PNG Border Management System

CPCC - PNG Consumer Products Consultative Committee

CSTB - PNG Central Supplies & Tenders Board

EPA - Economic Partnership Agreement

EEMRS - Electrical and Electronic Mutual Recognition Arrangement

FMIT - Forster Moore Information Technology Co, New Zealand

HS - Harmonization System

ICAC - PNG Independent Commission Against Corruption

ICCC - PNG Independent Consumer and Competition Commission

ICT - Information and Communication Technology

iEPA - Interim Economic Partnership Agreement

IFC - International Finance Corporation

IGIS - PNG Integrated Government Information System

IIAs - International Investment Agreements

IPA - PNG Investment Promotion Authority

IPAS - Intellectual Property Automated Systems

IPOPNG - Intellectual Property Office of PNG

IPR - Intellectual Property Rights

MIGA - Multilateral Investment Guarantee Agency

MNCs - Multi-National Corporations

MSG - Melanesian Spearhead Group

MTDP - PNG Medium Term Development Plan

MTTPs - PNG Medium Term Transport Plans

NADP - PNG National Agriculture Development Plan

NFA - PNG National Fisheries Authority

NFCS - PNG National Food Control System

NICTA - PNG National Information Communication Technology Authority

NIP - PNG National Intellectual Property Plan

NIPRC - PNG National Intellection Property Rights Committee

NPA - PNG National Procurement Assessment

 NISIT - PNG National Institute for Standards and Industrial Technology

PASC - Pacific Areas Standards Congress

PFMA - PNG Public Finance Management Act

PICTA - Pacific Island Countries Trade Agreement

PIF - Pacific Island Forum

PHAA - PNG Provincial Health Authority Act

PNGCS - PNG Customs Services

PNGLAS - PNG Laboratory Accreditation Scheme

PNGICS - PNG Immigration & Citizenship Services

PNGSDP - PNG Strategic Development Plan

PNGPCL - PNG Ports Corporation Limited

PPP - Public Private Partnership

TBTs - Technical Barriers to Trade

TORs - Terms of Reference

TPA - PNG Tourism Promotion Authority

TRP - Tariff Reduction Program

UAS - Universal Access Scheme

WCO - World Customs Organization

WIPO - World Intellectual Property Organization

**3. The IAP Template**

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| --- | --- | --- |
| **IAP Chapter (and Sub-chapter and section head, if any)** | **Improvements made since May 2009** | **Further Improvements Planned** |
| 1. **Tariffs**

Websites for further information:[www.customs.gov.pg](http://www.customs.gov.pg)[www.treasury.gov.pg](http://www.treasury.gov.pg)Contact point for further details:Ms Christina AmosDirector (Tariffs & Trade)PNG Customs ServicesTel: +675-322-6828Fax: +675-320-0571Email: amosc@customs.gov.pg | * Amendments for HS 2012 completed and pending government endorsement for implementation on 1 January, 2012
* Current TRP commenced in 2011 with a 5% reduction on all tariff lines not zero rated, in three phases up to 2018.
* More detailed information on the TRP can be sources from the Department of Treasury
 | * Accession to HS Convention and becoming a contracting party to the HS is pending completion of domestic constitutional requirements
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| 1. **Non-Tariff Measures**
 | * PNG maintains relatively few NTMs. There are no import or export quotas
 |  |
| 1. **Services**
2. **ICT Services**

Contact person:Mr Kora NouActing SecretaryDepartment of Communication & InformationP.O Box 1122Waigani, NCD, PNGPh: +675-325-0148Fax: +675-325-04121. **Tourism**

Website: [www.papuanewguinea.travel](http://www.papuanewguinea.travel)Contact point for further details:Mr Jerry AgusPNG Tourism Promotion Authority (TPA)P.O Box 1291PORT MORESBYPapua New Guinea1. **Transportation**

Contact point for further details:Mr Philip HabonDeputy-SecretaryDepartment of TransportP.O Box 1489PORT MORESBYPapua New GuineaPh: +675-325-7500Fax: +675-323-3339Email: phabon@transport.gov.pg1. **NICTA**

Contact point for further details:Mr Kila Gulo-VuiDirectorEconomic, Consumers and International Affairs DepartmentNICTAP.O Box 8229BOROKO 111, NCDPapua New GuineaPh: +675-303-3227Fax: +675-300-4829Email: kgulovui@nicta.gov.pg | * The National ICT Policy (2008) provides for an UAS aimed at extending telecommunication and ICT infrastructure and services to unserved areas of PNG. This objective is made effective through the National ICT Act 2009.
* The Act provides for the UAS fund to be sources from service providers, the national government, and donor agencies.An UAS secretariat is being set up within NICTA to manage these funds.
* The IGIS project will integrated all government operating systems onto a single operating network to enable all government departments and agencies to share information and communicate in real time
* PNG tourism has been growing relatively rapidly in recent years but it is still small on the international scale contributing up to 3% of GDP.
* The Government will continue to fund the development of the transport sector through the National Transport Development Strategy (2011-2030) to guide the prioritization of resources in the transport sector

The ICT sector is now fully liberalized with the removal of monopoly and progressive opening of the sector to open competition commencing in 2007 and completion in late 2010. This has been made possible through the ICT sector policy and introduction of new laws and regulations.* Adoption of a comprehensive sector reform program – the National ICT Policy 2009 which provides for (a) open competition and implementation of a new technology-neutral licensing regime; (b) liberalization of the international gateway; (c) introduction of a new regulatory regime for wholesale access and interconnection; (d) deregulation of retail telecommunication tariffs; (e) establishment of UAS regime and associate funds; (f) establishment of a new converged ICT regulator – NICTA – independent of Government and operators that will combine the functions of the ICCC and PANGTEL in telecommunications
* The National Information and Communication Act incorporating these reforms; and providing for the establishment of NICTA as approved by Parliament in November, 2009
 | * An UAS demonstration project will be implemented in 2012 to target 420,000 people in two provinces (East Sepik and Simbu provinces) as well as up to 60 districts of PNG for internet rollout
* The IGIS will be fully implemented in 2012. In Phase 1, it will cover six selected provinces while Phase 2 will cover the remaining 15 provinces.
* The Government, through TPA has developed the Tourism Master Plan (2007-2017) to increase the overall value of tourism by doubling the number of tourists in PNG every five years and maximizing sustainable tourism growth for social and environmental benefits
* The National Transport Development Strategy (2010-2030) will be implemented through five-year MTTPs
* The first MTTP is 2011-2015
* Universal Access Regulations
* Spectrum Trading Rules
* Wholesale regulations including essential facilities sharing and interconnection
* Consumer protection
 |
| 1. **Investments**

Website for further information:[www.ipa.gov.pg](http://www.ipa.gov.pg)[www.treasury.gov.pg](http://www.treasury.gov.pg)Contact point for further details:Mr Clarence HootPNG IPAP.O Box 5053BOROKO, NCD, PNGEmail: Clarence@ipa.gov.pg | **On the 2008 MOU between PNG and the World Bank’s IFC**:* IPA and New Zealand based FMIT will soon conclude FMIT/IPA Contract to start the implementation of the IPA Online Lodgment project
* IPA has been receiving assistance from IFC on the review of the Companies Act and other associated legislations administered by IPA and a draft bill has been devised
* PNG continues to enhance private sector led economic growth by continuing to address the regulatory impediments to doing business

**On Non-Discrimination**:* The IPA Act 1992 under Section 37(5) is compliant to IIAs such as the MIGA or the BITs

**On Expropriation and Compensation**:* PNG, through IPA prohibits expropriation of property of an investor unless: expropriation is in accordance with PNG law; expropriation if for public purpose defined by law; and expropriation is in payment of compensation as defined by law

**On protection from Strife and Similar events**:* The PNG Companies Act provides enough protection to investors in the context of the investor at the Board of a Corporation whose employee might have defrauded the company. The board of Directors representing the investors has the powers to require full disclosure of any document required for investigation

**On Transfer of Capital Related to Investment**:* The Foreign Exchange Controls under the Bank of PNG has been liberalized and the function now lies with the commercial banks in the country.

**On Performance Requirements**:* Several reforms have taken place, including competition, foreign exchange control that encourages and allows fair play and best corporate practice as a result of competition

**Entry and Stay of Personnel**:* The PNGICS facilitates entry, offering a variety of multiple entry visas

**On Settlement of Disputes**:* This is already significant in the IPA Act 1992

**On Business Facilitation Measures to improve the Domestic Business Environment*** Work is ongoing on the Online Lodgment Project to streamline queues in company registrations as well a foreign certification lodgments
 | * Implementation of FMIT project will be done in parallel to the Companies and related legislative reviews
* Preparations are now underway to have the final draft Bill go before parliament for approval
* Regulatory reforms taking place in the doing business, business mobility and others
* Plans are now underway for Department of Labor & Industrial Relations (DLIR) to establish a standalone entity for issuance of work permits for foreigners
* The ADR Courts rules were officially launched on 18 June 2010. Restructuring is now taking place in Government to facilitate full utilization of this new system
* Ongoing on the Online Lodgment Project to streamline queues in company registrations as well as foreign certification lodgments
 |
| 1. **Standards and Conformance**

Website for further information:[www.nisit.gov.pg](http://www.nisit.gov.pg)Contact point for further details:Mr Dan YansomAssistant DirectorNational Institute of Standards & Industrial TechnologyP.O Box 3042Boroko NCD, PNGPh: +675-323-1852Fax: +675-325-8793Email: Dan.Yamson@nisit.gov.pg | * Almost all PNG Standards are adopted from ISO, IEC, Codex, ASTM, Australian and New Zealand standards – 785 Standards in total
* Nil standard adoptions in 2009 and 2010 due to lapse in technical committee memberships. NISIT Council not in place to endorse
* NISIT ran awareness seminars in 2009 and 2010 on importance of Technical Regulations and standards in facilitating trade in the food area. Industries and universities were covered under this program
* NISIT has been involved in the development of the following Technical Regulation and Industry standards – Bio-safety Act and Regulations; Food Sanitation Regulation by PNG Department of Health; and, PNG Standards for Fish and Fishery Products by the NFA of PNG
* NISIT Technical Standards Directives captured most of the decisions by the WTO Technical Barriers to Trade (TBT)
* English is the language used in the adoption and development of PNG standards
* NISIT has adopted in full the three (3) following documents endorsed by the SCSC: (1) Principles and Features of Good Regulatory Practices; (2) APEC Information Notes on Good Practices for Technical Regulations; and (3) Guidelines for the Preparation, Adoption and Review of Technical Regulations. These are in line with Annex 3 of the WTO TBT Agreement
* PNG, through NISIT is a full member of the following specialist regional for a: APLAC; APLMF; PASC; and, APMP
* PNG now fully participates in Part 1 of the APEC EEMRA
* PNG, through PNGLAS/NISIT is now a signatory to the APLAC MRA
* The only accreditation body in PNG is the PNGLAS.
* NISIT has established a Certification Division which certifies companies/industries to HACCP, ISO 22000, ISO 14000, ISO 9001, and Food Safety.
* NISIT has its annual Service Brochure detailing all its activities including points of contact.
 |  |
| 1. **Customs Procedures**

Website for further information:[www.customs.gov.pg](http://www.customs.gov.pg)Contact point for further details:Mr John SamActing Director (Modernization)PNG Customs ServicesPapua New GuineaTel: +675-322-6905Fax: +675-320-0571Email: johnbriansam@gmail.com | * The PNGCS has legislated new procedures in 2006 in line with the WCO Revised Kyoto Convention.
* The PNGCS Risk Management Policy was launched in 2011.
* The overall PNGCS business process was also reviewed and an uniform process is being implemented nationwide.
 | * Accession to the WCO Revised Kyoto Convention is pending completion of domestic constitutional requirements.
* The PNGCS Charter was launched in 2008
* Time Release Survey (TRS)is planned for 2012
 |
| 1. **IPR**
2. **IPOPNG**

Website for further information:[www.ipa.gov.pg](http://www.ipa.gov.pg)Contact point for further details:Mr Tom VereDeputy Registrar Intellectual Property Office PNGP.O Box 1281PORT MORESBY, PNGPh: +675-321-7311Fax: +675-321-5155Email: tomv@ipa.gov.pg1. **PNG Customs Services**

Website for further information:[www.customs.gov.pg](http://www.customs.gov.pg)Contact point for further details:Mr Miana Tau MaboneDirector (Border Control)PNG Customs ServicesTel: +675-322-6889Fax: +675-321-2169 | **On TRIPS implementation**:* IPO PNG is now fully automated after the IPAS was deployed in 2006
* A Copyright Working Group was set up in October 2011 to help establish a Copyright Enforcement Taskforce to deliberate on piracy issues

**To foster harmonization of IPR systems in the region**:* Ongoing cooperation arrangement with IP Australia on patent examinations
* An MOU on the establishment of a Trademark Registration system for the FICs was concluded in PNG during the IP Heads meeting in April, 2011
* PNG is considering acceding to the Madrid Protocol for the international registration of trademarks. The PNG Trademark Act has also been amended to cater for this.
* PNG has included in its Priority Action strategy for 2012 the accession to the Berne Convention

**Strengthening public awareness activities**:* An IPO roadshow is being planned for 2012 in the four (4) main regions of PNG

**On promoting dialogue on emerging IP issues to further improve IPR protection and use of IPR systems for the social and economic benefits of the economies*** The NIPRC established in 1999 serves as the consultative and reviewing authority on all policy and legislative matters relating to IPR

**On addressing challenges for IPR arising from growth and development in PNG**:* NIP was drafted in March 2011 to cater for all issues pertaining to growth and development
* PNGCS TRIPS Border Measures enacted in 2006 with the establishment of the Border Management Division. IPR is one of its responsibilities.
 | * Appropriate IP legislation to be finalized this year
* Digitalization of IPO records (WIPO scan and IPAS java software to upgrade current IPAS)
* TORs have been drafted to recognize and guide the proposed Copyright Enforcement Taskforce which will consist of all stakeholders
* The IP arrangement with Australia is due to renewal in March 2012
* IPO PNG will start planning to setup office once any two FICs sign the MOU
* A Madrid Exploration Mission has been planned by WIPO for April, 2012
* On the Berne Convention, IPOPNG and WIPO will prepare and file the necessary instruments by April, 2012
* This program has been budgeted for and will be undertaken from April, 2012
* The proposed Copyright Taskforce will address one aspect of enforcement under the NIPRC
* Implementation will be in the first quarter of 2012 as per the Action strategies outlined in the NIP
* Liaising with IPO PNG for an MOU to enhance IPR enforcement. A draft MOU is currently with IPO PNG for vetting. The IPO PNG also formed a National task force to formulate the proposed National IPR Policy
 |
| 1. **Competition Policy**
2. **On ICT**

Contact point for further details:MrKoraNouActing SecretaryDepartment of Communication & InformationP.O Box 1122Waigani NCD, PNGPh: +675-325-0148Fax: +675-325-04121. **Independent Consumer & Competition Commission (ICCC)**

Website for further information:[www.iccc.gov.pg](http://www.iccc.gov.pg)Contact person for further details:Assoc. Prof. Billy Manoka, PhDCommissioner & CEOIndependent Consumers and Competition CommissionP.O box 6394BOROKO NCD, PNGPh: +675-325-2144Fax: +675-323-0052Email: infor@iccc.gov.pg | * The National ICT Policy (2008) provides the basis for the introduction of competition in the ICT sector
* A new ICT sector-specific regulator called NICTA was established and became fully operational in October 2010. It has both technical and economic regulatory functions
* Has initiated its own investigations, e.g., undertaken post-merger/acquisition analysis to ensure the ICCC Act is not breached
* Has pursued a number of cases of abuse of market dominance and price fixing. The price-fixing case is currently ongoing while in four cases of market dominance, ICCC has cautioned parties concerned to remedy breaches of the Act and the parties have complied
* ICCC is currently enforcing the ICCC Act and has taken legal action against some companies who have been engaged in anti-competition conduct. The Commission expects to be involved in more litigation cases in the future
* The Commission has established working relation with the PNG Central Supplies and Tenders Board (CSTB) to implement an efficient procurement practice
* The Commission has conducted several awareness programs in PNG on the importance of roles and responsibilities within ICCC. Relevant businesses and the general public have been made aware of their rights to lodge complaints to the Commission on any anti-competition conduct of businesses or on any unfair trade practices
* The Commission has been conducting reviews of the air transport; coastal shipping; stevedoring; general insurance; water and sewerage industries; electricity regulatory contracting reviews; Motor Vehicle Insurance Limited (MVIL) regulatory contract review; housing and real estate industry review; postal services regulatory contract review; development of sea freight index to regulate sea freight rates of petroleum products; investigations into urban development leases; and investigations into licensing arrangements of pilotage services for any restrictions on potential entry into market

**On consumer protection**;* The Commission will refocus exercise to ensure regional offices implement the Commission’s full functions; continue training of its investigators; continue to conduct CPCC meetings to address consumer products and services issues.
 | * Staff development and hands-on skills training for all staff
* More investigations into sectors with a view to improving productivity in those sectors
* Continuing improvement in all sectors of ICCC
* Mid-term capital expenditure review for port services, and water and sewerage services, as part of the tariff adjustment exercises;
* Proposed review of commercial bank fees and charges;
* Proposed review of commodity prices for agriculture commodities such as oil palm, coffee, cocoa, copra, vanilla, and others.
 |
| 1. **Government Procurement**

Website for further information:[www.cstb.gov.pg](http://www.cstb.gov.pg)Contacts for further information:1. Mr Bobby Seguna

Central Supplies & Tenders BoardP.O Box 6457Boroko NCDPapua New GuineaPh: +675-311-3777Fax: +675-311-37778Email: coord3@cstb.gov.pg1. Mr Hudson Leka

Central Supplies & Tenders BoardP.O Box 6457Boroko NCDPapua New GuineaEmail: snrcoord2@cstb.gov.pg | * CSTB Corporate Plan 2009 – 2013 aims at developing Government Procurement and to be the leading Procurement Country in the South Pacific. (Functional Review approved & Corporate Structure established)
* Development of Standard Bidding Document(SBD) with the aim of getting a unified form of document to improve procurement activates with all stakeholders and parties concerned.
* NPA using the OECD DAC method conducted in 2010. Reducing the incidences of Development Partners of running parallel procurement systems.
* Active participation in PFMA Review team in 2011 with draft legislation developed and stakeholder engagement process commenced including the removal of National Preferencing.
* CSTB’s attendance in 2011 as part of PNG delegation at the high level forum meeting on AID Effectiveness at Bussan South Korea. Request to development partners to assist procurement reforms in PNG.
* Professional Skills development conducted in association with Charted Institute of Purchasing & Supply with number of participant from different Government Departments and line Agencies working to gain qualifications at Level 3, 4 & 5 International Certificates.
 | * The final draft version requires further stakeholder review (2011 -2012)
* The NPA general approach to capacity development is Engage partners and build consensus, Assess capacity assets and needs, Define capacity development strategies, Implement capacity development strategies and Monitor and evaluate strategies.
* The request to assist in procurement reforms is to gain greater and effective

Government Procurement Process in place by 2020. |
| 1. **Deregulation/Regulatory Preview**

Website for further information:[www.pngports.com.pg](http://www.pngports.com.pg)Contact point for further details:Mr Stanley AlphonseActing Chief Executive OfficerPNG Ports LimitedP.O Box 671Port Moresby, NCDPapua New GuineaTel: +675-308-4200Fax: +675-321-1546Email: enquiries@pngports.com.pg | * The ICCC regulates the tariffs/prices which the PNGPCL charges for the supply of essential Port Services.
* Currently PNGPCL has a five (5) year Regulatory contract (2010-2014) with ICCC which provides for the manner in which the annual prices are adjusted to its regulated services.

**NICTA*** National ICT (Operator Licensing) Regulation 2010
* National ICT (Radio spectrum) Regulation 2010
 |  |
| 1. **Implementation of WTO Obligations/ROOs**

Point of Contact for further information:Mr Joseph VaroActing Director-GeneralTrade DivisionDepartment of Foreign Affairs & TradeP.O Box 422WAIGANI NCD, PNGPh: +675-301-4122Fax: +675-323-1011Emai: joseph.varo@dfat.gov.pg | * PNG has no specific legislation on non-preferential Rules of Origin
* Preferential ROOs are contained in specific bilateral and regional trade agreements
* A Certificate of origin, issued by the designated authority in the exporting economy in accordance with specified certification procedures is required to access the preferential rates
* The MSG has loose ROOs requiring a change in 4-digit HS classification with special processes defined as not constituting originating products.
* The PICTA ROOs require either the good is wholly produced or obtained in the exporting economy; or final process of manufacture is in the exporting partner economy with at least 40% costs
* The EPA ROOs under the 2007 iEPA are contained in Protocol II of the Agreement which are still being finalized.
 |  |
| 1. **Dispute Mediation**

No website as yetContact point for further details:Mr Jack KarikoDeputy-SecretaryDepartment of Justice & Attorney-GeneralP.O Box 591WAIGANI, NCD, PNGPh: +675-301-2834Fax: +675-323-3661Email: jack\_kariko@justice.org.pg | * PNG has recently introduced an ADR Track in 2010 as part of the National Court Process. This has been made possible through the amendments to the National Court Rules- National Court Rules on ADR.
* The ADR Centre under the National Judicial Staff Services is the institution to which cases are referred for ADR.
* Although the ADR system mainly deals with in-country disputes, PNG is still developing an arbitration project.
* Mediation between an international organization and the State of PNG can only be done through this process if there is a current court proceeding before the National Court or upon request by the Parties.
 |  |
| 1. **Mobility of Business People**

Website for further information:[www.immigration.gov.pg](http://www.immigration.gov.pg)Contact point for further details:MrMataioRaburaActing Chief Migration OfficerPNG Immigration & Citizenship Services (PNGICS)P.O Box 1790BOROKO, NCDPapua New GuineaTel: +675-323-1500Fax: +675-325-5206Email: matthewn'drewei@immigration.gov.pg | * Organizational reforms with the passing of the PNG Immigration and Citizenship Services Authority Act (2010)
* Turn-around times include – processing of visas (10-days); and PNG passports applications (5-days)
* Implementation of the BMS to effectively record and monitor all movements
 | * PNGICS will undertake enhancements to the system in the next 18 months
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| 13.**Official websites that gather economic information** | [www.ipa.gov.pg](http://www.ipa.gov.pg)[www.customs.gov.pg](http://www.customs.gov.pg)[www.treasury.gov.pg](http://www.treasury.gov.pg)[www.bankpng.gov.pg](http://www.bankpng.gov.pg) |  |
| 1. **Transparency**

Website:[www.ipa.gov.pg](http://www.ipa.gov.pg)Contact point in IPA:Mr Clarence HootEmail: clarence@ipa.gov.pg**Department of Justice & Attorney-General (DJAG)**Website: DJAG is currently still working on its department website.Contact Point in DJAG :Mr. Jack KarikoEmail : jack\_kariko@justice.gov.pg | * As part of the transparent, open and fair investment regime objective, IPA established and launched its website in 2007 to facilitate business and company enquiries. IPA also assisted in launching the IPOPNG website in September, 2008
* PNG has in place a National Anti-Corruption Strategy (2012 – 2020) that has been recently approved by Parliament.
 | * A review of the IPA Act 1992 under the regulatory reform process will give more prominence to open, fair, and transparent investment regime
* PNG is also soon to seek parliamentary endorsement/approval on several Anti-Corruption draft laws that will, amongst other things, see the establishment of the PNG ICAC.
 |
| 1. **RTAs/FTAs**
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| Website:[www.ipa.gov.pg](http://www.ipa.gov.pg)[www.customs.gov.pg](http://www.customs.gov.pg) | **Avoidance of Double Taxation Agreements (DTTAs)*** Canada (effective 1 January, 1990)
* Australia (effective 1 January, 1990)
* Singapore (effective 1 January, 1992)
* United Kingdom (effective 1 January, 1992)
* Malaysia (effective 1 January, 1994)
* China (effective 1 January, 1994)
* Germany (effective 30 June, 1995)
* Korea (effective 1 January, 1998)
* Fiji (effective 1 January, 1999)

**Investment Protection and Promotion Agreements (IPPAs)*** Canada (1981)
* China (1991)
* Japan (26 April, 2011)

**Interim Economic Partnership Agreement (iEPA) with European Union*** PNG Parliament ratified iEPA with EU 24 May 2011
* It is now applying the provisions of the iEPA

**Bilateral Fisheries Access Agreements*** Japan (1 May 2006)
* Korea (January, 1992)

**Deep Sea Fishing Agreements*** Korea (1995)

**Melanesian Spearhead Agreement (MSG) Trade Agreement (Trade in goods)*** PNG, Vanuatu, Solomon Islands, and Fiji
* Effective 22 July, 1993
 | * DTTAs with the Kingdom of Thailand, Republic of Philippines, and Republic of Indonesia are awaiting signing
* DTT negotiations with New Zealand are ongoing
* IPPA with ROK was initialed in 1999 and is yet to be signed
* PNG commenced negotiations with the Solomon Islands in 2011 for IPPA
* 4th round of negotiations to be held in 2012
 |
| **Agreements under negotiation** | **Pacific Agreement on Closer Economic Relations with Australia and New Zealand (PACER PLUS)*** Ongoing negotiations on trade in goods between PIF countries and Australia and New Zealand

**US Multilateral Treaty on Fisheries*** 5th Re-negotiation Session was concluded in Fiji in January 2012
* Negotiations is ongoing
 | **Pacific Islands countries Trade in Services Agreement (PICTA TIS)*** 7th round of negotiations to be held in 2012

**PICTA Temporary Movement of Natural Persons*** Considered during PICTA TIS negotiations

**Melanesian Spearhead Group Skills Movement Scheme*** To be considered during the MSG TIS meeting in 2012

**Comprehension Economic Partnership Agreement with European Union*** On-going negotiations with the EU
 |
| 1. **Health Related and Social Services**

Website for further information:<http://supernova/healthweb/home>Contact point for further details:Mr Navy MolouPNG APEC HWG CoordinatorEmail: navy\_molou@health.gov.pgMrs Agnes PawiongAPEC PNG HWG memberEmail: agnes\_pawiong@health.gov.pgMrs Rose KavanamurAPEC PNG HWG memberEmail: rose\_kavanamur@health.gov.pgMr Berry RopaAPEC PNG HWG memberEmail: berry\_ropa@health.gov.pg | * The 2007 PHAA to streamline health services and more effective

**On Licensing and Qualification requirements**:* A new computerized HR database has been established in the Medical Board and Nursing Council Office of the Ministry of Health to expedite the process of registration and monitoring
* Besides the National Drug Policy of 1998, the 2011 National Medical Standards Policy paves the way for health services standards to be strictly enforced and adhered to.
* Since 2008 AusAID has augmented PNG’s medical supplies system by procuring and distributing 40% medical kits to both Church and Government run health centres due to deficiencies in the system while the Government continues to procure regular drugs and medical supplies. Private health services providers procure their own drugs and supplies
* First shipment of the 100& kits will arrive by April 2012 from Singapore and distribution to health facilities will commence around June 2012

**On Foreign entry**:* MNCs such as Ok Tedi Mining Limited and the Lihir Gold Mine Ltd have been allowed to set up their own health establishments upon meeting government requirements
* The Ministry of Health has effective working relations with relevant government agencies and departments such as DFAT and IPA to ensure these foreign entities meet entry requirements

**On discriminatory treatment**:* PNG does not discriminate against its health services providers. This is consistent with the health sector’s PPP initiatives
* Government has signed MOAs with existing mining MNCs to provide health care to surrounding communities in their vicinity
* With its PPP initiatives, the Ministry of Health has established dialogue with private sector firms, NGOs, civil society and community at large to deliver accessible, quality and affordable health services to the disadvantaged and rural majority
* The Christian Health Services Act (2007) also enables church health agencies to continue to deliver health services in rural areas on the State’s behalf
 | * The PHAA is on trial in three provinces.
* PNG is looking at the option of introducing compulsory health insurance for the formal sector before expanding it to the informal sector.
* Monthly updates of the computerized database system
* The WTO provision of TRIPS and Public Health on importance of generic drugs into PNG from other developing economies is still outstanding. The Ministry of Health will be meeting IPO lawyers in 2012 to progress this outstanding matter
* AusAID will continue this in 2012 with new kits called 100% kits. The PNG government meets its procurement expenses from its annual recurrent budget
* Goods will be sourced from major suppliers in Europe and Asia and will be shipped directly to PNG’s major seaports.
* To establish Super hospitals in PNG in the new National Health Plan (2011-2020) to attract highly qualified expatriate health professionals
* The Government will endeavor to establish similar MOUs with other MNCs in the mining sector
* The Ministry of Health will assist the Church Medical Council in 2012 to review and properly draft the Act and passed by Parliament for proper implementation
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| 1. **APEC Food System**

Mr Brown KonabeDepartment of Agriculture & LivestockP.O Box 2033PORT MORESBYEmail: bkonabe@gmail.com | **Local Food Production and Supply*** Food security is captured in sectoral and national medium to long term plans such as: PNG National Food Security Plan (2000-2010); NADP (2006-2017); PNG Development Strategic Plan (2010-2030); PNG Medium Term Development Plan (2010-2030); and the overall PNG Vision 2050
* Overall goal “to ensure that all people at all times have physical, social and economic access to sufficient, safe and nutritious food to meet their dietary need and food preferences for an active and healthy life.”
* Food availability in PNG is achieved through local food production and food imports.
* Traditional staple food production is estimated at 4.5 million tonnes per year and is sufficient to meet the daily energy requirement in PNG. Sweet potato is the most important staple in PNG in terms of volume and energy production followed by bananas, sago, cassava, taro, yam, and coconut.
* Main constraints to production and productivity of these staples are lack of improved planting material; declining soil fertility; high labor requirements; pest and disease problems; climatic extremes; and, marketing chain issues
* Rice has now become a staple food in PNG with per capita consumption of 30-50kg per annum. Current local production is estimated at 30,000 tonnes
* Main livestock are cattle, pig, goat, sheep, and chicken. PNG has achieved self-sufficiency in production of pigs and chicken. Main constraints - poor management, poor extension support, high cost of feed and poor private sector investment. MTDP (2011-2030) aims to increase meat production to 4 million tons by 2030
* Tuna production has been increasing since 2001 with current production estimated at 492,000 tons per year.
* Coastal subsistence fisheries is estimated at 30,000 tons per year. Production of beche de mer, prawns, and shrimps. Production has declined due to high cost of fuel and poor sustainability.
* Aquaculture production has increased in the last five years in terms of farm development. However, overall production. Particularly for carp and tilapia has declined due to high cost of imported feed, farmer’s poor access to fingerling supply and lack of farming knowledge and skills by farmers.

**Food Imports*** PNG also imports huge quantities of food to meet its domestic demand annually – rice (200,000 tons); wheat (150,000 tons); meat, especially sheep meat (30,000 tons).
* Total value of food imports is 16-19% of total imports (2005 est)

**Food Accessibility*** Economic accessibility of food is a major food security problem because of the high level of poverty especially in rural areas and squatter settlements in urban area
* Physical access and distribution of food is hampered by the rugged terrain and mountains and poor road and transport infrastructure

**Food Utilization*** People in PNG still suffer from malnutrition and obesity. The National Department of Health, in collaboration with key partners, such as WHO are now addressing this through strengthening nutritional education; promotion an support for breast feeding; improving maternal health and nutrition; vitamins supplementation, etc.
* Despite the lack of a NFCS, PNG has developed and enacted a food legislation called the “PNG Food Sanitation Regulation 2007” based on codex and enacted under Food Sanitation Act 1991 to cover food inspection, standards and additives, packaging and handling, sanitation, processing and preparations, hygiene and food-borne diseases

**Food Stability*** Climate Change and natural disasters will be the main calamities destabilizing food supplies and causing food insecurity in PNG
* PNG is prone to El Nino and climatic phenomena causing severe food insecurity thru drought, reducing food production.
* Increase mining, petroleum, agriculture and forestry development projects have the potential to pollute rivers and marine systems, degrading environment with loss of diversity and soil fertility, threatening food sources of rural communities.
* PNG is also vulnerable to natural disasters and extreme weather events that can displace large population of people and cause food insecurity

**Emerging Issues*** The main emerging issues are bio-fuel, sustainable agriculture, and HIV/AIDS
 | * The Government has committed K100 million to fund the implementation of the NADP(2007-2017)
* The address the problem of poverty, 85% of the population will need to be transformed from subsistence to commercial farming to raise the income level and lift them out of poverty
* The MTDPs will aim to commercialize subsistence farming through research, extension and marketing services to improve farmers access to suitable crop and livestock production technologies and markets
* The economic corridor concept proposed in PNGSDP 2010-2030 and to be implemented through the MTDP (2011-2015) will be the vehicle to drive this focusing on disadvantaged areas through a value chain approach to add value and improve marketability of agricultural products
* MTDP (2011-2015) will implement a road transportation program to improve market accessibility for people
* MTDP (2011-2015) is promoting Value Adding by focusing on downstream processing of major staples for domestic and export markets; establishment of regional rice milling centres and codex certification
* The PNGSDP (2010-2030) through the current MTDP has included organic certification as one of its deliverables for the agricultural sector
* The current MTDP will also see the establishment of a NFCS through the establishment of a National Food Authority and codex system
* The PNG Climate-Compatible Development Strategy, endorsed by Cabinet in 2010 aims to reduce GHG emissions by at least 50% by 2030 and for PNG to be carbon-neutral by 2050; and to reduce vulnerability to gradual hazards (diseases) and event-driven hazards (landslides, coastal flooding, etc)
* This Strategy also embraces REDD+ which will be implemented to reduce GHG emissions from forests, responsible for up to 69% emission rate in PNG
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1. **Source: PNG Department of Treasury; Bank of PNG (BPNG); and PNG Resident Mission of the Asian Development Bank** [↑](#footnote-ref-2)
2. Source: Asian Development Outlook 2010, pp: 242-245 [↑](#footnote-ref-3)