



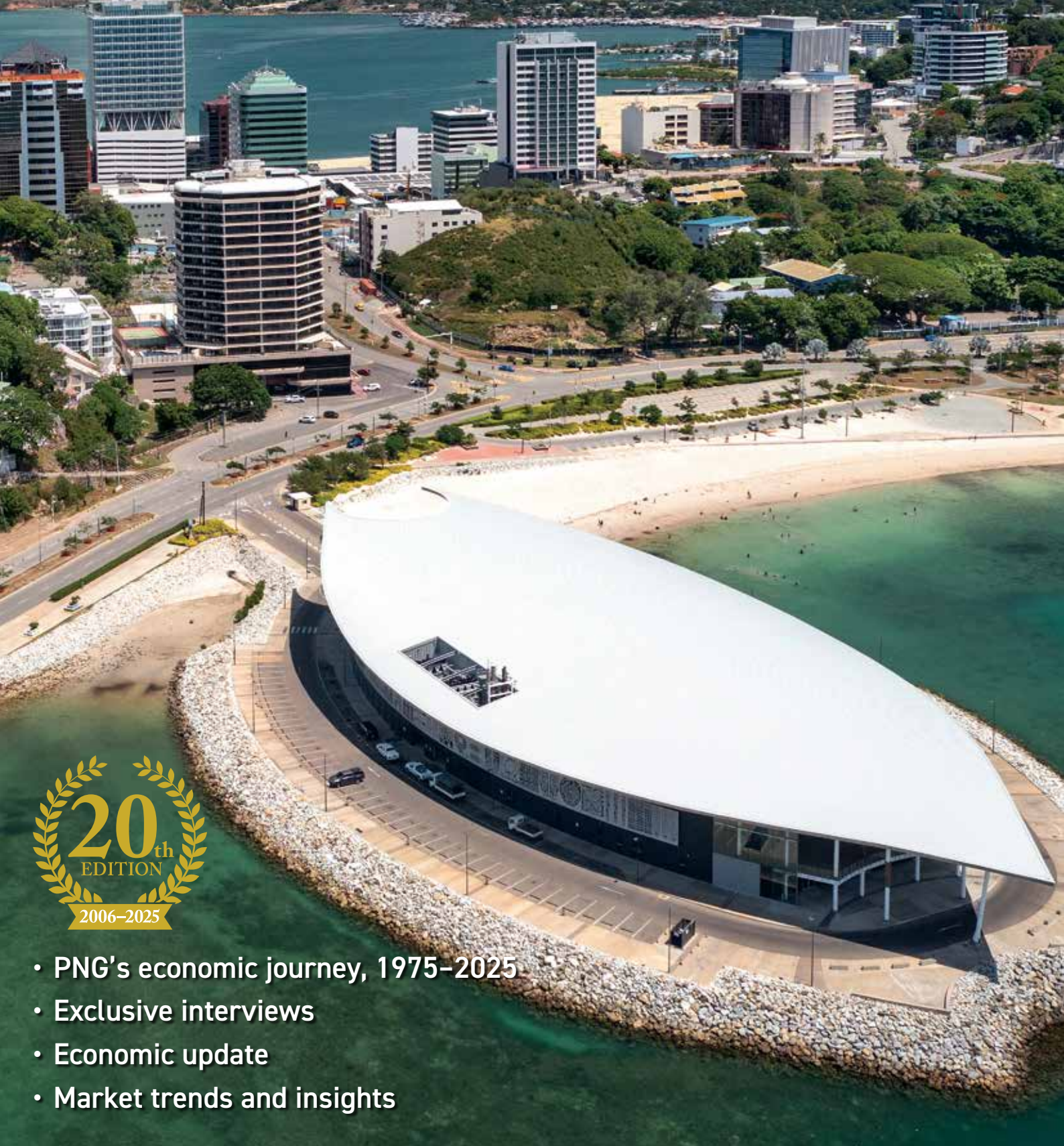
BUSINESS ADVANTAGE PNG

PAPUA NEW GUINEA'S PREMIER BUSINESS MAGAZINE

Celebrating 50 years

ANNUAL 2025

of Independence



- PNG's economic journey, 1975–2025
- Exclusive interviews
- Economic update
- Market trends and insights



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Welcome

Welcome to the 20th annual edition of *Business Advantage PNG*.



This year marks Papua New Guinea's 50th anniversary of Independence. In this special anniversary issue, we take the opportunity to reflect on how far PNG's economy has come in those 50 years, as well as hear from business leaders on current activity and PNG's rich potential.

While all eyes are on the wave of major new resources projects, it is worth reflecting that PNG's growing population, alongside improving infrastructure and existing domestic investment, is already driving economic growth year-on-year.

I still have vivid memories of my first visit to PNG, in March 2006. At the time, its economy was experiencing a period of stability after the turbulence of the 1990s. The then-Treasurer, Bart Philemon, spoke of the "considerable progress" being made towards developing a gas project in PNG. According to the International Monetary Fund (IMF), the country's GDP was just US\$5.5 billion.

Today, the IMF measures PNG's GDP at six times that amount: US\$32.64 billion. (By contrast, the economies of the ASEAN countries have grown by just over two-and-a half times). It is now a major gas exporter.

With its rich mineral and agricultural resources, and its strategic location between Asia and the Pacific, PNG has every likelihood of experiencing equally strong growth in coming decades.

This is the reason why PNG merits your attention and why Business Advantage International has produced this magazine – an annual snapshot of PNG's business and investment prospects – each year since 2006.

As well as this magazine, we are responsible for a range of resources to help you do business in PNG. Sister website, businessadvantagepng.com, is PNG's top-ranked online business magazine. There, you can sign up to receive our regular free PNG business updates.

In 2024, we also launched our first *Mining and Energy Special Edition*, focused on PNG's most important export sectors. A second edition will be published in October 2025.

Business Advantage International also convenes the premier annual investment conference on PNG. In 2025, this will take place in Brisbane on 11 and 12 August (for more, visit www.pnginvestmentconference.com). I hope you'll join us for a special event in a very special year.

Andrew Wilkins

Publishing Director

Business Advantage International

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Cover image: Aerial view of downtown Port Moresby, with APEC Haus in foreground (Credit: David Kirkland)

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Building a stronger PNG together

Local businesses play a critical role not just in the success of the PNG LNG Project, but also in the success of our communities and the whole economy.

This is why we are so proud to work with them and with landowner companies. They provide services ranging from road maintenance, construction works, and transportation, to catering, security, medical services, and waste management.

In 2023 alone, 131 PNG companies, including 10 landowner companies, supported us.

In fact, over the past decade, we have spent almost PGK6.8 billion with Papua New Guinean businesses, including PGK2.25 billion on landowner company services.

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Will 2025 be PNG's golden year?



PNG's state-of-the-art new National Court Complex will house PNG's Supreme and National Courts when it opens this year. Credit: David Kirkland

Business leaders are not quite ready to call it, but there are promising signs as Papua New Guinea celebrates its 50th anniversary of independence. *Business Advantage PNG* spoke with them to learn more about current business conditions.

By Andrew Wilkins

The year 2025 is a big one for Papua New Guinea, home to the Pacific Islands' largest economy.

It will mark 50 years as an independent democracy on 16 September 2025, a genuine cause for celebration.

Moreover, while PNG's economic growth has not always been consistent over its 50 years, the country enters this special anniversary year with reassuring signs that a much-anticipated era of growth is finally commencing.

The years since the coronavirus pandemic have not been easy ones for businesses in PNG. They have been characterised by sluggish economic activity, foreign exchange and related fuel shortages, as well as unwanted shocks such as the January 2024 riots in Port Moresby, and the May 2024 landslide in Enga Province, which affected the recently reopened Porgera gold mine and surrounding communities.

Looking ahead, however, some encouraging developments

are spurring business confidence.

First, strong agricultural commodity prices over 2024 provided a much-needed stimulus to PNG's rural areas, where the bulk of its population reside. This year, PNG's Department of Treasury expects coffee prices to remain high, while palm oil, cocoa and copra oil prices will stabilise.

Second, there has been progress with PNG's long-awaited next wave of resources projects.

A gas agreement, stalled since 2021, has finally been signed for PNG's first offshore gas project, Twinza's US\$1.5 billion Pasca A. There have also been reassurances that a final investment decision (FID) for TotalEnergies' major Papua LNG project is close.

"We are very confident in delivering FID within 2025," TotalEnergies E&P PNG Managing Director Arnaud Berthet tells *Business Advantage PNG*.

There has also been the unexpected announcement by ExxonMobil that pre-FEED work on its US\$11 billion P'nyang gas project will commence in the first half of 2025, years ahead of schedule (see page 38).

Preparing for growth

Many in business have been taking the opportunity to prepare for growth. The diversified Steamships Trading Company is developing the Portside Business Park adjacent

GROWING ALONGSIDE PNG SINCE 1910



Westpac has been part of Papua New Guinea's history since 1910. We became the country's first bank, set up to support the growing trade links between Australia, PNG and across the globe.

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Above all, we are here to help Papua New Guineans succeed.

Year 1910 - 1920

The Bank in its Early operations

The Bank of New South Wales, now known as Westpac, opened its first branch in Douglas Street Port Moresby on 10 May 1910. The Bank provided its own bank notes stamped "Port Moresby" to the value of £10,500 Sterling and leased a two-bedroom cottage to serve as live-in premises.

Year 1921 - 1945

Service in the Second World War

World War II brought a temporary halt to banking in PNG. The 29 Bank of New South Wales employees suddenly found themselves on the front line. Some made their way to Australia bringing with them valuable banking records and cash, others joined the New Guinea Volunteer Rifles, and sadly some were never seen again. When the war ended, employees immediately returned to their PNG posts with their bank records and rebuilt their branches, many of which had been completely destroyed.

Year 1946 - 1960

Re-emergence from the War

By 1955, the first Highlands branch was opened in Goroka and in the same year the bank created the Papua and New Guinea Division which comprised of seven branches and three agencies. A year later, the Bank of NSW Savings Bank commenced its operations. In 1958 the Bank opened its highly successful travel service in PNG and by the 1960s Bank of NSW branches were operating in Port Moresby, Alotau, Boroko, Goroka, Kavieng, Kimbe, Kokopo, Lae, Madang, Misima, Mt Hagen, Rabaul, Tabubil, Vanimo, Waigani, and Wewak.

Year 1961 - 1980

Service during and after Independence

In 1964 the bank opened its Mt Hagen branch to service the new agriculture industries. By 1975, the name "Bank of New South Wales (PNG) Limited" was registered and held its first board meeting in September.

Year 1981 - 2000

Emergence of the Digital era in Banking

In 1982, the Bank of New South Wales (PNG) Ltd changed its name to Westpac Bank - PNG - Limited. The introduction of computerised systems saw Westpac Travel as the first travel agency in Papua New Guinea to introduce computerized airline reservation terminals.

In 1985, Westpac became the first commercial bank in PNG to contribute to REUTERS International Money Rates Service. Three years later MIDAS, a worldwide computerised international dealing and accounting system, was installed throughout the business. Westpac introduced the first Telephone Banking System.

Year 2001 and beyond

Our presence in the Millennium

Westpac launched the first internet payment gateway service using a Kina based system in 2005, and went on to the launch the country's first Visa Card and later introduced an online banking platform for large corporate customers.

Westpac's role as a corporate supporter of women and equality expanded in 2007 with the launch of the Westpac Outstanding Women (WOW) Awards. The Westpac PNG graduate program has run since 2013, helping to build the next generation of Papua New Guinean leaders.

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Scan the QR code to subscribe to Westpac IQ, your trusted source for the latest updates on business trends and economic outlooks. Stay informed on key findings from the 2025 PNG 100 CEO Survey and gain valuable insights to help you navigate the evolving business landscape. Don't miss out—subscribe today!



Picture: Raggiana bird-of-paradise (*Paradisaea raggiana*)

Credit: Australian Government



Geopolitics and sport can mix: a Port Moresby-based team will join Australia's National Rugby League competition in 2028. PNG's Prime Minister James Marape (centre) joined Australia's Prime Minister Anthony Albanese (left) and the Australian Rugby League Commission's Peter V'landys for the December 2024 announcement many Papua New Guineans had been hoping for.

to Port Moresby's international port, and upgrading its logistics and hospitality businesses.

"Over the next three years, we will have invested K500 million in getting the business park ready and open for business," Chris Daniells, Managing Director of Steamships, tells *Business Advantage PNG*.

Close to Portside, state-owned Kumul Petroleum Holdings (KPHL) is developing an aviation fuel storage facility, which will open in the second half of 2025 and address some of the country's aviation fuel shortages. KPHL is also building a large fabrication facility close to ExxonMobil's LNG plant at Caution Bay, ideally placed for the future gas projects.

Meanwhile, the Mineral Resources Development Company – a venture partner in the Pasca A project – is pressing forward with more stages of its premium Star Mountain Plaza development, while commercial and residential developments such as Paga Hill (the site of a planned Radisson Blu resort), Tuhava Town and Synergy Park are being built in anticipation of greater demand.

In infrastructure, state-owned PNG Ports Corporation is embarking on major upgrades of the country's ports, including an expansion and new business park for the country's busiest in Lae. The National Airport Commission has a similar modernisation program for the country's airports under way, while national airline Air Niugini is investing in a new fleet (see page 72).

Like the government's ambitious Connect PNG roadbuilding program, these state investments are being

supported by development finance from such entities as the Asian Development Bank and the Australian Infrastructure Finance Facility for the Pacific. They are beginning to bear fruit.

"The Highlands Highway has improved immensely," John Byrne, President of the Lae Chamber of Commerce, tells *Business Advantage PNG*. "It's so much easier to drive all the way to Highlands centres such as Goroka and Mt Hagen now."

Along with improvements to the Madang and Bulolo highways, Byrne's members would also like to see improvements to the country's power supply.

While PNG has seen significant private investment in gas- and hydro-powered generation in the past five years, power transmission and distribution are still often unreliable, causing most businesses to run expensive back-up systems.

Many will be hoping that the National Executive Council's December 2024 decision to partly privatise state-owned utility PNG Power will be the circuit breaker that's needed.

"The government's decision to privatise is welcome news," says Ian Tarutia, President of the PNG Chamber of Commerce and Industry. "Power is a big issue around the country."

Regulatory reforms to enable greater deployment of solar power, still in its infancy in PNG, are also seen as desirable.

Business impediments

According to this year's PNG 100 CEO Survey, which *Business Advantage PNG* runs with Westpac, foreign exchange shortages remain the number one issue facing business this year, followed by security and law and order issues, and unreliable utilities (see page 18).

PNG's forex shortages go back to 2016. While it can still take weeks for businesses to obtain the foreign exchange they need to pay overseas suppliers, there has been some progress in the past year, partly due to more forex being made available by the central bank, supported by the International Monetary Fund (IMF), and continued triaging of forex orders.

"We've seen some better interventions from the Bank of PNG, very focused on essential orders," notes Brett Hooker, departing Managing Director of Westpac PNG.

PNG is about halfway through a 38-month IMF program focused on addressing foreign exchange, government debt and improving governance.

"Our policy reform has always been in ensuring the kina is more reflective of its market condition," the IMF's Resident Representative in PNG, Sohrab Rafiq, tells *Business Advantage PNG*.

"The IMF has never called for an explicit devaluation or depreciation. The IMF advised, 'let the market decide where it is, and that will help deal with the foreign exchange issues'. Hence the Bank of PNG's introduction of a crawling peg in January 2024 to do this in a controlled manner."

In the short term, that means a depreciation. The kina fell in value against the US dollar by some 6.7 per cent in the 12 months to February 2025, falling by 3.1 per cent against another of its key trading currencies, the Australian dollar. More depreciation is expected.



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Credit: Steamships.



From left: Motu Koita Assembly Chairman Dadi Toka and Deputy Prime Minister John Rosso join Steamships' Managing Director Chris Daniells and GM Corporate Affairs Vele Rupa in breaking ground at the new Portside Business Park near Motukea, October 2024.

“The kina is still by our assessment over-valued on a trade-weighted basis,” says Rafiq.

How long before the kina reaches its true value can't be predicted but, as Mark Robinson, CEO of the country's largest bank, BSP Financial Group, observes, “the sooner we get to a market clearing price for the kina, the healthier it will be for everybody.”

Trading through quieter times

There has also been some notable success in getting government debt under control.

“On PNG's external borrowings, all the quantitative

targets have basically been met. The fiscal deficit continues to narrow. The challenge now is to maintain that momentum,” says Rafiq.

Government debt in 2025 is projected to be K70.8 billion, or 52.6 per cent of GDP, down from 53.7 per cent in 2023. Buoyed by record projected revenues this year, Treasurer Ian Ling-Stuckey's sights are set on a budget surplus by 2027.

Meanwhile, improving law and order in the country remains a work in progress. The government has committed itself to a nine per cent increase in funds for police, defence and the judiciary in 2025, but challenges persist and many Port Moresby businesses are still recovering from the January 2024 riots.

A kina with lower buying power has seen some inflation in PNG's economy, set to run at around 3.9 per cent this year.

While many larger businesses are expecting to trade through the quieter times, smaller and regional businesses have proved more sensitive to such factors.

“It's still a challenge just keeping the doors open and maintaining operations,” observes Ian Tarutia, whose membership comes from across the country. “A lot of them are still heavily import-reliant. The cost of doing business has increased and the opportunities for growth are not on the board as yet.”

“For smaller employers, our payment default rates are going up,” confirms Rajeev Sharma, CEO of superannuation fund, Nasfund. “We have also seen a four per cent increase in unemployment benefit payments to our members in the past year.”

Sharma expects the first half of 2025 will be quiet, with a likelihood that business activity will pick up in the second half.

“Once a final investment decision on Papua LNG – or a special mining lease for Wafi-Golpu copper-gold project – is announced, then all the ancillary activities will take place and we will start getting into a boom phase,” Sharma tells *Business Advantage PNG*.

While the wish list for business is inevitably long, the removal of legal barriers preventing the entrance of satellite-based internet provider Starlink into the country could also be a quick win for the government.

“We want to get our digital economy really fired up,” says John Byrne. “Without a network like Starlink, it's very hard to do that.”

Anticipating the boom

With major projects still ahead, most business leaders expect 2025 to be another tough year but one they are well capable of navigating.

“Resilient, resourceful, optimistic and engaged,” – these are words that come to Mark Robinson's mind when thinking of the qualities of PNG's business leaders.

He observes that many of the country's most successful companies have been operating in PNG for many decades.

“They have an institutional knowledge – a level of knowledge that may also be reflected in their senior management, their ownership and their board,” he tells *Business Advantage PNG*. “Over time, I think the returns are very attractive in this part of the world.” ♦

Papua New Guinea in brief

Population	11.8 million (National Statistical Office)
Capital	Port Moresby
Surface area	463,000 sq km
People	Melanesian, Papuan, Negrito, Micronesian, Polynesian
Time zone	GMT +10 hrs
Business language	English
Political status	Parliamentary democracy
Nominal GDP	US\$32.64 billion (2024, IMF)
GDP growth	4.6 per cent (2025 forecast, IMF)
Inflation	3.9 per cent (2025 forecast, IMF)
Currency	PNG Kina (PGK)
Major industrial sectors	Mining, gas/energy, crude oil, palm oil, forestry, coffee, tourism, construction, manufacturing, tourism
Exports	LNG, crude oil, nickel, logs, gold, copper, palm oil, coffee, cocoa, copra
Major export markets	Australia, China, Japan, Singapore, Taiwan, South Korea
Imports	Refined petroleum, excavation machinery, crude petroleum, food
Major import markets	Australia, China, Singapore, Malaysia, Japan

GREYLISTING: WHAT IT COULD MEAN FOR PNG'S BANKS AND THEIR CUSTOMERS

Late in 2024, a report on Papua New Guinea by the global Financial Action Task Force was published that may, according to the experts, have a significant impact on Papua New Guinea's banking and finance system.

The 2024 *Mutual Evaluation Report* by the Asia/Pacific Group on Money Laundering - a regional affiliate of global watchdog, the Financial Action Task Force (FATF) - reviewed how well PNG is set up to deal with money laundering and the financing of terrorism.

The report provided a list of recommended fixes for PNG to deliver in order to avoid being reviewed by the FATF's International Co-operation Review Group - a status informally known as being 'greylisted'.

"The report gives PNG 12 months to implement a number. If they're not implemented, then the risk is that the country will go on the greylist," explains BSP Financial Group's CEO Mark Robinson.

PNG will want to avoid any significant period of time on the FATF's greylist, according to Herbert Maguma, Managing Partner at Deloitte PNG.

"What greylisting does is unfortunately increase the risk premium for PNG as a country," he tells *Business*



The Financial Action Task Force Secretariat is hosted at the OECD headquarters in Paris, France.

Advantage PNG.

To its credit, PNG's government has already acknowledged the need to address the issues raised by the report and has taken the first steps towards mitigation.

A multi-agency Anti-Money Laundering Joint Taskforce was established in December 2024 to create a coordinated and effective response to the report.

There is a sense of urgency, given the short timeframe.

"It's a significant challenge and something that the government and the private sector have to address head on," Maguma says.

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Perspectives

Business and government leaders provide their personal takes on Papua New Guinea's economy

• PNG has significant potential. It has the largest population in the South Pacific, excluding Australia. Its location is ideal in terms of exports north to Asia.



You've got a very young and energetic workforce and tremendous support from a number of countries both in and beyond the region that want PNG to be successful, and will lend support to the country. 🍷

Mark Robinson
CEO, BSP Financial Group

• Looking forward to PNG's next 50 years, we need to be diversifying the economy. We need to improve productivity, reduce the costs of doing business and ensure market competitiveness. We must improve public sector provision of infrastructure and utilities and invest more heavily in education and health – paving the way for a healthier and more dynamic workforce. 🍷



Paul Barker
Executive Director, PNG Institute for National Affairs

• MRDC holds significant investments in aviation, energy, hospitality, medical services, real estate, and in the mining and petroleum sectors.



Through these investments, we are creating opportunities for Papua New Guineans.

We are an integral part of development in this country. And going forward, our role in the private sector will become valuable to nation building. 🍷

Augustine Mano
Managing Director, Mineral Resources Development Company (MRDC)



Discover our six unique restaurants and bars at Hilton Port Moresby Hotel & Residences. From coffee at Copper, local flavors at Mumu, global dishes at Feast, to snacks at Halo, vibes at Host, and cocktails at Summit. Each destination promises a memorable dining experience.

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FEAST MUMU SUMMIT COPPER Halo

• The audit market in PNG has matured and there is more demand for more “exotic” consulting such as advice on restructuring, IT transformation and vendor assessments.



For example, cybersecurity is a significant corporate risk which is under-appreciated in PNG.

Regarding governance, we’re starting to raise the bar for accountability. There is significant competition in the market for consulting services and we can’t be complacent with our quality, price and responsiveness. 📌

Zanie Theron
South Pacific Practice Partner-in-Charge, KPMG

• Kumul Petroleum will build a stronger balance sheet and more cash flow on the back of the PNG LNG project, Papua LNG and our own projects.



In the next five to 10 years and well into the future, we will be a significant development partner for the government. We will take value extracted from oil and gas resources in PNG, diverting that into not only dividends to support government operations, but also to deliver critical infrastructure services to people in areas that government is not able to reach. 📌

Wapu Sonk
Managing Director, Kumul Petroleum Holdings

• We have made substantial investments in joint venture projects, collaborating closely with local businesses.



We foresee this approach continuing to drive development, not just in the nation’s capital, but also in key regions like Lae and Mount Hagen, where we aim to create lasting community impacts.

Looking forward, we plan to partner with the government to ensure that regional hubs grow alongside the capital. 📌

Chris Daniells
Managing Director, Steamships Trading Company

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Investing in PNG: five things

Credit: Stefan Danilichenko/BAI



Bank of Papua New Guinea's Chairman David Toua at the 2024 Business Advantage PNG Investment Conference. The 2025 conference will take place in Brisbane, Australia on 11 and 12 August this year.

Business Advantage PNG lists five key focus areas to look out for in the investment space in 2025.

1 Special economic zones

Paga Hill, a 25-hectare site bordering Port Moresby's central business district, has the first licence of what the government hopes will be many special economic zones (SEZs) spread throughout PNG.

The Paga Hill Development Company (PHDC) is preparing to start development in the second quarter of this year, if the government comes to the table with co-funding, PHDC Chairman Gudmundur Fridriksson

told the 2024 Business Advantage PNG Investment Conference.

The development is planning 13,000 square kilometres of open space and 600,000 sq. km of built development, including a new Radisson Blu resort.

An additional 10 SEZ locations have been identified around the country, Richard Maru, Minister for International Trade and Investment, confirmed at a recent conference. An SEZ Authority has been established to oversee their development.

Steamships Trading Company is one of the firms looking to make use of these new economic zones – specifically at its Portside Business Park,

a 38-hectare site to the northwest of Motukea Wharf, near Port Moresby.

“Portside is in a prime position to be the first fully operational SEZ facility. Our collaborative discussions with the government have allowed us to gain a deep understanding of the SEZ framework, ensuring we align with the government's vision and are actively supporting its commitment to fostering local manufacturing and downstream processing,” Chris Daniells, Steamships Managing Director, tells *Business Advantage PNG*.

However, greater clarity over policy and regulation is needed before SEZs can be rolled out in earnest.

to watch in 2025

2 Regional and provincial investment

Major businesses are increasingly eyeing investment opportunities outside Port Moresby.

For example, Steamships Trading Company broke ground for the retail-led Wonye Dobel development in Mount Hagen in late 2024. It intends to break ground on phase two of the project in the second quarter of this year.

“We’re seeing significant progress in Hagen, especially with the improved road access to the Highlands, leaving an opening for new opportunities in the region,” Daniells says.

Navin Raju, CEO of Remington Group, is also focusing on projects outside of Port Moresby, with Lae and Mount Hagen two cities where the business services provider will look for opportunities.

“Port Moresby is a very competitive market. The rest of the country does

WE’RE SEEING
SIGNIFICANT PROGRESS IN
HAGEN, ESPECIALLY WITH
IMPROVED ROAD ACCESS
TO THE HIGHLANDS.

Chris Daniells, Managing Director,
Steamships Trading Company

not have the services,” Raju tells *Business Advantage PNG*.

Meanwhile, consultancy KPMG is also looking to expand its footprint into under-served parts of the country, such as Lae, East New Britain and Madang, according to Zanie Theron, Partner-in-Charge of its South Pacific practice.

3 Green finance

The Bank of Papua New Guinea’s (BPNG) new Green Finance Centre will create a formal framework for lenders to support investments in areas such as renewable energy and sustainable agriculture, according to the centre’s head, Mohinesh Prasad.

“Ninety per cent of green investments in any country come through the private sector... and that’s why we’re working through the financial institutions to provide an enabling environment for the private sector to borrow and be able to invest in green projects,” Prasad told the 2024 Business Advantage PNG Investment Conference.

Launched in March last year, the Green Finance Centre is a collaborative effort led by the BPNG, with funding from the Seoul-based Global Green Growth Institute and

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the New Zealand Government.

The centre is working with four financial institutions – BSP, ANZ PNG, MiBank and Women’s Micro Bank – to pilot the application of its Inclusive Green Finance Policy in lending operations.

4 Privatisation of SOEs

Privatisation has been on and off the agenda for any years. Now, the government is looking at the partial privatisation of at least three subsidiaries of state-owned Kumul Consolidated Holdings (KCH).

In one of its final decisions of 2024, the PNG cabinet approved putting up a portion of PNG Power Limited. Under the plan, the state will continue to maintain an interest in the embattled power company, with the investor to take over its management, Prime Minister James Marape confirmed at a recent PNG Chamber of Resources and Energy event.

Meanwhile, privatisation plans for the state-owned telecommunications company Telikom PNG are still in play.

The partial privatisation of the

WE ARE MOVING AWAY FROM 100 PER CENT STATE OWNERSHIP.

David Kavanamur, Managing Director, Kumul Consolidated Holdings

national airline, Air Niugini, is another “ongoing project,” according to David Kavanamur, Managing Director of KCH.

Kavanamur explained the push for privatisation in a speech to last year’s 2024 Business Advantage PNG Investment Conference, saying, “We are moving away from 100 per cent state ownership and working on strategies to improve state-owned enterprises’ contribution to GDP: to sweat the assets and improve returns.”

5 Digital transformation

Digitalisation is firmly on the agenda for both government and the private sector, with financial institutions leading the way (see page 62).

The PNG Government is pursuing a long-term *Digital Government Plan, 2023–2027*, with the Department of Information and Communications Technology tasked as the lead agency to help bring all departments and agencies into the digital age. Many common government-related transactions, such as business registrations and visa payments, can now be conducted online and more are planned.

This is very much the first stage, with digital identification, eVoting and the hosting of services for small business and startups also on the agenda.

With improved connectivity (see page 52) driving the adoption of cloud services by business, there is increased demand for specialist ICT services and skills, which is only going to continue. Recent cybersecurity attacks in PNG emphasise how broad the challenge is for the country. ♦



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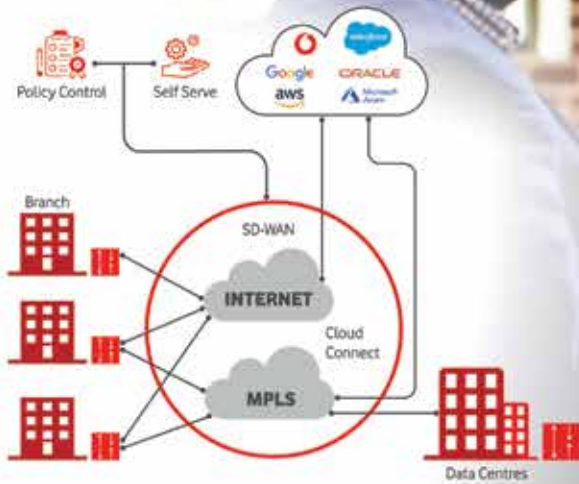
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The 2025 PNG 100

Since 2012, the data collected by the **PNG 100 CEO Survey** has revealed trends in business confidence among business leaders. Analysis of the survey data by Westpac has led to the creation of PNG's first Business Confidence Index, which is now tracked annually against other key metrics on PNG's economy. So, how confident are businesses as we enter 2025?

Profit performance in 2024: the reality

The survey asked CEOs how profits had performed in 2024 compared to their expectations.

The responses suggest that businesses performed strongly in 2024, with 40 per cent saying profits beat expectations and an additional 30 per cent saying they met expectations. This was a step up from last year's survey, when only 36 per cent said profits beat expectations and 19 per cent said they met expectations.

Profit expectations for 2025

The survey asked how profits will perform in 2025, compared to 2024. The overwhelming majority of CEOs were optimistic heading into 2025, with 65 per cent expecting their profits will exceed 2024, and a further 25 per cent expecting profits to match 2024.

This is a greater level of optimism than last year's survey, when 55 per cent expected their profits to exceed the previous year and 31 per cent expected profits to match the previous year.

Investment intentions

The survey asked respondents for their capital expenditure plans for 2025. CEOs were bullish, with 67 per cent planning greater capex in 2025 than they spent in 2024, and 22 per cent planning the same level of capex. In last year's survey, 65 per cent of CEOs were planning higher capex and 19 per cent the same level of capex compared to the previous year.

Recruitment intentions

The survey asked respondents to indicate their recruitment intentions for 2025, compared to 2024. While positive, the responses were less bullish than our previous year's survey, with 56 per cent planning to increase staffing levels, compared to 63 per cent last year. On the positive side, only two per cent of respondents to this year's survey were planning to reduce staffing levels, compared to eight per cent in last year's survey.

Business impediments

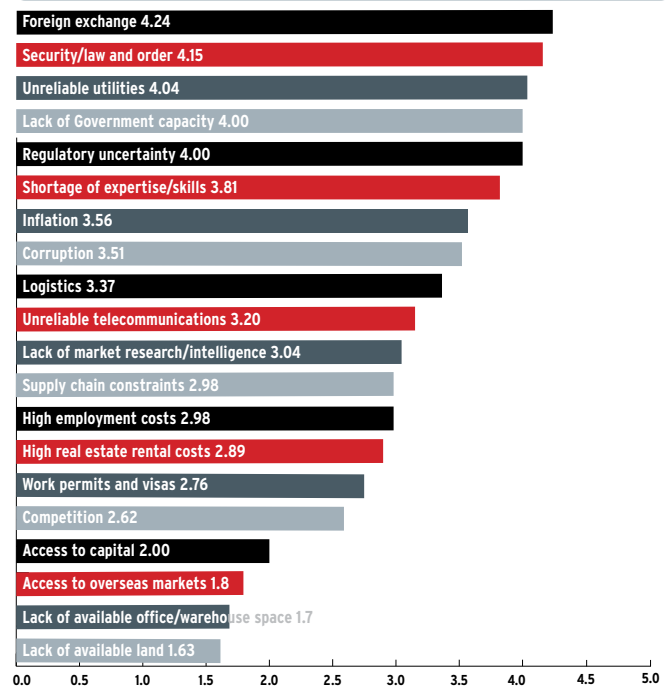
Each year, we ask CEOs to rank the key impediments facing their business. As the chart below indicates, respondents rated foreign exchange availability as the top impediment, marking the third consecutive year – and eighth time in the last 10 years – that forex has ranked as the top impediment.

Notably, most impediments saw a reduced impact compared to the previous year's survey. For example, the top impediments – forex (down from 4.64 to 4.24), security/law and order (down from 4.39 to 4.15) and unreliable utilities (down from 4.26 to 4.04) all had a softened impact in 2024.

Only three impediments became worse: lack of market research/intelligence, high real estate rental costs, and access to capital. ♦

The 2025 PNG 100 CEO Survey was conducted by Business Advantage International between November 2024 and January 2025. The survey included senior executives from a representative sample of PNG's largest companies, across all sectors of the economy. For the full survey report, visit businessadvantagepng.com

What are the critical impediments facing your business right now?



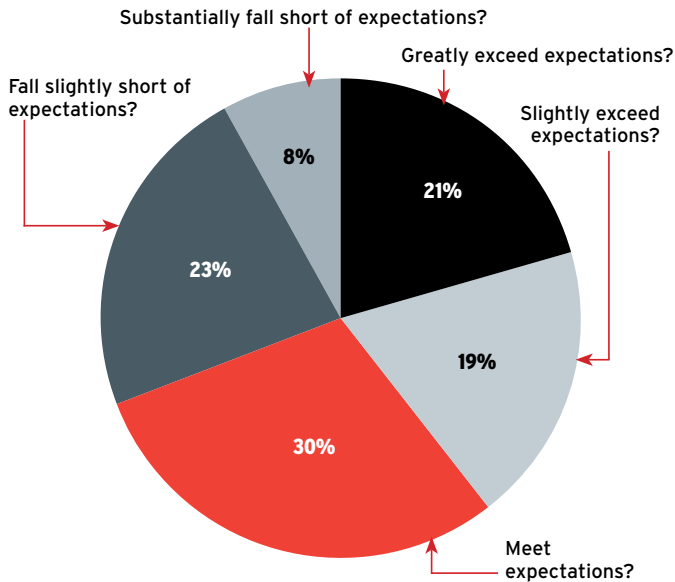
See page 20 for analysis of this year's survey results from Westpac's Senior Economist, Justin Smirk.

CEO Survey

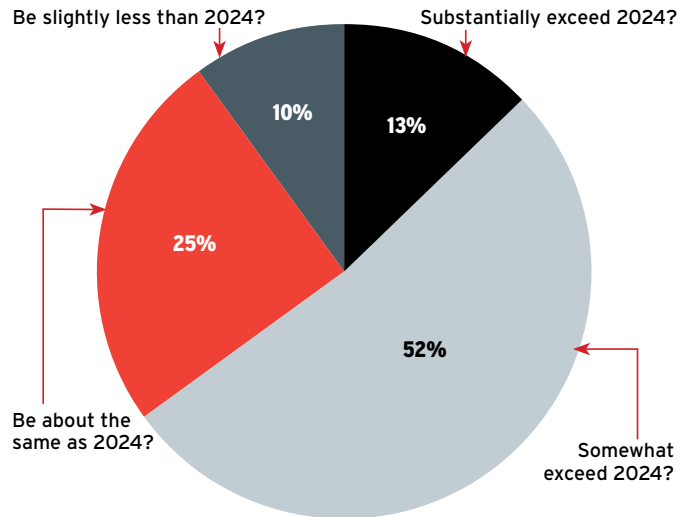


THE SURVEY ASKED CEOS HOW PROFITS WILL PERFORM IN 2025, COMPARED TO 2024. THE OVERWHELMING MAJORITY WERE OPTIMISTIC HEADING INTO THE NEW YEAR.

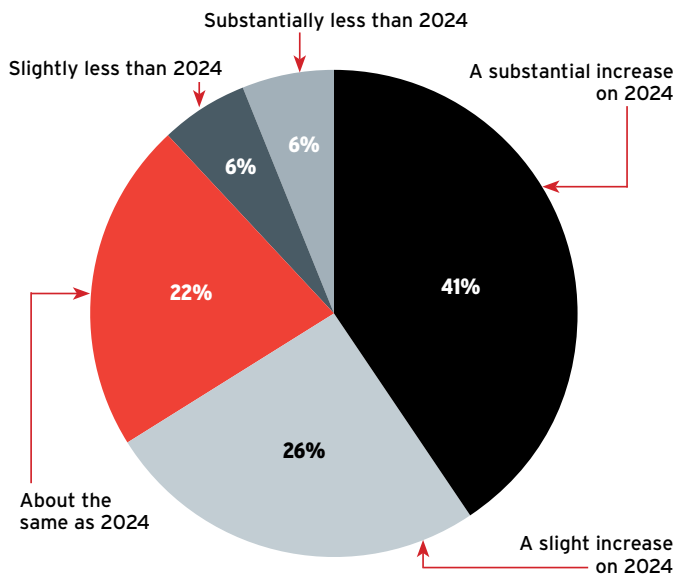
Looking back on your business's performance in 2024, did your profits...



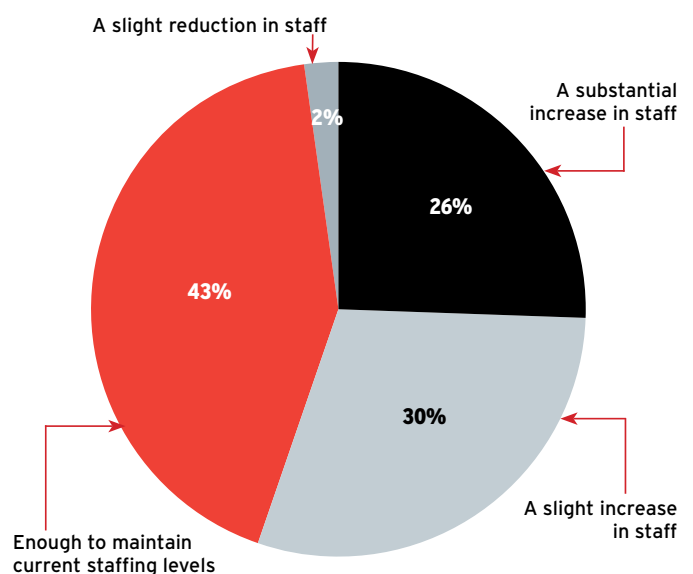
In 2025, do you anticipate your profits will...



How much investment (e.g. in plant, equipment, land or other assets) are you planning in 2025?



What level of recruitment are you planning in 2025, compared to 2024?



What does the PNG 100 CEO Survey tell us?

This year's PNG 100 Survey reveals a positive shift in business sentiment, although longstanding business impediments remain.



By Justin Smirk, Senior Economist, Westpac

Last year's PNG 100 CEO Survey found declining business expectations and rising concerns about business impediments.

This year's survey has revealed a positive shift: 2024 profits exceeded expectations and the outlook for 2025 has improved.

From the 2025 survey, we have identified five key highlights:

1 PNG business confidence is better than average in 2025.

We took the average level of concern for each business impediment to create an overall Business Confidence Index, where 50 is the average level of confidence in the history of the survey. In 2025, Business Confidence lifted above 50. This came after it dipped below 50 in 2024, the first time this had occurred since 2016.

Even during the coronavirus pandemic, Business Confidence managed to stay well above 50, highlighting how

significant the delay to major resources projects, as well as the unfolding social unrest, had been for business conditions in the 2024 survey.

2 Access to forex remains the most critical concern.

This year, 67 per cent of CEOs report forex as a critical impediment, an improvement on the 73 per cent who thought so in 2024, but still the second highest level of concern about forex in the survey's history.

Concerns about forex have been rising since 2019, following the kina being fixed from mid-2020 to early 2023. Since 2023, the gradual depreciation of the kina has improved the availability of forex, resulting in a fall in the level of concern in this year's survey.

Despite this improvement, forex remains far and away the number one impediment for CEOs. As such, a further easing will go a long way towards lifting not just business confidence, but also economic activity.

3 Utilities are now of equal concern as security.

Security/law and order was the second-most critical concern in 2024 (55 per cent) and 2025 (46 per cent), but it is worth noting the improvement in this year's survey.

Contrast that with utilities, where 41 per cent reported it as critical in 2024 and 46 per cent as critical in 2025, bringing it on par with security/law and order.

Since 2016, there has been a rising trend in concerns about the reliability of utilities, suggesting that if this issue is not addressed soon, it has the potential to be the most significant factor holding back PNG businesses.

4 Profits outperformed expectations in 2024 and are expected to improve in 2025.

In 2024, profit expectations were positive – but lower than in 2023 and the historical average. Ultimately, 2024 profits exceeded expectations and surpassed the long-run average.

Looking ahead, profit expectations for 2025 are stronger than they were in 2024, suggesting that CEOs anticipate a solid increase in profits this year that are more consistent with the long-run average.

While last year's survey showed a dip in profit expectation to below average, investment and recruitment expectations held above average. Therefore, with profits exceeding expectations in 2024, we are not surprised to also see a further improvement in investment and recruitment expectations in 2025.

5 Lift in business expectations points to a stronger year for economic growth.

Westpac combines profits, investment and recruitment expectations into the Business Expectations Index, where 50 is equal to the long-run average in expectations.

In 2025, the Business Expectations Index lifted from 52.4 to 55.6. When combined with the improvement in the Business Confidence Index in the 2025 Survey, it appears that PNG CEOs agree with Westpac's expectation for economic growth to improve in 2025. Our current forecast is for GDP to lift by 5.1 per cent in 2025, compared to growth of 3.7 per cent in 2023. ♦

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The Ela Beach Hotel boardroom.

Boom times for Port Moresby conferences and events spaces

Papua New Guinea's Meetings, Incentives, Conferences and Exhibitions (MICE) sector has grown rapidly over the past few years, with venues competing for business with upgrades, expansions and value adds. We look at the current MICE landscape in the capital.

By Paul Chai

There is something of a hospitality arms race on in Port Moresby, as venues compete for the ever-expanding Meetings, Incentives, Conferences and Exhibitions (MICE) dollar.

"The MICE sector in Port Moresby has exponentially grown over the last few years," says Alan Christie, Chief Executive Officer, Steamships Hospitality, which has four properties in Port Moresby including Marriott Executive Apartments and the historic

Grand Papua Hotel.

"Our food and beverage revenue has doubled in three years, and a huge proportion of that is down to the conference and events business. We've invested heavily in improving our conference and event spaces. In fact, we haven't been able to build them fast enough."

Steamships is going to "put the grand back into Grand Papua," with an extensive 15-month renovation set to commence in April. The company is also investing in smaller conference facilities at Ela Beach Hotel & Apartments and Gateway Hotel.

"There are these big investment projects that everybody's talking about, whether it's gas or mining and gold and minerals," he says.

"Are we doing these refurbishments and expansions to capture that future demand? Yes. But at the same time, we're doing it for our current demand."

Meanwhile, Airways Hotel & Residences recently launched the Athena conference centre, which can host 200 guests for cocktails or 150 for a sit-down event. The team is also looking to convert some rooms to provide extra space for meetings and events.

"We are targeting the non-profit organisations and government," says Gizelle Moreno, General Manager, Airways. "We have a lot of engagement locally here and we are keen to encourage meetings and events because that converts to more room nights."

MICE with a twist

Also in the midst of a huge update is international hotel chain IHG Hotels and Resorts' Holiday Inn & Suites Port Moresby and Holiday Inn Express. Its K30 million renovation will help keep pace with the changing needs of the MICE sector.

Hudson Mitchell, Portfolio Director of Sales & Marketing, IHG PNG, says the Holiday Inn & Suites has built a reputation as the small-to-medium size group events specialist. It is also working on what he calls an "enhanced" meeting experience.

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planting a tree and adding to our landscaping initiatives,” Mitchell says.

“The biggest point of difference that we bring to the table is our outdoor spaces. The outdoor venue that we offer, the Cassowary Park – no other hotel in Port Moresby has the ability to do outdoor events the way that we do.”

Another property looking to establish a point of difference in a crowded MICE marketplace is Loloata Island Resort, located a short drive and boat trip from the capital.

Alex Wilson, General Manager at Loloata, says the property has attracted big-name clients, because Loloata offers something different – a real island experience.

“Loloata Island has something most offerings in the market don’t have. An island setting for great leadership and team bonding activities including kayak self-navigation, coral and mangrove planting work programs, hilltop team treks, etc. All these can be done in a day,” says Wilson.

In addition, the resort can organise activities including leis, ukelele



THE MICE SECTOR
IN PORT MORESBY
HAS EXPONENTIALLY
GROWN OVER THE LAST
FEW YEARS.

Alan Christie, CEO, Steamships Hospitality

serenading and coconut drinks on arrival. Barbeque and bonfire dinners by the beachfront are an optional feature for closing ceremonies.

For Robbie Turner, Commercial Director at Hilton Port Moresby, the point of difference lies in scale. Opened in 2018 in time for the APEC Summit, the Hilton hosted the gala APEC dinner as its first-ever event. Like Loloata, the Hilton convention centre aims to make sure that its meetings have a clear sense of place.

“The convention centre is quite unique, the roof is modelled after what they call the meeting place in the village,” Turner says.

This local flavour and flexibility not only make events unique but help deal with the changing event landscape.

“Over the last year our booking window has dropped from three weeks to three days,” says Steamships’ Alan Christie.

“We have seen huge conferences come out from Australia and, no joke, they phone us on Thursday and say: can you host 200 of us on Monday?” ♦

WHAT THE KEY HOTELS OFFER

Holiday Inn, Holiday Inn Express, Crowne Plaza Residences (IHG)

Target market: Conferences valuing modernity and security

Current capacity: Holiday Inn and Suites - 238 rooms; Holiday Inn Express - 199 rooms

Business capacity: Boardrooms for 20 up to 350

Differentiation: Huge outdoor space, Cassowary Park, can do biggest outdoor events in Port Moresby

Planned expansion: Upgrades to continue throughout next year

Steamships Hospitality (Coral Sea Hotels)

Target market: Big government and corporates

Current capacity: 581 hotel rooms and suites and 197 hotel serviced apartments across the portfolio

Business capacity: From intimate meetings in the library at Grand Papua to conferences up to 500 pax at Gateway Hotel

Differentiation: Expert at government conferences

Planned expansion: Grand Papua Hotel set to undergo huge refurbishment with doubling of conference capacity

Hilton Port Moresby

Target market: Larger groups valuing Hilton brand

Current capacity: 212 hotel rooms; 180 residences; six food and beverage outlets

Business capacity: Banquet hall for up to 1000 people; eight breakout rooms

Differentiation: Capability for large events

Planned expansion: Hilton has no expansion plans

Loloata Island Resort

Target market: Smaller team-building events

Current capacity: 68 suites and villas

Business capacity: 200 guests for conference space

Differentiation: Island location and feel, difference from POM properties

Planned expansion: Greater team-building facilities like kayaking and yoga

Airways Hotel & Residences

Target market: Corporate and government

Current capacity: 144 rooms

Business capacity: Athena conference centre takes 200 for cocktails and 150 for sit-down events

Differentiation: Strong local connection

Planned expansion: Athena conference centre just opened; no further plans

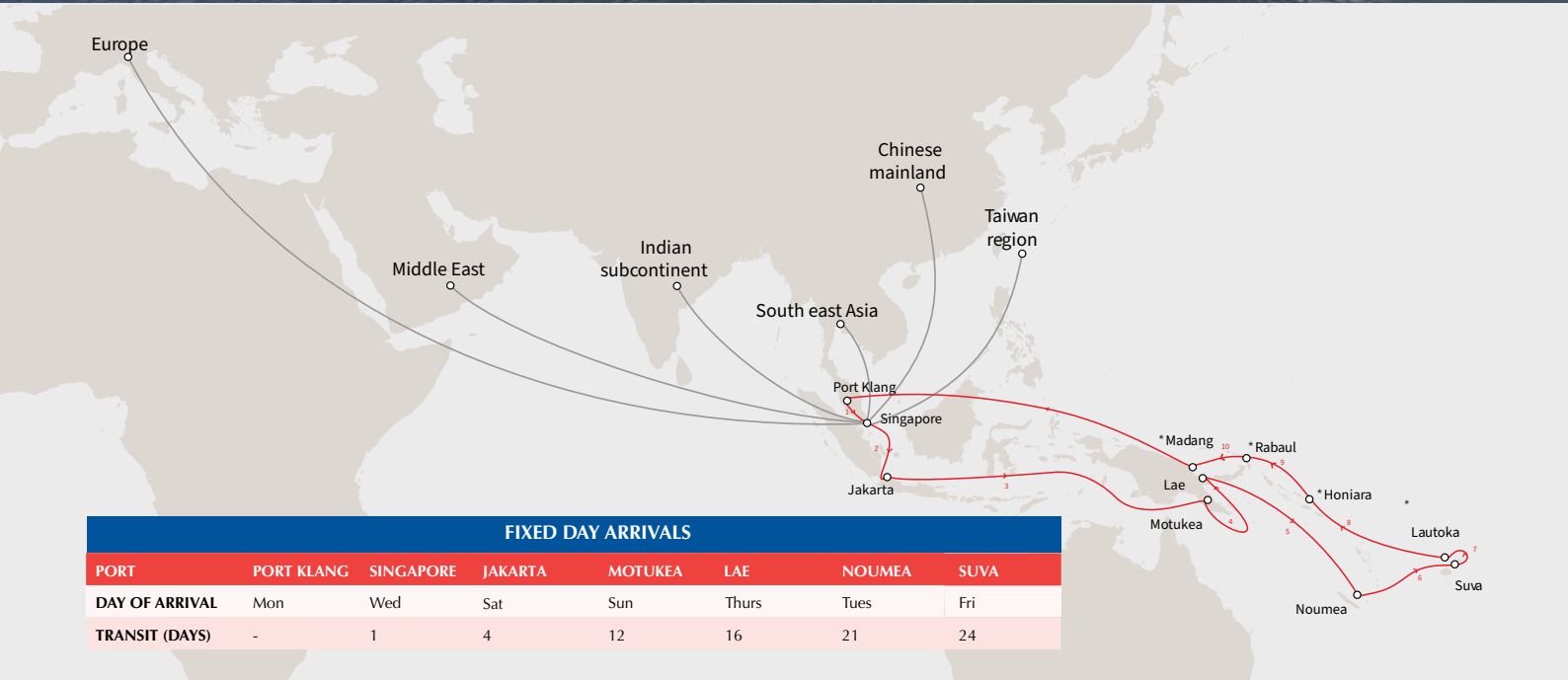


The new Athena conference centre at Airways.

Credit: Airways Hotel & Residences



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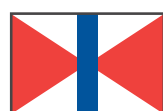
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PAPUA NEW GUINEA'S 50 YEARS of economic achievement

Papua New Guinea became an independent democratic nation on 16 September 1975, having been a self-governing territory of Australia since 1972. Its first prime minister was Michael Somare (later Grand Chief Sir Michael Somare).

Today, PNG is the largest economy and most populous country in the Pacific Islands region. Its exports, ranging from LNG to coffee, cocoa to gold, are exported across the globe, while its domestic economy supports a wide range of businesses across services, finance, manufacturing, logistics, energy, retail, agribusiness, fisheries and more.

So, how did PNG get here?

As it celebrates its 50th anniversary, we take a look at some of the key economic events in its history and some of the key players in business and commerce that have played an important role in its development.



Prince Charles, now King Charles III, attends PNG's independence celebrations in September 1975. PNG's first prime minister, Michael Somare, later Grand Chief Sir Michael, is pictured centre.

Over the past 50 years, Papua New Guinea has proved a land of opportunity for many in business.

While it's frequently observed that successful companies in PNG take a long-term view, their success has often been driven by a single pioneering vision.

"When you look at the history of Brian Bell Group, it's probably similar to a lot of family-oriented businesses that have started in PNG – from really humble beginnings," observes Cameron Mackellar, CEO of the retail group.

Brian Bell (later Sir Brian) started his business in a gun shop on Port Moresby's Ela Beach in 1958. Although he passed away in 2010, the company he left behind is today one of PNG's largest retail groups, with more than 1300 staff, 16 retail outlets and an extensive property portfolio.

Mackellar estimates that the business had only a couple of hundred employees at the time of independence.

"It wasn't until the 1980s that it was a fairly significant retailer – there were some major acquisitions made along the



way which helped diversify the group. We feel there's more growth in each division in the coming years."

Another retail pioneer, Sir Mahesh Patel, arrived in PNG in 1984 to take up a job as a pharmacist – famously, with only A\$35 in his pocket.

More than 30 years on, the CPL Group he created with co-founder, the late Alan Jarvis, has grown through good times and bad to include pharmacies, hardware stores, supermarkets, fashion brands and healthcare.

"With the wealth the country has got per capita, PNG is not a poor country, but management of the wealth is critical," Patel observes. Like the Brian Bell Group, CPL has its own charitable foundation, and Patel believes PNG's corporate sector has an important role to play in raising health and living standards in the country.

Another notable business pioneer was Sir George Constantinou, who arrived in PNG in the late 1950s and founded a welding company, Papuan Welders. Over time, he and his successors have built a diversified business that incorporates property development, hospitality, construction and building supply. Today, the Constantinou Group is headed by Sir George's grandson and namesake.

Other businesses that have grown to significant scale since independence include Lae-based retailer and manufacturer K K Kingston (founded by Keith Kingston), construction company Hornibrook NGI (the Lewis family), Tininga Ltd (the Duckworth family) and engineering company Kramer Ausenco (the Kramer family).

Home grown

Another PNG-grown success story, albeit of a different kind, is Kina Bank.

Steamships' main store in downtown Port Moresby in the early 1970s.



Credit: Steamships

STEAMSHIPS TRADING COMPANY: A DIVERSIFIED INVESTOR

Steamships Trading Company was already a household name in PNG at the time of its independence.

Founded in 1918, Steamships had by the 1970s grown into a diversified conglomerate, with subsidiaries across logistics, hotels, agriculture, manufacturing and retail.

In 1975, it posted a then-record profit and its archives record that it donated both cash and goods to the country's independence celebrations.

In recent years, ASX- and PNGX-listed Steamships has restructured around its property, logistics and hospitality divisions. It also participates in a number of joint ventures and is a major domestic investor.

Among its subsidiaries, Pacific Palms Property holds a portfolio of over 200 properties across the

country and is currently developing the 38-hectare Portside Business Park. Its Consort Express Lines is PNG's major coastal shipping provider, while its Coral Sea Hotels is PNG's largest hotel group.

While the company's founders would not recognise the modern conglomerate of today, majority owned by the UK's John Swire & Sons, Steamships' growth over the past 50 years has been in lockstep with PNG's economic development.

"Our strategy hasn't changed," says Steamships' Managing Director Chris Daniells. "We're a long-term investor, we build assets that have 20 to 30 years of economic life and we have committed shareholders.

"Despite the ups and downs in PNG, it's our home, and we intend to continue evolving and growing with the country."

TIMELINE: PNG'S ECONOMY, 1975 - 2025

1975

- PNG's national currency, the kina, introduced. PNG's only operating mine, Panguna in Bougainville, provides a significant proportion of government revenue, helping to bankroll independence.

1977

- Nadzab Airport replaces Lae Airfield as Morobe Province's main airport.

1980

- Julius Chan (later Sir Julius) succeeds Michael Somare as prime minister.

1981

- First gold mined by BHP at the Ok Tedi copper-gold mine in Western Province.

1982

- Michael Somare returns as prime minister.

1984

- PNG's Parliament House officially opened.
- The tailings dam at Ok Tedi collapses, resulting in years of damage to the Ok Tedi River and its communities.

1987

- Paias Wingti succeeds Michael Somare as prime minister.
- CRA's discovery of alluvial gold at Mt Kare triggers a gold rush.

1988

- Rabbie Namaliu (later Sir Rabbie) succeeds Paias Wingti as prime minister.

1989

- The Panguna mine closes permanently due to ongoing civil unrest.
- Placer Dome's Misima gold mine in Milne Bay Province commences production.



Douglas DC3s served with Air Niugini until 1977.

Air Niugini: the national carrier

PNG's national carrier was founded two years before independence, in 1973, out of the PNG assets of two Australian airlines, Ansett and TAA. The airline was the brainchild of the late Sir Julius Chan, envisioned as essential for PNG's independence.

In a country with a limited road network and a widely dispersed population, the airline has played a key role in the country's economic development, connecting communities, transporting critical supplies, and facilitating imports and exports.

PNG's demanding flying conditions have also led to its pilots being in demand by some of the world's major airlines.

Wholly owned by the people of PNG through parent

company Kumul Consolidated Holdings, the airline runs international services to Australia, Singapore, the Philippines, Hong Kong and the Pacific Islands, and services all of PNG's key domestic airports.

"It's an important year for every Papua New Guinean," reflects current CEO Gary Seddon. "We will join other PNG-owned and PNG-based companies and our citizenry to fly the flag, as we always have done, very proudly."

2025 will also see the first of several new aircraft delivered as part of a major re-fleeting program.

"Our new Airbus A220 aircraft will arrive to coincide with the 50th anniversary," says Seddon. "There is no better way to demonstrate 50 years of achievement than to see it emblazoned on an aircraft."

Founded as a small finance business, Kina Securities, back in 1985, Kina is today PNG's second-largest bank.

"I remember that in the first day in the office we had seven people and three computers," reminisced founding CEO Syd Yates to *Business Advantage PNG* at the time of his retirement in 2017.

After many years of steady growth, by 2015 Kina was PNG's largest non-bank lender. Then came its transformative moment, when it acquired the PNG banking licence of Malaysia's Maybank, rebranded as Kina Bank, and listed on both the PNGX and ASX.

"If you looked at us then, we had



Raising PNG's new flag for the first time, in 1975.

20,000 customers and our loan book was around K300 million. We're now ten times the size," observes Greg Pawson, who took over from Yates as CEO and left the role in early 2025.

Also in finance, it's hard to overstate the importance of the country's two major superannuation funds, Nasfund and Nambawan Super.

Beneficiaries of significant reforms to PNG's superannuation sector in the early 2000s, the two funds between them now play a major role, alongside smaller sector-based funds, as equity investors and property developers in the local economy.

1990

- Placer Dome commences gold production at Porgera in Enga Province.

1992

- PNG's first commercial oilfield project commences production at Kutubu.
- Paias Wingti returns as prime minister.

1994

- Julius Chan returns as prime minister.

1997

- The Lihir Island gold mine commences production.
- Julius Chan resigns as prime minister following the Sandline Affair in Bougainville. Bill Skate becomes prime minister.
- A major drought causes widespread hunger.

1998-9

- An economic crisis leads to PNG's foreign exchange reserves falling to just one month of import cover and inflation rising to 20 per cent.

1999

- BHP Billiton confirms the environmental damage caused by the Ok Tedi mine.
- PNG's national stock exchange, POMSOX (now PNGX) is launched, with four companies listing.
- Sir Mekere Morauta becomes prime minister.

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“Before the reforms, the whole industry size was K1 billion; now we are K19 billion,” notes Rajeev Sharma, CEO of Nasfund. “In terms of the number of members, it’s close to a million. It could and should be far more.”

State-owned enterprises

Alongside the private sector, several state-owned enterprises (SOEs) have developed since independence to play a key role in PNG’s economy, particularly in resources, energy and infrastructure.

In addition to Mineral Resources Development Company (see page 32), these are companies that fall under the ‘Kumul’ banner – Kumul Petroleum Holdings (in petroleum and gas), Kumul Minerals Holdings (in mining), as well as the many SOEs grouped under Kumul Consolidated Holdings, which include national airline Air Niugini, PNG Ports Corporation, utility PNG Power and telecommunications wholesaler PNG DataCo.

Landowner companies

Landowner companies, or ‘lancos’, are a unique feature of PNG’s business landscape. They have emerged as a result of the way land is owned in PNG (97 per cent is customarily owned).

Where customary land is used for a commercial project, local business participation in that commercial project is often included as a condition of land use. As a result, local landowner groups have come to establish successful businesses servicing the commercial project and others across the country.

Notable examples include the Anitua Group, Hides Gas Development Company, Laba Holdings, Trans Wonderland Ltd and NKW Group. ♦



ExxonMobil's LNG plant and marine terminal under construction in 2012.

Credit: ExxonMobil

EXXONMOBIL: GLOBAL GIANT, LOCAL IMPACT

With a presence in PNG since the 1920s, global energy giant ExxonMobil and its predecessors have made a substantial impact in the country since independence.

In 1978, subsidiary Chevron Niugini was involved in the exploration for oil in Southern Highlands Province, which resulted in PNG’s first commercial oil production at Kutubu in 1992.

In 2004, work by subsidiary Esso Highlands and its venture partners began on what would become PNG’s first liquefied gas project, PNG LNG. The project exported its first gas to Asian markets in 2014 and has been operating above nameplate capacity ever since.

Today, ExxonMobil remains the operator of the project, which brings gas down from Hides in Hela Province and adjacent fields via a pipeline to its LNG plant outside Port Moresby.

New sources of gas from ExxonMobil and its partners look set to ensure that the PNG LNG project continues for many years to come (see page 38).

This year should also see preliminary front-end engineering design work on ExxonMobil’s next major gas project in PNG, the US\$11 billion P’nyang project in Western Province, while another promising discovery, Wildebeest, has the potential to extend gas development activity in PNG out to the mid-2030s.

“Currently, our workforce of over 3700 is almost 90 per cent Papua New Guinean,” Dinesh Sivasambo, the new President and Managing Director of ExxonMobil PNG, told a recent industry event.

“It’s something we are immensely proud of, as this level is significantly higher than not only the industry but ExxonMobil norms across the world.”

2001

- The Bougainville Peace Agreement is signed, establishing the Autonomous Region of Bougainville (ARB).

2002

- BHP Billiton hands over its majority share in the Ok Tedi mine to PNG Sustainable Development Program Ltd.
- Bank South Pacific acquires 49 per cent of the Papua New Guinea Banking Corporation, subsequently merging operations.
- Sir Michael Somare becomes prime minister for the third time.

2007

- Digicel launches in PNG, causing significant disruption to - and expansion of - the telecommunications market.

2008

- Allied Gold commences gold production on Simberi Island.

2009

- The ExxonMobil-led PNG LNG project, PNG’s first liquefied gas project, is given the go-ahead.
- New Britain Palm Oil Ltd (NBPOL) lists on the London Stock Exchange.

2010

- The Hidden Valley gold mine in Morobe Province commences production.



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Mineral Resources Development Company: a transformational investor

Mineral Resources Development Company (MRDC) was established in 1975 as a 100 per cent state-owned company, with the unique role of holding and managing state and landowner equity interests in the country's mineral and petroleum development projects.

Restructures in 1996 and 2007 saw the state's interests removed from MRDC's portfolio, and today it manages the beneficial interests of landowners and provincial governments under a corporate trust arrangement.

Over time, the resources revenues that have flowed into MRDC have enabled it to build one of PNG's most substantial asset portfolios.

It is the developer of the premium Star Mountain Plaza development in Port Moresby (site of the country's only Hilton property), has its own power company, Dirio Gas and Power, and has widespread investments in property, logistics, healthcare and tourism.

In 2024, MRDC announced itself as a resources developer in its own right, agreeing to a 50 per cent stake in the Pasca A gas project (see page 40).

"At MRDC, we take a long-term view on investments," MRDC's Managing Director Augustine Mano tells *Business Advantage PNG*.

"A good example is stage one and two of Star Mountain Plaza. The concept was initiated in 2012. We started construction in 2014. The Port Moresby Hilton began operations in 2018. The Hilton Apartments opened in 2024. The performance of both so far has exceeded our expectations."

BSP FINANCIAL GROUP: PNG'S INTERNATIONAL BANK

Started in 1957 as a wholly owned subsidiary of the National Bank of Australasia, Bank South Pacific was rebranded and open for business ahead of PNG gaining independence in 1975.

After several share offerings, by 1995 BSP was 100 per cent owned by PNG interests.

However, the bank's transformative moment is widely regarded as its amalgamation with the ailing state-owned PNG Banking Corporation in 2002 to make it PNG's largest bank, and its subsequent corporatisation and listing on PNGX the following year.

The bank's balance sheet has continued to grow strongly in the two decades since, partly from domestic growth and partly through the acquisition of other banks across the Pacific, such as the



A BSP branch in Port Moresby.

Credit: BAI

National Bank of Solomon Islands (2007), the National Bank of Fiji (2009), and the former Westpac businesses in Cook Islands, Samoa, Solomon Islands and Tonga (2015).

Today, the bank has over 80 branches in PNG and a further 30 across the South Pacific.

"We are the South Pacific's international bank - the only bank that's been born and raised in the South Pacific that is operating across multiple countries in the region," says BSP's CEO, Mark Robinson.

Westpac Bank PNG: over a century of banking

Westpac's PNG origins date back to the creation of Papua New Guinea's first commercial bank by the Bank of New South Wales in 1910.

The business was incorporated as Bank of New South Wales (PNG) in 1975 and rebranded as Westpac Bank PNG in 1982, following the rebranding of its Australian majority shareholder.

A sale of the business to local rival Kina Bank fell through in 2021 but the company's Australian parent has since recommitted to the PNG market and is celebrating 115 years of as a PNG bank in 2025.

Today, it runs a national network of 15 branches across the country as well as its own ATM network, and holds a substantial loan book.

"We're one of only three banks that offer retail services through a branch network," Brett Hooker, departing Managing Director of Westpac Bank PNG, tells *Business Advantage PNG*.

"The big agenda item for us for the next two years is investment in our own infrastructure and systems with a view to expanding our digital reach, particularly to regional locations to attract new customers into the banking and finance world."

2011

- PNG experiences a constitutional crisis, with Peter O'Neill voted by Parliament as prime minister while the Supreme Court deems Sir Michael Somare to hold the position.
- Steamships' flagship Grand Papua Hotel opens in downtown Port Moresby.

2012

- Peter O'Neill returns as prime minister after national elections.
- The Ramu nickel mine in Madang Province commences production.

2013

- The Ok Tedi mine is nationalised.

2014

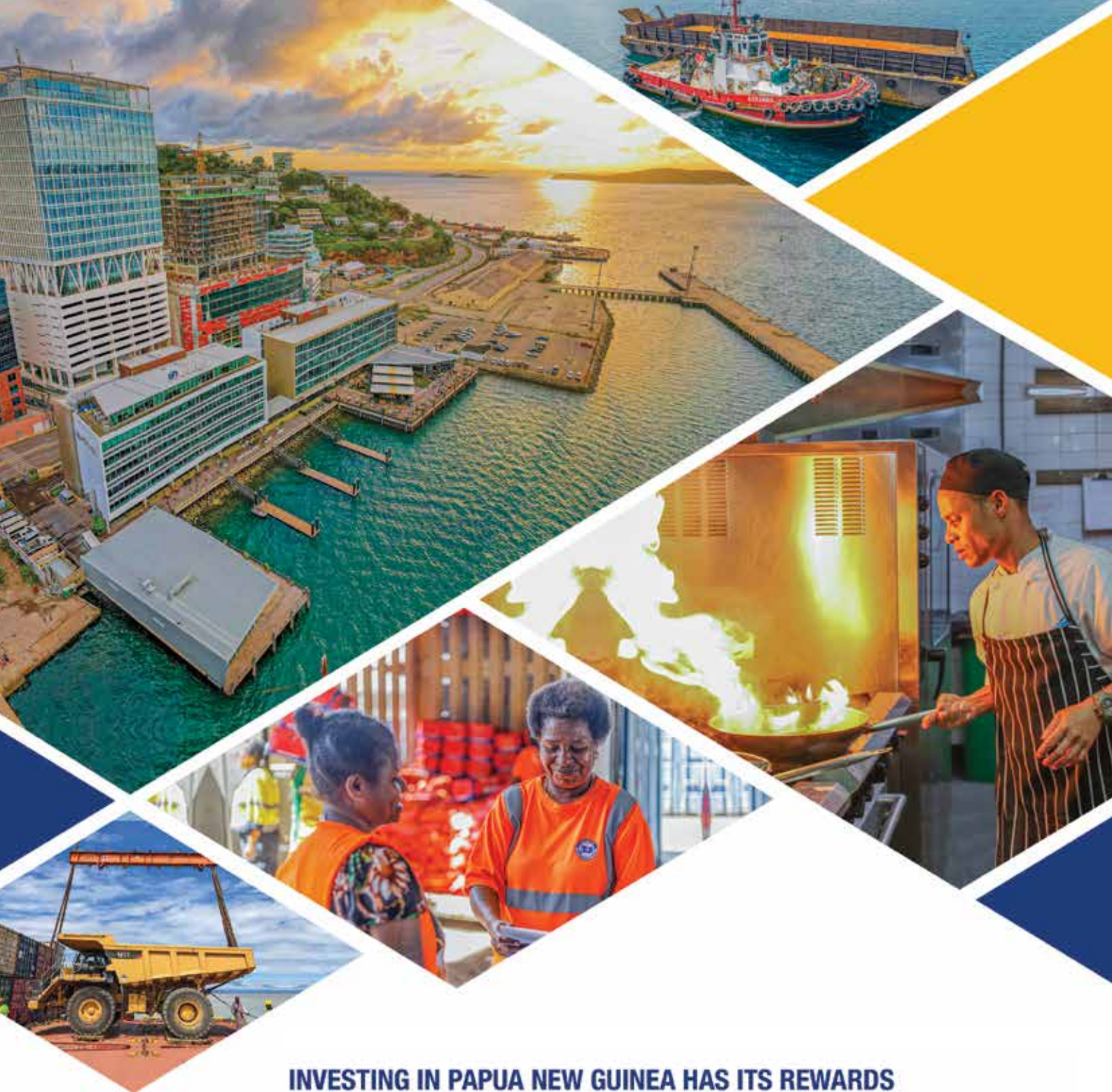
- The PNG LNG project exports its first gas.
- Puma Energy enters PNG's energy market through its acquisition of InterOil's downstream operations.

2015

- Kina Securities Ltd acquires Maybank in PNG, rebrands as Kina Bank and lists on PNGX and the ASX
- NBPOL acquired by Sime Darby.

2016

- PNG's largest hotel, the 429-room Stanley, opens in Port Moresby, alongside the Vision City megamall.
- K92 Mining restarts the Kainantu gold mine.



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PNG's economic journey

Paul Barker, Executive Director of industry think-tank the PNG Institute of National Affairs, provides his personal take on PNG's economic journey since independence.

Independence in 1975 saw the introduction of PNG's own currency, the kina. In PNG's early years, the Panguna copper mine was critical to fund the country, as was the 'hard kina' policy – which pegged the kina to a basket of its main trading currencies.

In the late 1970s, strong coffee prices gave a stimulus to agriculture and led to a substantial increase in smallholder coffee production.

Panguna's closure in 1989 led to a nine per cent drop in GDP and a 35 per cent drop in exports revenue. While several resources projects started or were negotiated in the 1990s, the cost of the closure was higher than the benefits.

Despite lower revenue, expansionary budgets in 1993 and 1994 led to a fiscal crisis and a change of government.

PNG's forex reserves were depleted by 1994, leading to a 12 per cent devaluation of the kina, followed by a floating of the currency. Despite high initial inflation, this policy put PNG back on track to economic growth, and the market-driven exchange rate remained until 2016.

Economic troubles returned in 1997, with a cyclone followed by a severe El Nino drought. These, combined with political instability triggered by the Sandline Crisis, saw the balance of payments revert to deficit.

While GDP began growing again over the next two years, thanks to new resource projects going into full production and higher agricultural commodity prices, government finances went back into deficit due to weak expenditure control. By decade's end, the World Bank and others were invited into PNG to assist with the country's finances and support Prime Minister Sir Mekere Morauta's reform measures.

Morauta only got so far in his three years, but privatisation of the PNG Banking Corporation (now BSP) and

reforms to superannuation and the central bank were key achievements.

This was followed by several years of prudent fiscal management, including the introduction of the *Fiscal Responsibility Act* in 2006. This saw debt levels fall from 70 per cent to 24 per cent of GDP by the end of the decade.

There was a big boost in global commodity prices during the 2000s, peaking at the time of the global financial crisis in 2008.

At around the same time, the creation of the PNG LNG project happened remarkably quickly. The plan shifted in the mid-2000s from creating a gas pipeline to Queensland to exporting LNG to the rest of the world.

While the construction phase provided a big economic boost, and production boosted GDP, this was partly offset by a major drop in oil prices and the large debt to repay.

During the covid era, PNG didn't fare as badly as some neighbours, because it didn't depend heavily on tourism, and couldn't have a strict lockdown due to its informal economy.

Lastly, while the Ukraine war impacted energy and food prices, it has benefitted PNG as an energy producer. ♦

2018

- PNG hosts the Asia-Pacific Economic Cooperation (APEC) annual meeting for the first time.
- Port Moresby's new international port at Motukea opens.
- The Hilton Port Moresby opens, part of the first stage of Star Mountain Plaza.

2019

- James Marape replaces Peter O'Neill as prime minister.
- Kina Bank acquires ANZ's retail banking operations in PNG.
- The people of Bougainville vote overwhelmingly for independence from PNG.

2021

- PNG's largest company, Oil Search Ltd, merges with Australia's Santos.

2022

- The TotalEnergies-led Papua LNG project enters its front end engineering and design stage.

2023

- US mining giant Newmont Corporation enters PNG through its acquisition of Newcrest Mining.
- Porgera gold mine reopens under the ownership of New Porgera Ltd after being closed since 2020.

2024

- A gas agreement is signed for PNG's first offshore gas project, Pasca A.



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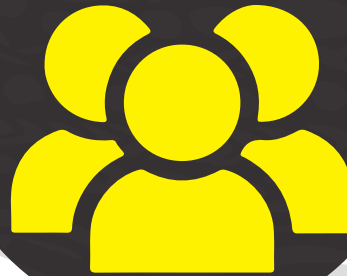
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Infrastructure

- Airport
- Port
- Manufacturing
- Special Economic Zones (planned)
- Thermal power station
- Hydro power station
- Power zone substation
- Transmission lines

Mining projects

- Operating mine
- Mine under development
- Possible mine

Petroleum projects

- Oil project
- Gas project
- Possible oil or gas project
- Oil export pipeline
- Gas export pipeline

Primary production

- Livestock
- Fisheries
- Forestry
- Coffee
- Cocoa
- Copra
- Palm oil

Telecommunication cables

- Kumul Submarine Cable Network-1
- Kumul Submarine Cable Network-2 (2026)
- Coral Sea Cable System (2019)
- PIPE Pacific Cable-1
- Hawaiki Nui Cable (2026)
- Hawaiki Nui Cable to POM - proposed (2026)
- PNG LNG Cable



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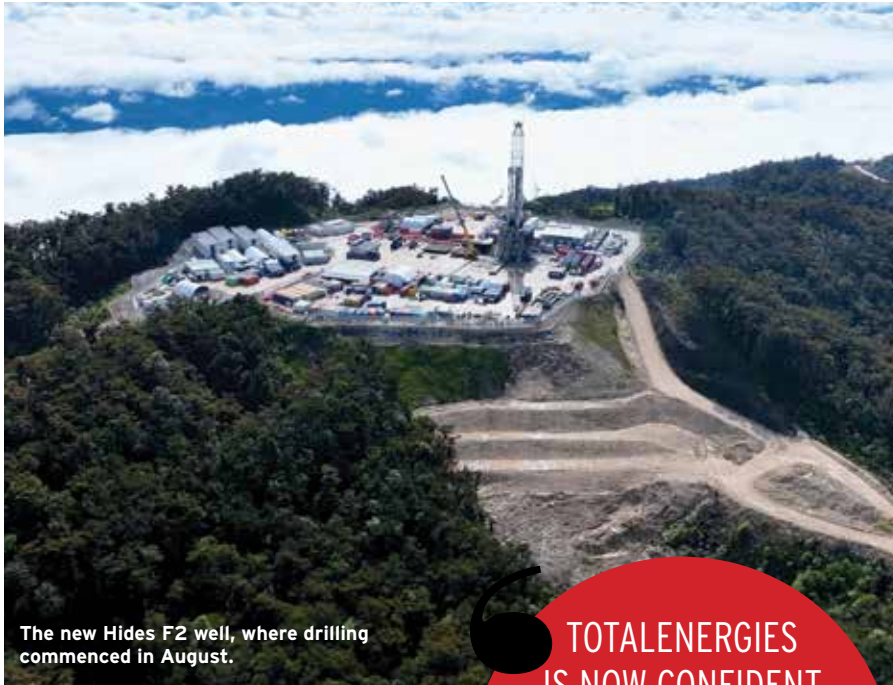
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PNG preps ahead with next wave of gas projects

Credit: ExxonMobil



The new Hides F2 well, where drilling commenced in August.

There are signs of movement on a number of gas projects, including P'nyang, Pasca A, and the biggest new project of all - TotalEnergies' Papua LNG project. *Business Advantage PNG* takes a closer look.

By Nadav Shemer Shlezinger

More than a decade after the ExxonMobil-led PNG LNG project commenced operations, there were signs at the start of 2025 that progress was finally being made towards a new wave of projects – and not only Twinza's Pasca A offshore gas project, for which a gas agreement was signed in December 2024 (see page 40).

P'nyang fast-tracked

While Twinza's project has the potential to kick-start a new sector offshore, ExxonMobil and its joint venture (JV) partners will expedite preparations for the US\$11 billion development of the P'nyang gas field in Western Province, Johanna Boothey, Vice President Development for ExxonMobil PNG, revealed in a December 2024 speech.

Boothey said the JV partners –

TOTALENERGIES IS NOW CONFIDENT IN DELIVERING A FINAL INVESTMENT DECISION IN 2025.

Arnaud Berthet, TotalEnergies EP PNG Managing Director



TotalEnergies' Arnaud Berthet meeting with landowners in Gulf Province. Credit: TotalEnergies

comprising ExxonMobil, Ampolex, Santos and JX Nippon – would assemble ground survey teams and open an office in Western Province in “the coming weeks.”

She said they were now targeting preliminary front-end engineering design in the second quarter of 2025, “years sooner than previously envisaged.”

Previously, ExxonMobil had

indicated that P'nyang's four-year construction period would begin once the TotalEnergies-led Papua LNG project (in which ExxonMobil has a 37.04 per cent share) goes into production. This would appear to no longer be the case, meaning the two gas projects could be developed simultaneously.

Papua LNG targeting FID by end 2025

Papua LNG, which will extract gas from the Elk and Antelope gas fields in Gulf Province, had been expected to reach a final investment decision (FID) in early 2024. But this was postponed by what Arnaud Berthet, TotalEnergies EP PNG Managing Director, called “an absolutely unacceptable” level of capital expenditure proposed by engineering, procurement and construction contractors.

TotalEnergies is “now confident in delivering FID within 2025,” Berthet tells *Business Advantage PNG*.

He says the French multinational has four key focus areas as it pursues FID – including the reopening of bidding to a larger group of contractors, with offers expected in the second quarter of 2025.

“The more competitors we have, the more we will have the capability to bring the price down,” he says.

Another focus is securing buyers for the 5.6 million tonnes per year of gas that the project is expected to produce – with Southeast Asia as the target market.

“This is one of the main advantages of this project. It's perfectly located to serve the Asian markets, [being] a short distance from Japan, China and South Korea,” notes Berthet.

The project will also need financing, which Berthet confirms will come from a combination of debt and equity.

Lastly, TotalEnergies will need to obtain a Petroleum Development Licence, which will require the completion of four different processes: an environmental permit (involving

the Conservation and Environment Protection Authority and other relevant bodies); a development scheme (which requires approval from the Ministry of Petroleum); a national content plan for involving local business and labour; and the development forum, which will map out a benefit-sharing agreement with landowners.

Berthet says TotalEnergies is not waiting for FID to interact with communities, and notes that the firm has already spent money on building schools, providing water tanks and delivering health programs.

“It’s our responsibility as operator of the Papua LNG project to build trust and confidence with these local communities. Ultimately, they are hosting us, so we owe them this positive impact,” Berthet says.

PNG LNG’s Angore completed

In November, ExxonMobil successfully commissioned and connected natural gas from its two Angore wells to the existing PNG LNG gas conditioning plant in Hela Province.

The K5 billion project was the largest natural gas development to occur in PNG since the PNG LNG production commenced in 2014.

Angore was part of the original PNG LNG development plan, representing about 10 per cent of the volume that underpinned the PNG LNG project. Its completion has unlocked 1 trillion cubic feet (TCF) of natural gas resources, which, Boothey said, “will help keep the existing production infrastructure full for several years.”

ExxonMobil’s attention now turns to the new Hides F2 well, where drilling commenced in August. If successful, Boothey said, this endeavour could result in the addition of another 1 TCF of natural gas to PNG LNG’s resource base.

Santos, ExxonMobil’s joint venture partner at PNG LNG, is developing another potential PNG LNG tie-in at Agogo in Southern Highlands Province. The project would see the construction of new production facilities and a 20 km pipeline to bring another 1 TFC of natural gas online as early as 2028. ♦

PRODUCTION-SHARING REFORMS IN PLAY FOR 2025

The Marape government will implement its longstanding plans for a production-sharing framework for the oil and gas sector in 2025, according to Minister for Petroleum, Jimmy Maladina.

Typically, under a production-sharing arrangement, a host country contracts a developer to explore for and develop a resource in return for a share of any production.

Maladina has announced that the government will commence stakeholder consultations in early 2025, with the aim of finalising the framework by PNG’s 50th anniversary of independence in September. He said the framework would not apply to existing petroleum and gas projects.

The framework “will define the way PNG manages its resources, ensuring a fair return for the investors and a timely realisation of the benefits for the people of Papua New Guinea,” he said.



Credit: ExxonMobil

The government says its planned reforms will provide greater benefits for the people of PNG.

As part of its planned reforms, Maladina said the government will present a bill to Parliament in the first half of 2025 to establish a National Petroleum Authority. He said the authority will serve as the sector’s independent regulator, tasked with overseeing petroleum licensing, ensuring investor compliance by investors, streamlining approvals and administering production-sharing agreements.

THE INSIDE VIEW: WAPU SONK, MANAGING DIRECTOR, KUMUL PETROLEUM HOLDINGS

“PNG’s future really is in offshore oil and gas. There is huge potential in offshore. It will transform PNG in a very short time.

TotalEnergies is talking about a potentially large accumulation of oil in the offshore deepwater. We are doing studies on floating liquefied natural gas (FLNG), so it will start to open up.

It’s easy to reach development stage because it’s offshore and they are talking about a minimum 1 billion barrels.

Offshore fields have been discovered at Pandora and Uramu, and we think we have enough reserves to justify a 1.5 million tonnes per annum FLNG, so that is why we signed a pre-FEED study agreement with Wison Marine Engineering, who specialise in FLNG.

As a result, we will know what the real cost for the FLNG is. Moreover, we are derisking the assets so we can invite investors with real data and engineering and scientific studies, and so we can define a concept and invite potential investors to join us. There is a growing list of potential investors, and we are very excited that people are interested in investing in a 1.5 million-tonnes-per-annum FLNG project. ☺



Pasca A will be PNG's first offshore gas project.

Credit: Twinza



Twinza begins preparations for Pasca A FID

Twinza and the PNG Government signed the Pasca A Gas Agreement in December 2024. Twinza Executive Chairman and Managing Director Stephen Quantrill tells *Business Advantage PNG* why this gives the project owner the confidence to prepare for FID by mid-2026.

By Nadav Shemer Shlezinger

The recent Pasca A Gas Agreement has given project owner Twinza the fiscal certainty to begin all necessary preparations towards a final investment decision (FID) on PNG's first offshore gas project, according to Twinza Executive Chairman and Managing Director, Stephen Quantrill.

Twinza and the Papua New Guinea Government signed the Gas Agreement for Pasca A (Pasca) in December, providing PNG with an

PASCA A GAS AGREEMENT: KEY FIGURES

PNG will receive close to 70 per cent of Pasca's value through a combination of taxes, royalties, levies, equity and new measures such as a Domestic Market Obligation (DMO) levy of one per cent; Fiscal Stability Tax of two per cent, which raises corporate tax to 32 per cent; and an Expanded DMO opportunity, including provision for domestic sales and marketing of natural gas and LPGs.

Hevehe Petroleum, an MRDC subsidiary, will hold up to a 50 per cent interest in Pasca. The Gulf Provincial Government directly holds a substantial shareholding in Hevehe.



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THE INSIDE VIEW: DINESH SIVASAMBOO, PRESIDENT AND MANAGING DIRECTOR, EXXONMOBIL PNG

“We believe operating in Papua New Guinea is a privilege, and we strive for our presence to positively impact PNG.

At ExxonMobil, we are guided by our belief that the benefits of resource development should be shared with the people of this country. Our career-oriented approach to developing an exceptional national workforce – equipping both men and women with the skills needed to improve their daily lives, as well as their futures – includes recruiting talent and supporting long-term professional development.

Through training and mentoring, our national workforce has demonstrated an ability to excel in highly skilled roles and now, a decade into operations, they have even advanced into roles across our global organisation in the United States, Singapore and Japan.

By seeking to build long-term partnerships with our communities, we enjoy a strong social licence to operate that we consider among our greatest assets. Our local suppliers, local businesses and land companies have played an incredibly important role in our success.

In fact, since the start of PNG LNG construction, we have invested more than K15 billion into Papua New Guinean business and landowner companies.”



estimated 70 per cent of the project’s value through a combination of taxes, royalties, levies and equity participation (see box on page 40).

The agreement sets in motion the acquisition of up to a 50 per cent interest in Pasca by the state-owned Mineral Resources Development Company (MRDC), through a special purpose entity, Hevehe Petroleum Limited. This agreement, signed in May 2024, will see Hevehe pay US\$160 million (about K640 million) in stages for its stake.

Road to FID

Quantrill says the gas agreement also provides high confidence of being granted a Petroleum Development Licence, the final regulatory approval needed for the US\$1.5 billion project.

“The licence will be granted upon Twinza declaring FID and demonstrating that funding towards first production has been secured,” he says.

With the gas agreement secured, Twinza has commenced the final stage of detailed design and front-end engineering activities in preparation for FID. It is targeting FID by the first half of 2026, with first production in late 2028 or early 2029.

“We’ve already done a huge



THE LICENCE WILL BE GRANTED UPON TWINZA DECLARING FID AND DEMONSTRATING THAT FUNDING TOWARDS FIRST PRODUCTION HAS BEEN SECURED.

Stephen Quantrill,
Managing Director, Twinza

amount of pre-FID work. Now we are revisiting a lot of that work and refreshing design and cost estimates to enable us to take FID as quickly as we can,” Quantrill says.

Positive signal

Pasca is one of five major greenfield resources projects in PNG aiming to commence construction by 2030, alongside the Papua LNG and P’nyang LNG projects and the Wafi-Golpu and Frieda River copper-gold projects.

Quantrill sees the Gas Agreement as “a very positive signal for the resource industry and the country,” adding that, as an investor, Twinza understands the government’s need for caution on the timing and economics of projects.

“We’re working with a government that has a lot of projects on its plate, and it has to find the right moment to provide the capacity and focus to get it done,” he says.

“Each project is going to be assessed on its own merits. But the fact that Pasca and Papua [LNG] have a path forward and are doing active work to help take the projects into development – is very positive for the country.

“Hopefully there will be many more to follow.” ♦



Kumul Minerals Holdings Limited (Kumul Minerals) is a company established and incorporated under the Companies Act 1997. Under the Kumul Minerals Holdings Limited Authorization Act 2015 (Kumul Act):

- We are authorised to operate as a commercial enterprise that principally participate in the mineral sector in Papua New Guinea and abroad.
- We are not an instrumentality of the State and our assets are not public assets.
- We are the nominee of the State to exercise the State option in new mining projects.

The core business of Kumul Minerals covers the entire value chain of the mineral sector. We are a player in the upstream, midstream, and downstream businesses of the mining industry.



Kumul Minerals Holdings Limited is the majority shareholder of Ok Tedi Mining Limited (OTML) - a 100% nationally owned copper mining company that is located in the Western Province of Papua New Guinea. Kumul Minerals owns a 67% share in OTML.

The Government has welcomed Barrick Nuigini Limited (BNL) for partnership under an incorporated joint venture arrangement to mine Porgera once more. First gold, following the resumption of operations at the mine, was poured in January, with Kumul Minerals Holdings Limited owning a 36% share in New Porgera Limited.



KUMUL MINERALS HOLDINGS LIMITED

Kumul Minerals Haus, Port Moresby, Papua New Guinea
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The 45 MW Dirio gas-fired power station in Central Province is one of three recently constructed power stations feeding into the Port Moresby grid.

Reforms, privatisation on power agenda

The partial privatisation of the state-owned power company PNG Power Limited isn't the only reform being proposed as Papua New Guinea looks to address its power shortages. *Business Advantage* takes a look.

By Nadav Shemer Shlezinger

As Papua New Guineans gear up to celebrate the 50th anniversary of independence, moves are afoot to address the country's long-running problems with power generation.

In one of its final decisions of 2024, the PNG cabinet approved putting up a portion of the embattled state-owned power company, PNG Power Limited (PPL), for sale.

Prime Minister James Marape confirmed publicly that the sale would soon be formally advertised. He said the state will continue to maintain an interest in PPL, with the successful

investor to take over management of the enterprise.

Planned reforms

Meanwhile, the sector's new regulator, the National Energy Authority (NEA), is working on a plan to provide incentives to independent power producers to develop renewable energy projects, NEA Chairman Joseph Gabut

WITH THE NUMBER OF RIVERS WE HAVE, WE CAN [EVEN] SELL POWER OVERSEAS - IF WE ARE ORGANISED.

Joseph Gabut, Chairman, National Energy Authority

said in a recent speech.

Noting the government's goal to bring electricity to 70 per cent of households by 2030 and generate electricity from 100 per cent renewable sources by 2050, Gabut said, "We haven't even started. There hasn't been any commitment from the government."

The NEA chairman noted the construction of several new power stations in recent years that generate electricity for the Port Moresby grid, naming PNG Hydro Development's 56 MW Edevu hydropower plant, Dirio Gas & Power's 45 MW Dirio gas-fired power station, and NiuPower's 58 MW gas-fired Port Moresby power station.

But he said the "right incentives" were needed for PNG to achieve its electrification goals and increase power capacity well beyond the current 900 to 1000 MW. He added that there is a "huge" opportunity for renewable energy, in particular.

BUILDING AN ALTERNATIVE FUEL SUPPLY

Alternative fuel suppliers have amped up their response to the shortages that began when Puma Energy, PNG's largest fuel supplier, introduced fuel rationing in late 2023 in reaction to what it claimed was lack of access to forex and banking services.

In December 2024, Kumul Petroleum Holdings announced that a contractor, China Petroleum Pipeline Engineering, had begun construction of a Jet A1 aviation fuel import and storage facility at a site adjacent to the Motukea wharf. The facility will include four 3000 cubic metre fuel tanks, as well as



David Kavanamur, Managing Director of Kumul Consolidated Holdings (second from left) meets Wapu Sonk, Managing Director of KPHL (fourth from left) and his project management team at the new fuel storage facility being constructed at Motukea.

associated ship offloading and truck-loading equipment.

In February 2025, Ok Tedi Energy, a subsidiary of Ok Tedi Mining (OTML), opened Jet A1 refuelling facilities at several airports,

including Tabubil, Kiunga, Lae and Hagen. Further expansion was underway, with OTML promising the introduction of refuelling services at Rabaul and Vanimo in the weeks after the announcement.

Credit: KPHL

“With the number of rivers we have, we can [even] sell power overseas – if we are organised,” Gabut said.

“And then we have geothermal – the biggest probably is in West New Britain.

“We desperately need investors.”

Investments continue

James Nelson, Chief Executive, Dirio Gas & Power, tells *Business Advantage PNG* that Dirio is looking to play its part in helping PNG reach its target of 70 per cent electrification by 2030.

As a subsidiary of the Mineral Resources Development Company, which manages the interests of landowners and provincial governments, Nelson says he considers

how Dirio can invest in projects that benefit shareholders and the people of PNG.

“Can I do something to improve their livelihoods and also contribute to the 70 per cent electrification target?” Nelson says.

He also reveals that Dirio is currently developing a rural electrification project based on a hybrid solar, battery and diesel system, and has plans to develop many more.

Aiding rural electrification

Contributions to PNG's electrification goals are coming not only from within the country but from outside, too.

Under the PNG Electrification Partnership, launched in 2018, each

of its four donor nations – the United States, Australia, New Zealand and Japan – has committed to funding specific power generation, transmission and distribution projects.

Meanwhile, in November 2024, the World Bank approved the US\$204 million National Energy Access Transformation Project, which aims to provide reliable electricity to more than 400,000 rural Papua New Guineans.

The program aims to provide more than 194,000 people with access to clean, reliable electricity through grid densification and expansion. A further 232,000 people in remote areas will benefit from off-grid renewable energy solutions such as micro-grids and solar home systems. ♦

Credit: Dirio Gas & Power

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Brownfield expansions driving growth of PNG mining sector

While much of the attention in PNG's mining sector centres on the potential development of the Wafi-Golpu copper-gold project, a plethora of substantial brownfield projects are going under the radar. *Business Advantage PNG* takes a look.

By Nadav Shemer Shlezinger

Negotiations towards a mine development contract for the Wafi-Golpu copper-gold project were continuing in earnest as this publication went to print, after Prime Minister James Marape and Newmont Corporation President and CEO Tom Palmer held what Marape called a “productive” meeting in late January.

Wafi-Golpu is one of the world's largest copper-gold block-cave projects, with a 2018 feasibility study forecasting 266,000 ounces (oz) average annual gold production and 161,000 tonnes average annual copper production.

The US\$5.4 billion (K22 billion) project is owned by a 50/50 unincorporated joint venture between US-headquartered Newmont and South Africa's Harmony Gold Mining Company. Under PNG law, the state may acquire up to a 30 per cent participating interest in Wafi-Golpu, with 20 per cent to be held by state nominee Kumul Minerals Holdings (KMHL) and 10 per cent by the Morobe provincial government and local landowners.

The legal structure and financing of a joint venture have been the main sticking points in negotiations between the State Negotiating Team and the joint venture partners, according to KMHL Managing Director, Sarimu Kanu.

But Kanu is in no doubt about the importance of getting the project over the line.

“We believe the Wafi-Golpu project will be a game changer for the PNG economy,” he tells *Business Advantage*



Kainantu's stage 3 plant construction.

Credit: K92 Mining

PNG. “The downstream effect [on the PNG economy] will be like no other project, even in oil and gas, because the footprint of oil and gas is smaller than mining.”

Brownfields expansions take shape

While questions remain over Wafi-Golpu's timing, all seven of PNG's operating mines are pushing ahead with growth plans:

- K92 Mining, operator of the Kainantu gold mine, is aiming to start commissioning the stage 3 expansion of its processing plant in the second half of 2025, followed by stage 4 in the second half of 2027. The combined US\$320 million expansions are expected to quadruple

current gold, copper and silver production to 470,000 oz of gold-equivalent by 2027.

- Ramu NiCo Management is conducting debottlenecking aimed at lifting production at the Ramu nickel-cobalt mine to 35,000 tonnes per annum, 10 per cent above nameplate capacity. It is also considering an extension to its special mining lease that would cost up to US\$1 billion and double annual production.
- Harmony Gold, operator of the Hidden Valley gold mine, is studying the potential conversion of 2.4 million oz (Moz) of gold resources to reserves, with an eye to extending its mining lease beyond 2030.
- Newmont Corporation is conducting a feasibility study at its Lihir gold mine on plans to mine below sea level and access 6–7 Moz of its current gold reserve, ensuring its 16-year mine life.
- St Barbara has accelerated plans to extend the life of the Simberi gold mine by 10 years and triple its annual production (see page 48).



Stockpile of ore at Lihir mine.

Credit: Newmont Corporation

Porgera ramp-up continues despite delays

Meanwhile, the Porgera gold mine resumed mining in December 2023 after an almost four-year hiatus, producing 188,000 oz of gold in 2024. It plans to ramp up production “all the way out to

THE INSIDE VIEW: SARIMU KANU, MANAGING DIRECTOR, KUMUL MINERALS HOLDINGS

“We are driving what we call a regional consolidation strategy. There are a number of stranded projects in Milne Bay Province, for example, that are good quality and can provide immediate cashflow opportunities. These have very high grades of ore, but they are too small to be developed on their own.

Together, the Milne Bay assets could easily produce over half a million ounces per year – that is more than the equivalent of Porgera for us. So, we

plan to build a central processing facility which will bring in the ore from these stranded projects.

If you also then look at New Ireland Province, we could have two hubs that can both produce over half a million ounces a year.

There are some other exciting, immediate cashflow opportunities that we are looking at and our talks to potential financiers on those projects are very encouraging. ”



2028, and possibly even longer,” with the aim of producing 500,000 oz per year in the long term, Barrick Gold CEO Mark Bristow said in an interview for the inaugural *Business Advantage PNG Mining & Energy Special Edition*.

Canadian-headquartered Barrick and China’s Zijin Mining own 49 per cent of operator New Porgera Limited (NPL), with the remaining 51 per cent owned by PNG stakeholders under the deal that paved the way for the mine’s reopening.

Last year’s figures may have been better if not for the loss of 38 days of production to the May 2024 Mulitaka landslide and ongoing troubles with law and order.

A 4.8 km bypass road being constructed by the Papua New Guinea Defence Force Engineer Battalion was

supposed to be completed by December, but law and order issues have since delayed its opening to 2025, James McTiernan, General Manager, NPL, told a recent industry conference.

“Porgera continues to be plagued by up to 30,000 illegal miners per month, and high levels of criminal activity and outbreaks of tribal fighting,” McTiernan said, adding that NPL hopes that the State of Emergency declared by the PNG Government in September 2024 will resolve the troubles in Porgera and the broader Enga Province.

Ok Tedi looking beyond 2050

Lastly, Ok Tedi Mining Limited (OTML), owner of PNG’s oldest operating mine, the Ok Tedi mine in Western Province, has begun

implementing its board’s decision to extend mine life to 2050.

Kanu, whose KMHL owns 67 per cent of OTML, says good progress has been made. “The first thing we have started on is upgrading the aging infrastructure, especially the milling equipment and mining fleets.”

There are also early signs of potential to extend mine life beyond PNG’s 75th anniversary, with Jerry Garry, Managing Director of the Mineral Resources Authority, noting the recent discovery of a “potentially huge gold body” sitting adjacent to the current Ok Tedi pit.

“While it’s preliminary, they have successfully drilled into a new ore body that is likely to give a new dimension to Ok Tedi in term of extending the mine life,” he says. ♦



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St Barbara 'accelerates' plans to extend Simberi mine life

Credit: St Barbara



The operator of the Simberi gold mine announced plans last year to extend the mine's life and triple its annual production. Now CEO Andrew Strelein speaks with *Business Advantage PNG* about the steps his firm has taken to expedite its plans, including a deal to sell a minority share in the mine to Kumul Minerals.

By Nadav Shemer Shlezinger

St Barbara announced plans last year to extend the life of its Simberi gold mine in New Ireland Province by more than a decade.

In the first phase, the Australian operator will extend oxide production to 2026. The second phase will see it process ore from sulphide mineralisation contained below the oxide pits – extending the mine life to 2036 and raising annual production from the current 60,000 to 70,000

Drone view of the Simberi mine and processing site.



THERE'S A BIG INTEREST IN MAKING SURE MORE OF THE ASSETS ARE OWNED AND DEVELOPED BY PNG

Andrew Strelein, CEO, St Barbara

ounces per annum (oz pa) to more than 200,000 oz pa.

The sulphide project is “moving at quite a pace,” Managing Director and CEO Andrew Strelein tells *Business Advantage PNG*, with a feasibility study set to begin in February, as this publication was going to print.

“We were looking at first production from the sulphides in late 2027, but now we're hopeful that we've brought that forward,” he says.

“The cost structure won't really go up that much from what we're currently doing. The mining rate won't be much more, [but] the mill will actually be more efficient, it'll do more tonnes.”

Building stakeholder support

In December 2024, St Barbara outlined several steps taken to accelerate its plans, each of them involving PNG stakeholders.

One was the submission to the Mineral Resources Authority of an early application to renew its mining lease. Simberi commenced production in 2008 and last renewed its mining lease in 2018, with the next renewal only due in 2028. Strelein says his company decided to push for an early renewal in order to give confidence to would-be financiers of the sulphide project.

Next was a Memorandum of Understanding with Kumul Mineral Holdings (KMHL), which will see the two parties negotiate towards KMHL acquiring up to a 20 per cent interest in the Simberi mining licence and a farm-in of up to 20 per cent on other exploration licences in the Tabar island group.

“They [KMHL] will buy their interest at an agreed market value, and participate in the capital expansion proportionately,” Strelein says.

“We're not setting any unrealistic expectation in terms of the timeline, but we want to have it resolved well before we get to a final investment decision. We'd be expecting it in the early months of this year.”

Lastly, St Barbara said it had



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received strong support from landowners for a proposal to pay them the greater of a 10 per cent Net Profits Royalty or a three per cent Net Smelter Return (NSR), instead of the existing two per cent NSR.

Strelein notes this model is unique in PNG, where landowners traditionally hold a direct interest in the project, but common around the world.

“They want to be consulted as the landowners and the stakeholders. They want to share the benefits. [But] they’re not really hung up on directly owning an interest,” he says.

Position of strength

Looking forward, Strelein believes these moves will put St Barbara in a better position to achieve its ambitions for Simberi.

“As everyone knows in PNG, there’s a big interest in making sure more of the assets are owned and developed by Papua New Guinea,” he says, adding that “hopefully things will keep moving quite clearly from here.” ♦

NEW PNG MINING AND ENERGY MAGAZINE

Business Advantage PNG launched its first ever annual Mining & Energy Special Edition in late 2024 to significant acclaim.

With PNG’s resources sector gearing up for an anticipated decade or more of new investment, the magazine aims to capture the key developments and issues facing the sector.

In the course of its research for this first special edition, the team at *Business Advantage PNG* interviewed dozens of business leaders and key industry figures, to gain their insights, wisdom and experience.

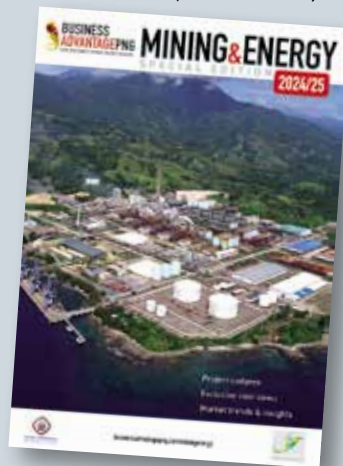
“This inaugural publication of *Business Advantage PNG* brings it all together in one place ... [it’s] a must read for investors and end-use customers,” writes Kishti Sen, ANZ Bank’s Pacific Economist.

The special edition was

published in partnership with PNG’s two stated-owned resources companies, Kumul Petroleum Holdings and Kumul Minerals Holdings.

Due to the immense response on this first edition, the *Business Advantage PNG Mining & Energy Special Edition* will now become an

annual publication, with the release of the second edition set for October 2025.



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A new Vodafone tower seen over Port Moresby.

Telecommunications rollout speeds up

PNG DataCo and major mobile operators Vodafone and Digicel have all invested heavily in infrastructure of late. Meanwhile, the question remains whether Starlink will gain entry into the PNG market in 2025.

By Nadav Shemer Shlezinger

More than 12,000 km of fibre-optic cables have been built as part of PNG's broadband network, the National Transmission Network, which the state-owned telecommunications wholesaler PNG DataCo owns and manages.

But while around 80 per cent of the population is now covered by broadband connectivity, the rate of mobile penetration is still only 30 to 40 per cent, according to the latest estimates from the National ICT Authority (NICTA).

PNG DataCo is aiming to bridge the connection gap with the construction of 500 mobile carrier-neutral towers by 2026. This is part of a budgeted K592 million spend on digital infrastructure over a three-year period, which also includes the commissioning of phase two of the Kumul Submarine Cable Network, KCSN-2.

"We're filling in the gaps where the current mobile carriers can't go because of economic reasons," Tony Morisause, PNG DataCo's General Manager Engineering, told the 2024 Business Advantage PNG Investment Conference

Stimulating growth

PNG's mobile operators have made substantial investments in infrastructure, with Digicel PNG building 115 towers and upgrading 96 towers to 4G LTE since its acquisition by Australia's Telstra in 2022, and Vodafone PNG building 800 towers since it entered the market in 2022.

Tarik Boudiaf, Chief Executive of Digicel PNG, says his firm has seen positive year-on-year growth, mainly driven by the new sites it has deployed.

But in spite of the significant progress being made, Boudiaf tells *Business Advantage PNG* that "the telco industry is not moving at the level expected.

"We have dependencies mainly on connectivity, which is related to the availability of power and data coverage."

Pradeep Lal, CEO of Vodafone PNG, says his company's focus is on optimising its network to provide the best experience to its customers.

"We are also collaborating with DataCo to build network redundancies," Lal tells *Business Advantage PNG*.

"There were a few bottlenecks here and there. As business partners [with PNG DataCo], we have strategically worked together to help fix that."

Demand for services

The expansion of connectivity is creating more corporate demand for IT services, sources tell *Business Advantage PNG*.

FIXED-LINE SERVICES ARE NO LONGER THE MODE OF COMMUNICATION RIGHT NOW IN THE COUNTRY.

Russell Tato, Acting CEO, Datec PNG

THE INSIDE VIEW: PRADEEP LAL, REGIONAL CHIEF EXECUTIVE OFFICER OF VODAFONE

“In the next two years, there will be major transformation in the telecommunications sector in the country. I think there will be in excess of a ten-fold increase in data usage.

Out of a population of 12 million, only 35 per cent of people are connected. We expect this figure to reach very close to 75 or 80 per cent within the next two years.

This will see a huge increase in data usage and customer penetration. This is not surprising because if you look at more developed markets like Australia, New Zealand and Fiji, you see that Fiji has 130 per cent customer penetration. That means there’s more SIMs in the market than people. PNG has plenty of room to grow.

A lot of people that have previously been deprived of watching YouTube or Australian rugby league matches are now able to participate because, with us coming into the market, retail data prices have dropped by almost 80 per cent.

This is good for PNG as a whole because global data shows that a 10 per cent increase in mobile penetration can have a 1 to 2 per cent impact on GDP, because the ripple effect on the society is very significant. ”



Digicel PNG CEO Tarik Boudiaf.

Russell Tato, Acting CEO of Datec PNG, a subsidiary of state-owned Telikom PNG, says businesses have asked Datec for better ways to deliver the internet.

“Fixed-line services are no longer the mode of communication right now in the country. A lot more bandwidth is therefore going to be needed,” he says.

Meanwhile, Remington Group is investing in internet services through the acquisition of new subsidiary, OFC.

“The long term plan is to have our own data warehouse,” says CEO Navin Raju.

Preparing for Starlink

Looking ahead, attention will centre on the bid by global satellite internet provider Starlink to enter the Papua New Guinea market.

Satellite connectivity is already part of the technology mix in PNG. In late 2023, NICTA agreed in principle to issue licences to Starlink, but this process has been blocked since February 2024 by judicial review proceedings in the National Court.

Russell Tato says he is confident Starlink will “do wonders” for the country.

“The quicker that we get Starlink into the market, the better for PNG businesses. Starlink will add to the connectivity in the country. As more people go online... traffic will run back to the PNG DataCo fibre cable.” ◆



TE (PNG) has around 120 employees, the majority of whom are based in Port Moresby.

CUSTOM TELCO SERVICES PROJECTS

TE (PNG) has been providing custom telecommunications projects in Papua New Guinea for close to 70 years. It has recently worked on two notable Australian government projects.

One saw it build a satellite groundstation and Wi-Fi network for the redevelopment of the Lombrum Naval Base on Manus Island, a project supported by the Australian government through its Defence Cooperation Program with PNG.

The second has involved the building of FM radio transmission sites to rebroadcast ABC Radio Australia into major population centres. It set up sites in Port Moresby, Lae, Mount Hagen, Goroka, Arawa (Bougainville), Lorengau (Manus Island) and Rabaul/Kokopo (East New Britain).

“We have built these sites with reliability in mind, such as power filters and isolators, solar backup, and full system remote monitoring to ensure we maintain the uptime required by the ABC,” says Robbie Huxley, Managing Director, TE (PNG).

Shipping volumes steady in face of volatility



Consort's *Papuan Coast* sails from Port Moresby to Lae.

Credit: Steamships Logistics.

Leaders in PNG's shipping sector tell *Business Advantage PNG* that demand is holding firm. But they acknowledge that high global freight rates and the delay to Papua LNG could get in the way of growth.

By Nadav Shemer Shlezinger

PNG shipping volumes are holding firm in a time of volatility, but it will take a calming of geopolitical tensions and a final investment decision on Papua LNG for substantial growth to happen. That is the conclusion *Business Advantage PNG* can draw from interviews with three of the leaders in PNG's shipping sector.

Food imports into the Motukea (Port Moresby) and Lae international shipping terminals rose 11 per cent year on year in the first 10 months of 2024, while exports of agricultural products rose 15 per cent in the same period, according to Robert Maxwell, CEO of ports operator ICTSI South Pacific.

Exports were driven by cocoa and coffee shipments to Japan, Australia and the United States, Maxwell

says. Meanwhile, imports were led by construction and consumer goods from China and Southeast Asia as well as some "specialised" shipments from Europe.

"Some of this volume is preparatory material for Papua LNG. There are a few hundred containers a month coming in related to [the project]," he says.

Although the delay to Papua LNG (see page 38) has had "a flow-on effect" on demand for international shipping, "the baseline cargo [demand] is still there," Isabel Maguire, Country Manager PNG at Swire Shipping, tells *Business Advantage PNG*.

On the domestic shipping front, poor weather conditions in Lae impacted schedule reliability at times, according to Nick Fisher, CEO of Steamships Logistics.

Steamships' bottom line was also hit by the cessation of imports of Jet-A1 fuel by Puma Energy, "as we've been the primary carrier for a lot of that," he says.

However, Fisher says volumes were strong towards the end of 2024 and are expected to increase heading into 2025.

"It's difficult to say what the total market growth is, but our year-on-year growth has been satisfactory."

Rates stay high

Global freight rates have been high since the coronavirus pandemic, and the attacks on Red Sea shipping by the Iran-backed Houthis in Yemen have kept on the pressure, according to Maxwell.

"Vessels now have to go around the Cape [of Good Hope] and avoid the Red Sea," Maxwell says.

However, he says PNG is somewhat protected from global trends due to its position away from major shipping routes.

"The majority of PNG's cargo comes from Asia and Australia – north to south."

Maguire explains that the Red Sea crisis has reduced global shipping capacity, leading to higher freight rates around the world.

"Other regional factors such as port congestion across the Asia-Pacific and rising stevedoring and feeder rates have also had an impact," she says.

"In spite of these disruptions, we remain confident in the PNG market and continue to see strong demand from customers for reliable and efficient liner services."



Swire Shipping's Isabel Maguire.
Credit: BAI



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THE INSIDE VIEW: NEIL PAPENFUS, CEO, PNG PORTS

“We see our role as helping develop the country. the old mindset that we’re just a port for throughput is redundant.”

Our primary focus at the moment is how do we contribute to economic development, particularly in smaller communities. We think the answer is direct investment into some of these economic environments, whether it’s through value-adding in the port, adding facilities like cold storage or a processing plant or whatever is needed.

It is saying, “Come to our port, but actually be a key stakeholder.” We’ve been going up to significant players in the industry, like tinning and fisheries in particular, and saying: “What do you need from us? What can we build you?”

We see all of our stakeholders, whether it’s port users right down to the consumer businesses in



the public service institutions, as key partners in this process. Our role is to enable all of us to come together and use the ports efficiently.

That vision for the way ports should work sets it up for the next 40 years and allows for growth. ”

Preparing for growth

Meanwhile, the delay to Papua LNG “has really put everything on hold,” according to Fisher.

Steamships’ maritime assets that were brought in to cater to the project “have had to find alternative employment, which we have done, but obviously this wasn’t part of the original plan,” he says.

For now, Steamships’ focus is on being ready for a final investment decision on the gas project, expected before the end of 2025.

“Those additional assets are deployed to other customers right now, but we can bring them back when we’re ready. We’re looking to bring in additional tonnage as well to supplement our existing products when needed to make services more reliable,” he says.

“Our key objectives for 2025 are on-time performance and maintaining our connectivity, particularly between Port Moresby and Lae, but also out to the islands.”

Swire Shipping is also waiting to see what happens with the gas project.

“Shipping comes at a bit of a later stage to other plans that need to be approved,” Maguire says.

“But Swire Shipping is well set-up to support the needs of the project when it is ready,” she says, noting that it can bring in additional tonnage through sister brand Swire Projects. ◆

FILIPINO ENGINEERS TRAIN IN PNG



Mobile harbour crane engineers from the Philippines training in PNG.

Credit: ICTSI South Pacific

In August 2024, ICTSI South Pacific completed the training of an engineering team from the Philippines’ Visayas Container Terminal on mobile harbour crane maintenance and repair.

The training marks a full-circle moment for ICTSI South Pacific and its Centre of Excellence. The PNG-based business benefitted from training conducted by port equipment operators from Manila International Container Terminal six years ago.

This time, Filipinos returned to PNG to learn from the locals they once mentored.

The three-phase training program helped the Visayas engineering team gain insights on crane operations,

safety protocols and technical maintenance. The training was held at both Motukea International Terminal in Port Moresby and South Pacific International Container Terminal in Lae.

ICTSI’s utilisation of such cranes in PNG has led to significant increases in productivity, according to CEO Robert Maxwell.

“On the big ships, we’re now hitting 40 container moves per hour. Previously, with just using ships’ cranes, the figure was about seven. This is a six-fold improvement in productivity. That shortens dramatically the stay of the vessel in the port.”



Kumul Consolidated Holdings is established under the Kumul Consolidated Holdings Act 2002 and is the Trustee of the General Business Trust on behalf of the Government and people of Papua New Guinea.

KCH and its State-Owned Enterprises own backbone infrastructure of the country in the water, power, ports, airlines, telecommunications, postal services, logistics, agriculture and development finance sectors.

TARGETING PRIVATE SECTOR INVESTMENT

Kumul Consolidated is embarking on a strategy to attract private sector investment in certain State assets, which encompass sectors such as water, power, ports, airlines, telecommunications, postal services, logistics, agriculture, and development finance, which are being revitalised under the guidance of KCH.

As part of its broader responsibilities of managing and supervising the country's non-mining and non-mineral state enterprises, KCH is actively pursuing the redevelopment of dormant State assets, including the former Port Moresby port site. The objective is to leverage private sector involvement in redevelopment and unlock the potential of these strategic assets.

Managing Director Professor David Kavanamur is hoping to work more closely with private investors.

'We are moving away from one hundred per cent State ownership and working on strategies to improve State-owned enterprises' contribution to GDP: to sweat the assets and improve returns,' he told the 2024 Business Advantage PNG Investment Conference.

'Now for the first time, we've got an investment strategy – and clear strategic asset allocation built into the investment strategy – to guide Government investment.'

REVIVING ASSETS

While the partial privatisation of Telikom Limited, PNG Power Ltd and Air Niugini Limited are ongoing projects, KCH is also



seeking to partner with the private sector to redevelop some of its land assets.

The big-ticket item is undoubtedly Port Moresby's old port site – vacant since 2018, when the port relocated to Motukea Island.

The waterfront site offers the opportunity to connect the busy suburb of Konedobu with Port Moresby's downtown CBD and the planned Paga Hill special economic tourism zone, with its planned Radisson Blue resort.

KCH is considering a number of redevelopment options for the site, aligned with the National Capital District Commission's Urban Development Plan. These include developing the site into a commercial and residential precinct, to be a tourism destination and mixed-use development.

AGRICULTURE

KCH is also looking to attract private sector investment in two of its large agricultural assets: the 2300-hectare Dylup Plantation in Madang Province and the 1089-hectare Cape Rodney Estate in Central Province.

Dylup has a mix of existing cocoa and copra plantations and undeveloped land, some of which has reverted to forest.

According to KCH, there is potential for hemp and tropical fruit growing, as well as

downstream processing of crops including coconut and cocoa at the site. A US-based agricultural consultancy has been engaged to develop a business plan for the plantation.

'With that business plan, we're going to go to market, and you can bid for the opportunity to partner or invest in the plantation,' said Kavanamur.

Cape Rodney is currently the site of a defunct rubber plantation and factory and has vacant land suitable for a variety of crops, including cocoa and palm oil.

INVESTMENT MODELS

While KCH will hold an equity interest in these redevelopment projects, Kavanamur says it is looking to the private sector to invest capital to finance them and is exploring different investment models.

'We are looking at different modalities to partner with the private sector: franchises, public private partnerships, build-own-operate-and-transfer, joint ventures, consortia and so on,' says Kavanamur.

KCH already has experience in this area, with minority stakes in two established joint ventures with Innovative Agro-Industries: a 20 per cent stake in the Ilimo Dairy Farm outside Port Moresby, and a 43 per cent stake in Sepik Agro Industrial Centre in East Sepik.



Leading the charge towards EVs

Newly established electric vehicle importer says it plans to provide more choice to Papua New Guineans by targeting private and government fleets, personal usage and the upgrade of the country's public passenger vehicles.

By Paul Chai

Niugini Automobiles launched in the PNG market last year, setting up its first showroom and service centre in Port Moresby.

Managing Director Leon Shi, who co-founded Niugini Automobiles, says the key to success with EVs is realising that they are a longer-term play.

“Our strategy is not to be restricted to one brand, but to offer a viable alternative to traditional engine vehicles,” Shi says.

“It’s about K500 to refuel a single vehicle each week but when it comes to EVs, it’s about K200 to K300.

“And if they use solar-charging stations in their own premises, it brings the cost down to zero. The longer you use it, the lower the cost is going to be.

“Equally, without a gearbox, clutch, oil changes, etc., the servicing costs and associated downtime of EVs are greatly reduced, making them more affordable than a traditional engine vehicle.”

Incentivising the switch

Niugini Automobiles will begin by importing MG and Maxus (LDV) electric vehicles from Chinese



EVs are about to become more common on PNG’s roads.

automaker, SAIC Motor Corporation, as well as vehicles from another Chinese automaker, Dongfeng, which is well known for its commercial EV trucks.

The PNG startup will focus on providing each customer with access to after-sales service, a key factor for helping attract drivers who are nervous about switching to EVs.

“Our workshop will employ Papua New Guinean technicians trained directly by SAIC. They will have access to genuine spare parts and provide key support for new customers,” Shi says.

Huge growth potential

Shi says the team sees huge growth potential for the EV market in PNG and one key plank is the government’s ambitious sustainability plans.

“The government has a plan to replace all the government fleets with

LARGE COMPANIES ARE ALSO STARTING TO EMBRACE THE EV REVOLUTION.

Leon Shi, Managing Director, Niugini Automobiles

50 per cent EVs by 2030,” Shi says.

“Large companies are also starting to embrace the EV revolution, enabling them to greatly reduce their carbon footprint, which will soon form part of annual company reports around the world.”

Shi argues that, contrary to perceptions, PNG is suitable for electric vehicles.

“Batteries can be charged with existing infrastructure,” he says, adding that “EVs have been driven from Central Province to the National Capital District on a daily basis for over a year on existing roads with no problems.” ♦

Credit: Niugini Automobiles



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TISA Bank's headquarters (right) and its adjacent TISA RUA mixed-use development.

Credit: BAI



New banks usher in new era

In the past year, the Bank of PNG has issued licences to three new banks: CreditBank PNG, TISA Bank and the National Banking Corporation. *Business Advantage PNG* sits down with the heads of all three to learn their plans.

By Nadav Shemer Shlezinger

It was a watershed year for PNG's banking sector in 2024, with the birth of three new commercial banks.

In August, the Bank of Papua New Guinea issued licences to Credit Corporation (trading as CreditBank PNG), and the Teachers Savings and Loan Society (TISA Bank). An additional licence was issued in December to state-owned National Banking Corporation, bringing the total number of licensed banks in the country to seven.

CreditBank

"The new account numbers and the number of customers coming on



WE'RE GOING TO GO OUT AS FAR AS INFRASTRUCTURE WILL ALLOW US.

Michael Koisen,
CEO, TISA Group

board has certainly exceeded our expectations," Danny Robinson, Chief Executive Officer of Credit Corporation, tells *Business Advantage PNG*.

The new bank had initially planned to target customers of Credit Corporation's existing finance business. However, it was soon discovered that 70 to 80 per cent of new accounts were being opened by people moving over from other banks. This has included many PNG nationals working abroad, who were attracted by CreditBank's online platform and VISA credit and debit cards.

"Some of us oldies take a little bit longer, but generally within 20 to 30 minutes, you've got your account number, you've been able to download your VISA debit card to your mobile phone, you've been able to create your internet banking password, user ID, and PIN number for your card, and you can start transacting," Robinson says.

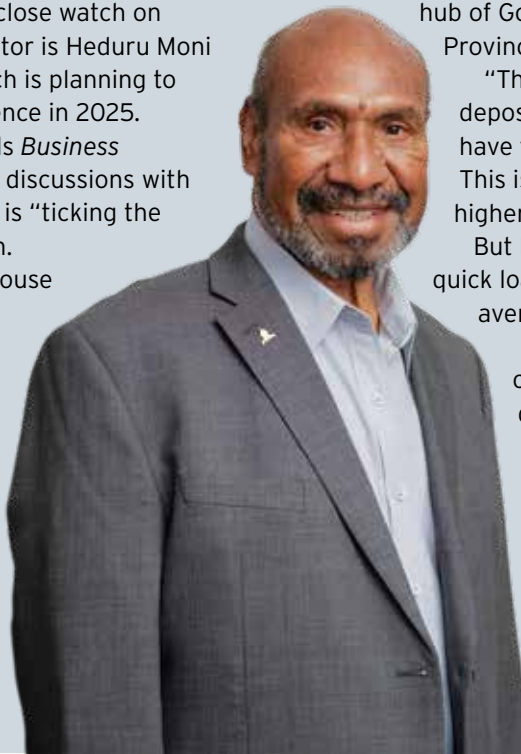
MONI PLUS EYEING BANKING LICENCE

One financial institution keeping a close watch on developments in PNG's banking sector is Heduru Moni Limited (trading as Moni Plus), which is planning to apply for a commercial banking licence in 2025.

Managing Director Aho Baliki tells *Business Advantage PNG* that Moni Plus is in discussions with the Bank of Papua New Guinea and is "ticking the boxes" towards a formal application.

"We will apply once we get our house in order," Baliki says, noting that the recent separation of his firm's retail division from its head office was one important step in this process.

For now, Moni Plus is leveraging the differences between it and the commercial banks to attract business from small and medium-sized businesses and corporate clients. It also recently extended its branch network to the agricultural



hub of Goroka in Eastern Highlands Province.

"The commercial banks thrive on depositors' funds," he admits. "We don't have that. We only have term deposits. This is why our rates are marginally higher."

But he says his firm's ability to make quick loan decisions – in two weeks on average – is its strength.

"That's why we have people's confidence. They want the decision," he says.

"Nearly 60 to 70 per cent of our loans are repeat business," he adds. "People who have loans with us, especially public servants, they keep coming back for more loans."

Moni Plus MD Aho Baliki.

Credit: Moni Plus

TISA Bank

TISA Bank is planning to target the approximately 75 per cent of PNG's population who are unbanked or underbanked, according to TISA Group CEO Michael Koisen.

It will pursue its aims through the 'agency banking model', which has proved successful in other countries such as Vietnam and Cambodia.

In TISA Bank's case, village stores throughout PNG will act as its agents. The bank will provide the stores with devices to onboard new customers, who will be able to make transactions of up to K10,000 with only photo ID and a letter from their village magistrate or pastor confirming their identity.

"We're going to go out as far as infrastructure will allow," Koisen says.

National Banking Corporation

Meanwhile, the National Banking Corporation (NBC) will be "happy to take customers from everywhere, as long as they meet all our requirements," says Darrell Seeto, Chairman of NBC.

NBC's immediate focus will be on profitability. It will look to do a seed round capital raise to bolster its balance sheet and allow for expansion in the banking sector by diluting up to 50 per

MORE BANKS, MORE COMPETITION. THAT WILL DRIVE DOWN PRICES.

Danny Robinson, CEO,
Credit Corporation

cent of its equity to private investors in PNG in 2025. It is also eyeing an initial public offering on the PNG Stock Exchange in the last quarter of 2026, with priority to be given to PNG investors, which will bring the government's stake down to as little as 19.9 per cent.

Seeto says NBC has a competitive advantage in that "we have full government support." He says his bank will look to leverage this relationship in the near term by providing corporate banking services to state-owned enterprises and government institutions.

Competitive arena

One thing the leaders of all three of PNG's new banks agree on is that the

competition is good for the sector.

"More banks, more competition. That will drive down prices," says Credit Corporation's Robinson.

Koisen sees competition as a positive, but he adds that some consolidation may be needed to enable the new entrants to compete with the big banks.

"You've got BSP at around 65 per cent market share. You've got Kina Bank at 15 per cent, and ANZ and Westpac at 10 per cent each," he says.

"We've got to be realistic. How are we going to have an impact in the banking sector at that scale? Organic growth takes time. I think somewhere along the line some rationalisation needs to happen.

"I think there's a possibility [of mergers] there – not to encourage it, but those discussions need to be had in order to make it possible to build scale, to have a real impact."

Seeto says his immediate priority is to make sure NBC grows and "can compete with the big boys".

"Who knows what will happen maybe three or four years down the track," he adds. "[Perhaps] we could buy one of them out or merge. It would be a dream to make that happen." ♦



Pacific Industries launches K70M manufacturing facility in Port Moresby



Pacific Industries Ltd has a long-standing history in Papua New Guinea that dates back Pre-WWII 1936. We have been a manufacturer of FMCG for over 84 years and a distributor for 30 years. We have built an excellent reputation in developing and producing high quality, market leading products and are one of the leading distributors in PNG, representing several globally recognised products.

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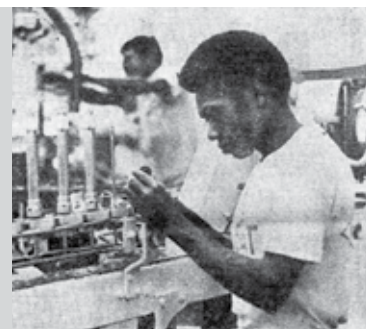
Pacific Industries is committed to local economic growth and transforming Papua New Guinea into a manufacturing hub for the entire Pacific.



June 23, 1970
The Ministerial Member for Trade and Industry (Mr Angmai Bilas) official opening the new PIL bottling plant in Rabaul.



March 10, 1977
PIL warehouse, Rabaul. Bottles of Gold-Spot fresh off the bottling line being stacked ready for distribution.



March 10, 1977
Line operator-adjusting bottle line at PIL bottling plant Rabaul



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PNG's digital vanguard



Credit: BAI

CreditBank PNG's Danny Robinson sees digital onboarding as a competitive advantage.

PNG's financial institutions are playing a leadership role in digitalising its economy. The country's bankers talk to *Business Advantage PNG* about their major investments in new technology, and what it is designed to achieve.

By Andrew Wilkins

"With an increasing number of PNG's banks and financial institutions adopting new platforms ... our economy is already undergoing a significant digital transformation," observed the Bank of Papua New Guinea's Governor, Elizabeth Genia, in January 2025.

She was speaking at the launch of a Japanese-sponsored study into a central bank digital currency for PNG.

While a blockchain-enabled currency is just a concept at this stage, the

country's financial institutions are nevertheless at the vanguard of moves to digitalise PNG's economy.

"You've got the new players who are coming in who are focusing on digital channels, and then you've got the traditional players who obviously don't want to miss out on the opportunities,"

THE BIG AGENDA ITEM FOR US IN THE NEXT TWO YEARS IS INVESTMENT IN OUR OWN INFRASTRUCTURE.

Brett Hooker, outgoing Managing Director, Westpac PNG

observes Herbert Maguma, Managing Partner at consultants Deloitte PNG. "The culmination of that is significant investment in the financial services sector."

Multi-year journey

The country's largest bank, BSP Financial Group, is already committed to a K350 million modernisation program up to 2026 (see Inside View, page 64).

PNG's second-largest bank, Kina Bank, is also investing heavily.

"We've had upgrades to our core banking system, mobile offering and corporate online banking over the course of the year," notes Greg Pawson, who was succeeded as CEO by Ivan Vidovich in early 2025, after seven years at the helm.

"Our digital revenues are growing by about 35 per cent year-on-year."

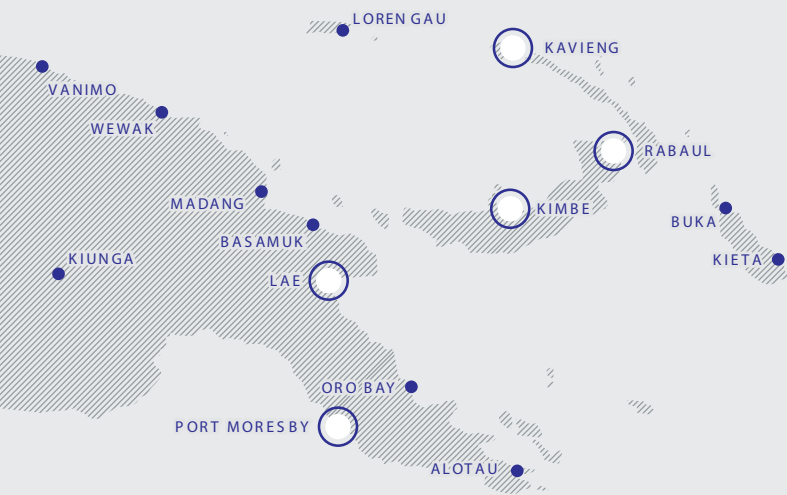
Pawson says Kina Bank will launch



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THE INSIDE VIEW: MARK ROBINSON, CEO, BSP FINANCIAL GROUP

“Cash is still very important in all of our markets. In PNG, approximately 80 per cent of transactions are still made in cash. But we are seeing more transactions move to digital channels – where we have seen transaction growth of 20 per cent in 2024.

We announced a K350 million investment that we are making in modernisation through to 2026 and a substantial portion of that is in new technology.

We recently launched ‘Wantok Wallet’, a USD mobile wallet across PNG. We plan to launch in some of our



Pacific markets next year. In addition to improving financial inclusivity in PNG, this will provide customers an attractive option for making payments in terms of convenience and cost.

We also want to make sure we are making the best use of our data to help tailor products that meet our customers’ needs. Our data exceeds that of any other institutions in the region. And we believe that utilising this data is something that’s going to be very important to us in the years ahead. ”

a “brand spanning new” corporate online platform in 2025. Initiatives such as its partnership with online accounting software powerhouse Xero and e-commerce work as part of PNG’s e-government project are also driving digital growth.

Alignment

Another reason PNG’s banks are going digital is to better align with neighbouring markets, according to Brett Hooker, who completed his term as Managing Director at Westpac PNG at the start of 2025. The Australia-headquartered bank recently re-committed itself to the PNG market.

“The big agenda item for us for the next two years is investment in our own infrastructure, all with a view to expanding our digital reach – particularly to reach out to regional locations,” he says.

All three new banks that have entered the PNG market in the past year – CreditBank PNG, TISA Bank and National Banking Corporation (see page 59) – have also spent heavily on new core banking systems – and that’s just the start.

“We’ve jumped ahead of the market with digital onboarding,” says CreditBank’s CEO Danny Robinson. “People scan their passport and driver’s

OUR DIGITAL REVENUES ARE GROWING BY ABOUT 35 PER CENT YEAR-ON-YEAR.

Greg Pawson, outgoing CEO, Kina Bank

licence and it actually preloads the application information ... We also do the facial recognition through the app.”

“We think there’s opportunity to provide a host of other products, which are pretty common around the world in terms of banking services, but are not available in PNG.”

A fourth player, finance company Moni Plus, is also investing, to position itself for a banking licence some time in the future.

“It’s about becoming a more agile organisation. You have to provide your customers with better services,” explains Moni Plus’ Managing Director, Aho Baliki. “Instead of people coming into our branches, they should be able to check their balances on their phones.”

The embrace of technology is also being seen in PNG’s superannuation sector.

“We have created something we call e-Branch, which has pretty much all of Nasfund’s offerings on a digital platform,” says the fund’s CEO, Rajeev Sharma. “We are also using artificial intelligence to enhance our back office efficiencies.”

Infrastructure dependency

Brett Hooker notes, however, that some of the financial sector’s digital rollout is dependent on the country’s power and telecommunications networks continuing to improve as well.

Rajeev Sharma agrees, observing that many companies are still maintaining both manual and digital systems in parallel, for redundancy reasons.

“The cost of internet is still very high in this country – that needs to come down. Internet speeds need to be better too,” he says.

While PNG’s telcos are indeed investing heavily in their networks (see page 52), their contribution to financial inclusion might also be more direct. Digicel PNG already has its CellMoni mobile wallet, while Vodafone PNG’s parent in Fiji offers a proven mobile money transfer service, M-PAiSA, which could also have potential in PNG. ◆

New factory has Pacific Industries bullish about the future



Credit: Pacific Industries

Pacific Industries' new Pepsi can and PET facility in Port Moresby.

A new K70 million plant represents a big step forward for Pacific Industries. Director Everett Chue tells *Business Advantage PNG* that the facility will also provide a range of benefits to his business.

By Paul Chai

After winning the exclusive PepsiCo bottling licence for PNG back in 2018, local manufacturer Pacific Industries has experienced more than six years of solid growth and is now seeing the positive benefits of the Pepsi partnership fizzle over into other areas of its business.

Everett Chue, Director at Pacific Industries, says the steady growth meant the food and beverage manufacturer had little option but to add to the Rabaul factory that had been its sole production facility since before the Second World War.

This led it to invest in a new Port Moresby facility with can and PET (polyethylene terephthalate) lines, which it commissioned in November 2024.

THERE ARE HUGE EFFICIENCIES WITH HAVING TWO MANUFACTURING PLANTS, THE FIRST BEING SHIPPING.

Everett Chue, Director, Pacific Industries

Large investment

“It was a K70 million-plus investment, and there’s additional things that we’re adding into that investment, like more storage space, increasing the size of our workshop and refrigeration,” Chue tells *Business Advantage PNG*.

“On top of that, there are huge efficiencies with having two manufacturing plants, the first being shipping. If I produce in Rabaul, it is a minimum of 14 days to get it to Port Moresby. There are costs and delays, so your speed to market is improved by having two factories.”

The contingency of having two factories will also help Pacific Industries deal with some of the more unpredictable elements of doing business in PNG.

“In Rabaul, this year and last year there’s been quite a big increase in law and order issues,” Chue says.

“There’s been rioting there. And when that happens, our staff can’t get into town, and so we can’t produce, the wharf shuts down, customs can’t clear raw materials coming in. We’ve lost significant production days, I think almost about 30 days over a year.”

Chue estimates the company has also lost K10 million over the past six years to power disruptions.

Future involves “big growth”

Chue says his firm has been gearing up for potential increases in demand once final investment decisions are made on big resources projects such as Papua LNG. But even without those projects, he says he is “very optimistic about the growth of the PNG economy”.

Pacific Industries is planning a K10 million upgrade of its ice cream factory and the creation of a new distribution facility on newly purchased land in Mt Hagen.

Underpinning the company’s growth is its embrace of PNG’s informal economy.

The company has a channel manager at all 11 of its branches whose job it is to identify potential vendors who have a car, cash flow and some business nous. These vendors typically sell from home, the roadside or a permanent market stall. The channel manager provides each vendor with a package including an esky (cooler), umbrella, cap, a T-shirt and free ice.

These informal sales channels now represent a “high single digits” share of Pacific’s overall beverage sales and will likely lead to more investments in future.

“We are expecting big growth, with obviously gaining share in the market, but also with the economy growing a lot in the next five years,” Chue says.

“We’ve planned the PET line for five years of growth. We’ve made contingencies to be able to expand certain machinery that will increase the line.” ♦

New export niche delivers record revenues for PNG Forest Products

The manufacturer of engineered wood products has found a profitable export niche for itself, PNGFP Managing Director Tony Honey tells *Business Advantage PNG*.

By Paul Chai

PNG Forest Products (PNGFP) moved into the export business as a way to get access to more foreign currency. But what started as a side hustle led to record revenue.

“Several years ago, we decided to move into export-orientated products,” PNGFP Managing Director Tony Honey tells *Business Advantage PNG*.

“We started off with low-value products and moved to the higher-value products. I thought we needed to start exporting to get foreign exchange but it’s grown and developed into a big, big part of our business.

“We now export at least one-third of the plywood we produce here and that’s exported to New Zealand, primarily, and to Australia, to Malaysia, to China and now into Ireland, in Europe.”

Filling a gap in flooring

PNGFP has been producing engineered wood products since 1954 through sawmilling and manufacturing plants in Bulolo in Morobe Province. The plants are powered by the company’s own hydro power stations.

The group’s export success has come from filling a niche in bus flooring, which is made from plywood. PNGFP’s plywood is treated and made in PNG, then sent to bus manufacturers abroad. It also exports bridge decking, wall cladding and other treated flooring.

One of the appeals of PNGFP to its customers in New Zealand and Australia is that its main competitors in bus flooring are in South America and Asia.

“This is the highest revenue year that we have ever experienced under my watch and there is an easy explanation for that: we are very close, we can



NiuDeck Panels made in Papua New Guinea. Credit: PNG Forest Products

deliver on a timely basis and we’re competitive,” says Honey.

Planting for the future

Honey says that there is a persistent myth in the public domain that PNG has an oversupply of quality hardwood trees accessible to the forestry industry.

“Only about 3 or 4 per cent of the logs here are high value, like the rosewoods of the world. The bulk of the logs are low-grade logs that go into furniture or cheaper plywood products,” he says.

PNGFP has been reliant on a 10,000 hectare (ha) fully sustainable plantation developed in the 1950s. In order to continue that trend, it is planting several thousand ha of pine trees and more than 500 ha of balsa trees.

The plan is to to develop the balsa plantation on 600 ha of land which it already owns and which is currently being used to raise cattle. Balsa is a fast-growing wood and can be ready for harvesting within three years.

Honey cites the use of balsa wood in wind turbines, aeroplanes and ships as proof that the balsa plantation can be a boost to the group’s exports. He adds that changing technology may pave the way to markets in unexpected places.

“Japan just sent their first wooden satellite into space. So, is there potential there? One would have to say yes.” ♦

Hugo Canning reborn with a new owner

Former Kraft Heinz subsidiary Hugo Canning has turned the corner under new owners led by Taylor Pacific. And it has big plans in the pipeline, General Manager Jeremy Fry tells *Business Advantage PNG*.

By Paul Chai

Hugo Canning found itself in a state of limbo for a number of years after it was put up for sale by its multinational parent company, Kraft Heinz.

The canned goods manufacturer suffered losses between 2021 and 2024 and had no clear direction, as General Manager Jeremy Fry tells *Business Advantage PNG*.

“When you’re a non-core asset in a global company, no one really cares what’s going on,” he says.

Successful turnaround

Things began to improve in 2024, when Kraft Heinz agreed to sell the company to a group of local Papua New Guinea investors headed by Taylor Pacific (80 per cent shareholding), a private company run by businessman John Taylor, who has decades of experience in PNG. The team brought costs under control, returning the focus of the business to quality and affordability.

“This year, we will definitely turn a profit,” Fry says. “It’s been a good turnaround. We’ve got a very strong board of directors with global experience and they are very supportive of the path we are on.”

Hugo Canning’s key brands are Ox & Palm and Ocean Blue tuna, which Fry says is the number-two tuna brand in the country. The return to profit and the local focus mean that the tuna brand has a great opportunity to align with the government’s objective to increase onshore processing.

“We’re just puzzling through what tuna canning onshore in PNG might look like, but we’re quite excited about it. We think our site in 15-Mile is the perfect place to do it,” Fry says.

Local focus, international growth

Part of the profit success has been a strong export market, which began as a play for more foreign exchange, given the forex issues currently faced by business in PNG (see page 18).

Hugo Canning exports to Vanuatu, the Solomon Islands and Japan but has plans to grow this part of the business.

“We want to double our export business this year, because it helps with foreign currency inflow, and it also means we can improve our factory utilisation in Port Moresby,” Fry says.

“There’s a lot of hungry people out there, and our ambition is to be a part of one meal of everyone in the Pacific.”

The plan is not only for tuna but also expanding on the Ox & Palm brand for the next phase of growth.

“There are opportunities everywhere, with the Hugo Canning business and more broadly with the agri-focus of our parent, Taylor Pacific,” Fry says.

The turnaround in Hugo Canning’s fortunes show that Papua New Guinea



Credit: Hugo Canning.

Hugo Canning is aiming for self-sufficiency on the supply side.

may be a challenging place to do business, but that if you have a local focus and a knowledgeable local team, it is a place where businesses can thrive.

“If we can be self-sufficient on the supply side, or at a minimum reduce our input costs, we can make our consumer offers more affordable, which is good for the consumer, good

for our forex inflows, and good for our factory throughput,” Fry says.

“A great analogy from John [Taylor] is: ‘if you buy a ticket to the dance, you’ve got to dance’.

“With the investment in the Hugo company, and further capital mobilised for our Taylor Pacific agri-strategy, we are dancing like we’ve never danced before.” ♦



Private sector urged to unlock agriculture potential

PNG's government and business community see a massive opportunity for private investment in agriculture, as *Business Advantage PNG* discovers.

By Nadav Shemer Shlezinger

While there have been significant private sector investments in palm oil, coffee and cocoa in Papua New Guinea, there is a general acceptance within both government and the business community that the opportunity is much larger.

"Many of PNG's future growth opportunities are expected to come from industries outside of mining and resources," ANZ Country Head Lachlan Halstead tells *Business Advantage PNG*, naming agriculture, infrastructure and food and beverages as key examples. Agribusiness in particular can be a driver of employment, he adds.

Government incentives

PNG's 2025 National Budget highlighted the potential of the agriculture sector to act as a "catalyst driver for rural development," promising K225 million in spending for agriculture investment this year.

The government is hoping to spur investment in agriculture through the creation of three dedicated special economic zones (SEZs), Trade Minister Richard Maru noted in a recent speech. The planned SEZs include zones in Eastern Highlands Province, where the focus will be rice and agriculture, East Sepik Province, focusing on rice, oil palm and cattle farming, and Madang Province, focusing on cash crops such as cocoa, vanilla and coconuts.

Investors in these zones will be offered a range of incentives, including tax holidays, exemptions from import duties during the construction phase, and the imposition of tariffs to ensure no competitors enter the market during the investment phase.

"We call them pioneer industries:



Palm oil plantation in East New Britain.

LAND TITLES
OPEN THE GATES FOR
THIRD-PARTY INVESTORS
TO BUILD AGRICULTURAL
PARTNERSHIPS WITH
LANDOWNERS.

David Stewart, Country Director,
Grow PNG

the government of Papua New Guinea is prepared to go all out to provide incentives and protect companies who invest in industries we don't currently have," Maru said.

Land titles open gates

One initiative that could show the way to private investment is in the Markham Valley, where PNG's Department of Lands and Physical Planning, the Morobe Provincial Government and the Markham District local government are streamlining the process of obtaining land titles.

In June 2024, the local and provincial authorities handed titles for 8000 hectares of land to 24 landowner groups. Grow PNG, a non-profit

backed by the World Economic Forum and the Australian Government, played a central role in bringing together the various stakeholders.

The deal “opens the gates for third-party investors to build agricultural partnerships with landowners,” Grow PNG Country Director David Stewart tells *Business Advantage PNG*, adding that one investor with an existing footprint in the country is already in discussions with 13 of the landowners.

At least K3 to K5 million is needed to set up a commercial plantation, according to Stewart. With landowners lacking the funds and unable to borrow through commercial banks, he says this provides an opportunity for outside investors.

“It’s up to the landowners to decide whether they want to rent the land or own part of that business,” he says.

“That’s quite a long negotiation, it will take a while. But as of this year, those doors are now open, and investors are lining up and querying which landowners they should be talking to.” ♦

CASHING IN ON HIGHER CROP PRICES

PNG’s agricultural sector cashed in on key commodities in 2024, with cocoa prices up 178 per cent and coffee prices up 70 per cent for the calendar year, according to Kina Bank.

Cocoa prices surged last year on extreme weather conditions and crop-related diseases in the West African countries of Côte d’Ivoire and Ghana, which together supply more than 70 per cent of global cocoa output, as PNG’s 2025 National Budget notes.

Meanwhile, the Budget notes that continuous droughts in Brazil, the world’s largest coffee producer, and typhoons in Vietnam, the second-largest producer, disrupted global coffee supply chains, triggering the sharp increase in global prices.

In 2025, the PNG Government expects cocoa prices to stabilise. However, it forecasts that coffee prices will maintain their upward



Credit: Mainland Holdings

PNG produces under a million bags of coffee annually.

trend, “as prospects for a global supply recovery remain uncertain.”



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PNG's 'warm hospitality' is highlighted in a new tourism report.

with Carnival Australia about the possibility of expanding the number of PNG ports visited by the company's ships.

Hotel demand growing

On the ground in Port Moresby, the Commercial Director of the Hilton Port Moresby, Robbie Turner, says visitor numbers at the hotel are growing.

"We've had positive growth year over year in the post-COVID world and we expect that trend to continue in 2025," Turner says.

To coincide with the growth, Hilton last year opened the 180-room Hilton Residences within the Star Mountain Plaza compound. Further development is expected at the Plaza this year with offices, high-end retail, theatres, cafes, restaurants and bars.

Alan Christie, Chief Executive Officer of Steamships Hospitality and Coral Sea Hotels, says six properties in his hotel portfolio will undergo refurbishments in the next few years. These will be undertaken at the Grand Papua, Gateway and Ela Beach hotels in Port Moresby, the Highlander Hotel in Mount Hagen, the Bird of Paradise Hotel in Goroka, and the Huon Gulf Hotel in Lae.

The group's refurbishment program comes hot on the heels of Steamships opening the Marriott Executive Apartments in Port Moresby last year.

"Overall, I think if you speak to anyone in the hospitality business it was not a bad year," Christie says of 2024. "This year, I hope, demand remains strong if not stronger."

Hudson Mitchell, the Portfolio Director of Sales and Marketing for IHG Papua New Guinea, which includes the Crowne Plaza Residences, Holiday Inn and Suites, and Holiday Inn Express, says K30 million has been budgeted for renovations of rooms and public spaces at the Holiday Inn & Suites.

Some of those renovations have already been completed. The newly renovated Tower Wing hosted the papal delegation from Vatican City during Pope Francis' recent visit to PNG. ♦

Robert Upe is editor of Paradise, the inflight magazine of Air Niugini.

Credit: PNG Tourism Promotion Authority

PNG visitor spending on the rise

Recent data indicates visitors in PNG are spending more than previously, as key hoteliers in Port Moresby are embarking on major renovation and expansion plans.

By Robert Upe

Overseas visitor spending in Papua New Guinea is trending upwards, according to data released by the PNG Tourism Promotion Authority (TPA) and South Pacific Tourism Organisation (SPTO).

For the January to June 2024 period, visitors contributed an estimated US\$150 million, a 40 per cent increase from the previous reporting period.

The data, according to the TPA and SPTO, highlights the growing appeal of PNG as a travel destination and the continued economic impact of tourism in the country.

Business travel is the leading reason for visiting PNG, while cultural attractions such as traditional dances are also a key draw, according to the tourism organisations.

A report associated with the data says visitor satisfaction is high, with most respondents rating their experience as either 'good' or 'excellent'. The positive feedback highlights PNG's appeal, especially its rich culture and warm

hospitality, according to the TPA.

The TPA's Chief Executive Officer, Eric Mossman Uvovo, says the TPA is undertaking a global "image improvement program" this year. A key part of the program will be a visit to PNG by Emmy-winning journalist, broadcaster and travel editor Peter Greenberg from CBS News.

Greenberg is one of America's most recognised frontline journalists. His tour of PNG, Uvovo says, will be hosted by the Prime Minister James Marape. "The PM will be the tour guide."

The TPA is also to have discussions

BUSINESS TRAVEL IS THE LEADING REASON FOR VISITING PNG, ACCORDING TO A REPORT BY THE PNG TOURISM PROMOTION AUTHORITY AND SOUTH PACIFIC TOURISM ORGANISATION.



MRDC Celebrates 50 Years of Partnership in Nation Building



Founded in May 1975 by the late Grand Chief Sir Michael Somare as an exploration company, MRDC has evolved to Papua New Guinea's pioneering entity for sustainable benefit management, committed to equitable wealth distribution and benefit sharing.

We are the leader in managing interests for landowners and provincial governments in the mineral, oil, and gas industries. We are committed to ensuring that investments remain a sustainable revenue source for communities beyond the life of the resource projects.

Our commitment to the development in project areas where landowning communities reside is firm. Our footprint in communities is a legacy we are proud of. We deliver infrastructures and access to vital services and enhance the quality of life.

Today, MRDC manages 21 wholly owned subsidiaries. Our robust governance framework and sound management practices have been the cornerstone of this success and achievement.

This year, we proudly celebrate our 50th anniversary, marking half a century of nation-building and partnership. Guided by our purpose of leaving no one behind, every resource is utilised responsibly, and every generation enjoys a higher quality of life.

Together, we will build a legacy of prosperity, equity, and resilience for the next 50 years and beyond.



THE INSIDE VIEW: GARY SEDDON

The Chief Executive Officer of Air Niugini says the airline's re-fleeting program, which includes the purchase of 787 Dreamliners and A220 aircraft, is well under way and will result in more efficient and timely services.

It's an important year for every Papua New Guinean. It's 50 years of independence, a magnificent and stellar achievement. The 2000 Air Niugini employees will join other PNG-owned and PNG-based companies and our citizenry to fly the flag, as we always have done, very proudly.

Our new A220 aircraft will arrive to coincide with the anniversary. There is no better way to demonstrate 50 years of achievement than to see it emblazoned on an aircraft.

Our 'entry-into-service' programs [for the new fleet] kicked into gear 16 months ago [in late 2023]. That's when we started identifying pilots, cabin crew and engineering staff who will ultimately transition on to the new aircraft.

Our investment program is not solely because we believe that it's going to be good for business, but also because we have a fleet that averages 32 years old. We operate a fleet of Fokker aircraft that were last rolled off the assembly line in 1998 or thereabouts. It's time for their retirement and the next generation of aircraft to come through. We're moving from first-generation aircraft to fourth-

generation aircraft.

This is an expensive but necessary exercise, which would not have been possible without the support of the Marape-Rosso Government, and the stewardship of Air Niugini's board under Chairman Karl Yalo.

We need to sweat the assets [the new planes] appropriately, to be able to service our debt and provide competent air transport solutions, which ultimately will realise even more affordable airfares, reliable services, capacity and competency. It's about maximising what we can get from the equipment.

We've [already] expanded our schedule with an extra service into Hong Kong as well as a new service into Port Vila, which we launched in August. There is still plenty of scope for development, because we witnessed the opening of the new Nadzab Tomodachi terminal [in Lae]. We've got a tremendous facility there with which to springboard international services from the north of the country. ➤



Celebrating 50 Years of Independence and Progress

On September 16, 2025, Papua New Guinea will proudly mark its 50th Independence Anniversary—an extraordinary milestone that reflects the nation's resilience, rich cultural heritage, and economic progress. Deloitte has been part of PNG's journey for over 40 years, playing a key role in nation-building through its commitment to clients, people, and communities.

"As we celebrate this Golden Jubilee, we honour PNG's unwavering ambition, and the remarkable progress made across industries. Deloitte remains committed to supporting the nation's prosperity," says Herbert Maguma, Office Managing Partner, Deloitte PNG.

From humble beginnings, PNG has emerged as a dynamic player in the regional economy, driven by its resourcefulness and entrepreneurial spirit. "Against the odds at independence, PNG has remained steadfast in its vision for growth. The next 50 years hold even greater promise, and Deloitte is proud to be part of that future."

Happy 50th Independence, Papua New Guinea!

Wan Neisen, Wan Pipol, Wan Kantri.

www.deloitte.com/au/en/contact/papua-new-guinea.html

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DIRECTORY

Useful business contacts and information sources on PNG.



Lae's Nadzab Tomodachi International Airport opened in 2023.



BUSINESS ORGANISATIONS

American Chamber of Commerce (AMCHAM) Coral Sea
amchamcoralsea.org

Australia-Papua New Guinea Business Council
apngbc.org.au

Business Council of PNG
bcpng.org.pg

Employers Federation of PNG
+675 325 8266
efpng.org.pg

PNG Institute of National Affairs
Industry-funded think-tank
+675 321 1044/45
inapng.com

Lae Chamber of Commerce & Industry
+675 472 2340
lcci.org.pg

Manufacturers Council of PNG
+675 321 7143

Papua New Guinea Chamber of Commerce and Industry
+675 323 2113
pngcci.org.pg

PNG Chamber of Resources and Energy (PNG CORE)
pngcore.org

PNG Institute of Directors
pngid.org.pg

Port Moresby Chamber of Commerce & Industry
+675 7200 0000
pomcci.org.pg

INTERNATIONAL ORGANISATIONS

Asian Development Bank (ADB)
adb.org/where-we-work/papua-new-guinea



Useful online resources

Business Advantage PNG

Business Advantage International's online business magazine for PNG and the region. Sign up on the site for free email updates.
businessadvantagepng.com

PNG 1000

Papua New Guinea's leading companies and service providers
png1000.com

PNG's two daily newspapers, *The National* and the *Post-Courier*.

thenational.com.pg
postcourier.com.pg

EMTV

PNG's largest TV broadcaster.
emtv.com.pg



Doing Business in PNG

The ultimate guide to doing business in PNG, produced by Business Advantage International and its content partners. Includes industry sector profiles, legal and tax guides, business guides to PNG's provinces and more.
doingbusinessinpng.com



Paradise magazine

The inflight magazine of national carrier Air Niugini, currently published quarterly.
airniuginiparadise.com



Kumul Petroleum Holdings is building a steel fabrication plant, near to the PNG LNG plant at Caution Bay, which is visible in the background.

Credit: Kumul Petroleum Holdings

Australian Trade Commission (Austrade)

+675 325 9150
austrade.gov.au

International Finance Corporation (IFC)

ifc.org

International Monetary Fund (IMF)

imf.org

World Bank

+679 322-8900
worldbank.org/en/country/png

GOVERNMENT ORGANISATIONS

Bank of Papua New Guinea (Central Bank)

Publishes up-to-date economic data.
 +675 322 7200
bankpng.gov.pg

Investment Promotion Authority (IPA)

+675 308 4400
ipa.gov.pg

Internal Revenue Commission (IRC)

+675 322 6600
irc.gov.pg/

Kumul Consolidated Holdings (KCH)

KCH is the holding company for PNG's state-owned enterprises.
kch.com.pg

Ministry of International Trade and Investment

+675 7411 6070
miti-gov-pg.site

National Information and Communications Technology Authority of PNG (NICTA)

nicta.gov.pg

National Trade Portal

A new 'one-stop shop' for business.
nto.gov.pg

Special Economic Zone Authority (SEZA)

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