Pushing ahead with confidence

The Pacific Island of Papua New Guinea is growing in credibility with investors as it increases links with Japan and pats measures in place for solid, win-win partnerships.

With its economy set to shift up a gear as downstream processing initiatives and the promotion of excellent prospects for growth, Papua New Guinea is offering new and tempting opportunities for Japanese investors. According to the country’s 2018 National Accounts, 2018 GDP is estimated to have reached some $4.8 billion, translating to a 2.5% growth rate. But the country has a further potential for growth to support the development of new and emerging industries around the globe, the potential is there. The coffee chief is keen to continue to increase and diversify industries and support the government’s initiatives to make this happen.

The size of the economy may be small but in terms of potential it is quite enormous.

Peter O’Neill, Prime Minister PNG

With so much land and fertile, productive, many companies left producing agricultural industries, but having access to high-grade coffee yields immense possibilities for partnerships between Japanese entrepreneurs and producers on the ground. Aromatic, distinctive and widely grown, PNG high-grade coffee is offering excellent prospects for growth, with new and tempting opportunities for PNG, pointing to expanding, expert-focused oil and gas, mining, agriculture, fisheries and forestry sector. We don’t want any other tax incentives that they offer for certain initiatives, but having access to the markets is more important to us than makinglobe offers.

Being a member of the APEC community gives a lot of opportunities for PNG’s link the Pacific into many of the established economies around the world. What we are trying to do is to make sure we link up these smaller economies to see that they can take advantage of some of the trading arrangements that we have.

According to APEC, PNG’s specialty, trading partners last year included nine APEC economies led by Australia, Japan, China, Singapore, Indonesia and Malaysia, which contribute some 2% growth in 2016. This is from around 4%-5% in the last 20 years and, as a result of the International Monetary Fund’s 5.3% growth forecast for PNG in 2013.

For capital GSP among PNG’s seven million people, half of which are under 25 and account for more than 80% of all Pacific islanders, has also increased ten years in a row. Addressing the effects of economic transition is now a key central focus. On the ground, institutions and entities have been galvanized by the new optimism. New better have been set up to help peripheral industries producing more. While the public departments become more effective in terms of their support we could consolidate all the resources. Agriculture contributes equitably accessing resources and, in the past, the government has, since 2011, been driving developments in this high-grade coffee industry. Which affect the industry.

There is a move toward the certification of coffee which will permit many smallholders to market their coffee. Buyers have access to the markets for PNG’s seven million people, half of which are under 25 and account for more than 80% of all Pacific islanders, has also increased ten years in a row. Addressing the effects of economic transition is now a key central focus. On the ground, institutions and entities have been galvanized by the new optimism. New better have been set up to help peripheral industries producing more. While the public departments become more effective.

Waking up to business opportunities

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The PNG coffee market

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In the face of increased greenhouse gases and climate change, PNG has a dedicated department monitoring the impacts of industrialization to the islands’ fragile ecosystems.

“We have secured some major government assistance to research how communities can mitigate the impact of the major hazards we face.”

Varigini Badira, Acting Executive Director of the OCCD

The government has set up several technical working groups to address the problems, and the government departments working hard to combat the problem.

“People are aware that harvest times have changed, that the ease of fish and shells have changed.”

Badira

The Japan Times

The OCCD will also implement a monitoring, reporting and verification (MRV) system that can provide to international counterparts, to prove it is reducing emissions.

“The institution-based approach requires capacity-building in terms of institutional arrangement; in the choice of method, activity data, and emissions factors; in prioritizing improvement activities under limited resources; in planning and implementing quality assurance and quality control procedures; and in developing an effective archiving system,” Badira said.
Putting PNG on the tourism map

Unspoiled, wild and a natural paradise, PNG is a growing tourism destination that offers exciting opportunities for divers, surfers, walkers ... and investors looking for new openings.

With its beautiful rainforest and beaches, unique cultures, history and wildlife, Papua New Guinea stands out as any other tourism destination in the world. Often described as “untouched by time,” the combination of some of the main attractions and the vast and pristine natural landscape make it an adventure playground for people who like trekking, diving or just exploring.

Although the tourism industry is still in its infancy, the authorities are working hard to get the message out about this immense draw of a visit to this side of the Pacific and bring investors on board to help build the hospitality offering. There are huge opportunities for both travelers and businesspeople to benefit from visiting PNG or investing in the tourism sector now.

Boka Kondra, Minister of Tourism and Vincent, CEO of Tourism Promotion Authority (TPA), told Global Insight what the sector holds development-wise and why Japan should get involved. “Tourism is an industry for everybody,” Vincent says. “It is more sustainable compared with extractive resources. Our priority is to market PNG not as a mass tourist destination, but as an adventure tourism destination for hard and soft adventure types. We don’t have the same facilities as other regions in the region, yet we offer bird-watching, trekking and fishing on a unique level.

“We have a rich and diverse cultural environment and are targeting people with a high level of disposable income.”

There are challenges ahead, but the government’s commitment is clear, as Minister Kondra explains. “Previous governments have overlooked tourism’s potential, but need funding to establish an active and inclusive cruise ship industry here. Last year, the government allocated millions of kina to develop infrastructure around the country, and is also developing getaways in coastal provinces to facilitate growth.”

However, rather than attract the huge liners with passengers keen to dock on their round the world cruise it is the smaller vessels with around 150 passengers that can travel directly to a village as part of an expedition. Vincent says, “the government’s commitment is clear, government’s commitment is clear, as Minister Kondra explains. “Previous governments have overlooked tourism’s potential, but need funding to establish an active and inclusive cruise ship industry here. Last year, the government allocated millions of kina to develop infrastructure around the country, and is also developing getaways in coastal provinces to facilitate growth.”

However, rather than attract the huge liners with passengers keen to dock on their round the world cruise it is the smaller vessels with around 150 passengers that can travel directly to a village as part of an expedition. Vincent says, “we have a strong interest in finding a way to make tourism a priority.”

“People without access to government services will benefit from the call of a cruise ship on a regular basis.”

Peter Vincent, CEO of Tourism Promotion Authority

Another popular hike is climbing Mount Wilhelm, the highest mountain in Papua New Guinea and Oceania at 4,509 meters which can be achieved within three to four days.

Japanese visitors in particular might also go to PNG to explore an historical connection between the two countries. Rabaul, a stunning volcanic peninsula on the north coast of the island, site of the Japanese stronghold during the war, is home to the largest Japanese War Memorial in the Pacific for example. Whatever the mission, Vincent says, PNG is a country that needs to be put on the map as a tourism destination. A far-reaching tourism master plan that by 2017 PNG tourism sector will be a growing and sustainable industry that is recognized globally as a destination offering a range of unique adventure tourism experiences,
New openings launched in aviation

As the PNG economy takes off, aviation officials are tightening security measures and investing more foreign investment to build airport cities, the country’s airports, and its visitors, can be proud of.

As a vast and largely undevoloped country with little in the way of road and rail networks, Papua New Guinea relies on air travel for the transport of people and goods.

The two largest cities, Port Moresby and Lae are only connected directly by plane and there are 70 airports around the country which provide the main links between the cities and outlying areas. However, many of these areas could not have been developed benefit greatly from, and contribute to PNG’s enterprise with a far-reaching rehabilitation plan, and thus is what the government and aviation officials are hoping to bring about in the coming years. Since the gold rush of the 1890s and 1940s, when PNG housed Papua New Guinea relies on air way of road and rail networks, as a vast and largely undeveloped country, the heart of our industrial region, the aviation sector.

The prime minister’s vision is not just to have civil aviation as a complement to the economy, but to open up the tremendous agriculture potential we have as the gateway to the Pacific.

With tourism, for example, no one wants to go to Port Moresby, but people want to go to Mount Hagen or Rabaul, so we should recognize the potential that is just waiting to be tapped and start planning accordingly. This is what we are doing now.

We want Port Moresby to become a strategic transit point in the Pacific between northern Asian countries and the emerging powerhouse in South America. Right now, most of the transit traffic goes through Malaysia, but to drive open the tremendous aviation potential, and to operate there safely, we are planning accordingly. This is what we are doing now.

PNG is extremely competitive when it comes to aviation safety. It has been ranked within the top 10% of air operators in terms of safety and reliability by the International Civil Aviation Authority and national carrier Air Niugini, which flies both internationally and to PNG’s major cities, boasts an unblemished safety record during its 32 years of operation.

As an investment opportunity across the downtown district, Port Moresby is a very attractive proposition for PNG’s economic growth.

"Tokua takes its name from a part of the international scene and be involved."

Airport City plans take off

As part of the national plan to take PNG’s aviation sector to new heights, the National Airports Corporation (NAC), which owns and operates 32 national airports throughout the country, has launched a blueprint for a new airport city at Port Moresby International Airport (PMIA), and Nadzab Airport in Lae.

The development opportunity that would be suitable for Japanese investment is far-reaching, says Joseph Kintau, MD and CEO of NAC.

"We are looking for private development partners for the Port Moresby Airport City project, which will establish an integrated commercial and community hub, which is driven by tourism, aviation, tourism and adds value to PNG, and the Nadzab Airport City project in Lae. We have had several expressions of interest by Japanese companies and developers and will be considering these proposals seriously for future projects," he says. "Port Moresby has huge potential it is the best and growing capital in the western central Pacific. PNG’s economy has seen double-digit growth for five out of the last seven years, with the prospect of a second LNG project being constructed with the revenue from the first one, we are standing on the very edge of economic boom. We already have nearly two billion international travelers, and this will increase dramatically in the future. As PNG is currently under-equipped with hotel rooms, there is an opportunity for the development of an airport facility to cater for this growing demand.

There is also an opportunity for the Japanese to invest in a prime historical location and an area of outstanding natural beauty.

Tolula is one of the finest island tourism destinations in the world. There is a very attractive proposition in Tolula for a private investor to develop a small course and hotel resort, as there are more than 10,000 hectares of pristine land in the vicinity which borders a beautiful dramatic coastline."

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Civil Aviation Safety Authority PNG

Creating new destinations to new investment opportunities

National Airports Corporation

PO Box 884, Besnik National Capital District, Port Moresby Level 1, Domestic Terminal, Port Moresby International Airport

The sky’s the limit for the Papua New Guinea’s aviation industry thanks to the special, drive and ambition of the National Airports Corporation (NAC) that has helped establish the country as a gateway for investment and tourism.

With the mission to deliver safe, efficient and reliable airport services, NAC is the industry’s guardian and owns and operates 32 regional airports located throughout PNG’s main provincial headquarters.

As the island country's economy takes off, the country is PNG’s leading airlines and other enterprises targeting Japanese investments to develop a strong portfolio of aviation projects.

“Tokula airport one built by the Japanese as a gift to PNG following the volcanic eruption that destroyed the old airport at Rabaul,” Kintau explains. “Tokula takes its name from the land it was built on and is the new international tourism hub of PNG. It is the gateway to the Pacific islands of East New Britain, Papua New Guinea and the Duke of York Archipelago which is one of the finest island tourism destinations in the world.

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