

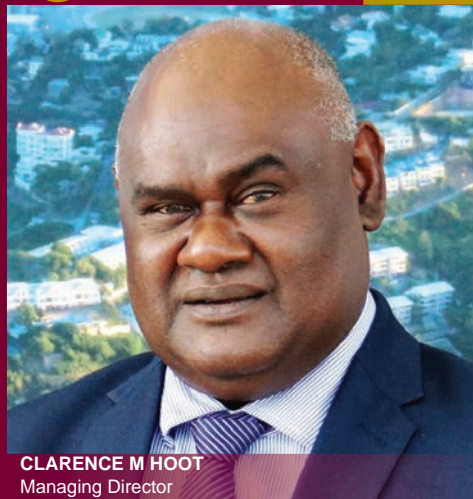


Opportunity

Issue #6 - June 2020

Business News, reviews and overviews from the IPA

MD's INBOX



CLARENCE M HOOT
Managing Director

Hello Readers and welcome to the sixth (6th) edition of the IPA's monthly 'Opportunity Newsletter'.

The Investment Promotion Authority (IPA) is among other organizations whose work programs have been affected by the COVID-19 pandemic.

Despite that, all Business Units of the Authority are still endeavoring to deliver our services to our clients.

The Authority is currently practicing the new normal as per the SOE orders issued by the National Government. These include maintaining social distancing measures at its reception areas and front counters and restricting face to face client meetings.

IPA has also waived the fees for annual re-

turns outlined in a notice in this issue.

Clients have also been encouraged to utilize our ONLINE REGISTRY SYSTEM to lodge applications instead of coming to the counters to minimize risks.

In this issue, we also highlight the steps on how to register a personal online user account.

The Deregistration exercise is on hold therefore Defaulting Companies that were placed in the second batch for deregistration are encouraged to use the opportunity to comply by submitting their outstanding Annual Returns.

The deregistration exercise for the second batch of defaulted companies was scheduled to begin in March 2020 but has been on hold due to the COVID 19 pandemic.

IPA is also encouraging defaulting companies to file their outstanding annual returns utilizing the Online Registration system as they will only pay a fee of K250 if they lodge their annual returns online.

I once again encourage you all to uphold good health practices as we continue into the rest of the year. Again, if you have any positive stories about your business, you can contact our Public Relations Unit as we will only be too happy to feature your story in our monthly newsletter.

Thank you and happy reading!!

Clarence M. Hoot
Managing Director

IN THE NEWS

PNG seafood exporters gain access to China market



Minister for Fisheries and Marine Resources of PNG, Lino Tom and Chinese Ambassador to PNG Xue Bing attended a press conference in Port Moresby on the 15th of June, 2020.
Photo sourced from the Embassy of China in Papua New Guinea

Papua New Guinea (PNG) will now be able to access China's lucrative seafood market. This move follows the completion of market access protocols and processes carried out by the National Fisheries Authority (NFA) and the General Administration Customs of China (GACC) last month.

The protocols now allow the registration of 77 exporters and facilities (including 35 seafood companies, 31 cold storages, nine fishing vessels and two carriers) in PNG to export their seafood products directly to the Chinese market instead of sending via Hong Kong or Singapore for clearance.

Pacific Trade Invest (PTI) China first came on board this project in 2018 at the request of the PNG Investment Promotion Authority and National Fisheries Authority to help facilitate the technical work between NFA and GACC and as the contact point to GACC on behalf of NFA.

This facilitation role included checks of all documentation to comply with import protocols, reviews of health certification to meet China's biosecurity and quarantine standards and providing translation of all formal documents for GACC's application and registration process.

Acting as the contact point in Beijing on behalf of NFA during the technical work over the

Tips & Traps

IPA ONLINE REGISTRY GIVES INSTANT CHANGES TO CERTAIN BUSINESS SERVICES

In 2018 the Investment Promotion Authority's online registry service was enabled to allow the system to instantly update certain records once they are lodged online.

This means that once a client uses the online services to change records or data, the system will automatically update the entity records without an officer having to physically review the filed application.

The following business services no longer require review by IPA Registry staff:

1. Change of Registered Office and Address for Service;
2. Maintain Directors and Secretaries

- (new appointments or to update existing records);
3. Maintain Shareholders (transfer of shares or issue new shares);
4. Annual Returns for exempted companies (on-going since the online registry went live in 2013).
5. Issue of share
6. Issue of share (Shareholder)
7. Acquisition of share
8. Redemption of share

Since the introduction of the IPA's online registry system in 2013, the Authority has been embracing the benefits of the system to the stakeholders and at the same time worked on improving its features to suit the current business trend.

The instant change of records in the database does not apply to filing of paper forms at IPA's front counters. Applications filed through the counters will still have to undergo the normal review by officers.

It is therefore a wise business decision to file statutory applications online.

Continue on to next page.....



last year and a half, PTI China has assisted the listing of the 77 fish exporters and facilities on China's approved commodities register for exports.

Papua New Guinea's Minister for Fisheries and Marine Resources Dr Lino Tom says it is a great achievement to have 77 seafood entities officially registered by GACC to directly export to China.

"This is a milestone for the sector to be accredited as an approved country by China customs to export seafood directly to mainland China," the Minister says.

"More PNG companies will be added and registered by GACC when the health certificate for live seafood is submitted and the administrative requirements are satisfied."

Meanwhile, Chinese Ambassador to PNG Xue Bing says the move is an important step for fishery cooperation between China and PNG.

"More and more PNG companies would become suppliers for the Chinese market and more and more high-quality PNG agricultural products would be exported directly to China.

"The China-PNG trade relationship would be further promoted after the COVID-19 pandemic."

Pacific Trade Invest China Trade Commissioner Mona Mato says congratulations must go to the PNG Government and NFA in Port Moresby for the extensive work involved in the market access protocols to meet China's import standards.

"Our facilitative role in partnership with the Fisheries Authority and GACC over the last year and a half has been extremely positive and I am pleased this work now allows a pathway for PNG fish exports to China," the Trade Commissioner says.

"The market access approval also positions PNG well into Asia's lucrative seafood market and it sets the standard for other valued products from the Pacific".

"Our role at PTI China is to continue to look for those high value market opportunities."

The Beijing-based organisation continues to work closely with the PNG Embassy in China to provide support for market opportunities for trade, investments and tourism between PNG and China, the Trade Commissioner adds.

According to PTI China, there remains significant market demands for fisheries products in China.

China's import statistics 2019 show the total value of fish and crustaceans, mollusks, and other aquatic invertebrates reached over \$US15 billion.

As a country rich in fisheries resources, the opening of the export pathway for PNG will also create business opportunities for its aquaculture industry.

Contact:

PTI China Export Manager Yolanda Jiang – Yolanda.jiang@pacifictradeinvest.org.cn for more information.



PTI China's Export Manager, Yolanda Jiang provides support to PNG NFA at one of China's largest Seafood Expos in 2019
Photo Source: PTI China and Embassy of China-PNG

How has IPA managed the COVID 19 Pandemic?

The IPA responded to the COVID-19 pandemic in two (2) separate strategies. Firstly the IPA formed a Committee which initiated a Business Continuity Plan which was executed during the first 14 days Lock Down and into the State of Emergency (SOE). This plan involved the scheduling of a skeleton staff at the essential areas to continue delivering IPA services, especially the registry services.

Staff who were on duty or those scheduled to work during the first 14 days lock down period were required to observe social distancing and were restricted from moving out of the IPA premises during working hours for the safety and benefit of other staff. A small number of staff who were on duty travel before the Government announced the first fourteen (14) days lock down were asked to self quarantine at their homes for 14 days and return to work only after obtaining medical clearance.

ALL face to face meetings were NOT allowed with clients or visitors within the IPA premises EXCEPT for the IPA front counter services on the ground floor of the IPA haus. During the lockdown and SOE periods, Clients were encouraged to use emails, teleconference or any other electronic/digital applications for en-

quiries and this practice is now being used as part of our new normal.

The second strategy involved the IPA's response towards relief measures for its clientele. The Acting Registrar of Companies, Ms Harriet Kokiva, using the powers of the Office of the Registrar of companies, invoked **Sections 101 (3) and 179 (2) of the Companies Act 1997** and exempted companies from the following;

- Waiver of time limitations in holding Annual General Meetings.
- Waiver of time limitations in preparation and presentation of financial statements.
- Waiver of Penalty Fees for companies with late or outstanding Annual Returns. Companies are expected to pay only the online lodgement fee of K250 per lodgement.
- The waiver of the said requirements is still continuing.

The IPA is also encouraging businesses to use the IPA Online Registry system in light of the social distancing measures in accordance to the SOE orders.

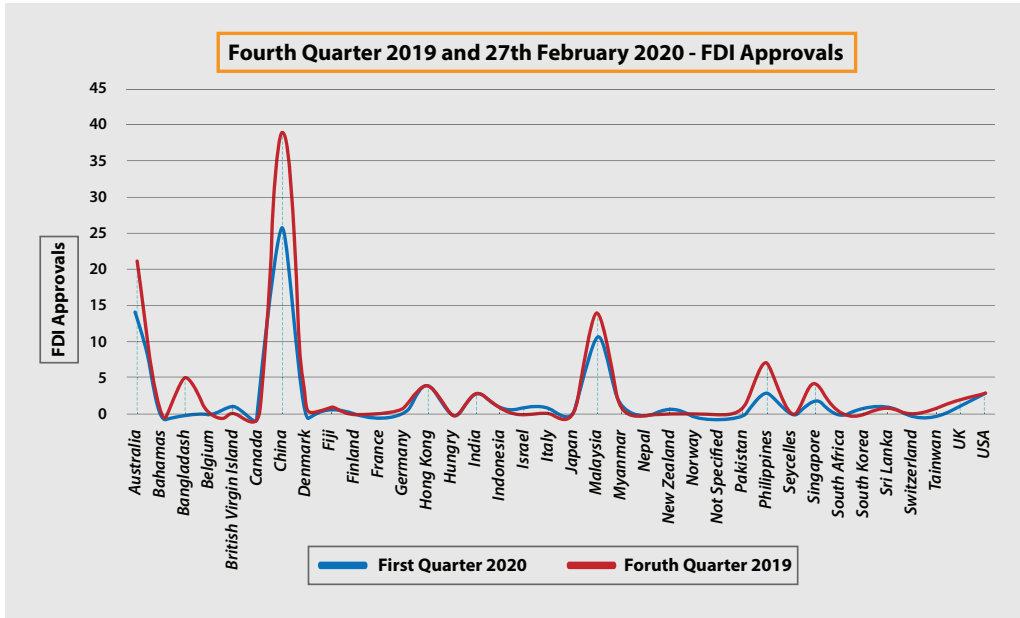
Businesses will begin this by registering an online personal user account. Having a personal user account on the IPA ORS enables you to:

- Request authority over your registered business entity on the IPA ORS;

- Do online updating and maintenance of records of your business entity on the IPA ORS;
- Register new business entities or organizations on the IPA ORS.

No doubt the SOE has impacted businesses. And given the slowdown on businesses triggered by the pandemic, getting new investors into the country is a greater challenge. IPA's key focus now is more towards investment retention and aftercare services.

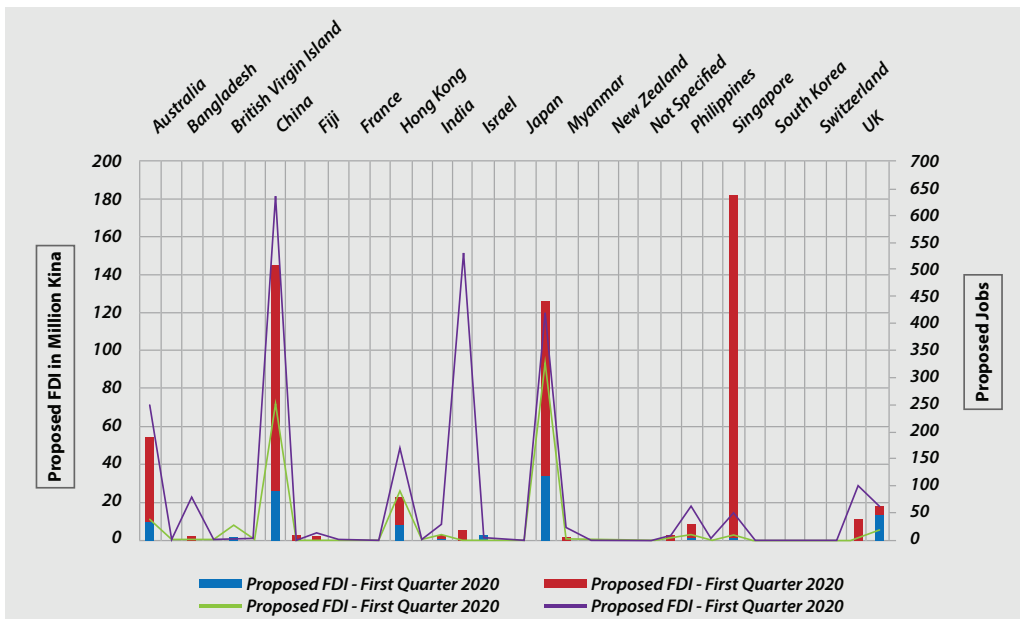
The effect of the pandemic obviously affected the number of Foreign Direct Investments (FDIs) coming into Papua New Guinea. The graph below depicts a comparison between the FDI approvals from the final quarter of 2019 and the first quarter of 2020 precisely data captured as at 27th of February 2020 before PNG went into the lock down and the State of Emergency in the month of March, 2020.



From the graph below it should be noted that the number of FDI approvals from the final quarter of 2019 was greater than that of the first quarter of 2020 as indicated by the red line while that of the first quarter is indicated by the blue line. Generally, there was a decline in foreign investment entry in the first quarter of 2020 as compared to that of the final quarter of 2019.

In terms of the proposed FDI values and jobs, the proposed FDI values recorded for the final quarter of 2019 was higher than that of the first quarter of 2020 as indicated by the red position of the bar graph over the blue bar on the graph. Total FDI values of the final quarter was K492.5 million while that of the first quarter as at 27th February 2020 was K96.9 million.

With respect to the proposed jobs, a total of 2,420 jobs were recorded in the final quarter of 2019 while the first quarter as at 27th February 2020 recorded 783 jobs in total. Generally, there was a decline in the number of jobs created in the first quarter of 2020 in comparison to that of the final quarter of 2020.



Pacific Fisheries officials extend observer requirement suspensions to 31 July

Fisheries officials in the Pacific, on 21 May, extended a suspension of 100 percent observer coverage requirements on all purse-seiners fishing in the waters of member-nations to 31 July.

The Western and Central Pacific Fisheries Commission (WCPFC) of which PNG is a member country, in a circular memo, endorsed the extension of the measure, stating that the “temporary suspension will apply to new trips after a vessel operator has met the requirement for repatriation of observers currently onboard a vessel.”

As part of the temporary suspension, vessel monitoring system (VMS) requirements that apply to purse-seine vessels during Fish Aggregating Device (FAD) closure periods will also apply to purse-seine vessels that are not carrying observers.

“This decision takes effect immediately once the commission has endorsed it. The commission will review its decision by 31 July, 2020.

In undertaking such review, the commission should take into consideration Article 30 of the convention and the safety and livelihoods of Regional Observers Program (ROP) observers, in particular observers from Small Island Developing States or (SIDS);” WCPFC Chair Jung-re Riley Kim said in the circular memo.

In March, member countries of the Parties to the Nauru Agreement (PNA), Pacific Islands Forum Fisheries Agency (FFA) and the WCPFC of which Papua New Guinea is also a member country to; agreed to allow all purse-seine vessel owners and fishing companies operating in the Pacific waters to continue fishing

without observers to avoid disruption in operations as a result of COVID-19.

The temporary suspension of the observer coverage requirements was slated to end on 31 May, but with fishing ports continuing to be affected by border closures, and the fact that the global pandemic is still ongoing, the suspension was extended.

FFA Director-General Manu Tupou-Roosen said despite the challenges, FFA will continue to monitor and control fishing of the world’s largest tuna stocks.

“Stopping the use of observers onboard fishing vessels during the corona-virus crisis does not mean that illegal fishing will go unchecked,” she said in a statement.

She added FFA is supporting Pacific countries with other tools such as VMS surveillance operations and data analysis to ensure that fishing vessels are monitored.

“FFA member countries have responsibilities for the safety and health of observers, who are their citizens, often traversing international borders and regions, and to uphold national border control and shutdowns,” Tupou-Roosen said. “This is the primary reason that the use of observers has been suspended, and in the meantime other monitoring, control, and surveillance tools will help ensure that fishing vessels are monitored, and that action can be taken if required.”

Officials Forum Fisheries Committee Chair Eugene Pangelinan, in the same statement, said that it is paramount that fishing continue within the exclusive economic zones of Pacific Island countries, where licensing and access

fees are a major source of government revenue.

“Our intent is to do everything we can to minimize disruption of fishing operations in a manner where we can still monitor such operations, despite the COVID-19 situation,” Pangelinan said.

Fishing officials are also allowing vessels to transship at sea – in an area under the jurisdiction of a port state – due to port closures and relevant access restrictions related to the prevention of COVID-19.

The extended suspension of observer coverage comes at a time when environmental groups are increasingly cautioning against allowing transshipment to lead to illegal, unreported, and unregulated (IUU) fishing.

Earlier in the COVID-19 crisis, 19 environmental organizations wrote a letter stating that removal of key monitoring, compliance, and surveillance (MCS) elements – like the observer coverage, bans on at-sea transshipment, port inspection, and high seas boarding and inspection – “would weaken the links that maintain the verifiability of fishing-related activities throughout the seafood supply chain.”

The joint letter, signed by organizations such as The Pew Charitable Trusts, Global Fishing Watch, Greenpeace, and WWF, said that the move “opens the door” to increased IUU fishing, and highlighted the threat of the suspension of key measures to the recovery and the resilience of fish stocks globally.

The organizations said fisheries managers will need to look into the impacts when developing emergency measures for the fishery, as IUU fishing worldwide is reported to already account for up to USD 23.5 billion or over K76 billion.

Source: SeafoodSource NewsPress Statement



HOW important is it to protect an Industrial Design?

Industrial Design (ID) is the professional practice of designing products, devices, objects, and services used by millions of people around the world every day.

Industrial designers typically focus on the physical appearance, functionality and manufacturability of a product, though they are often involved in far more during a development cycle.

It is what makes a product attractive and appealing; hence, they add to the commercial value of the product and increase its marketability.

In PNG, many industrial designers face the difficulty of protecting their designs. Example, Papua New Guinean women who weave bilums have had their designs copied onto counterfeit products creating a big concern and raising the red flag on the importance of protecting Industrial designs in the country.

In order for a design to be protected, the design has to be registered with the PNG Office of Intellectual Property Office. As a general rule, to be registerable, the design must be “new” or “original”.

Generally, “new” means that no identical or very similar design is known to have existed before. Once a design is registered, a registration certificate is issued. Following that, the term of protection is generally five years, with possibility of further periods of renewal up to, in most cases, 15 years.

When a design is protected; the owner– the person or entity – that has registered the design is assured an exclusive right against unauthorized copying or imitation of the design by the third parties. This helps to ensure a fair return on investment. An effective system of protection also benefits consumers and the public at large, by promoting fair competi-

tion and honest trade practices, encouraging creativity and promoting more aesthetically attractive product.



IPA WAIVES STATUTORY REQUIREMENTS

The Office of the Registrar of Companies wishes to advise all business houses and companies that in response to directives declared in the COVID19 State of Emergency (SOE), the Office has undertaken certain measures to assist companies in their compliance duties by exercising the Powers of the Registrar of Companies. The Acting Registrar of Companies has therefore taken the following measures;

Under *Sections 101 (3) and 179 (2) of the Companies Act 1997* all companies are exempted from strict compliance of Annual General Meetings, Preparation and submission of Annual Returns and Financial Statements requirements until the SOE ends. This now paves way for the following;

- **Waiver of time limitations in holding Annual General Meetings.**
- **Waiver of Penalty Fees for companies with late or outstanding Annual Returns. Companies are expected to pay only the online lodgement fee of K250 per lodgement.**
- **Waiver of penalty fees for late or outstanding financial statements.**

Further note that we encourage all lodgements to be done online.
Call the following numbers or email for more information:

Team Leader Companies:

308 4443/belindak@ipa.gov.pg

Team Leader Non Companies:

308 449/kilai@ipa.gov.pg

Team Leader Customer Services:

308 4495/maryp@ipa.gov.pg or ipaonline@ipa.gov.pg

HARRIET KOKIVA (Ms)
Acting Registrar of Companies



NEW CHICKEN MEAT PRODUCT ENTERS MARKET

While uncertainty hangs and businesses try to keep afloat in this economic downturn, a local entrepreneur has produced and is now supplying the local market with chicken meat.

Mande Chicken has now entered the market to give a third option to chicken meat consumers in PNG apart from Zenag and Mainland Holding's Niugini Tablebirds.

Located in Nadzab, Lae, Mande Chicken has a poultry farm where they grow their own chicken and a slaughtering and processing plant where they produce their own fresh frozen chicken meat products.

Tim Numileng who owns the business has been supplying Niugini Tablebirds as an Outgrower for the last seven years.

"I have a semi-permanent shed which holds up to 6,000 birds and Table Birds pays us the outgrower only 86 toea per live bird after harvesting," Tim says. He further explains that if they manage their Feed Conversion Ratio then they attract a bonus. "My shed is always the best performing because I give good weights to Table Birds after 5 weeks."

Given the quality of Tim's products, his chickens were used by Niugini Tablebirds to produce the whole chicken products which are common in supermarkets around the country. It is not surprising to see Tim's quality products as he is a Food Technologist by profession.

As an outgrower, Tim saw the return as "very low" for the efforts he put. This gave him the idea to produce his own.

In 2016, when the country was under threat of the bird flu and the Government issued a ban on the import of livestock, the two local chicken meat suppliers Niugini Tablebirds and Zenag were challenged to produce and supply the high demand for chicken meat in the domestic market.

This was the turning point for Tim. He saw started planning for a new factory for himself. "These two situations have made me to re-think and it took me 5 years to plan and slowly build myself up to where I am today," he said. "I have the business idea and being a food technologist, it helps me with the technical know-how," he added.

Tim says that what he lacked was the financial capacity to get the project off the ground quickly.

"Five years later I see my dreams come into fruition. Many times I am faced with financial constraints but my spouse is always there to support me. I cannot do this alone without the support of my wife and my three children. These are the four that stood by me during my lows and highs."

Mande Chicken currently employs 20 workers who live around the vicinity of the factory in Nadzab.

Asked if the COVID-19 lockdown affected his business, Tim says "Not really because I got my equipment, machineries and supplies in time before the lockdown. Furthermore, I'm employing people living within the vicinity of the project so I have no problem with that. The only problem will be people's affordability as many have laid off from work and will not have the disposable income same as its affecting other business house. However, with my low overhead cost my products will be affordable to the low-income earners. My business model is to support the local income earners, providing premium fine quality products at an affordable price."

Mande Chicken officially started commercial production on 15 April 2020 although trials and commissioning of its equipment and machineries were done in September 2019. Due to financial hiccups he couldn't start operations until last month (April) after he obtained a loan through BSP's SMEs package.

Tim says the poultry is good business as it benefits simple people in the villages if they tap into it. He's encouraging the government to consider investing in the industry as it directly impacted on livelihoods just like any other agriculture products.



The proponents of the above Company are looking for a potential investor to lease out their land solely for commercial agricultural projects.

Sector:

Agriculture

Location:

Utsiap, Markham District, Lae, Morobe Province

Project Size/Investment Value:

US \$ 2.5 million

Project Description:

The project is an agro-based project preferably intended by the proponent to be established as a Commercial Agriculture Project.

The project site is located in the Utsiap area of Markham District, Lae, Morobe Province with more than 29, 000 hectares of arable land available to be developed. The land is mostly savannah grass land and is conducive for multi cropping/farming like; Agriculture (food crop, Vanilla & Spice, Fruits & Nuts Farming etc.), Coffee, Cocoa, Rubber farming, and Beef & Sheep farming. The land is readily available to be leased out for a 49 year lease period to any potential investors.

The land is owned by customary landowners who have registered a Incorporated Land

Group under the name Warawara Incorporated Land Group as a platform to partake in development opportunities.

Infrastructure developments such as electricity, road access, health centre, and water are available but yet to be connected to the project site. Local labor is also readily available for project implementation.

Necessary information and documents such as business plan, company profile as well as the Terms of Reference (ToR) for a possible Expression of Interests (EoI), IPA and IRC certificate's, ILG Certificates and environmental & feasibility study reports concerning the project are available upon request.

Contact	Details
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IPA PNG	investment@ipa.gov.pg



Pictures showing the land that is available to be leased out to potential developers.

How can I register a personal user account?

To register an account, go to our website www.ipa.gov.pg and go to the menu "Do It Online". Select "Register Account" and input your details as requested. As a requirement to use the IPA ORS you must have a valid email address.

You will then be asked to create a User Name and a password. Once you successfully create a user-name and password, you can now utilize the online system to register your business.

Why is it important to register a personal user account or a online account with IPA's Online Registration system (ORS)?

Having a personal user account on the IPA ORS enables you to:

- Register your entity online.
- Request authority over your registered business entity on the IPA ORS;
- Do online updating and maintenance of records of your business entity on the IPA ORS;

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

beverlyp@ipa.gov.pg

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

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