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FOR INDUSTRIAL PROMOTION

DP/PNG/86/002

PAPUA NEW GUINEA

Technical report: The PNG Investment Promotion Authority (IPA)
Review of operations and proposed technical assistance*

Prepared for the Government of Papua New Guinea
by the United Nations Industrial Development Organization
acting as executing agency for the United Nations Development Programme

Based on the work of Mr. E.J. Chesky
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Industrial Strategies and Policies

United Nations Industrial Development Organization
Vienna

* This document has not been edited.

EXPLANATORY NOTES.

ADB	-	Asian Development Bank
DFP	-	Department of Finance and Planning, Government of Papua New Guinea.
DTI	-	Department of Trade and Industry, Government of Papua New Guinea.
FIAS	-	Foreign Investment Advisory Service, a joint operation of the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA)
IBRD	-	International Bank for Reconstruction and Development, the World Bank.
IMF	-	International Monetary Fund.
I P A	-	Investment Promotion Authority, the new Papua New Guinea investment office, established May 1992.
NEC	-	The National Executive Council, The Cabinet of Papua New Guinea.
NIDA	-	National Investment and Development Authority, the predecessor agency to IPA.
UNDP	-	United Nations Development Programme
UNIDO	-	United Nations Industrial Development Organization

Currency	-	1 Kina, Papua New Guinea = U.S.\$1.04

ABSTRACT

On 19 May 1992 a new era for private investment in Papua New Guinea began with the coming into effect of a law establishing an Investment Promotion Authority (IPA). Several years in the making this new agency engages private business representatives for the first time together with public officials in a Board dedicated to encourage new enterprise financed from both domestic and foreign sources.

An important policy decision was made to change PNG's investment climate and the focus of the new Authority to the encouragement, facilitation and promotion of new investment, instead of regulating (and often discouraging it) as was the case with the predecessor agency. This important step was the result of several years of intense study and debate in the Department of Trade and Industry, and amongst other concerned agencies, business representatives and ultimately the cabinet and the Parliament. UNIDO advisors, together with the Foreign Investment Advisory Service (FIAS), and other consultants contributed substantially to the evolution of thinking on a new and more important role for foreign investment in the PNG economy.

The task of the current UNIDO consultant was to assess the status and organization of the new IPA and to review with its Managing Director and other officials the staffing, budget, development plans, and future investment strategies. The major objective was to identify ways that further external technical assistance might enable the new IPA to get up and running, and then to become an increasingly important organization. As the Authority will have a number of new expatriate senior officials and most of the national staff will also be new, training and advisory services were seen to be the most pressing needs. Recommendations on assistance by external donors include both in-house and in-country training, staff internships abroad and the drawing on the experience of investment agencies in other countries to provide short and long term advisory services. In addition, as the new IPA gets underway, assistance may also be required for library and documentation services and with specialized planning and preparation for investment missions, and in developing a longer term promotion strategy.

Note: This study and report was prepared with the close cooperation and excellent support of UNIDO Chief Technical Advisor (CTA) Mikael Brenning, and his team of experts who have been working for several years in Papua New Guinea on a UNIDO/UNDP Project, "Institution Building for Industrial Promotion" (Project DP/PNG/86/002). This report is the conclusion of Project DP/PNG/86/002 and the last of the experts will have departed in several weeks.

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INTRODUCTION

The Consultant, Edward J. Chesky (USA), was selected by the PNG Government and UNIDO, and arrived in Papua New Guinea on 2 May 1992 following consultations at UNIDO in Vienna. He remained until 4 June 1992, departing Port Moresby after securing approval of the Draft Report. The central purpose of the project, as stated in this Consultant's Terms of Reference/Job Description (Annex I) was to prepare an outline for future Technical Assistance to the Papua New Guinea Investment Promotion Authority (IPA) for consideration by the Government and potential financing agencies.

On arrival it was ascertained that the long-awaited coming into being of the new Investment Promotion Agency (IPA) of Papua New Guinea was imminent. The Act creating the new Authority was gazetted on 19 May 1992, and on that day IPA replaced the former National Investment and Development Authority (NIDA). The project thus faced great opportunity and uncertainty for the new IPA (and the Consultant) were confronted with the fact that most of the new staff were not yet in place. Further, the Authority moved to its new offices in the commercial center of Port Moresby in early May, and is just now settling in.

The major objectives of this UNIDO project (Annex I) included:

- (a) Identification of the IPA's strategic and operational plan for the medium term,
- (b) Identification of institution-building technical assistance that would be required for the short and medium term,
- (c) Then, in this context, the project should proceed to describe appropriate TA in the form of consultants, training and others components to assist in institution- building tasks, and to indicate potential sources of funds from various agencies.

The work of the consultant was carried out in several overlapping tasks and phases. In the main, these were:

- (1) To become acquainted with the major government actors in the investment promotion and approval process including the Secretary of the Department of Trade and Industry, and the Managing Director of the IPA, and staff.
- (2) To meet with representatives of the business community, expatriates and local, and in particular the officers of key business organizations including the PNG Chamber of Commerce and Industry, PNG Chamber of Manufacturers, and the PNG Chamber of Mines and Petroleum. To gain their views on the investment climate and how the new IPA could be more effective.
- (3) To discuss with responsible officials and foreign advisors current views and policies on investment promotion in the PNG, and the plans and prospects for the new Authority.
- (4) To study Government, World Bank, and UN reports and business publications to gain insights into the PNG economy and the main opportunities and problems facing new foreign investment and industrial development.
- (5) To review various consultants' studies and reports on reform of NIDA and the investment process in recent years, and
- (6) To meet with donor agency representatives.

It is the view of the Consultant that as of early June this project has been much more successful in identifying shorter term needs and problems than in identifying longer term strategies. There is as yet no medium-term corporate plan for IPA, so planning for the longer term is of necessity fairly tentative. For most of the rest of 1992, IPA will be preoccupied with the selection, orientation and training of new staff, establishing operational

procedures and getting the organization running effectively. After this there are several directions and emphases that IPA and the government could adopt to attract and facilitate new investment to PNG. A broad outline of major tasks facing IPA and suggested TA personnel and support are presented in the conclusion of this report.

CHAPTER I

A New Investment Promotion Authority is Created.

It has long been recognized that Papua New Guinea did not have an effective agency with a clear mission to promote new foreign investment in the country. To be sure PNG has attracted substantial investment from abroad but primarily in the fields of gold and copper mining and petroleum where the recognized rich resources and a supportive Department of Minerals and Energy provided adequate incentives to attract major foreign firms. Several factors came together in recent years to bring about an evolution both in public attitudes toward increasing foreign direct investment (FDI) and the desire to promote it actively in non-mineral resource sectors:

- (1) A more positive developing world view toward FDI in response to the international debt crisis and limits on capital availability from other sources.
- (2) Increased competition for scarce investment resources in the developing world.
- (3) Decline in foreign exchange earnings from major export crops of PNG, and the resulting need to develop other export-oriented industries.
- (4) Closure of the important Bougainville Copper Mine in 1989, with the loss of 45% of the nation's export revenue.
- (5) Stagnation or decline in industrial employment in the 1980's combined with growing population pressures, unemployment and urban problems.
(See Ref. 3, in Annex IV, which lists Bibliography/References)

The previous government body, the National Investment and Development Authority (NIDA), was created prior to independence in 1974. By the mid-1980's it was still small, weakly led, and ineffective, its role primarily regulatory, and it was seen as a hindrance to new investment. In some cases NIDA took up to two years for an investment application to be processed to completion, and the general impression on investors was negative.

In connection with the start of a major Structural Adjustment Program in 1989, supported by the Asian Development Bank, World Bank and International Monetary Fund, the PNG Government undertook a series of actions to stabilize the economy. A major element of the program was to improve competitiveness in the non-mineral economy, to foster private investment (domestic and foreign), to encourage economic diversification, and to achieve these objectives through substantial

deregulation and privatization of the economy (Ref. 4). In this context the inadequacy of NIDA was widely recognized and efforts to create a new investment agency and to seek a more favourable foreign investment climate gained momentum. A broadly based UNIDO Project entitled "Institution Building for Industrial Promotion" with the PNG Department of Trade and Industry, commenced in 1987. It has continued until the present time with a number of long-term experts having contributed in various fields. Assistance with the planning of the new investment agency was one of the tasks of the first UNIDO Chief Technical Advisor (CTA), D. Edwards, who left in November 1990, and this work was continued by the second CTA, Mikael Brenning, who made substantial inputs into government thinking, planning and preparation of legislation for the new IPA. The Foreign Investment Advisory Service (FIAS) of the International Finance Corporation (IFC) also assisted with a study (Ref. 10) in September of 1988, and by subsequent missions. By 1991 the stage had been set for the creation of a mixed public/private statutory body with the explicit task of promoting and facilitating private investment. And this was a major goal of the Government's Medium Term Industry and

Trade Development Action Plan (Ref. 7). After considerable legislative hassle the Investment Promotion Act 1992, was passed by the Parliament on 26 February 1992. The implementing Investment Promotion Regulation 1992, was approved by the Cabinet in May 1992. The Act was gazetted on 19 May 1992. On that date the new Investment Promotion Authority came into being and the predecessor agency, NIDA was dissolved.

CHAPTER II

THE INVESTMENT PROMOTION AUTHORITY -- ITS OBJECTIVES AND FUNCTIONS

In recognition of the need to support and energize the private sector much more effectively in the "interests of national, social and economic development" the Investment Promotion Authority was created. Thus the new organization and indeed the government broadly are now more strongly committed "to promote and facilitate investment in the country by citizens and foreign investors".

This study carried out by the Consultant has focussed for the most part on the foreign investment promotion responsibilities of IPA, though this in no sense denigrates the Authority's companion role in fostering the domestic private sector. The study was limited primarily because the IPA is the only body in the country concerned mainly with foreign investment. In contrast, there are many departments and agencies involved in promoting and assisting nationally-owned businesses and industry.

The broad purposes enunciated in paragraph 1 of the Act are: economic growth, job creation, utilization of domestic resources, skills acquisition, export expansion, development of remote areas, and increased ownership of investment by PNG citizens. (Full text of the Investment Promotion Act is attached as Annex V) Foreign investment has and will make a substantial contribution in all of these important areas.

The Act goes on to lay out a series of specific functions for the new Investment Authority, acting under the direction of the NEC (National Executive Council -- The Cabinet of the Government) on development objectives and policies. (Annex V, par..6) With foreign investment "promotion" broadly as its overall objective the responsibilities of the IPA may be grouped into the following four functional categories*:

- (a) Promotion/Marketing - These activities will place IPA in the forefront of efforts by PNG to encourage and attract new foreign investment, both at home and abroad. These are in considerable measure public relations and informational roles including issuing publications, carrying out advertising and press campaigns, sponsoring seminars and missions at home and overseas, and participation in trade fairs and exhibitions.

- (b) Facilitation Services - For the potential, pending or approved investment IPA is tasked with facilitation and assistance to insure that the investor is promptly and fairly dealt with throughout the country, and that he is assured and persuaded that PNG wants and encourages investment such as his. As IPA is often the first point of contact with the potential investor it also has the responsibility for responding to inquiries and being able to provide full and accurate information on investment laws, procedures, the PNG economy and the investment climate. These services include guidance and assistance through the various bureaucratic steps to secure the necessary licenses, compliances and approvals before an investment can go forward. A further role is that of maintaining a register of investment opportunities and facilitating the introduction of foreign and domestic joint venture partners to each other, (Annex V, paras. 34 and 35)..

*It should be noted that governments organize the various functions for "promotion of investment" in several different ways. Responsibilities for licenses and clearances generally are spread around in different agencies in addition to the designated investment authority. There are also a variety of ways to describe the different functions that agencies may perform to encourage new investors. However, all of the functions covered in this report are considered significant whether indeed the IPA is the major actor or only one of several government bodies involved. (See Refs. 1, 12, and 13)

- (c) Investment Climate and Country Image-Building - There has been considerable discussion in the literature on the necessity of "Country Image - Building" in order to convince the potential foreign investor that a country is a good and hospitable place to do business and in which to make a major long-term commitment. It is a question that deserves careful consideration, whether PNG and the IPA need to undertake a general image-building campaign abroad on a priority basis because the country is not well known. If not they may concentrate from the beginning on the other promotional activities listed in (a) and (b) above.

In a broader sense the image and the overall investment climate of a country are the consequence of the interaction of multiple factors. These include the country's natural resources, location, economic policies, skills, wage levels and other costs, and infrastructure, in addition to how seriously the government seeks to foster and protect foreign investment. Another part of that climate relates to the special incentives such as pioneer status, tax holidays and duty drawbacks which a government may offer.

The IPA is also empowered "to advise the Minister on policy issues that relate to the Act". How this policy role evolves, in of course difficult to foretell, but in principle the Authority can and should advise the Government on how its policies and actions may serve to attract or to discourage new investment.

- (d) Regulation/Certification - The IPA is also charged with the processing of applications for certification from foreign investors. This is foreseen to require mainly the speedy establishment of the bona fides of the investor. It is not envisaged that there will be a major IPA review process for certification, and it is anticipated that it will be given within a maximum of 45 days. (It should be noted that certification of a new foreign investment does not indicate that the proposal has the approval of the government. It is rather a small but necessary first step, indicating to the investor that he may now go on to seek the various other licenses and permits required by other agencies.)

The IPA is also charged by the Act with the "Protection of National Business Interests". This is intended primarily to help the small indigenous business sector, and involves IPA's administration of a list of "reserved activities" in which foreign investment is not permitted (Annex IX).

In addition the IPA will have the large task of maintaining the national Company Registry of all firms, domestic and foreign, operating in PNG. This is an activity transferred from another agency, has had a number of problems in the past, and may require considerable attention and application of a new computerized management system to bring the back files up to date and to speedily process new applications.

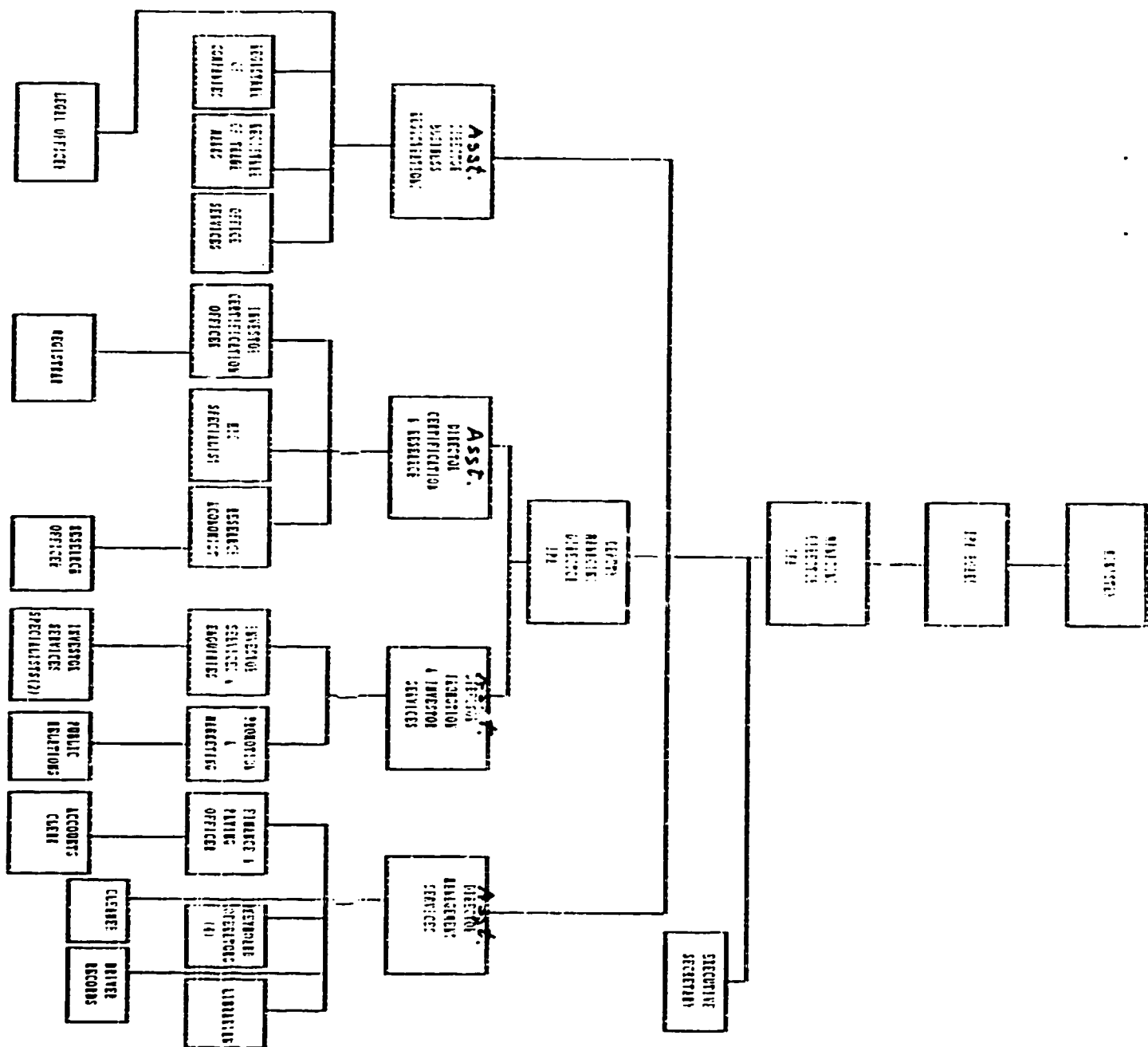
CHAPTER III

ORGANIZATION OF IPA AND PLANS FOR THE FUTURE

The IPA is beginning operations with a skeleton staff soon to be augmented with a number of experienced expatriates. The Executive Director of the predecessor agency, NIDA, will continue as Managing Director, to be assisted by a Deputy Managing Director who is being recruited from abroad. A full list of current and newly-hired staff are listed in Appendix X.

As indicated in the IPA organization chart on the following page, the Authority is divided into four sections each of which are to be led by an Assistant Director. The sections are;

- (1) Business Registration
- (2) Certification and Research



(3) Promotion and Investor Services

(4) Management Services

Business Registration - This involves registration of all firms operating in PNG, and also maintaining the Trademark Register, which are not related to the investment promotion emphasis of the rest of the organization.

For that reason it has not been given much attention in this study but, as noted above, it will require considerable staffing and reorganization, and some time before this section will be able to operate efficiently.

Certification and Research - Expeditious certification of a proposed new foreign enterprise will be an important first signal to the investor that the IPA and PNG generally are hospitable to foreign business. Beyond that the research arm of the organization can make a major contribution in enabling the IFA adequately to service its clients. This might involve substantive backup to public inquiries from potential investors, or carrying out special investigations to obtain background information for an investment. It should also have major inputs into all IPA publications and other publicity activities.

Promotion and Investor Services - This would appear to be the core area of IPA with responsibility for both the Promotion/Marketing and the Facilitation functions indicated in the previous chapter. This will require a particularly well-trained and highly-motivated promotional staff, able to deal confidently with the public. They will need to have bright and well-informed personnel, up-to-date on recent developments in Government and the PNG economy, and conversant with laws and procedures. Further these will also be officials who are familiar with the business operations of foreign companies and are knowledgeable about the major financial and technical and logistical requirements for the establishment of a new enterprise in PNG. This section will have the capability to bring together potential national partners with the foreign applicant, and to help bridge the cultural and operational gaps that often arise. Staff of this section will also have to develop a talent for trouble-shooting throughout the government and the country, given all the hurdles that most new businesses face.

While the above focuses on the salesmanship abilities of IPA's staff, they surely will also have a cautionary and protective role to play. For as representatives of PNG, they have also to be sensitive to and understand and apply safeguards to protect the resources, land and varied cultures of the nation, both the natural and social environment.

Management Services - This section will have the responsibility for seeing that the organization is well-staffed and provided with the necessary support services, including computer systems, to assure that the work is well and promptly performed. As part of this section, the Library (perhaps better named Documentation Center) will also be an vital back-up to the rest of the organization and the public. It should provide a central source of basic economic and government data, laws, regulations and other information relating to the investment process and climate in PNG. It should also have basic reference works on foreign business as a source of information for potential PNG venture partners, and access to a world-wide, on-line data base.

Future Plans - The IPA's major near-term objectives generally relate to organizing the new office and personnel staffing. It is anticipated that as soon as the Deputy Managing Director and the Assistant Directors of the four sections are in place a more comprehensive review of organization and staff requirements will be undertaken. It is estimated that the recruitment campaign for the perhaps 15 PNG national professionals and support staff can seriously begin by July. It may be the end of 1992 before the new group of recruits are all in place.

In the meantime a number of regular, continuing and scheduled activities must be carried on, as potential investors continue to contact the office. And as a new organization with expanded functions the IPA will want to get the message out, both in the country, throughout the government and abroad, that a new and more active promotion effort is on the way. This means a ongoing public relations role, new publications to plan, a new Board to be organized, and budgeting and other planning for the future to commence. As the IPA Board brings together formally for the first time private sector nominees in addition to government representatives in the investment

promotion process, how the Board is organized and guides the operations will be important to the success of the IPA (See Ref. V, paras 8 and 9).

Shortly the new staff will have to be installed, oriented and longer term training programs gotten underway. It is anticipated that substantial technical assistance from abroad will be required at an early date, but probably cannot be arranged much before the beginning of 1993. However IA requests need to be submitted to the Department of Finance and Planning shortly in order to be included in the government's 1993 IA budget.

CHAPTER IV

FINDINGS AND CONCLUSIONS.

A. General

1. The Investment Promotion Authority (IPA) has just established new and expanded offices in a modern building in the center of Port Moresby. The IPA is a statutory body with major private as well as public representation in its governing Board (Annex V, paras 8-18). The private sector, both foreign and domestic, clearly has high expectations that this new IPA will be both stronger and more effective in fostering and promoting business enterprises of all kinds, and thus furthering development and wider prosperity.

The Managing Director of IPA is Nigel Agonia, and as the former head of NIDA he played a major part in the planning for the new Authority. With respect to the other staff, IPA will start with nearly an entirely new roster. It is anticipated that by the end of June five new expatriate officials will join the organization to staff the higher executive positions. (Annex VII). Recruitment of new PNG nationals to fill the middle level positions will follow. IPA, with a new legal status, not fully part of government and the civil service system, is able to be more flexible in its hiring practices and in the salaries that it can offer. It is anticipated that with this greater freedom and higher pay the IPA will be able to attract bright young professional staff from the private sector as well as from the government and from abroad.

In the meantime potential investors continue to knock on the door and inquiries from abroad will have to be dealt with. There will be a very difficult period through the rest of 1992, as the Managing Director must bring on board and initially become operational mainly with expatriates new to Papua New Guinea. In addition during the next few months IPA will have to flesh out its organization chart with position descriptions, advertise, evaluate, hire and train the 15 or so PNG nationals who will be added to the staff. The IPA has also been assigned the rather unrelated function of Registrar of Companies for PNG, a regulatory role previously carried out elsewhere. The Registry office also has a range of existing problems which will have to be dealt with by new personnel and procedures.

In the view of the consultant it is particularly important that a number of top-flight PNG nationals be recruited for the IPA at an early date. With the substantial number of expatriates scheduled to fill leading positions the authorities will want to be sure that it does not appear that expatriates are making or guiding most critical decisions with respect to foreign investors. In this respect priority should be given to recruiting a mature, experienced Papua New Guinea citizen to be groomed for a top management role in the IPA. He might be given a somewhat extended training and internship period with the organization and abroad. But before long the Managing Director is going to need considerable assistance in dealing with the often complicated and sensitive task of assisting and troubleshooting investment applicants through the complex PNG government approval process (see Annex VII).

2. The major purposes of the Act, are both the promotion and the facilitation of "investment (in PNG) by citizens and foreign investors". This is in striking contrast to the earlier NIDA Act which reflected a widespread view that foreign investment should only reluctantly be sought, and that it must be very strictly controlled and regulated. In large measure the restrictive, regulatory role of NIDA was not passed to IPA, the major exception being the preserving investment for PNG citizens in a limited number of "Reserved Activities". These are areas of business enterprise that are mostly small scale or traditional industries, and the small services sector, from which foreign investment is excluded (Annex VI).

3. The major challenge for IPA and indeed for the entire government and the nation at large is to carry through with active "promotion" and "facilitation" of investment, foreign, as well as domestic, as stated in the act. One need only read the daily press in Port Moresby to realize how conflicted the nation really is about the desirability of foreign investment. There is still rather widespread doubt that the foreign investor is to be "trusted" to serve the interests and economic welfare of the PNG communities involved, while enjoying a viable and profitable business environment.

Very lively public debates over the appropriate role for FDI and terms for accepting a major new foreign project are an almost daily occurrence among the various national agencies, local government, and not least of all the community where the new enterprise is to be located. And the outcome of these controversies seem often to be in doubt. The IPA can play an important part in persuading the nation that foreign investors are welcome, but only in so far as it reflects broad government policy and community support. Moreover, new projects must be built with adequate safeguards concerning the culture and environment, land use, sharing of the revenue, etc. There will have to be a more widespread view that such investment is essential if PNG is to be able develop its rich potential fairly rapidly, to gain the technology transfer and training it needs, and to acquire the marketing capability that is available from abroad.

4. The establishment of a "One-Stop Shop" for foreign investors has often been proposed and debated amongst professionals in the literature (Ref. 12,13). The logic is clear -- investors are often new to a country, confused by its laws and procedures, and a plausible way of facilitating the investment is to centralize the approval process as much as possible. It is doubtful whether there are many investment agencies around the world that meet this definition. In any case the IPA has not been conceived as a "One-Stop-Shop". In Papua New Guinea the process of securing final approval for an investment proposal has many steps, and in the recent past the substantive Government Department (Mines and Energy, Agriculture, Forestry or Fisheries) normally takes the lead. And there are typically a number of other participants in addition to the substantive Departments, including the Departments of Lands and Environment, and usually local governments are also involved in the final approval, for a project to go ahead.
5. NIDA in the past usually did not play a major part in helping the potential investor through the bureaucratic maze of permits and approvals. The new Act gives IPA the mandate for "assisting investors to obtain business compliances and approvals," as well as "to facilitate the introduction of (PNG) citizens and foreign investors to each other...." To carry out this mandate the IPA will need to have staff that is both very well informed on the PNG economy and government operations, with the capability to provide investors with appropriate guidance on how to proceed and to deal with other agencies. Beyond this, and in a ground breaking role, IPA is expected to intervene on behalf of investors with the rest of the government if another agency is believed to be dragging its feet on a decision. And further the Act gives the IPA the right of appeal through the Minister of Trade and Industry to another Minister, and ultimately to the National Executive Council (NEC), the Cabinet, to secure action. How this facilitation process evolves in practice remains to be seen, as IPA becomes more engaged in advocacy on behalf of new investors while taking into consideration local conditions and concerns. In this respect the ability of the IPA to establish links and a good and trustful relationship with other National and Provincial Government agencies will be critical to its success.
6. Given the basic level of industrial development in PNG and the lack of a sizeable pool of experienced or potential new entrepreneurs, the IPA will surely have to target its investment promotion activity rather carefully. Broad and unfocussed investment missions are not likely to be very successful.

A first step would be for IPA to build a closer relationship with the existing business and industrial establishment. This should be facilitated by the presence on the IPA Board of a number of business organization representatives. It seems that successful businessmen already operating in PNG are the most likely individuals to promote and attract new investors, and they also offer the most potential as joint

venture partners. PNG is not now well known aside from the mineral/petroleum sector and it is the other businessmen that have found the way to operate in an often difficult environment who must be enlisted to sell the country abroad.

7. One of the early challenges to IPA will be to host an American investment mission, now scheduled for September, sponsored by the U.S. Overseas Private Investment Corporation (OPIC). This mission is already being planned in the U.S. and it is understood that several petroleum service companies have expressed interest in joining.

8. Donors - The establishment of the IPA is the culmination of the long-term UNIDO/UNDP Industrial Promotion Project. The new emphasis in Papua New Guinea on foreign investment promotion has been strongly supported and applauded by the World Bank, the Asian Development Bank (ADB), and other donors in connection with Structural Adjustment. It only seems logical that both of these two major multilateral organisations should now seriously consider participation in the Technical Assistance support required by the IPA to get it well underway. Both banks can provide TA in connection with ongoing sectoral or other loan projects. And separate Advisory TA is available from the ADB. It is thought that one of these two organisations might be the most likely source of the substantial funding required for the Senior Management Advisor (Annex IX-1). (Further discussion of potential donor activities are found in Part E of this Chapter).

B. Tentative Plan of Technical Assistance for Institution Building

The proposed TA program envisages several phases in the growth and evolution of the IPA as it enlists and trains new staff members and begins to assume the new roles given to it by the Act. In particular the promotion and facilitation functions will require very considerable assistance from abroad for several years. Taking on the new Business Registration responsibilities also imply the need for external advice and help. Establishment of a new Documentation/Center Library is envisaged, management of several new data bases is required, and training will be necessary for new staff.

Highlights of the next several years are expected to develop along the following lines:-

1992 - a Year of Organization

- New Expatriate Senior Managers Report
- Board Organized and Procedures Established
- Staffing Patterns Developed
- Recruitment, Orientation
- Work on Medium Term Corporate Plan
- Public Relations Campaign, Phase I

1993 - a Year of Preparation and Training

- Foreign Advisors and Experts
- Formal In-House Training
- Internships Abroad
- Documentation Center/Library
- Roster of Investment Opportunities Set Up
- Detailed Medium Term Corporate Plan
- Public Relations Campaign, Phase II

1994-95 - Years of Consolidation

- Investment Missions
- Sectoral Studies
- Promotion/Facilitation Procedures in Place
- Refinement of Promotional Publications and Programs
- Company Register Reformed

C. Summary of TA Programme

The following table highlights the major elements in an ambitious programme to help IPA to become an effective promotional organization that will be sought out by foreign investors interested in opportunities in PNG. The major part of the programme would provide six key advisors and experts, with other elements devoted to costs of training abroad, equipment, studies and travel. The consultants are listed in the approximate priority order in which they are required.

C. TENTATIVE MEDIUM TERM PLAN FOR INSTITUTION BUILDING ACTIVITIES FOR IPA

Year/Quarter	1992		1993				1994				1995				NEED FOR TECHNICAL ASSISTANCE
	3rdq	4thq	1stq	2ndc	3rdq	4thq	1stq	2ndc	3rdq	4thq	1stq	2ndc	3rdq	4thq	
1. Finalize physical establishment of IPA															
2. Establishment of Board/first Board Meetings															
3. Internal organisation/division of work between Board and Managing Director															
4. Development of administrative routines															Limited TA requirements, primarily in computerized routines
5. Public relations campaign, 1st phase															
6. Public relations campaign, 2nd phase															Assistance in preparing brochures and other publicity material; TA required for professional campaign
7. Prepare 1993 budget															
8. Sub-sector studies (by DTI/consultants)															Short term consultants under DTI budget
9. NEC (Cabinet) policy directions (submission)															
10. Medium term overall corporate plan															
11. Mobilize financing of TA programme															
12. Prepare plan for reorg. of Company Register															
13. Reorganisation of Company Register															Short term consultant required
14. Domestic networking															
15. International networking															TA required
16. Detailed medium term corporate plan															TA required
17. Recruitment of national staff															
18. Mobilisation of staff for TA programme															
19. Preparation of training programmes															TA required
20. Implementation of training programme															TA required
21. Establishment of LAN based Man. Info. System (MIS)															TA required
22. Establishment of Documentation Centre/ Library															TA required

Year/Quarter	1992		1993				1994				1995				NEED FOR TECHNICAL ASSISTANCE
	3rdq	4thq	1stq	2ndq	3rdq	4thq	1stq	2ndq	3rdq	4thq	1stq	2ndq	3rdq	4thq	
23. Secondment to other inv. promotion agencies abroad															
24. Implementation of TA programme															TA Required
25. Transfer of promotion functions from DTI to IPA															
26. Transfer of Feasibility Studies Scheme (FSCS) from DTI to IPA															
27. Preparation of promotional plans for specific sectors															TA required
28. Preparation of budget for 1994, 1995 and 1996															
29. On-the-job training in actual investment promotion operational activities															TA required

D. SUMMARY OF PROPOSED IPA TECHNICAL ASSISTANCE

A.	<u>CONSULTANTS</u>	<u>TASKS*</u>	<u>NO. OF MAN. MONTHS</u>	<u>TIMING</u>	<u>COSTS (US\$'000)</u>
	1. Management Advisor	All Activities Involved	36	1993-95	450
	2. Promotion/Communication Expert	6,15,27	18	1/1 1993- 30/6 1994	225
	3. Documentation/Library Specialist	22	12	1993	150
	4. MIS/Computer Expert	4,21,22	12	1993	150
	5. Training Expert	19,20,29	12	1993	150
	6. Organization Expert for Company Register	12,13	6	1993	75
					<u>1,200</u>
B.	OTHER ACTIVITIES				
	1. Fellowships Abroad/Secondments to Other Agencies Abroad	24			100
	2. Short Term Training/Conferences				100
	3. Preparation of Promotional Material				100
	4. Documents/Books/Computer Software/Initial Costs for access to Data Bases				50
	5. International Travel for TA Staff				100
	6. Sectoral Studies				100
	7. Contingencies (vehicles, etc.)				<u>100</u>
		GRAND TOTAL			<u>1,850</u>

*References to Task numbers listed above may be found in the pages 12 and 13

Chart, Tentative Medium Term Plan for Institution Building.

JUSTIFICATION FOR MAJOR TA REQUIREMENTS FOR IPA 1993-94

Technical Assistance Consultants.

1. Management Advisor - IPA would greatly benefit from the hands-on expertise of a senior advisor with substantial experience in one or more investment promotion agencies, preferably in Southeast Asia. A current or former senior officer from one of these agencies would be ideal. He would work in particular with the Promotion and Investor Services Section, but would be available broadly to advise the Managing Director, and all parts of IPA on programs, organization and management, and participate in In-House Training programs.

Timing : 3 years, beginning January 1, 1993, sooner if possible.

Cost : \$450,000, possibly partially covered by secondment from an Asian investment agency.

2. Promotion/Communications Expert - This consultant would be particularly experienced in the promotional activities which investment agencies carry out to attract and inform potential investors abroad. His skills would be advisory and assisting the IPA with publications, public relations, planning and managing investment missions and other marketing events. He would participate in the planning and execution of the IPA's Public Relations Campaign, Second Phase, and assist in the preparation of Sectoral Promotion Activities at a later date. He should have experience in a similar investment agency in the developing world.

Timing : 18 months, beginning January 1, 1993

Cost : \$225,000, with possible secondment.

3. Documentation/Library Specialist - The IPA currently has very limited library/research facilities. To carry out its new promotional responsibilities it will need assistance in planning, assembling and utilizing a full range of economic, business and government manuals, documents and laws for IPA staff, other agencies and IPA clients. There will also have to be international business directories and other information available to assist PNG entrepreneurs seeking information on foreign partners. The Specialist should be familiar with the work of other promotion agencies, with on-line international data bases, and have a good overview of the kind of information required for staff and clients.

Timing : 1 year, beginning January 1, 1993 sooner if possible

Cost : \$150,000, secondment might be possible

4. MIS/Computer Expert - The new IPA will require very substantial assistance in expanding and refining its computer system and increasing staff capabilities in order to create and manage the at least four data/file bases for which the Authority will be responsible. Of primary importance is:

- (1) Maintaining a tracking system to record all investment inquiries and proposals to assure prompt follow-up response and/or action.

*Position Descriptions for the Advisors/Experts are found in Annex IX.

- (2) Maintaining and upgrading the Company Register (now in poorly-organized paper files),
- (3) A Register of Foreign Business Opportunities in PNG
- (4) Records of the Applications for Certification of New Foreign Investment

The expert should be familiar with the design of computer programs for achieving these tasks, and be able to advise on the appropriate equipment and software required. Familiarity or experience in similar foreign investment agencies would be a great advantage for the position.

Position would also be involved hands-on and formal training programs for officers and support staff in the use of the new systems adopted, as well as improving the computer capabilities of the secretarial staff in more sophisticated word processing, graphics and Lotus type programs required for the broad range of promotional activities.

Timing : 1 year, beginning January 1, 1993

Cost : \$150,000

- 5. Training Expert - This specialist would be responsible for planning and initiating a series of training activities for new staff, both at the professional and support staff levels. He would assist in identifying courses that would be useful in orientation of new professional staff at local institutions such as the University of Papua New Guinea and Administrative College. He should design in-service training taking advantage of the skills available in senior staff and the other experts. Appropriate computer competence at all staff levels should be the objective of training with word processing, data bases and graphics programmes. He would also advise on overseas training and internships in counterpart agencies.

Timing : 12 months beginning January 1, 1993

Cost : \$150,000

- 6. Organization Expert for Company Register, Trademarks, etc - As discussed, the Company Register section requires both new staff, and a complete reorganization -- both of the old paper filing system and a new computerized data base for the future. This will require the advice and assistance of an experienced official from another country's company register office and/or an expert from WIPO, the World Intellectual Property Organization.

Timing : 6 months, in 1993

Cost : \$75,000

Other Technical Assistance

In addition to the several advisors and experts described above, there are a number of other related activities which would enable IPA to have an experienced staff and efficient organization as early as possible. Included in these proposals are some back-up expenses (travel/equipment) to assist the experts in their tasks. Funding for these activities should also be sought at an early date, especially for the training and secondments abroad for the new professional staff.

1. Fellowships/Secondments - High priority should be given to arranging familiarisation opportunities (even brief) for most of the new professional staff in other investment promotion agencies abroad. It would given them an opportunity to observe fully operational agencies and to talk and work with counterparts. Fellowships abroad for courses in international business topics, promotion methods, public relations, etc should also be sought.

There should also be the opportunity to bring in staff on loan from other national promotion agencies to work for a time at IPA, helping with special projects and programmes.

Timing: For at least a 2 year period beginning as soon as possible

Cost: \$100,000, to be partially covered by host agencies.

2. Short Term Training/Conferences - IPA should be able in its early years to send staff to appropriate training courses abroad, as well as attending conferences. Topics would be pertinent to the broad promotional goals of IPA including gaining a broader understanding of international business and investment.

Timing: As available opportunities occur

Cost: \$100,000

3. Preparation and Distribution of Promotional Materials

This assistance would provide an opportunity for IPA to use companies or consultants from abroad in the preparation, printing, and distribution of promotional materials. They could include general marketing literature, focussed brochures for specialized investment missions, and videos. It would offer back-up funding for the work of the Promotion/Communications Expert.

Timing: 18 months, beginning in 1993

Cost: Up to \$100,000

4. Documents/Books/Computer Software/On-Line Data Base

This element of the TA is intended for back up supplies and equipment for the work of the several experts, and in expediting a speedy start-up of IPA. It would include the purchase of books, periodicals and other documentation from abroad for the new Documentation Center/Library. It could also finance an initial subscription to an on-line, international data base, as well software for the information and operational needs of the organisation.

Timing: 1993 - 1995

Cost: \$ 50,000

5. International Travel for TA Advisors and Experts

This funding would enable the Advisors and Experts to travel for consultations with counterpart agencies, in the region as well as conferences and meetings of pertinence to their work at IPA.

Timing: 1993-94

Cost: \$100,000

6. Sectoral Studies

In order better to target investment opportunities in PNG economic and technical studies of industrial sectors or sub-sectors are sometimes useful in planning investment missions and assessing investment priorities. They can be of assistance both to local joint venture partners and to potential foreign investors in identifying good prospects. These studies are generally carried out by foreign consulting firms.

Timing: 1993-1995

Cost: \$100,000

7. Contingencies

This funding would be available to the Managing Director, mainly for special capital purchases of equipment essential to the program for which budgeting is tight. It might include items such as audio-visual equipment, computer hardware for system expansion or upgrading, and vehicles.

Timing: 1993-1995

Cost: \$100,000

E. Potential Donors - Sources of T A Financing

There are a number of donors with PNG programs in areas more or less closely related to the expanded role of IPA. Many donors broadly support private sector development, investment and trade promotion. In particular there are numerous programs aimed at those key sectors most auspicious for both foreign and domestic investment such as the fisheries, forestry, and food processing industries. It is anticipated that IPA could tap into some of these programme funds for Experts and other TA.

The donors and programs thought to offer prospects for assistance to IPA activities are:

1. UNIDO/UNDP

- Follow up assistance to the just completed Industrial Promotion Project
- Proposed UNDP/FIAS "ICP-5 Regional Programme on Foreign Investment Promotion".

2. World Bank (IBRD)

- Possible T A in connection with future sectoral loans and/or in the area of Structural Adjustment.
- FIAS (Foreign Investment Advisory Service) of IFC - has offered assistance with Management Systems Software developed by FIAS to facilitate tracking of foreign investment applications, and other administrative problems.

3. Asian Development Bank

- T A may be available in connection with sectoral loans in areas such as fisheries and forestry and Industrial Centre development. Also SIP-Special Intervention Loan, and a further Industrial Loan is anticipated following the current ADB Industrial Sector Study.
- New T A projects may be requested by PNG for Advisory Services funded by ADB Grants.

4. U.S. Agency for International Development (USAID)

- USAID and the PNG Government have recently signed a long-term agreement for assisting the growth of the private sector and increasing cooperation between the two countries in the fields of trade and investment. The project, called Market Access and Regional Competitiveness (MARC) Programme, offers Technical Assistance directly to private sector firms and organizations to foster new business creation and growth. A potential feature of the MARC Programme is a projected assignment of one full-time A.I.D. Private Sector Advisor, to be stationed in Papua New Guinea. While the Advisor has not yet been defined nor recruited, it is anticipated that he would be available to advise and assist IPA, and conceivably might be based part-time in the Authority offices.

MARC, as part of a broader South Pacific business support programme, will also offer other forms of Technical Assistance to PNG on a short-term basis. Advice and assistance for investment missions and other promotional activity could be considered.

- AID's Indefinite Quantity Contract (IQC) Program offers relatively quick recruitment of TA experts in a variety of areas in support of private sector development.
- The International Executive Service Corps (IESC) - offers experienced former executives from U.S. business and industry to work as advisors in Third World organisations. The IESC also has a special Trade and Investment Promotion programme.
- AID/TDP - A Feasibility Study financing scheme available to develop and prepare investment proposals for U.S. companies.

Malaysia, Fiji, Thailand - These relatively nearby developing countries all have been quite successful in promoting foreign investment and the IPA Managing Director has visited and established ties with some of their agencies. It is particularly recommended that these investment promotion agencies be approached to ascertain the kind of internships and other training opportunities they are willing to offer IPA staff, short or longer term. They might also be requested to make staff available for assignment at least on a short term or special need basis.

Other countries - Australia, Federal Republic of Germany, Japan, New Zealand and the European Community (EC).



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

JOB DESCRIPTION

DP/PNG/86/002/11-60/J12413

POST TITLE Consultant in investment promotion assistance

DURATION Six weeks

DATE REQUIRED 3 February to 13 March 1991

DUTY STATION Port Moresby, Papua New Guinea

PURPOSE OF PROJECT To prepare an outline for a technical assistance to the Investment Promotion Authority (IPA) as a basis for consideration by the Government and various potential funding agencies.

DUTIES The assignment will be an integrated part of DP/PNG/86/002 and will be financed under this project.

 The expert will work under the general guidance of the CTA. In his work, the expert will closely liaise with the Executive Director of the National Investment and Development Authority (NIDA), the predecessor of IPA, and the Secretary of the Department of Trade and Industry (DTI).

 The specific requirements are as follows:

1. To identify and propose major programmes and activities to be included in IPA's strategic and operational plan over the medium term;
2. To identify needs for institution building assistance in the short and medium term in respect of IPA;
3. To outline objectives, outputs and major activities of a technical assistance as well as inputs in the form of consultants, training and other components to achieve the objectives of the technical assistance;

4. To outline the timing of the various components proposed under the technical assistance;
5. To prepare an overall budget for the technical assistance;
6. To identify potential areas of activity of the technical assistance;
7. To identify alternative executing arrangements for the technical assistance; and
8. To prepare an end-of-mission report.

QUALIFICATIONS

The candidate should have a university degree in fields related to investment promotion, such as business administration, marketing, economics or equivalent. At least 15 years experience of investment promotion is required including experience from the setting-up or operations of investment promotion agencies in developing countries.

LANGUAGE

Fluent English

BACKGROUND INFORMATION

NIDA has for long been considered as an obstacle to private sector investment in PNG. The legislation is very regulatory in nature, and lack of competent staff and funding has prevented it from fulfilling truly investment promotion functions.

In 1990, the Government decided, in line with its policy to promote private sector investment, to abolish NIDA and to establish in its place a new investment promotion agency, viz. the IPA, emphasizing investment promotion functions and reducing regulatory functions to a minimum.

In 1991, the new legislation was prepared, approved by the Cabinet and presented to Parliament in its November Session. It is expected that the Act establishing the IPA will be passed by Parliament in February 1992 and be brought into force together with regulations in April 1992.

IPA will require substantial assistance in its establishing phase in order to enable it to perform its functions satisfactorily within a reasonable time period. The present consultancy aims at assisting the Government to approach various agencies to provide the technical assistance to IPA.

ANNEX II

Counterparts in PNG Government.

Nigel Agonia, Managing Director, Investment Promotion Authority (IPA)

Robert Igara, Secretary, Department of Trade and Industry

Mikael Brenning, Chief Technical Advisor-UNIDO/Department of Trade and Industry

ANNEX III

Individuals Contacted in Preparation of Study.

Ayesha Yusuf, Assistant Secretary, Planning & Information, Department of Trade & Industry

Adrian Loeff, Small Industries Adviser, UNIDO, Department of Trade & Industry

Elias Kedek, First Assistant Secretary, Industry, Department of Trade & Industry

Fiu Williams, Deputy Director, OIDA, Department of Finance and Planning

Greg Anderson, Executive Officer, PNG Chamber of Mines and Petroleum

Glenn W. Patterson, South Pacific Regional Manager, IMCC Trade & Investment

John Millett, Director, Institute of National Affairs

Louis H. Kuhn, Assistant Director, USAID

Lars Lovdahl, Employment and Investment Planning, Department of Finance and Planning

Raymond A. Manoff, Director, Project Development Export Programs, IMCC

Matt Moran, Executive Director, Trade Development Institute of Ireland, representing the European Community

Paul A. Neureiter, Commercial Attache, American Embassy

Philip D. Franklin, Chairman, Lac Chamber of Commerce

Robert E. Prosser, Partner, Coopers & Lybrand

Siba Kumar Das, Resident Representative, UNDP

Stan Joyce, Chairman, PNG Chamber of Commerce & Industry

Department of Fisheries and Marine Resources

Robert Vanole, Chief Economist

Hendy Landu, Economist

Len Rodwell, ADB Coordinator

ANNEX IV

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No. of 1991.

Investment Promotion Bill 1991.

ARRANGEMENT OF CLAUSES.

PART I. - PRELIMINARY.

1. Purposes of Act.
2. Compliance with Constitutional requirements.
3. Interpretation -
 - "activity"
 - "Authority"
 - "Board"
 - "carrying on business"
 - "certificate"
 - "Chairman"
 - "citizen"
 - "Committee"
 - "corporation"
 - "enterprise"
 - "foreign enterprise"
 - "foreign investment"
 - "foreign investor"
 - "investment"
 - "Managing Director"
 - "national enterprise"
 - "officer"
 - "State body"
 - "this Act".
4. Act binds the State.

PART II. - THE INVESTMENT PROMOTION AUTHORITY.

5. Establishment of the Authority.
6. Functions of the Investment Promotion Authority.
7. Powers of the Authority.
8. Board for the Investment Promotion Authority.
9. Membership of the Board.
10. Alternate members.
11. Chairman and Deputy.
12. Leave of absence.
13. Vacation of office by member of the Board.
14. Vacancy not to affect powers or functions.
15. Meetings of the Board.
16. Disclosure of interest by member of the Board.
17. Committees of the Board.
18. Reports.
19. Managing Director.
20. Functions of the Managing Director.
21. Staff of the Authority.
22. Contract of employment.

PART III. - FINANCES.

23. Application of *Public Finances (Management) Act 1986*.
24. Funds of the Authority.

PART IV. - CERTIFICATION TO CARRY ON BUSINESS IN AN ACTIVITY.

25. Certification.
26. Exemption.
27. Reserved activities.
28. Application for certification.
29. Certificate.
30. Register of Certificates.
31. Register open for inspection.
32. Change of ownership of an enterprise.
33. Variation.
34. Register of Foreign Investment Opportunities.
35. Facilitation of new investment.
36. Cancellation of certificate.

PART V. - INVESTMENT GUARANTEES.

37. Investment guarantees.
38. The Convention Establishing the Multilateral Investment Guarantee Agency.
39. International Centre for Settlement of Investment Disputes.

PART VI. - APPEAL.

40. Appeal from a decision of the Authority.

PART VII. - MISCELLANEOUS.

41. Offences.
42. Information.
43. False statements.
44. Prosecution.
45. Regulations.

PART VIII. - REPEAL.

46. Repeal.

PART IX. - TRANSITIONAL AND SAVING.

47. Interpretation.
48. Transfer of assets.
49. Saving of contracts.
50. Transfer of offices.
51. Transfer of officers.
52. Service.
53. Actions, etc., not to abate.
54. Saving of existing exemption, registration, etc.
55. Application of Acts.
56. First Managing Director.
57. Restrictions on registration under the repealed Act.

A BILL

for

AN ACT

entitled

Investment Promotion Act 1991.

Being an Act to provide for the promotion of investment in the interests of national, social and economic development, and for that purpose to establish a body to be known as the Investment Promotion Authority; to define its powers and functions and to repeal certain Acts; and for related purposes,

MADE by the National Parliament to come into operation in accordance with a notice in the National Gazette by the Head of State, acting with, and in accordance with the advice of the Minister.

PART I. - PRELIMINARY.

1. PURPOSES OF ACT.

The purposes of this Act are:-

- (a) to promote and facilitate investment in the country by citizens and foreign investors; and
- (b) to provide for the grant of a certificate to a foreign enterprise; and
- (c) to define the activities open to a foreign investor; and
- (d) to provide for a register of foreign investment opportunities; and
- (e) to promote investments which -
 - (i) contribute to economic growth;
 - (ii) create new jobs;
 - (iii) utilize domestic resources and, in particular, renewable resources;
 - (iv) assist in skills acquisition;
 - (v) expand exports;
 - (vi) develop remote areas of the country; and
 - (vii) facilitate increased ownership of investment by citizens; and
- (f) to establish the Investment Promotion Authority to assist the State in achieving the purposes specified in this Section.

2. COMPLIANCE WITH CONSTITUTIONAL REQUIREMENTS.

(1) For the purposes of Section 29 of the *Organic Law on Provincial Government*, it is declared that this law relates to a matter of national interest.

(2) This Act, to the extent that it regulates or restricts a right or freedom referred to in Subdivision III.3.C. of the *Constitution*, namely:

Investment Promotion

- (a) the right to freedom from arbitrary search and entry conferred by Section 44 of the *Constitution*; and
 - (b) the right to freedom of employment conferred by Section 48 of the *Constitution*; and
 - (c) the right to privacy conferred by Section 49 of the *Constitution*,
- is a law that is made for the purpose of giving effect to the public interest in public welfare.

3. INTERPRETATION.

- (1) In this Act, unless the contrary intention appears -

"activity" means an economic activity set out in the publication entitled "International Standard Industrial Classification of All Economic Activities (ISIC)" published by the Department of Economic and Social Affairs, Statistical Office of the United Nations, as amended from time to time;

"Authority" means the Investment Promotion Authority established under Section 5;

"Board" means the Board established under Section 8;

"carrying on business" includes -

(a) establishing or using a share transfer or share registration office; or

(b) administering, renting, managing or otherwise dealing with property as an owner, agent, legal personal representative or trustee whether by a servant or agent or otherwise; or

(c) maintaining an agent for the purpose of soliciting or procuring orders whether or not the agent is continuously resident in the country; or

(d) maintaining an office, agency or branch (however described) whether or not the office, agency or branch is also used for one of those purposes by another enterprise; or

(e) undertaking a building, construction or assembly project or an activity numbered 8324 and 8329 in the ISIC that will not be completed within 6 months; or

(f) a combination of Paragraphs (a) to (e),

but an enterprise shall not be regarded as carrying on business by reason only that it -

(g) is or becomes a party to an action or suit or any administrative or arbitration proceeding; or

(h) effects settlement of an action, suit or proceeding or of a claim or dispute; or

(i) holds meetings of its directors or shareholders or carries on other activities concerning its internal affairs; or

(j) maintains a bank account; or

(k) effects a sale through an independent contractor; or

(l) by an advertisement, solicits or procures an order that becomes a binding contract only if the order is accepted outside the country; or

(m) creates evidence of a debt or creates a charge on property; or

(n) secures or collects any of its debts or enforces its rights in regard to any securities relating to any such debts; or

(o) conducts an isolated transaction that is complete within a period of 31 days, not being one of a number of similar transactions repeated from time to time; or

Investment Promotion

- (p) invests any of its funds or holds any real or personal property;
- "certificate" means a certificate issued under Section 29;
- "Chairman" means the Chairman appointed under Section 11;
- "citizen" includes the State, a State body, and an enterprise wholly owned by a citizen;
- "committee" means a committee established under Section 17;
- "corporation" has the same meaning as in the *Companies Act* (Chapter 146);
- "enterprise" means any person, corporation, body or association of persons engaged, or proposed to be engaged in carrying on business in an activity in the country;
- "foreign enterprise" means an enterprise which is not a national enterprise or a citizen;
- "foreign investment" means investment by a non-citizen;
- "foreign investor" means any person, corporation, body or association of person that is not a citizen which makes or proposes to make an investment in the country;
- "investment" means every kind of asset subject to the laws of Papua New Guinea and includes -
- (a) moveable and immoveable property and other property rights including charges, mortgages, liens and pledges; and
 - (b) shares stocks and debentures of corporations or interests in the property of such corporations; and
 - (c) a chose in action, a claim to money or a claim to any performance having a financial value; and
 - (d) intellectual and industrial property rights and goodwill; and
 - (e) business and analogous concessions conferred by law, including concessions to search for, cultivate, extract or exploit natural resources;
- "Managing Director" means the Managing Director of the Investment Promotion Authority appointed under Section 19 and includes the person occupying the office of Managing Director under Section 56;
- "national enterprise" means an enterprise more than 50% of which is owned directly or indirectly by a citizen, unless the control exercisable in law or by any agreement between the shareholders, or by agreement between the enterprise and a third party, or in practice, is maintained by a person other than a citizen;
- "officer" has the same meaning as in the *Companies Act* (Chapter 146);
- "State body" means -
- (a) the National Government; or
 - (b) a provincial government; or
 - (c) an arm, Department, agency or instrumentality of the State or of a provincial government; or
 - (d) any body, authority or instrumentality established by the State or by or under an Act;
- "this Act" includes the Regulations.

(2) For the purposes of this Act, a person shall be deemed to carry on business in an activity in the country notwithstanding that the business is carried on partly within and partly outside country.

4. ACT BINDS THE STATE.

(1) This Act binds the State.

(2) Where by or under any other Act, the Head of State, acting on advice, or a Minister, may give directions as to policy, any directions as to policy given to the Authority shall not be inconsistent with the provisions of this Act.

PART II. - THE INVESTMENT PROMOTION AUTHORITY.

5. ESTABLISHMENT OF THE AUTHORITY.

(1) The Investment Promotion Authority is established.

(2) The Investment Promotion Authority -

- (a) is a body corporate with perpetual succession; and
- (b) shall have a common seal; and
- (c) may acquire, hold and dispose of property; and
- (d) may sue and be sued in its corporate name and style.

(3) All courts, Judges and persons acting judicially shall take judicial notice of the common seal of the Authority affixed to a document and shall presume that it was duly affixed.

6. FUNCTIONS OF THE INVESTMENT PROMOTION AUTHORITY.

The functions of the Authority are, in accordance with any directions of the National Executive Council on development objectives and policies -

- (a) to provide information to investors in the country and overseas; and
- (b) to encourage and facilitate investment in the country by assisting investors to obtain all necessary licences, compliances and approvals; and
- (c) to facilitate the introduction of citizen and foreign investors to each other and to activities and investments of mutual benefit; and
- (d) to provide a system of certification of a foreign enterprise and to require that a foreign enterprise may only carry on business if so certified; and
- (e) to advise the Minister on policy issues which relate to this Act; and
- (f) to maintain a register of foreign investment opportunities; and
- (g) to facilitate citizen participation in investment and in the ownership of national and foreign enterprises; and
- (h) to carry out such other functions as are given to the Authority by this Act or by any other law; and
- (i) generally to do such supplementary, incidental or consequential acts and things as are necessary or convenient for carrying out its functions.

7. POWERS OF THE AUTHORITY.

(1) The Authority has, in addition to the powers otherwise conferred on it by this Act and any other law, power to do all things necessary or convenient to be done for or in connection with the performance of its functions.

(2) Where in the opinion of the Minister a State body has unduly delayed the issue or grant or consideration of a licence, compliance or approval, he may refer the matter to the Minister responsible for such State body.

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(3) The Minister to whom reference is made under Subsection (2) shall provide to the Minister within 30 days of such reference a report on the reasons for the delay and the measures that are being taken or will be taken to minimize any further delay.

(4) If, following the report of the Minister under Subsection (3) there is a further delay which, in all the circumstances, the Minister considers unreasonable and unjustified he may refer the matter to the National Executive Council which shall consider the matter and give such direction as it considers shall best give effect to the purposes of this Act.

8. BOARD FOR THE INVESTMENT PROMOTION AUTHORITY.

(1) There is established a Board for the Investment Promotion Authority.

(2) The Board shall perform the functions, exercise the powers and manage and direct the affairs of the Authority.

9. MEMBERSHIP OF THE BOARD.

(1) The Board shall consist of -

- (a) the Departmental Head of the Department responsible for trade and industry matters or his nominee, *ex officio*; and
- (b) the Departmental Head of the Department responsible for financial and planning matters or his nominee, *ex officio*; and
- (c) the Managing Director, *ex officio*; and
- (d) two Members nominated by the Papua New Guinea Chamber of Commerce and Industry; and
- (e) one Member nominated by the Rural Industries Council; and
- (f) one Member nominated by the Liklik Bisnismanmeri Association Incorporated; and
- (g) one Member nominated by the Papua New Guinea Chamber of Mines and Petroleum; and
- (h) two Members appointed by the Minister.

(2) The Members referred to in Subsection (1)(h) -

- (a) shall be appointed by the Minister by notice in the National Gazette; and
- (b) shall be appointed for a term of three years; and
- (c) hold office on such terms and conditions as are determined under the *Boards (Fees and Allowances) Act* (Chapter 299); and
- (d) are eligible for re-appointment.

(3) The nominee referred to in Subsections 1(a) and (b) shall be a person holding an office in the National Public Service not less than that of a First Assistant Secretary or the equivalent office.

(4) The persons referred to in Subsections (1)(d) to (h) shall be ordinarily resident in the country.

(5) If a body referred to in Subsections (1)(d) to (g) ceases to exist and is unable to nominate a person for membership to the Board the Minister may appoint a person in their place who shall, so far as is practicable, be representative of the interests of the group comprised by the body.

10. ALTERNATE MEMBERS.

(1) For each of the persons appointed under Subsection (1)(d) to (h), an alternate member shall be appointed in the same way and subject to the same conditions as the member for whom he is the alternate.

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(2) In the event of the inability to act of a member, the alternate member has and may exercise all his powers, functions, duties and responsibilities and this Act applies accordingly.

(3) An alternate member may, unless the Board otherwise directs, attend all meetings of the Board but shall not, except where he is attending in the absence of the member for whom he is the alternate, take part in debate, vote on any matter or be counted towards a quorum.

(4) An alternate member is entitled to receive independently all notices, papers, minutes of meetings and other relevant information to which members are entitled.

11. CHAIRMAN AND DEPUTY.

(1) The Minister shall appoint one of the members to be the Chairman of the Board.

(2) The Minister shall, on the recommendation of the members of the Board, appoint one of the members to be the Deputy Chairman of the Board.

(3) The Chairman and Deputy Chairman hold office as Chairman or Deputy Chairman until the expiration of the period of their respective appointments or until they cease to be members, whichever first occurs.

12. LEAVE OF ABSENCE.

The Minister may grant leave of absence to a member of the Board on such terms and conditions as the Minister determines.

13. VACATION OF OFFICE BY MEMBER OF THE BOARD.

(1) A member of the Board, other than an *ex officio* member, may resign his office by writing signed by him and delivered to the Minister.

(2) If a member of the Board, other than an *ex officio* Member -

- (a) becomes permanently incapable of performing his duties; or
- (b) resigns his office in accordance with Subsection (1); or
- (c) is absent, except with the written consent of the Minister, from three consecutive meetings of the Board; or
- (d) fails to comply with Section 16; or
- (e) becomes bankrupt, or applies to take the benefit of any law for the benefit of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his remuneration for their benefit; or
- (f) is convicted of an offence punishable under a law by a term of imprisonment of one year or longer; or
- (g) ceases to be ordinarily resident in the country,

the Minister shall terminate his appointment.

(3) The Minister, may at any time, by written notice advise a member, other than an *ex officio* member, that he intends to terminate his appointment on the grounds of inefficiency or misbehaviour.

(4) Within 14 days of the receipt of a notice under Subsection (3), the member may reply in writing to the Minister, who shall consider the reply, and, where appropriate, terminate his appointment.

(5) Where the member referred to in Subsection (3) does not reply in accordance with Subsection (4), his appointment is terminated.

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14. VACANCY NOT TO AFFECT POWERS OR FUNCTIONS.

The exercise of a power or the performance of a function of the Board is not invalidated by reason only of a vacancy in the membership of the Board.

15. MEETINGS OF THE BOARD.

(1) The Board shall meet as often as the business of the Board requires, and at such times and places as the Chairman directs, but in any event not less frequently than once in every three months.

(2) At a meeting of the Board -

(a) five members constitute a quorum; and

(b) the Chairman, or in his absence the Deputy Chairman, shall preside, and if both the Chairman and Deputy Chairman are absent, the members present shall appoint, from among their own number, a chairman for that meeting; and

(c) matters arising shall be decided by a majority of the votes of the members present and voting; and

(d) the person presiding has a deliberative, and in the event of an equality of votes on any matter, also a casting vote.

(3) The Board shall cause minutes of its meeting to be recorded and kept.

(4) Subject to this Act, the procedures of the Board are as determined by the Board.

16. DISCLOSURE OF INTEREST BY MEMBER OF THE BOARD.

(1) A member of the Board who has a direct or indirect interest in a matter being considered or about to be considered by the Board shall, as soon as possible after the relevant facts have come to his knowledge, disclose the nature of his interest at a meeting of the Board.

(2) A disclosure under Subsection (1), shall be recorded in the minutes of the Board, and the member -

(a) shall not take part, after the disclosure, in any deliberation or decision of the Board in relation to the matter; and

(b) shall be disregarded for the purpose of constituting a quorum of the Board for any such deliberation or decision.

17. COMMITTEES OF THE BOARD.

(1) The Board may, from time to time, establish committees of the Board to advise the Board on such matters as the Board considers necessary.

(2) In establishing a committee under Subsection (1), the Board may -

(a) appoint such persons as it considers necessary; and

(b) specify the functions and procedures of the committee.

(3) A member of a committee who is not a member of the Board may receive fees and allowances under the *Boards (Fees and Allowances) Act* (Chapter 299).

18. REPORTS.

(1) The Board shall furnish to the Minister -

(a) on or before 15 February in every year, a report on the progress and performance of the Authority for the previous year; and

(b) such other reports in relation to the functions of the Authority as are requested by the Minister.

(2) As soon as practicable after he has received the report referred to in Subsection (1)(a), the Minister shall forward the report to the Speaker for presentation to the Parliament.

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19. MANAGING DIRECTOR.

(1) There shall be a Managing Director of the Authority who shall be appointed by the Minister by notice in the National Gazette following a recommendation by the Board.

(2) The Managing Director is -

- (a) the chief executive officer of the Authority; and
- (b) the head of the staff of the Authority; and
- (c) responsible to the Board for the efficient carrying out of the functions of the Authority.

(3) The Managing Director shall be appointed for a term of four years and, subject to the *Salaries and Conditions Monitoring Committee Act 1988*, on such terms and conditions as are determined by the Board and shall be eligible for reappointment.

(4) The Managing Director may be dismissed from office by the Minister by notice in the National Gazette following a recommendation by the Board if he -

- (a) becomes incapable of performing his duties; or
- (b) engages in any paid employment or carries on business outside the duties of this office; or
- (c) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his salary for their benefit; or
- (d) resigns his office by writing signed by him and delivered to the Minister; or
- (e) is convicted of an offence that is punishable under a law by a term of imprisonment of one year or longer; or
- (f) ceases to be ordinarily resident in the country.

20. FUNCTIONS OF THE MANAGING DIRECTOR.

(1) The Managing Director shall -

- (a) manage the Authority in accordance with the policy and direction of the Board; and
- (b) advise the Board on any matter concerning the Authority referred to him by the Board.

(2) The Managing Director -

- (a) shall carry out and perform the duties required of him under this Act and his contract of employment; and
- (b) has such other duties as the Board shall from time to time determine.

21. STAFF OF THE AUTHORITY.

(1) The Managing Director may appoint to be employees of the Authority such persons as he considers necessary for the purpose of giving effect to this Act.

(2) The Managing Director and the employees appointed under Subsection (1) constitute the staff of the Authority.

(3) The Managing Director shall direct the employees of the Authority.

22. CONTRACT OF EMPLOYMENT.

The Managing Director and every employee of the Authority shall be employed under a contract of employment which, in the case of the Managing Director, shall be executed by the Board on behalf of the Authority and by the Managing Director, and in the case of an employee, shall be executed by the Managing Director on behalf on the Authority and by the employee concerned.

PART III. - FINANCES.

23. APPLICATION OF *PUBLIC FINANCES (MANAGEMENT) ACT*.

Part VIII of the *Public Finances (Management) Act* 1986 applies to and in relation to the Authority.

24. FUNDS OF THE AUTHORITY.

- (1) The funds of the Authority consist of -
 - (a) all monies appropriated by Act for the purpose of carrying out or giving effect to this Act; and
 - (b) all monies received by the Authority by way of grants and subscriptions; and
 - (c) all monies received by the Authority for services provided by the Authority; and
 - (d) all fees paid to the Registrar of Companies under the *Companies Act* (Chapter 146); and
 - (e) all fees paid under the acts contained in the Schedule to this Act; and
 - (f) all other monies received by the Authority in accordance with the Act and in the exercise and performance of its powers, functions and duties.

- (2) The monies of the Authority may be expended only -
 - (a) in payment or discharge of expenses, obligations and liabilities of the Authority; and
 - (b) in payment of the remuneration of the staff of the Authority and of allowances to the members of the Board; and
 - (c) for such other purposes as are consistent with the functions of the Authority as the Board, after consultation with the Managing Director, shall determine.

PART IV. - CERTIFICATION TO CARRY ON BUSINESS IN AN ACTIVITY.

25. CERTIFICATION.

(1) The Authority may, in accordance with this Part, grant a certificate permitting a foreign enterprise to carry on business in an activity in the country.

(2) Subject to Section 26, a foreign enterprise shall not carry on business in an activity, unless a certificate has been granted under this Part.

(3) A certificate granted under this Act does not of itself relieve a foreign enterprise from compliance with any other law.

26. EXEMPTION.

(1) Where, in the opinion of the Minister, after consultation with the Board, the activity in which a foreign enterprise is engaged is primarily intended for -

- (a) religious, educational, charitable or other socially useful purpose; or

(b) any other non-profit purpose that is socially desirable and to be encouraged; or

(c) a combination of such purposes.

the Minister may, by notice in the National Gazette, declare that it is not a foreign enterprise for the purpose of this Act.

(2) Subject to Subsection (3), the Minister may, after receiving a report from the Authority, by written notice to a foreign enterprise or a national enterprise, exempt a foreign enterprise or a national enterprise from any of the provisions of this Act.

(3) Before granting an exemption under Subsection (2), the Minister shall give notice in the National Gazette and in a newspaper circulating throughout the country that at the expiration of 30 days from a specified date he proposes to grant an exemption.

(4) A citizen may, within 14 days of the publication of a notice referred to in Subsection (3), object to the proposed exemption by giving notice to the Authority in the prescribed form.

(5) The Minister shall consider an objection within 45 days of the expiration of the period referred to in Subsection (4) and shall then determine whether or not to grant an exemption.

27. RESERVED ACTIVITIES.

(1) The Regulations may prescribe activities which are reserved for -

(a) citizens; or

(b) national enterprises.

(2) The Authority shall, on or before the expiration of two years from the date of coming into operation of this Act and from time to time as it thinks fit, review the lists of prescribed activities under Subsection (1).

(3) Following a review under Subsection (2), the Authority shall recommend to the Minister any additions or variations to, or deletions from, the lists of activities reserved under Subsection (1).

(4) Subject to Sections 26(1) and (2), a certificate shall not be granted to a foreign enterprise to carry on business in an activity reserved under Subsection (1).

(5) An enterprise which is not a citizen and which is lawfully carrying on business prior to the commencement of Regulations made under Subsection (1), may continue to carry on business in that reserved activity.

(6) If a foreign enterprise has been granted a certificate to carry on business in an activity, or an enterprise which is not a citizen is lawfully carrying on business in an activity, and that activity becomes a reserved activity under Subsection (1), the enterprise may continue to carry on business in that activity notwithstanding that the activity has become reserved and no exemption or registration granted under the *National Investment and Development Act* (Chapter 120) shall be affected by any such reservation of an activity.

28. APPLICATION FOR CERTIFICATION.

(1) A foreign enterprise may apply to the Authority for a certificate under this Part.

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- (2) An application under Subsection (1) shall -
- (a) be in the prescribed form; and
 - (b) contain the prescribed particulars; and
 - (c) be accompanied by the prescribed documents; and
 - (d) be accompanied by the prescribed fee.

(3) In addition to the documents referred to in Subsection (2), a foreign enterprise applying under Subsection (1) shall provide to the Authority a copy of any agreement or other document relating to the management or proposed management of the foreign enterprise.

- (4) The Authority shall -
- (a) consider an application made under this section; and
 - (b) grant the application, unless there is sufficient evidence that an enterprise who is or is proposed to be an owner, officer or business partner of the foreign enterprise and who has a substantial interest in that foreign enterprise has -
 - (i) a civil judgement registered against it in a court in the country or elsewhere and such judgement is proper and remains unsatisfied; or
 - (ii) been adjudicated bankrupt or insolvent or has been wound-up or has a receiver or manager appointed; or
 - (iii) been convicted of an offence punishable under a law by a term of imprisonment of one year or longer whether in the country or elsewhere,in which case the Authority shall refuse the application.

(5) Written notice of the grant or refusal of an application shall be given to the applicant within 45 days of the making of a complete and correct application.

(6) Where an application is refused, or a certificate is granted in terms other than those applied for, the notice under Subsection (5) shall state the grounds of the refusal to grant the certificate or of the grant in terms other than those applied for.

(7) Notwithstanding Subsection (4), the Authority may grant a certificate to a foreign enterprise where, in the opinion of the Authority, there exist special and exceptional circumstances which justify the granting of a certificate.

29. CERTIFICATE.

(1) Where the Authority grants an application under Section 28 it shall issue a certificate for a foreign enterprise to carry on business in an activity.

- (2) A certificate issued under Subsection (1) shall -
- (a) be in the prescribed form; and
 - (b) contain the following terms -
 - (i) the name of the foreign enterprise; and
 - (ii) the nature of the activity; and
 - (iii) the location where the foreign enterprise is to carry on business in an activity; and
 - (iv) any other prescribed terms.

30. REGISTER OF CERTIFICATES.

(1) The Authority shall keep a register to be known as the Register of Certificates, into which shall be entered particulars of -

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- (a) every certificate issued under this Part; and
- (b) every certificate cancelled under this Part; and
- (c) such other particulars as are prescribed.

(2) The Register of Certificates, or a document purporting to be, or to be a copy of, or an extract from, the Register of Certificates kept under Subsection (1) is *prima facie* evidence of the matter contained in it.

(3) A copy of a certificate or of an extract from the Register of Certificates may be obtained on payment of the prescribed fee.

31. REGISTER OPEN FOR INSPECTION.

The Register of Certificates shall be open for inspection during normal business hours.

32. CHANGE OF OWNERSHIP OF AN ENTERPRISE.

(1) Where there is a change in the shareholding or beneficial ownership of a foreign enterprise other than a foreign enterprise that is a public company and is listed on a prescribed stock exchange, the foreign enterprise shall, within 14 days of such change, provided that the change is known to that foreign enterprise and the change is substantial, notify the Authority of the change and the Authority may, within 14 days of such notification, by written notice, require the foreign enterprise to apply for a certificate under Section 28.

(2) Where there is a change in the shareholding or beneficial ownership of a citizen or national enterprise and, as a result of the change, the citizen or national enterprise becomes a foreign enterprise, it shall, within 14 days of the change apply for a certificate under Section 28.

33. VARIATION.

(1) A foreign enterprise granted a certificate may apply to the Authority in the prescribed form and on payment of the prescribed fee for a variation of -

- (a) its activity; or
- (b) its location of carrying on business in an activity; or
- (c) any other prescribed term of a certificate.

(2) An application under Subsection (1) shall be considered as if it were an application for a certificate under Section 28.

34. REGISTER OF FOREIGN INVESTMENT OPPORTUNITIES.

(1) An enterprise that is not a citizen and carries on business in an activity in the country shall provide to the Authority a foreign investment opportunity notice in the prescribed form.

(2) An enterprise that is a citizen may provide to the Authority a foreign investment opportunity notice in the prescribed form.

(3) A foreign investment opportunity notice under Subsection (1) shall contain the following particulars -

- (a) the shareholding or beneficial interest of a non-citizen in an enterprise that is a non-citizen; and
- (b) the activity in which the enterprise carries on business; and
- (c) such other particulars as are prescribed.

(4) A foreign investment opportunity notice shall be provided to the Authority within six months of the coming into operation of this Act and within three months of an enterprise to which this section relates commencing the carrying on of business in an activity, and every two years from such date.

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(5) An enterprise which is not a citizen and which does not carry on business in an activity but proposes to carry on business in an activity may provide a foreign investment opportunity notice to the Authority.

(6) The Authority shall keep a register, to be known as the Register of Foreign Investment Opportunities into which shall be entered particulars of -

- (a) the share-holding or beneficial interest of a non-citizen in an enterprise that is a non-citizen;—and
- (b) the activity in which the enterprise to which this Section relates carries on business.

(7) An application by a foreign enterprise under Section 28 shall be sufficient compliance with this section.

(8) The Managing Director shall ensure that the Register of Foreign Investment Opportunities is open for inspection during normal business hours.

35. FACILITATION OF NEW INVESTMENT.

In accordance with its function of facilitating investment the Authority may, on payment of the prescribed fee, assist an enterprise in obtaining all necessary licences, compliances and approvals as may be required by law.

36. CANCELLATION OF CERTIFICATION.

(1) Where the Minister, after receiving a report from the Board, is of the opinion -

- (a) that a foreign enterprise certified under Section 28 obtained a certificate by fraud or misrepresentation; or
- (b) that a foreign enterprise, or an owner, officer, or business partner of a foreign enterprise who has a substantial interest in that foreign enterprise has been convicted of an offence punishable under a law by a term of imprisonment of one year or longer; or
- (c) that a foreign enterprise is in breach of terms of its certificate granted under Section 28,

the Minister may give written notice to the foreign enterprise stating the grounds for his opinion and that he intends to cancel its certificate on the expiry of 14 days from the date of the notice.

(2) Within 14 days of receipt of a notice under Subsection (1) the foreign enterprise may reply in writing to the Minister who shall consider the reply and either -

- (a) give written notice to the foreign enterprise that he withdraws his intention to cancel its certificate; or
- (b) give written notice, in the prescribed form, that its certificate is cancelled.

(3) The cancellation of a certificate under this section takes effect on and from the date of the notice referred to in Subsection (2)(b).

(4) The Regulations shall prescribe the manner in which the Authority may give permission to a foreign enterprise to carry on business temporarily for the purpose of winding-up notwithstanding that its certificate has been cancelled under Subsection (2) or (3).

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PART V. - INVESTMENT GUARANTEES.

37. INVESTMENT GUARANTEES.

(1) The provisions of this section shall apply to a foreign investor except where treatment more favourable to the foreign investor is accorded under any bilateral or multilateral agreement to which the State is a party.

(2) There shall be no nationalization or expropriation of the property of a foreign investor except -

- (a) in accordance with law; and
- (b) for a public purpose defined by law; and
- (c) in payment of compensation as defined by law.

(3) Subject to any laws relating to taxation and exchange control, a foreign investor shall be allowed the right -

- (a) to remit overseas earnings and repatriate capital; and
- (b) to remit amounts necessary to meet payments of -
 - (i) principal, interest and service charges; and
 - (ii) similar liabilities on foreign loans; and
 - (iii) the costs of other foreign obligations, approved by the State,

at the exchange rate prevailing under the law at the time of remission or repatriation.

(4) Subject only to the exchange rate prevailing under any law at the time, a foreign investor shall be allowed the right to remit overseas all compensation received in accordance with the guarantees under Subsection (2)(c).

(5) Subject to any existing laws and to any agreement between the State and a foreign investor, no rate, tax, rent, charge, due, duty, tariff or other levy and no related procedure or practice, shall discriminate against a foreign investor or its investment on the grounds of its origin.

38. THE CONVENTION ESTABLISHING THE MULTILATERAL INVESTMENT GUARANTEE AGENCY.

Certification of an enterprise under Part IV shall constitute approval by the Government of Papua New Guinea within the meaning of Article 15 of the Convention Establishing the Multilateral Investment Guarantee Agency for the issue by the Agency of guarantees in respect of investment.

39. INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES.

The *Investment Disputes Convention Act* (Chapter 346), implementing the International Convention on the Settlement of Investment Disputes between States and Nationals of Other States, applies, according to its terms, to disputes arising out of foreign investment.

PART VI. - APPEAL.

40. APPEAL FROM A DECISION OF THE AUTHORITY.

(1) A foreign enterprise which -

- (a) is refused a certificate; or
- (b) is refused a term of a certificate under Section 29; or
- (c) is refused a variation of a term of a certificate under Section 33; or
- (d) has applied for a certificate but has not received a written notice under Section 28(5),

may, within 30 days of receiving the notice of refusal or of the expiration of the period provided for the giving of notice under Section 28(5), appeal to the Minister.

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- (2) An appeal under Subsection (1) shall -
- (a) be in writing; and
 - (b) contain the grounds of the appeal; and
 - (c) be accompanied by the prescribed fee.
- (3) The Minister shall -
- (a) within 45 days of receiving an appeal under this section, consider the appeal and decide whether to grant or refuse the appeal; and
 - (b) advise the foreign enterprise and the Authority in writing of the reasons for his decision; and
 - (c) when granting an appeal, give such direction to the Authority as is appropriate.

(4) The Authority shall comply with a direction given to it by the Minister under Subsection (3)(c).

PART VII. - MISCELLANEOUS.

41. OFFENCES.

(1) A foreign enterprise and an officer or owner (however described) of a foreign enterprise who -

- (a) carries on business in an activity without a certificate under Part IV; or
- (b) carries on business in an activity that is reserved for a citizen; or
- (c) carries on business in an activity that is reserved for a national enterprise; or
- (d) fails to comply with the terms of a certificate under Part IV,

is guilty of an offence.

Penalty: A fine not exceeding K100,000.00.

Default Penalty: A fine not exceeding K10,000.00 for each day the offence continues.

(2) A national enterprise and an officer, member, shareholder or owner (however described) of a national enterprise who carries on business in an activity that is reserved for a citizen is guilty of an offence.

Penalty: A fine not exceeding K100,000.00.

Default Penalty: A fine not exceeding K10,000.00 for each day the offence continues.

(3) In a prosecution of an offence under this Section, the burden of proof that a foreign enterprise or a national enterprise -

- (a) was not carrying on business; or
- (b) was lawfully carrying on business under Section 27(5) and (6); or
- (c) was carrying on business only for the purpose of winding-up its affairs,

is on the foreign enterprise or national enterprise.

(4) A certificate purporting to be signed by the Managing Director, stating that on a specified date or during a specified period -

- (a) a term of a certificate granted under this Act had not been complied with; or
- (b) a foreign enterprise or national enterprise was carrying on any class of business; or
- (c) a foreign enterprise was not certified,

is *prima facie* evidence of that matter.

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42. INFORMATION.

(1) Where, in the opinion of the Authority -

- (a) any information, books or records in the possession or under the control of a person is or are relevant to the exercise or performance of the powers or functions of the Authority or to the achievement of the purposes of this Act; and
- (b) it is desirable that the information be given to the Authority or that the books or records be made available for inspection by the Authority.

the Authority shall issue to the person a written notice to that effect specifying the relevant information, books and records.

(2) Where a notice under Subsection (1) has been produced to the persons to whom it is issued, the person shall, on request by the Authority, furnish the information and produce for inspection the books and records specified in the notice.

(3) The Authority or its authorised agent may take copies of and extracts from any books or records produced under Subsection (2).

(4) Subsection (2) does not affect the operation of any law by or under which any information, book or record is to be kept confidential.

(5) Subject to Subsection (6), a person who, without reasonable excuse (proof of which is on him), refuses or fails when requested to do so under Subsection (2) to furnish any information or to produce for inspection any book or record or furnishes information that is false or misleading in a material particular, is guilty of an offence.

Penalty: A fine not exceeding K10,000.00.

Default penalty: A fine not exceeding K1,000.00.

(6) It is a defence to a charge of an offence against Subsection (5) if the person charged proves that the information, book or record was not relevant to the exercise or performance of the powers or functions of the Authority to the achievement of the purposes of this Act or was not in the possession or under the control of such person at the time of receipt of the notice.

43. FALSE STATEMENTS.

A person who, in a statement made or information furnished under or for the purposes of this Act, makes, without reasonable excuse (proof of which is on him), a statement, or gives information, that is false or misleading in a material particular, is guilty of an offence.

Penalty: A fine not exceeding K50,000.00.

44. PROSECUTION.

The Head of State, acting on advice, may make Regulations not inconsistent with this Act, prescribing all matters that by this Act are permitted or required to be prescribed, or that are necessary or convenient to be prescribed for carrying out or giving effect to this Act and generally for achieving the purposes of this Act, and in particular for prescribing fees and for prescribing penalties of fines not exceeding K10,000.00 and default penalties of fines not exceeding K1,000.00 for infringements of the Regulations.

PART VIII. - REPEAL.

46. REPEAL.

The *National Investment and Development Act* (Chapter 120) and the *Investment Promotion Act 1991* (No. 1 of 1991) are repealed by this Act.

PART IX. - TRANSITIONAL AND SAVING.

47. INTERPRETATION.

In this Part -

"NIDA" means the National Investment and Development Authority established under the repealed Act.

"repealed Act" means the *National Investment and Development Act* (Chapter 120).

48. TRANSFER OF ASSETS.

All assets (other than land held by the State) which immediately before the coming into operation of this Act were occupied held or owned by NIDA and all obligations and liabilities of NIDA immediately before that coming into operation, are, on that coming into operation, transferred to and become the assets, obligations and liabilities of the Authority.

49. SAVING OF CONTRACTS.

All contracts and agreements (other than contracts of employment) entered into, made with, or addressed to NIDA, are, to the extent that they were, immediately before the coming into operation of this Act, binding on and of full force and effect against or in favour of NIDA on that coming into operation, binding on and of full force and effect against or in favour of the Authority as fully and effectually as if, instead of NIDA, the Authority had been a party to them or bound by them or entitled to the benefit of them.

50. TRANSFER OF OFFICES.

All offices in the National Public Service carrying out functions under the Acts contained in the Schedule to this Act in existence immediately before the coming into operation of this Act are abolished, and shall, on that coming into operation, be deemed to have been created under this Act with -

- (a) the same salaries or scale of salaries; and
- (b) the same conditions of service; and
- (c) the same qualifications; and
- (d) the same duties,

as they had under the *Public Service (Management) Act* 1986 immediately before the date of coming into operation.

51. TRANSFER OF OFFICERS.

(1) A person who, immediately before the date of coming into operation of this Act was the substantive occupant of an office referred to in Section 50 shall, on that coming into operation, be deemed to have been appointed to an equivalent office under this Act.

(2) A person who, immediately before the date of coming into operation of this Act was acting in an office referred to in Section 50 shall, on and from that date of coming into operation, continue to act in the equivalent office under this Act.

52. SERVICE.

All periods that were counted as service in the National Public Service in respect of the officers transferred under Section 51 shall be counted as service for the equivalent purpose under this Act.

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53. ACTIONS, ETC., NOT TO ABATE.

Where, immediately before the coming into operation of this Act, any action, arbitration or proceeding was pending or existing by or against a person or body under the repealed Act, it does not, on that coming into operation, abate or discontinue, and is not in any way affected by any provision of this Act, but it may be prosecuted, continued and enforced by, against or in favour of the person or body under the repealed Act as if this Act has not been made.

54. SAVING OF EXISTING EXEMPTION, REGISTRATION, ETC.,

(1) Subject to Subsection (2), every notice, variation, cancellation, exemption or registration granted or made under the repealed Act, valid and in force immediately before the coming into operation of this Act, shall continue, on that coming into operation, to have full force and effect as if it had been granted or made under this Act.

(2) On the coming into operation of this Act a certificate of registration under the repealed Act shall be deemed to be a certificate under this Act in respect of the name of the enterprise, its activity and its location but all other conditions of registration of an enterprise under the repealed Act shall, on the coming into operation of this Act, cease to have effect.

(3) The Authority shall issue a certificate to a foreign enterprise in accordance with Subsection (2), as soon as practicable after the coming into operation of this Act.

55. APPLICATION OF ACTS.

Where by or under an Act or other law (other than this Act) any document or instrument wherever made or executed, contains a reference, express or implied, to NIDA, that reference shall, on the coming into operation of this Act, except where the context otherwise requires, be read and construed and have effect as a reference to the Authority.

56. FIRST MANAGING DIRECTOR.

(1) The person who, immediately before the coming into operation of this Act, held the office of Executive Director of NIDA, shall, on that coming into operation, hold the office of Managing Director until a Managing Director is appointed under Section 19.

(2) The person referred to in Subsection (1) shall hold office in accordance with the terms and conditions of employment of the office of Executive Director of NIDA determined under the repealed Act until terms and Conditions have been determined for the office of Managing Director at which time those terms and conditions shall apply.

57. RESTRICTIONS ON REGISTRATION UNDER THE REPEALED ACT.

Where an Act provides that NIDA shall not grant registration or variation of registration to a foreign enterprise in an activity unless approval is obtained for that registration from a State body or Minister the reference to NIDA shall be read as a reference to the Authority and the reference to the grant of registration or variation of registration shall be read as a reference to the grant of a certificate under Section 29 of this Act.

S C H E D U L E .

Associations Incorporation Act (Chapter 142);
Business Groups Incorporation Act (Chapter 144);
Business Names Act (Chapter 145);
Companies Act (Chapter 146);
Land Groups Incorporation Act (Chapter 147).

INDEPENDENT STATE OF PAPUA NEW GUINEA.

STATUTORY INSTRUMENT.

No. of 1992.

Investment Promotion Regulation 1992.

Being a Regulation,

MADE by the Head of State, acting with, and in accordance with, the advice of the National Executive Council under the *Investment Promotion Act 1992.*

1. **INTERPRETATION.**

In this Regulation -

- (a) where an activity is expressed as being small scale, the determination as to whether or not an activity is small scale shall be made by the Authority; and
- (b) where an activity is followed by numbers, those numbers refer to classifications according to the United Nations International Standard Classification of all Economic Activities (ISIC), Third Revision.

2. **NOTICE OF OBJECTION.**

A notice of objection under Section 26(4) of the Act shall be in Form 1.

3. **RESERVED ACTIVITIES.**

For the purposes of Section 27(1)(a) of the Act, the following activities shall be reserved for citizens:-

Agriculture, Hunting and Related Service Activities.

Small scale growing of crops, market gardening and horticulture (included in 011).

Small scale farming of animals (included in 012).

Poultry farming (included in 0122).

Small scale growing of crops combined with farming of animals (mixed farming) (included in 013).

Hunting, trapping and game propagation including related service activities (0150).

Forestry, Logging and Related Service Activities.

Gathering of wild growing forest materials: balatta and other rubber-like gums; cork; lac, resins and balsams; rattan; vegetable hair and eel grass; acorns and horse-chestnuts; mosses, lichens and cut evergreen trees used for festive occasions; saps; bark; herbs; wild fruits; flowers and plants; leaves; needles; reeds; roots; or other wild growing materials (included in 0200).

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Fishing, Operation of Fish Hatcheries and Fish Farms; Service Activities Incidental to Fishing.

Fishing on a commercial basis in coastal and inland waters (included in 0500). "Coastal" means within a distance of 3 miles of the shoreline.

Taking of marine or freshwater crustaceans and molluscs. Hunting of aquatic animals such as turtles, sea-squirts and other tunicates, sea urchins or other echinoderms and other aquatic invertebrates. Gathering of marine materials such as natural pearls, sponges, coral and algae (included in 0500).

Wildlife.

Hunting or collecting of non-protected fauna, including insects, shells, animal teeth, tusks, feathers, declared sedentary organisms and similar products and living or dead fauna.

Manufacturing.

Manual silkscreen printing (included in 2221).

Manufacture of handicrafts.

Commercial reproduction of artifacts.

Processing by sun drying or smoking of copra.

Processing of coffee through to green beans.

Construction.

Erection of fences (included in 4520).

Plumbing maintenance and repair (included in 4530).

Painting (included in 4540).

Sale, Maintenance and Repair of Motor Vehicles and Motorcycles; Retail Sale of Automotive Fuel.

Wholesale and retail sale of second hand motor vehicles and motorcycles, except by a vehicle or motorcycle dealer authorized by an overseas manufacturer to sell new motor vehicles and motorcycles and in conjunction with such an authorization and when the wholesale and retail sale of second hand motor vehicles and motorcycles is incidental to the wholesale and retail sale of new motor vehicles and motorcycles (included in 5010 and 5040).

Maintenance and repair of motor vehicles and motorcycles, except by a motor vehicle or motorcycle dealer authorized by an overseas manufacturer to sell new motor vehicles and motorcycles and in conjunction with such an authorization and when the maintenance and repair activities are incidental to the wholesale and retail sale of new motor vehicles and motorcycles (included in 5020 and 5040).

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Retail sale of automotive fuel, except by a motor vehicle or motorcycle dealer authorized by an overseas manufacturer to sell new motor vehicles and motorcycles and in conjunction with such an authorization and when the retail sale of automotive fuel is incidental to the wholesale and retail sale of new motor vehicles and motorcycles (included in 5050).

Wholesale and Retail Sale, except of Motor Vehicles and Motorcycles.

"Wholesale" includes wholesale sale by commission agents, commodity brokers and auctioneers and all other wholesalers who trade on behalf and on the account of others.

Wholesale and retail sale of crocodile skins including exports, unless in conjunction with crocodile farming or further processing of crocodile skins.

Wholesale and retail sale of commodity coffee and copra, except by growers and processors.

Wholesale and retail sale of handicrafts and artifacts.

Wholesale and retail sale of wild growing forest materials: balatta and other rubber-like gums; cork; lac, resins and balsams; vegetable hair and eel grass; acorns and horsechestnuts; mosses, lichens and cut evergreen trees used for festive occasions; saps; bark; herbs; wild fruits; flowers and plants; leaves; needles; reeds; roots; or other wild growing materials except for rattan.

Wholesale and retail sale of freshwater crustaceans and molluscs, aquatic animals such as turtles, sea-squirts and other tunicates, sea urchins or other echinoderms and other aquatic invertebrates and other marine materials such as natural pearls, sponges, coral and algae.

Wholesale and retail sale of non-protected fauna, including insects, shells, animal teeth, tusks, feathers, declared sedentary organisms and similar products and living or dead fauna.

Retail sale in general stores with a retail display area less than 200 square meters (included in 5211).

Specialized retail sale of newspapers and magazines (included in 5239).

Retail sale via stalls and markets (included in 5252).

Retail sale carried out from a motor vehicle or motorcycle (included in 5259).

Wholesale and retail sale of second hand clothing and footwear (included in 5240).

Retail sales of take-away prepared food for immediate consumption.

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Repair of electrical household goods when not done in combination with manufacture or wholesale or retail sale of these goods (included in 5260).

Repair of footwear when not done in combination with manufacture or wholesale or retail sale of footwear (included in 5260).

Repair of watch, clock and jewellery when not done in combination with manufacture or wholesale or retail sale of these goods (included in 5260).

Hotels and Restaurants.

Provision on a fee basis of short-term lodging in places such as hotels, motels, inns etc., with less than 10 rooms of accommodation (included in 5510).

Sale of prepared foods and drinks for immediate consumption on the premises such as restaurants, cafes, lunch counters and refreshment stands employing less than 6 persons on a full time basis, except where these facilities are operated in connection with the provision of short-term lodging as specified above with 10 rooms or more of accommodation (included in 5520).

Transport, Storage and Communications.

Transport of freight and passengers by land when not predominantly done as delivery of own goods or transport of own staff or, in the case of school buses, of students (included in 6021, 6022 and 6023).

Coastal and inland water transport of passengers or freight in boats of maximum 10 meters length (included in 6110 and 6120).

Activities of travel agencies except in conjunction with bank or airline services (included in 6304).

Activities of tour operators with regard to bird watching, butterfly collection, wildlife watching, game fishing and dive boat operations (included in 6304).

Customs clearance and forwarding services except when integrated with international freight forwarding activities (included in 6309).

Real Estate Activities.

Buying, selling, renting, managing and appraising real estate on a fee or contract basis (7020).

Renting of Machinery and Equipment without Operator and of Personal and Household Goods.

Renting without operator of all kinds of land transport equipment, e.g. railroad vehicles, cars, trucks, trailers and semitrailers, motorcycles, caravans and campers (included in 7111).

Renting of vending and amusement machines (included in 7130).

Renting of television receivers, video recorders, video tapes and records (included in 7130).

Other Business Activities.

Sign writing (included in 7430).

Labour recruitment and provision of personnel except for recruitment and provision of foreign personnel (included in 7491).

Provision to others of static guards and watchmen for apartment buildings, houses, offices, factories, construction sites, hotels and other premises (included in 7492).

Cleaning on a fee or contract basis of buildings of all types, including offices, shops, institutions and other business and professional premises and residential buildings, but excluding factories and industrial cleaning of fire-places, furnaces, incinerators, boilers, ventilation ducts and exhaust units, etc., (included in 7493).

Services on a fee or contract basis related to work permit and Papua New Guinea visa applications (included in 7499).

Health and Social Work.

Child day-care activities (day nurseries) (included in 8532).

Recreational Cultural and Sporting Activities.

Motion picture distribution and projection (included in 9211).

Other Service Activities.

Hairdressing and other beauty treatment (9302).

4. CERTIFICATE PERMITTING ENTERPRISE TO CARRY ON BUSINESS IN RESERVED ACTIVITY.

A certificate permitting an enterprise to carry on business in a reserved activity under Section 27(5) and (6) of the Act shall be in Form 2.

5. APPLICATION FOR CERTIFICATION.

An application for certification under Section 28(1) of the Act shall be in Form 3 and shall contain the particulars provided for by Form 3.

6. FEE ON APPLICATION FOR CERTIFICATION.

The fee for the purposes of Section 28(2)(d) of the Act is K1000.00.

7. CERTIFICATE PERMITTING FOREIGN ENTERPRISE TO CARRY ON BUSINESS IN AN ACTIVITY.

A certificate permitting a foreign enterprise to carry on business in an activity under Section 29 of the Act shall be in Form 4.

8. REGISTER OF CERTIFICATES.

The fee payable under Section 30(3) of the Act is K10.00.

9. STOCK EXCHANGE.

For the purposes of Section 32 of the Act, the prescribed stock exchanges are those being members of Federation International des Bourses de Valeurs (FIBV).

ANNEX VII

IPA STAFF LIST, JUNE 1992

Nigel R. Agonia, Managing Director

Geua Agi, Secretary to Managing Director

Ian Fraser, Deputy Managing Director, (Joining in June)

Leslie Dove, Assistant Director, Certification and Research (Joining in June)

Shankar Chakravorty, Assistant Director, Promotion and Investor Services

Momoru Oda, Assistant Director, Management Services

Edmund Babington, Assistant Director, Business Registrations

Kyi Kyi Myint, Management Information Services Specialist (MIS) - (Joining in June)

Emily Taule

Veni Diro

Stephen Mark

Kari Lohia

Nancy Gerega

Julienne V. Leka

Jerome Benjamin

Emmanuel Manai

Roger Gania

GROOMING OF A SENIOR ADVISOR

It is recommended that at a fairly early date the new IPA establish the position and recruit a senior level PNG national eventually to join the upper management levels of the Authority. In the likely event that the national selected will not have had wide experiences both in the private sector and in investment promotion, this should be looked upon as a longer-term leadership-development position. In this context the person chosen for the position should have the benefit of substantial training experiences as needed, over the first year or so. He should be given the opportunity to take advantage of appropriate local courses available at the University, Administrative College, and elsewhere in country to sharpen skills and knowledge in areas such as government operations, the PNG economy, business finances, and operations and management.

Equally important, this Adviser should have an extended internship (3-6 months, at least) in an investment promotion agency abroad comparable to the IPA. This should be an opportunity to have broad hands-on experience with the various facets of a successful and active promotion agency, probably in a nearby Asian-Pacific nation such as Thailand, Malaysia or Singapore. This should provide insights and skills in a variety of investment promotion activities including overseas missions and facilitation services to investors.

The consultant has been informed that some foreign governments have (or might) offer such an internship, and perhaps would also assume at least some of the in-country costs such as housing or per diem costs. Costs vary widely according to country but it is estimated that the cost of residence in a nearby country could be in the range of \$3,000 to \$5,000 per month in addition to airfare, assuming staying in a hotel.

Position Description

POSITION TITLE: Management Advisor
ORGANISATION: The Investment Promotion Authority (IPA) of Papua New Guinea
POST: PORT MORESBY
SUPERVISOR: NIGEL AGONIA, Managing Director of IPA
DURATION OF ASSIGNMENT: 3 years
STARTING DATE OF ASSIGNMENT: January 1, 1993 or before

BACKGROUND

This is a senior advisor position, to work closely with the Managing Director and with other higher level staff of the newly created Investment Promotion Authority. PNG is starting afresh and now seeking actively to promote and facilitate increased foreign investment. The Authority has almost entirely new staff and requires experienced outsiders to assist in building IPA into a well-organised and capable agency over the next several years.

DESCRIPTION OF DUTIES

1. To advise and assist the Managing Director as required
2. To become knowledgeable about the PNG economy, the business community and advise on the investment potential in various sectors.
3. To work closely with all supervisory staff and the Board of IPA to develop:
 - a) Management systems
 - b) A Public Relations Campaign
 - c) To assist in development of a Medium Term Corporate Plan for the Authority
4. To advise on and participate in the hiring and training of the new professional staff.
5. To assist in planning outside technical assistance requirements and to work closely with the foreign advisors and experts.
6. To consult with counterpart investment authorities in nearby Asian and Pacific nations, in order to gain insights and guidance for developing IPA.

QUALIFICATIONS

1. Knowledge of and experience with international business.
2. A number of years of supervisory experience in Third World business development, or preferably a senior position in a similar investment promotion agency in a developing country.

3. **Organisation and management skills.**
4. **Ability to motivate, lead and train.**
5. **English language fluency.**

Position Description

POSITION TITLE: Promotion/Communications Expert

ORGANISATION: The Investment Promotion Authority of Papua New Guinea

POST: PORT MORESBY

SUPERVISOR: Deputy Managing Director of IPA and
the Assistant Director, Promotion and Investor Services

DURATION: 18 months

STARTING DATE: January 1, 1993

BACKGROUND

Papua New Guinea has just enacted and created a new Investment Promotion Authority and for the first time is actively seeking and facilitating increased investment from abroad. Much assistance and advice will be required for it to evolve in the most effective way to develop good business opportunities and partners in PNG, and to "sell" PNG to overseas investors.

- DUTIES:
1. To work closely with the Assistant Director, Promotion and Investor Services to formulate and carry out a Public Relations Campaign, 2nd phase, for 1993 and beyond.
 2. To become acquainted with the PNG economy and business community so as to be able to accurately reflect the situation in the country.
 3. To review existing IPA publications and recommend on new or revised publications to meet growing needs of the organisation.
 4. To advise on planning and assist in preparation of promotional efforts such as:
 - Investment Missions Abroad
 - Missions visiting PNG
 - Seminars
 5. To advise and train staff in promotional methods, publication design, and preparation for dealing with visiting clients and foreign business organisations.

QUALIFICATIONS:

1. A number of years of appropriate experience in business promotion, international business and in planning a variety of public relations activities.
2. Best qualification would be successful experience with a similar investment promotion agency.
3. Excellent writing, editing capabilities and supervisory experiences in publications, advertising or similar.
4. Full written and oral English language fluency.

JOB DESCRIPTION

POST TITLE Documentation/Library Specialist

ORGANIZATION The Investment Promotion Authority (IPA)
of Papua New Guinea

DURATION 12 months

DATE REQUIRED 1 January 1993 or earlier

DUTY STATION Port Moresby, Papua New Guinea

PURPOSE OF PROJECT The Government of Papua New Guinea has recently enacted a new investment law and created a new Investment Promotion Authority (IPA). This agency undertakes for the first time the active solicitation and facilitation of foreign investment as well as efforts to bring together PNG entrepreneurs with potential overseas partners. The IPA has inherited a very limited library-resource base and will require greatly enhanced information sources for its own use and for its clients, domestic and foreign.

DUTIES The expert has to work under the supervision of the Deputy Managing Director and is expected:

1. To survey available documentation/resources at IPA and consult with the librarian and managers of the four sections concerning information/data requirements for clients and staff research purposes;
2. To draw up a procurement list of books, government documents, publications and other data sources, prioritized to meet budget availabilities and potential foreign assistance funding over two to three years;
3. To advise the librarian on the optimal organization and cataloguing/retrieval system for the Documentation Center/Library;
4. To work with staff MIS specialist and the Promotion/Communications expert (if and when recruited) in the selection of an appropriate computer on-line data base for the IPA.
5. To assist with orientation of staff in the use of Document Center/Library and data bases; possibly designs short-term training sessions.

QUALIFICATIONS

1. Familiarity with international business-foreign investment, joint ventures, business development and promotion, preferably through service in another national investment promotion agency;
2. Knowledge of business and economic publications and data services, both international and domestic, required for reference and research;
3. Competence in library and document management systems;

LANGUAGE English fluent

JOB DESCRIPTION

POST TITLE MIS/Computer Expert

ORGANIZATION The Investment Promotion Authority (IPA) of Papua New Guinea, Port Moresby, PNG

DURATION One year

DATE REQUIRED 1 January 1993

PURPOSE OF PROJECT The Investment Promotion Authority (IPA) of PNG is a new organization that has very limited computing equipment and utilization. At least four new data/file base systems will be required, software selected and/or developed and new staff recruited and trained. Promotional literature will have to be produced and desk-top publishing for a variety of formats and purposes gradually developed. General upgrading of computer capabilities of all professional and secretarial staff will be required.

DUTIES

1. To assist in the design and procurement of appropriate data/file base systems for:
 - (a) tracking of all investment enquiries and proposals to assume prompt action;
 - (b) new data bases for Company registry and Register of Trademarks;
 - (c) maintenance of a Registry of Investment Opportunities;
 - (d) provide a tracking system for applications for Certification of Foreign Investment;
2. To help design and carry out training programmes for all staff in the use of the several data bases, in desk-top publishing and word processing, graphics and spread-sheet programmes. To assure much higher computer literacy and utilization capability at all levels of the organization.
3. To advise on procurement of appropriate computer hard- and software.
4. To assist as required in selection/utilization and training for an on-line international data base to which IPA would subscribe.

QUALIFICATIONS

1. Full competence and experience in computer systems, selecting/designing and using business data bases; ideally having worked in a similar national investment promotion agency;
2. Skills and experience in use of desk-top publishing and the preparation of promotional literature;
3. Staff training experience.

LANGUAGE English fluent

JOB DESCRIPTION

POST TITLE Training Expert

ORGANIZATION Investment Promotion Authority (IPA) of Papua New Guinea (PNG)

DURATION 12 months

DATE REQUIRED 1 January 1993

DUTY STATION Port Moresby, Papua New Guinea

PURPOSE OF PROJECT Papua New Guinea has just enacted and brought into effect a new Investment Promotion Authority (IPA). The organization starts with largely a new slate. Most staff at the professional and supervisory levels will be new to the Authority and it will need to give much attention to new staff training and organization as soon as possible. The PNG Government will, for the first time, be actively seeking and assisting the potential foreign investor. The IPA will have to present a better-trained, more professional and promotional approach to its responsibilities.

DUTIES

1. Initially to look closely at all sections of IPA in order to ascertain priority training needs of staff at all levels;
2. To advise the best approach to operational, management and office skills training;
3. To plan a variety of in-house and in-country activities using outside resources in Port Moresby where available and appropriate;
4. To plan and programme overseas training opportunities with short-term assignments and longer-term courses in international business and economic topics. To seek internships in counterpart agencies in other countries;
5. To assist and advise all supervisors in the orientation of their new staff;
6. To help engender in the IPA a corporate culture of high motivation a promotional approach and continued attention to achievement with increasing skill levels.

QUALIFICATIONS

1. Substantial experience in designing and carrying out in-house training programmes in a variety of management and operations fields in an international business setting;
2. Training experience with a similar investment promotion agency is highly desirable;
3. Familiarity with international training opportunities in fields related to business and investment.

LANGUAGE English fluent.

JOB DESCRIPTION

POST TITLE Organization Expert for Company and Trademarks Registry

ORGANIZATION The Investment Promotion Authority (IPA) of
Papua New Guinea (PNG)

DURATION 6 months

DATE REQUIRED 1993

DUTY STATION Port Moresby, Papua New Guinea

PURPOSE OF PROJECT The staff, files and responsibilities of the Registrar of
Companies and the Registrar of Trademarks have been
transferred to the new Investment Promotion Authority
(IPA). An antiquated and unreliable paper filing system
will have to be upgraded and replaced by computerized
data bases. Retrained and new staff will be required to
inaugurate an efficient and reliable organization.

DUTIES 1. To make a careful review of both the existing Company
Register and the Registry of Trademarks, and to consult
with business organizations and Government officials on
needs and reforms of the systems;

 2. To propose to the Managing Director a short- and longer
term plan to bring the two Registries up to operational
efficiency;

 3. To work with the MIS specialist and MIS/Computer Expert
(if recruited) on developing (procuring) new computerized
data base systems for the two registries;

 4. To investigate longer term needs for trademark/patent law
and systems to meet international standards and norms.

QUALIFICATIONS 1. To be thoroughly familiar with modern standards and
methods for managing company registers in other countries;

 2. To have several years of working and leadership
experience in another national company register and/or
World Intellectual Property Organization (WIPO)
experience and recommendation;

 3. To be familiar with Trademarks and registry
management in one or more other countries.

LANGUAGE English fluent