

Papua New Guinea National Day

More than oil and gas on offer

Gabriel JK Dusava CBE
AMBASSADOR OF PAPUA NEW
GUINEA

On the occasion of Papua New Guinea's 41st 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 rest of the Imperial family, the government and people of Japan.

I also extend goodwill greetings to all Papua New Guineans in Japan, and readers of The Japan Times.

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

PNG has a unicameral national parliament; the highest national law-making body of 111 elected members who serve five-year terms. Below the national government are the provincial and local governments and district authorities exercising limited decentralized powers in a unified system of governance.

The democratic government continues to flourish in PNG 41 years on, even as the country faces the social and political challenges that come with a country as diverse as PNG, with over 800 different languages and over 1,000 different tribes.

We proudly acknowledge



Prime Minister of Papua New Guinea Peter O'Neill attends the G-7 Ise-Shima Summit outreach meeting in June. EMBASSY OF PAPUA NEW GUINEA

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.

We believe this demonstrates political maturity and unity of purpose of the state and citizens of our country.

The reforms introduced in August 2012 by the government of Prime Minister Peter O'Neill, in legislative and key sectors of education, health, infrastructure and law and order to improve opportunities for Papua New Guineans are progressing well.

The initiatives to create an environment conducive, especially for foreign businesses, to feel confident and invest in the country to grow the economy and create employment opportunities for Papua New Guineans under "The Papua New Guinea Vision 2050" are also showing positive signs.

Bilateral relations

The bilateral relations are excellent and intensifying in all aspects, including among governments, businesses, tourism and people.

The Exxon-Mobil-led \$19 billion PNG Liquefied Natural Gas (PNG LNG) Project, which was completed in May 2014 and delivered to founding customers of TEPCO and OSAKA Gas in 2014, is constantly delivering shipments as sched-

uled.

We were honored when Prime Minister Shinzo Abe visited PNG in July 2014.

During his visit, Abe visited Wewak, the provincial town in East Sepik Province where Japan's World War II Pacific campaign ended.

It was significant that while there, Prime Minister Abe publicly apologized for the loss of PNG lives and destruction at the hands of the Imperial Japanese Army.

In 2014, our prime ministers released a joint statement after their summit meeting. They noted the significance of Sept. 16, 2015, which marked 40 years of PNG-Japan relations.

They acknowledged the importance of safe and stable energy supply and noted 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.

The two leaders agreed cooperation in sustainable development programs for fisheries and energy remains critical.

Efforts for recovery of Japan's war dead remains in PNG continue.

Cooperation through mechanisms such as Pacific Islands Leaders, Pacific Leaders Meetings 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, also remain areas for collaboration and mutual support.

Positive encouragement given by the PNG government, including through O'Neill's visit and discussions in Tokyo



PNG Prime Minister O'Neill (right) meets U.S. President Barack Obama during the G-7 summit. EMBASSY OF PAPUA NEW GUINEA

in October, has now made Japanese companies more willing to take risks for bigger prizes, especially in PNG's hydrocarbon exploration and development sectors.

In May 2015 Japan recognized and awarded PNG's first and founding Prime Minister, Grand Chief Sir Michael Somare the Order of the Grand Cordon of the Order of the Rising Sun.

Papua New Guinea has been the chair of the Pacific Islands Forum since September, coinciding with our 40th anniversary of independence and 40th anniversary of PNG-Japan Relations.

This year, O'Neill was invited to join other world and regional leaders at the G-7 summit outreach meetings with G-7 leaders and those of the developing countries of Sri Lanka, Bangladesh, Vietnam, Laos, Indonesia and Chad.

Mutual development

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 official development assistance (ODA) programs, the Japan International Cooperation Association and related technical and volunteer assistance, especially in education.

Much of Japan's ODA goes to infrastructure projects such as roads and bridges, as well as schools and hospitals, where they are needed most and making a real impact in the lives of our people.

Investment

Japan is an important investment partner for PNG. During his 2014 visit Abe encouraged Japanese companies to consider PNG as an investment destination.

The PNG government recognizes the importance of pro-

Significant positive progress marks solid relationship

Kazunori Tanaka
CHAIRMAN, JAPAN-PAPUA NEW GUINEA
PARLIAMENTARY LEAGUE



On behalf of the Japan-Papua New Guinea Parliamentary League, I wish to extend my sincere congratulations to the government and people of Papua New Guinea who celebrate their 41st Anniversary of Independence today.

Today is also the 41st Anniversary of the establishment of diplomatic relations between Japan and Papua New Guinea.

I am delighted to note that our two countries have witnessed many significant positive developments in our bilateral relations, especially in recent years.

These significant moments were witnessed at government, private sector and business levels. These were in the form of the first shipment of the PNG liquefied natural gas to Japan in June 2014, Prime Minister Shinzo Abe's visit to Papua New Guinea in July 2014, a visit to Japan by PNG Prime Minister Peter O'Neill in 2015, and the inclusion of O'Neill at the G-7 outreach meetings in Ise-Shima, Mie Prefecture in May.

As we see our two leaders at the forefront, I encourage more Japanese companies to take the challenge and invest in

Papua New Guinea by taking advantage of Papua New Guinea as a foreign investment destination with favorable tax programs.

Papua New Guinea is less than seven hours from Japan with only a one-hour time difference. PNG's National Airline, Air Niugini, has since July resumed its twice-weekly flights on Wednesdays and Saturdays. This should increase options and traveling convenience for business and pleasure by Japanese people.

I am confident that Japanese development assistance to Papua New Guinea over the years since independence continues to be appreciated by the Papua New Guinea government and people. In fact, most Japanese development assistance is focused on the social, economic, infrastructure and environment sectors with real impact on the lives of Papua New Guineans.

I commend the Japanese government and the Japan International Cooperation Agency for the development assistance efforts in Papua New Guinea and would urge them, not only to continue their good work, but also to increase their programs to cover more areas in Papua New Guinea.

For our part, I wish to state that the Japan-Papua New Guinea Parliamentary League reaffirms its commitment to contribute toward promoting even closer relations between our two countries by lobbying and advocating for increased engagement by Japan with Papua New Guinea in all sectors.

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 professionals 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, while business visas can be single or multiple.

Government officials now have reciprocal visa-free entry to either country.

In the manufacturing sector, industrial plants not previously used in PNG are eligible for 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 phasing 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 country with vast natural forestry and fishery resources and huge deposits of minerals, petroleum and gas. The potential for more exploration to identify new areas for development is what draws

many companies. Operating mines in PNG 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 opening 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 other metals — magnesium, chromium, titanium, and vanadium — that coexist with iron oxide.

Large quantities of limestone are also found throughout the country.

Papua New Guinea's large geothermal resources need to

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Chances for growth

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be developed to supply much-needed electricity.

Currently only the Lihir Gold Mine had developed geothermal power on the island for its electricity supply requirements to operate the mine and Japan can offer 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 licensed offshore fishing.

Japanese companies involved in the forestry sector are presently benefitting from early wise decisions to go into sustainable forestation so that they are now harvesting logs of their own while continuing to replant.

New trading houses such as NBK, Setouchi Ltd. and Maruhachi Ltd. are also showing solid interest in PNG investment.

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 is substantial with JX Nippon Oil and Marubeni partnering with others, including Exxon-Mobil, in this project where Chiyoda Corp. and Japan Gas Corp. (JGC) were major contractors during construction.

It is most gratifying that CEOs of companies like JX Nippon are visiting regularly, as recently as last week, to see the fruits of their partnership at work while examining future prospects.

The PAPUA LNG Project

France's TOTAL SA now operates the second LNG project based in the Gulf province, Papua LNG, which was previously led by Canada's InterOil Corporation.

Discussions to determine final shareholding among partners on this project are ongoing and the project should begin in 2018.

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

Already some leading Japanese corporations have shown great interest in participating in this and other projects, particularly through working with local partners.

Many opportunities

What sets PNG apart is its diversity, with some linguists and sociologists estimating that up to one-third of the world's indigenous languages are spoken in PNG alone.

There are many rich cultures and a wide variety of traditional costumes change from tribe to tribe and from province to province, and are as distinct as the languages spoken by our 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 PNG offer some of the best dive locations in the world. Surfers also can enjoy many sunny, clean and quiet locations in PNG.

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

The wartime Kokoda Track, which crosses the Owen Stanley Range from Popondetta in the north to Port Moresby in the south, has in recent times become popular for trekking.

Increasing numbers of visitors and locals alike walk the track as an endurance test, but also for its rugged beauty and breathtaking vistas.

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

Air Niugini, PNG's national airline, currently operates a direct six-hour twice-weekly flight from Narita to Port Moresby.

So, even though more than one-third of PNG's economy is reliant on revenue from LNG and oil, PNG's other mineral, agricultural, fishery, forestry and tourism opportunities make it a country that is truly "more than oil and gas."

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

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