

Papua New Guinea national day

An ideal place for tourism, investment

Gabriel JK Dusava CBE
AMBASSADOR OF PAPUA NEW
GUINEA

On the occasion of Papua New Guinea's 40th Anniversary of Independence on Sept. 16, I would like to avail myself of this opportunity on behalf of the government and people of Papua New Guinea, including the Embassy of Papua New Guinea in Tokyo, to extend warm goodwill greetings to their Imperial Majesties, Emperor Akihito and Empress Michiko, the Imperial family, the government and people of Japan.

I also extend goodwill greetings to all Papua New Guineans in Japan, friends of Papua New Guinea (PNG) and readers of The Japan Times.

Since independence in 1975 Papua New Guinea has enjoyed a vibrant democracy with the three arms of government: legislature, executive and judiciary clearly separated, but each drawing authority from our National

Constitution.

Papua New Guinea has a unicameral national parliament which is the highest law-making body at the national level comprising of 111 elected members who serve five-year terms. Below the national government are the provincial and local governments and administrations exercising limited decentralized powers in a unitary system of governance.

The parliamentary democracy system of government continues to flourish in PNG 40 years on. Yet, some of the social and political challenges we have seen over the years are expected when one is dealing with a country as diverse as PNG with over 800 languages and over 1,000 different tribes.

We proudly acknowledge that we have always allowed the rule of law to prevail and take its course in the resolution of disputes in peace and under due process.

This we believe is a demonstration of political maturity and unity of purpose on the part of state institutions and the citizenry of our country.

The government of Prime Minister Peter O'Neill, in office

since August 2012 has been undertaking various reforms, both legislative and in policy to improve opportunities for Papua New Guineans to have better access to health and education. The government has undertaken initiatives to create an environment conducive for businesses to feel confident and invest in the country to grow the economy and create employment opportunities for Papua New Guineans. Social reforms, infrastructure development, law and order support, public institutional reforms and so forth are geared to improving the social and economic environment to support the country's broad development plan: The Papua New Guinea Vision 2050.

Japan-PNG relations

The Exxon-Mobil led \$19 billion PNG LNG project was completed in May 2014.

O'Neill led a strong delegation of ministers, governors and parliamentarians to Japan in June 2014. He met with CEOs of relevant Japanese corporations to discuss ongoing and new projects and projects for them in PNG.



Prime Minister Shinzo Abe pays tribute to World War II dead in Wewak during his visit to Papua New Guinea in July 2014. EMBASSY OF PAPUA NEW GUINEA

Prime Minister Shinzo Abe visited PNG in July 2014, the second visit to PNG by a Japanese leader in 29 years.

During his visit, Abe visited Wewak, the provincial town of the East Sepik Province where Japan's Pacific Campaign in World War II ended. He was also there to commemorate Japanese war dead and visit memorials. There, Abe publicly apologized for the loss of PNG lives and destruction at

the hands of Japan's Imperial Army.

Of course this year also marked 70 years of cessation of hostilities in the Pacific. The two prime ministers released a joint statement in their summit meeting. They noted the significance of Sept. 16 in 2015, which would mark 40 years of PNG-Japan bilateral relations.

They acknowledged the importance of safe and stable energy supply and recognized PNG as an important investment destination for Japanese companies. In this regard, they welcomed the entry into force of the PNG-Japan Investment Promotion and Protection Agreement (IPPA).

They also recognized the need for a double taxation agreement.

The two leaders agreed on cooperation in sustainable development programs with a new three-year commitment by Japan. This includes programs for PNG's Autonomous Region of Bougainville. They noted the importance of promoting people-to-people ex-

changes and reaffirmed the need to establish a reciprocal visa relaxation arrangement. They further agreed to support efforts for recovery of Japan's war dead remains in PNG.

The two leaders noted the importance of cooperation through mechanisms such as Pacific Islands Leaders (PIF), Pacific Leaders Meetings (PALM process) and PNG's support for Japan's permanent membership on the U.N. Security Council. Other regional and global security issues, including that of secure regional shipping, were also discussed.

It has been observed over recent years that due to positive encouragement by the government of PNG, including this embassy, there are Japanese companies who are willing to take risks for a bigger prize, especially in PNG's hydrocarbon exploration and development sectors. There is certainly a reward for any risk taken because PNG is a land of many opportunities and so I encourage Japanese businesses to take up the challenge.

Friendly, cooperative ties

Fumio Kishida
MINISTER FOR FOREIGN AFFAIRS OF JAPAN

It is my great honor to send a message on the occasion of the 40th anniversary of the Independence of Papua New Guinea and the establishment of diplomatic relations between Japan and the Independent State of Papua New Guinea.

Based on mutual understanding and cooperation, Papua New Guinea has been an important partner of Japan. Prime Minister Shinzo Abe's visit to Papua New Guinea with business leaders in July 2014 was another significant step toward further developing and strengthening our bilateral relationship.

Additionally, the seventh Pacific Islands Leaders Meeting (PALM 7) was successfully held in Japan in Iwaki, Fukushima Prefecture in May, and the partnership between Japan and Pacific island nations was elevated to a higher level.

Based on such positive developments, the government of Japan is determined to make all efforts to further deepen and develop the two countries' friendly and cooperative relationship. In this historic year of the 40th anniversary, I wish to seek your continued support to enhance ties between our two countries.



Development cooperation

Development assistance is an important feature of the PNG-Japan bilateral relations. PNG deeply values the assistance provided by the Japanese government through its various ODA programs, JICA and related technical and volunteer assistance, especially in education.

Much of Japan's ODA is channeled toward infrastructure projects such as roads and bridges, as well as schools and hospitals, where they are needed most and therefore continues to make a real impact and difference in the lives of our people.

During Abe's visit in 2014 a three-year commitment of ¥20 billion was made that will support ongoing and new projects, aimed at improving economic and social infrastructure. One of these projects is the redevelopment of our second largest city, Lae's Nadzab Airport.

Investment

Japan is an important investment partner for PNG. During his visit to PNG, Abe encour-

aged Japanese companies to consider PNG as an important investment destination.

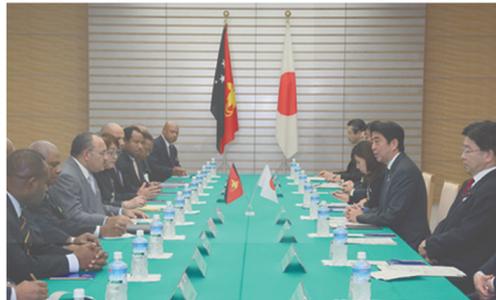
The PNG government recognizes the importance of providing a conducive environment for foreign direct investment. To that end, tax incentives, tariff reforms and wage subsidies for companies manufacturing new products, have been in place for a number of years.

In the tourism sector, various tax incentives have been offered to entice hoteliers, restaurant owners, tour, dive or sport fishing operators.

To facilitate travel of both business and tourists, visa requirements have been reformed. Tourist visas are free and can be obtained at a PNG Embassy prior to arrival or obtained on arrival. Business visas can be single or multiple. Multiple visas enable businessmen to travel to PNG as many times as they want within the course of one year.

In the manufacturing sector, industrial plants not previously used in PNG are eligible for

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Papua New Guinea's Prime Minister Peter O'Neill (sixth from left) and Prime Minister Shinzo Abe hold a summit meeting in Tokyo in June 2014. EMBASSY OF PAPUA NEW GUINEA



Papua New Guinea's Prime Minister Peter O'Neill (sixth from left) celebrates the arrival of the LNG vessel carrying the first cargo from the PNG LNG project in Futtus, Chiba Prefecture, in June 2014. EMBASSY OF PAPUA NEW GUINEA

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to the People of
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on the 40th Anniversary of
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Papua New Guinea national day



Papua New Guinea's rich South Pacific waters are known for tuna. EMBASSY OF PAPUA NEW GUINEA

Many natural resources in tourist paradise

CONTINUED FROM PAGE 4

accelerated depreciation for up to 100 percent of the costs, provided the plant has a life exceeding five years.

In the mining and petroleum sectors, the tax incentives include the phase out of mining levies, reduction of income tax from 35 percent to 30 percent, royalties at 2 percent and reductions in the dividend withholding tax from 17 percent to 10 percent.

Natural resources

PNG is a lucky country with vast natural resources of forestry and fisheries, as well as huge deposits of minerals, petroleum and gas. The potential for more exploration to identify new areas for development is what many companies are excited about.

Current operating mines in Papua New Guinea include Ok Tedi (gold and copper), the gold mines of Pogera, Lihir, Kainantu, Tolukuma, Sinivit and Simberi, as well as Ramu Nickel (nickel and cobalt).

Mines that are to be operational soon include: Hidden Valley (gold and silver), Solwara 1 (gold, silver and copper), Yandera (copper and molybdenum) and Freda River (copper and gold).

There are known deposits of iron oxide and the other metals — magnesium, chromium, titanium, and vanadium — that coexist with iron oxide.

Large quantities of limestone are also found throughout the country.

PNG's large geothermal re-

source is an area with a huge potential that needs to be developed to supply badly needed electricity. Currently only the Lihir Gold Mine had developed geothermal power on the island for its electricity supply requirements to operate the mine. Japan has the technological know-how in this field.

In the fisheries area, PNG is known to have the richest waters for tuna in the Southwest Pacific and Japanese companies operate offshore fishing under license. Interest in this area is growing with newcomers from Japan entering to harvest the tuna potential. There are currently three foreign-owned tuna canneries in PNG.

Japanese companies involved in the forestry sector are presently benefiting from early wise decisions to go into sustainable forestation so that they are now harvesting logs of their own and replanting at the same time.

The PNG LNG project

As stated above, the PNG LNG Project, valued at \$19 billion, is the single largest investment since independence. Japan's involvement in this project is substantial. JX Nippon Oil and Marubeni are partners with others including Exxon Mobil in this project while Chiyoda Corp. and Japan Gas Corp. (JGC) are the major contractors for the construction phase.

In addition, up to 50 percent of the total production of LNG from the PNG LNG Project will be taken by TEPCO and Osaka Gas while Mitsui OSK Lines and

Nippon Yusen Kaisha (NYK) are contracted as the LNG carriers for the project.

The PAPUA LNG Project

The second LNG project based in the Gulf Province of PNG to be known as "Papua LNG," which was previously led by InterOil Corporation of Canada is now operated by TOTAL SA of France. Discussions to determine final shareholding among partners on this project are continuing and should be finalized soon, so preparations for the start of the project in 2017 can get underway by those Joint Venture Partners.

The project will utilize InterOil's gas discoveries at the Elk and Antelope fields in the interior of the country, estimated to produce 382 million cubic feet of gas per day.

Already some leading Japanese Corporations have shown great interest in participating in this project, including in this and other opportunities, such as the development of PNG's petrochemical industry.

Many opportunities

What sets Papua New Guinea apart is the diversity of her people with over 1,000 different ethnic tribes who speak well over 800 distinctly different languages (not including the dialects). Some expert linguists and sociologists estimate that up to one third of the world's indigenous languages are spoken in Papua New Guinea alone.

Within these distinctly different languages is the cultural

heritage.

Our country has some of the most authentic and original cultures untouched by modernization and they are expressed in various art forms, songs and dances. A rich variety of traditional costumes change from tribe to tribe and from province to province, and are as distinct as the languages spoken by the people.

Visitors can have a glimpse of this and experience the unique, colorful and diverse cultures at various cultural shows and events around the country, including at the Mount Hagen and Goroka Cultural Shows, the Rabaul Mask Festival, the Canoe Festival in Milne Bay Province and the Hiri Moale Festival in Port Moresby.

For diving enthusiasts, there is no shortage of options to choose from. Dive resorts and facilities in Port Moresby, Alostau, Tufi, Madang, Kimbe, Rabaul and Kavieng offer amongst the best dive locations in the world. Surfers can enjoy many sunny, clean and quieter locations in PNG.

Tropical rain forests with teeming flora and fauna, steep mountains and gorges with rapids and pristine waterfalls await the adventure-oriented ecotourist.

The war-time Kokoda Track which crosses the Owen Stanley Range from Popondetta in the north to Port Moresby in the south has in recent times become extremely popular for trekking. This trail holds great significance for Japanese and Australians as thousands of lives were lost and blood was shed on this track during World War II.

Increasing numbers of visitors and locals alike walk the track as an endurance test, but also for its rugged beauty and its breathtaking natural environment. Others do so as a tribute to relatives who fought and died on this track.

In conclusion, let me extend a warm invitation to all to visit Papua New Guinea and experience the rich diversity of the country and her people and cultures, savor the natural beauty and explore business opportunities.

Air Niugini, Papua New Guinea's National Airline, operates a direct six hour weekly Saturday service from Narita to Port Moresby, with plans afoot for a second service into Narita in 2016.

Finally, I extend my most sincere appreciation and gratitude to The Japan Times and our sponsors on these pages.



Liquefied natural gas plants process this important export. The PNG LNG and PAPUA LNG are ongoing projects in this area. EMBASSY OF PAPUA NEW GUINEA



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