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PNG Ports moves into Industrial Real Estate

STORY ON PAGES 20-23
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I warmly welcome all of you to the second edition of our Ahoy magazine for 2019.

Firstly let me, on behalf of the Board and the company, congratulate Hon. Sasindran Muthuvel, the former Governor of West New Britain, on your appointment as the Minister for Public Enterprise and State Investments. Your appointment was not a mistake, as you have a lot of business experience and your performance as Governor of a resource rich province has prepared you well for the new challenge ahead.

Let me also acknowledge and thank former Minister, Hon. William Duma for his guidance and support to PNG Ports while he served as the Minister for Public Enterprise and State Investments in the last Government.

The term of the current board is due to expire by the end of this month. We are fully aware that through your good office with the assistance of Kumul Consolidated Holdings, the National Executive Council will appoint a new Board of PNG Ports for the next three (3) years.

It is the prerogative of NEC and NEC will make a decision in days to come and we await the outcome of the decision.

This board took office at a time when Papua New Guinea went through some of the most challenging times in its history. Sir Nathaniel Poya was appointed Chairman in 2013 and over the period of six (6) consecutive years, with minor reshuffle in the Board membership, the Board under his chairmanship has provided strategic guidance and stewardship to management of PNG Ports to carry out some key milestone projects.

The projects that have been implemented could be close to K1 billion. Some of these projects include:
- Alotau Overseas wharf upgrade – K38 million
- Overseas Wharf extension - Lae Port – K88 million
- Oro Bay wharf repairs – K10 million
- Kimbe Coastal wharf upgrade – K34 million
- Port Moresby Motukea New Berth & Associated Facilities – K300 million

These are perfect examples of some of the major key milestones projects that were successfully carried out through the proper guidance and stewardship of the current Board.

There are some key milestone projects that are work in progress and outstanding which have been approved by the current Board and they are:
- Port Moresby Head Office Building - K42 million
- Lae Tidal Basin West Side Industrial Park
Development – K350 million
These are two very important projects that we have undertaken and these will have to be taken up by a new board.

We have achieved another milestone event in our life in that PNG Ports has made an after tax profit of over K42 million for the 2017 financial year, combined with a clean audit report for the same year.

As a result of the 2017 and the 2018 Financial Year performances, the board approved a dividend of K16.2 million to the state in dividend – K10.6 after tax profit for 2017 and K5.6 profit after tax for 2018.

The future looks good for PNG Ports, given the new and improved services provided at our key ports at Port Moresby Motukea International Port and Lae International Port, the on-going rehabilitation of port facilities throughout the network in the country under the Community Service Obligation Program and improvements made to the financial management of the company.

We are confident our latest investments into industrial real estate in Lae and Motueka will also bring in additional revenue in the years ahead. We are also optimistic that the Papua LNG Project offers many opportunities for us and already we are in discussion with Total (PNG) Limited to provide port logistic services to the project.

There are other projects that are coming up in the country. At the same time, we have a new Government that is committed to changing the way we do business in our resource sector and we believe this will offer business opportunities for PNG Ports.

We are well placed to tap into these opportunities so as to maximise the benefits for our shareholder – the Government of PNG.

I would like to thank the board, the management, and the staff for a job well done. Times are hard but we all have tightened our belts to see out the storm and as a result, we have achieved very good results.

I urge all staff to throw your weight behind the management going into the future so that we are able to tap into the many opportunities that are coming up as a result of the boom in the minerals, gas and oil sectors.

Thank you all

FEGO OTA KINIAFA
Acting Managing Director
Waterfront developments in all declared port areas in Papua New Guinea, like anywhere else in the world, are some of the most expensive, however strict adherence to laws and regulations is required of the developers to address safety, security and environmental concerns.

There are 15 declared Port Areas in Papua New Guinea and the laws and regulations requiring compliance by all developers are managed by PNG Ports Corporation Limited (PNG Ports), through its subsidiary, PNG Harbour Management Services (PNGHMS), headed by the Chief Maritime Compliance Officer.

The Chief Maritime Compliance Officer is the duly appointed Port Manager of all declared ports including the Fairfax Harbour and manages the compliance and regulatory requirements under various laws relating to development of port or any other facilities in the declared port areas throughout the country.

“Given the increasing activities around the waterfront areas particularly in Fairfax Harbour (Port Moresby) and in Lae, it is imperative that we alert all developers and potential developers that there are laws and regulations that they have to comply with.

We urge all interested investors to work with our Compliance Division to avoid unnecessary delays and to enable all proposed or existing developments to proceed in a timely manner,” Managing Director of PNG Ports, Stanley Alphonse said yesterday.

Mr Alphonse cited various compliance and regulatory requirements set out in the Harbours Act and the Ports (Management and Safety) Regulations. They are:

- Complete the Port Development application form provided by the PNG Harbours Management Services
- Provide a brief explanation detailing the proposed development,
- Produce a professionally drawn plans/designs showing details of the proposed development
- Produce an Environment Management Plan for the construction and operation phase of the development
- Produce a detailed Environment Impact Study and control measures
- Produce a survey plan
- Produce Waste Management Plan
- Produce a copy of Environmental Permit and
- Other approvals from other regulatory agencies.

Mr Alphonse added that the laws are clear in that any underwater leases issued by the Lands Department must be granted in conjunction with Ports and Port development master plans developed by PNG Ports.

The statement by Mr Alphonse follows the recent National Court decision to put a stop to all works on a new wharf facility that is being constructed by a local company next to Motukea Port in Fairfax Harbour in Port Moresby.

The ruling on March 30 2017 followed a motion filed by PNG Ports on 20 December 2016 seeking the National Court to restrain the developer, Jeffery Kennedy and Port Kennedy Limited from carrying out any works on Portion 3524 within the Port Moresby declare Ports limits because the developmentwere in breach of provisions in the Harbours Act.
PNG Ports Corporation Limited (PNG Ports) has announced an after tax profit of over K42 million for the 2017 financial year, combined with a clean audit report for the same year.

Chairman Sir Nathaniel Poya said as a result of the 2017 and the 2018 Financial Year performances, his Board has approved the payment of over K16 million to the state in dividends – K10.6 million for 2017 which represents 25 per cent of the total after tax profit for the year and K5.6 million, again 25 per cent of the progressive unaudited profit after tax for 2018.

“Management has also advised my Board that the cash flow situation for the reminder of the year (2019) demonstrates that the cash position of the business is relatively healthy and that the payment of this dividend should not affect its operations,” Sir Nathaniel announced.

Sir Nathaniel attributes the healthy position of the company, combined with the positive results over the last two years and into the future to the stringent cost cutting measures that have been imposed as well as prudent management of the business by management and staff of the state owned entity over this period.

“The future looks good for PNG Ports, given the new and improved services provided at our key ports at Port Moresby Motukea International Port and Lae International Port, the on-going rehabilitation of port facilities throughout the network in the country under the Community Service Obligation Program and improvements made to the financial management of the company,” Sir Nathaniel added.

Sir Nathaniel added, “We are confident our latest investments into industrial real estate in Lae and Motukea (Port Moresby) will also bring in additional revenue in the years ahead. We are also optimistic that the Papua LNG Project offers many opportunities for us and already we are in discussion with Total (PNG) Limited to provide port logistic services to the project”.

He says there are other multimillion kina resource projects that are coming on stream in the country soon that will offer business opportunities for PNG Ports.

“We have a new Government that has set the right direction to grow the economy and we intend to be in the thick of things to ensure that PNG Ports supports this Government in delivering to the people of this country and economy. Along the way, we will grab every opportunity that comes up to enhance our business and maximise the returns to the state and the people of Papua New Guinea,” Sir Nathaniel says.

Sir Nathaniel says Papua New Guinea is going through challenging times and like any business operating...
in the country, PNG Ports has faced its share of the challenges, however prudent management decisions has resulted in positive results.

“PNG Ports financials have been audited up to 2017, the audit accounts for 2018 are under review by the auditors before a final report is provided to the company.

“However, significantly, our external auditors have advised that we can make an interim dividend payment for 2018 as long as PNG Ports is making profit,” Sir Nathaniel says.

The dividend payment is in response to a request from Kumul Consolidated Holdings to PNG Ports early this month (June) to pay the dividends for the 2017 financial year and a further interim dividend for the 2018 financial year.

“On behalf of my board, I would like to thank management, headed by Acting Managing Director Fego Kiniafa and the staff for a job well done. Times are hard but we all have tightened our belts to see out the storm and as a result, we have achieved very good results.

I urge all staff to throw your weight behind the management going into the future so that we are able to tap into the many opportunities that are coming up as a result of the boom in the minerals, gas and oil sectors.
PAPUA NEW GUINEA’S Gateway TO Growth AND Prosperity
The ICTSI South Pacific Limited (ISPL), through its Lae operator, South Pacific International Container Terminal (SPICT) has kept its commitment to build the Omili Police Station with a groundbreaking ceremony in June 2019.

Papua New Guinea’s law and order issues continue to plague it; but government, citizens and corporations alike are combining their efforts to keep the peace, grow communities and instill investor confidence.

It is in that vein that the Global Corporate Head of the ICTSI Group, Christian Gonzalez, made a commitment to build the Omili Police Station, following the Malahang Police Station Launch in February this year.

“We take our corporate citizenship seriously. The Malahang Police Station in Lae is a testament to our community investment and our willingness to collaborate and partner with the Government and the Community. Our new undertaking for the construction of the Omili Police Station is largely underpinned by our commitment to our staff, and the safety and security of the communities where they reside, and the safety and security of the community where we operate,” said Mr Gonzalez.

Similar to the Malahang Police Station, the Omili Police Station will be a public-private partnership between the ICTSI Foundation in Manila, Ahi Hope Foundation in Lae, the Member for Lae and Minister for Lands, Hon. John Rosso, as well as the Lae City Authority.

By the time the Omili Police Station is complete, it will have separate cell blocks for men, women and juveniles, an ablution block, offices fully furnished with desks, chairs, computers, ceiling fans and a wall mounted TV; and will house a Women’s Desk to encourage female survivors of domestic violence to seek assistance and file complaints.

The construction of the police station will involve local contractors engaging community members, so the money goes back into the community; and skills continue to be transferred in all ICTSI engagements.

“We are in the business of bringing world class services to our port operation here in Papua New Guinea. But, we know that law and order problems continue to rip the fabric of society at its seams, and as a new corporate citizen, we have an obligation to ensuring that we are able to positively influence the narrative over the course of our 25 year concession,” said ISPL CEO, Anil Singh.

Mr Singh said much more is achieved with the limited resources if everyone works as a team.
Kumul Consolidated Holdings (KCH), in collaboration with the Australia Institute of Company Directors (AICD) and PNG Institute of Directors (PNGID), have organised a comprehensive Director Development Program for board members of all nine State Owned Enterprises (SOE).

The 5-day International Company Directors Course last week provided delegates with a comprehensive program of learning across board elements including corporate governance, financial literacy, risk, strategy, the international legal environment, duties and responsibilities of boards in the international context.

KCH says in this diverse environment, with a need to deliver competent, reliable, affordable services, whilst ensuring SOEs strive toward a return on investment to the state, it is vital to ensure directors have a thorough understanding of all relevant factors affecting the performance of these companies and duty of care.

The International Company Directors Course provides an accredited benchmark competency level to a very high standard.

KCH Managing Director Darren Young, stated that all SOE Directors must have the qualifications and experiences to provide governance and direction for our state owned assets.

He said; “We need SOEs to consistently perform, to provide affordable, reliable services and to deliver dividends from profits.
We need these businesses to be sustainable and to competently provide our people with power, water, transport, financial services and communications.

We want to ensure that our Directors’ competencies are equivalent to those of regional and international companies of a similar size and scale.

The SOEs are critical to social and economic development across the country - therefore leadership competency and credibility of the SOEs is an appropriate investment.

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The Coastwatcher’s Memorial Lighthouse (Kalibobo) in Madang is one of the World’s most renowned landmarks and becomes instantly recognizable in Papua New Guinea and particularly the people of Madang Province.

This iconic Lighthouse was established after WW2, in remembrance of the Coast watchers during WW2 and commemorated every ANZAC Day.

It is one of the many landmarks such as the Pyramids of Egypt, the Eiffel Tower in Paris (France), the Statue of Liberty in New York (United States of America), Great Wall of China, the Sydney Opera House, etc.

The National Maritime Safety Authority (NMSA) as the custodian of the Coastwatchers’ Memorial Lighthouse recently has fully refurbished both the interior and exterior of the iconic monument including the World War 2 plaque structure. The Lighthouse refurbishment works was completed last week by NMSA Aids to Navigation technicians, which now looks proudly stunning. All lighthouses or beacons are vitally placed in strategic locations along the coastline for safe navigation for traversing vessels. NMSA General Manager/CEO, Paul Unas reiterates that the upkeep of these maritime Aids to Navigation is significant to enhance maritime safety as well as to benefit the locals who depend on the sea for their livelihood.

He also appeals to the locals, general public and all visitors to the Kalibobo Lighthouse to show some level of ownership and responsibility in the way garbage are disposed and including looking after this iconic monument.

Mr. Unas said: “Let us do our bit in ensuring that the landmark retains its iconic status and our symbol of pride and heritage and specially to maintain the image of the Province as “Beautiful Madang.”
The National Maritime Safety Authority (NMSA) is concerned about the continuous vandalism of vital maritime infrastructure by individuals or groups living in the maritime provinces throughout the country.

In particular are the maritime aids to navigations (lighthouses) located in the maritime coastline communities.

In the recent months, there has been a dramatic increase in vandalism of these infrastructure in the Oro Province alone. The provincial police commander and the respective communities were very helpful in ensuring the suspects were successfully apprehended and their case is being progressed in courts.

All lighthouses or beacons are vitally placed in strategic locations along the coastline for safe navigation for traversing vessels.

NMSA General Manager/CEO, Paul Unas said these assets and equipment are owned by the State and tampering and obstructing this maritime aid to navigation or similar infrastructure is punishable by law under the ‘Protection of the Transport Infrastructure Act 2010, the Criminal Code Act 1974 & the Merchant Shipping Act 1975’.

He added that the alleged act of vandalism on aids to navigation is a serious offence as it is imposing a high risk of possible grounding on all ships.

He said: “These infrastructures serve not only large merchant vessels but also local fisherman who can depend on the flashes from the lighthouses to navigate their way to safety during bad weather and visibility is impossible.”

Mr Unas congratulated the Oro Provincial Police hierarchy and respective communities for their prompt and professional response to the alleged incident.

NMSA hopes that the matter will be successfully prosecuted in court so that this will be a deterrent to people who want to vandalise NMSA’s assets.

Mr Unas encouraged police officers and communities’ leaders in other maritime provinces to work together as has occurred in Oro Province in order to protect these vital maritime infrastructures.
In a small but significant ceremony this morning, former Minister and Member for Mt Hagen William Duma, handed over the reins for the Ministry of Public Enterprises and State Investments to West New Britain Regional MP Sasindran Muthuvel.

Duma said he was privileged to have served in a ministry that oversaw the interest of the Government’s commercial assets and leaves with no regret.

“I vouch for Mr Muthuvel’s credibility and integrity, and I leave the ministry in his capable hands having no doubt he will continue from where I have left off,” Duma said.

Minister Muthuvel thanked Duma for his service, stating that the State owned enterprises where important entities that needed a complete overhaul to make them more efficient and profitable.

“I intend to push for the best interest of the enterprises and top on my priority list is to ensure minimal or no political interference. I know it won’t be an easy task but I will give it my best,” Minister Muthuvel said.

The new Minister also took time to clarify the confusion brought on by recent announcements concerning the existence and management of certain enterprises.

He said though certain entities will have to move under different ministries; that will not take effect until such time when the KCH act is repelled to accommodate for the proposed changes.

He said, “Until that eventuates, nothing changes – KCH is still the trustee of all the SOEs that fall under its existing mandate.”
Increased confidence in the PNG Ports Staff Savings & Loans Society by its members and good management has resulted in excellent results for the 2018 financial year.

Chairlady of the PNGPCL S&LS board, Beverly Nelson informed members at the recent Annual General Meeting that the society has again achieved an unqualified audit opinion on its 2018 accounts as well as profit and operating surplus of K375,368.00.

“This is a 34 per cent increase from the 2017 outcome, which was K279,926.00.

The good result is due to a 21 per cent increase in revenue combined with a 15 per cent reduction in expenses compared to 2017.

“These results demonstrate an increased confidence in the society by its members and good management of the society operations by its team,” Ms Nelson announced.

Ms Nelson said in comparison to 2017 financial year, the society has seen a decline in membership by 2 per cent, bringing the total membership to 522 in 2018 from 533 financial members in 2017, largely due to the organizational restructure and cessation of membership by staff leaving employment with PNG Ports.

She said 2018 was a challenging year as the board and management worked hard to meet the transitional requirements of the Regulator (Bank of PNG) in line with the requirements of the New Savings and Loans Industry Act which came into effect in August 2018.

Ms Nelson said the society has been working on the several tasks to address transitional issues. These include:

- New requirements in relation to IRC and IPA registrations, which will be completed by July.
- Review of the society’s constitution which will be completed by this month (June).
- Establishment of a MoU with employer (PNG Ports) which will be in place by August.
- Upgrading of operating system from MYOB to fit the industry reporting requirement.
- Review of existing lending guidelines with a view to introduce new products.

Ms Nelson concluded with an advice to members to save well and invest wisely for the financial wellbeing of their families.

“Savings and Loans Society is a welfare based organisation that undertakes to provide its services with the best interests of the society as a collective for all members to ensure that the welfare of each individual and the society is upheld for the interest of all financial members,” she concluded.
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The drop in vessel numbers has prompted PNG Ports Corporation Limited to harness opportunities that are being created from its recently completed International Port Facilities at Motukea Island, Port Moresby and Lae, Morobe Province.

The latest project – the Motukea Industrial Park – proposes to utilise vacant land next to the new International Container Terminal, to generate much welcomed new revenue streams to compensate for the decline in the volume of berth calls, both domestic and international in recent years.

“We have already produced a master plan, subdividing the vacant land into 9 lots which will be leased to interested investors to set up operations that will compliment and support the business activities that are being conducted at the Motukea Port facilities.

PNG Ports has also recently entered into an agreement with an international firm to go into a...
An artist impression of Motukea Port.

partnership to provide a one-stop-shop operation to support the oil and gas industry in the country. Motukea as a location is very attractive and we should have no problem to lease the rest of the blocks to potential clients once the site development has been completed.” Acting Managing Director Fego Kiniafa announced. Whilst the new project at Motukea,
a few kilometres outside of Port Moresby, is in the starting blocks, the civil works to develop the Huon Industrial Park in Lae, Morobe Province are already in full swing.

The K350 million Huon Industrial Park, funded by the Chinese Exim Bank, will be completed by 2021 and is already attracting interest from investors from the Oil, Gas and Mining Industry.

“The strategic location of the Huon Industrial Park, giving direct access to the main port facilities provides the best business opportunities to any serious investor.

Expression of interest are already coming in from corporate citizens within Papua New Guinea and abroad and PNG Ports will work with all potential clients to ensure that suitable lease arrangements, tailored to the clients requirements, are put in place,” Mr Kiniafa announced.

PNG Ports strongly believes that the Huon Industrial Park in Lae addresses several chronic impediments to business growth in Papua New Guinea.

These impediments are access to affordable and reliable electricity, access to perishable goods storage for agriculture, an efficient transport system, providing access to land and consumer user facilities.

This future proofed concept will dramatically increase productivity and reduce the overall cost base for industries.

“In order to expand PNG Ports is now embracing new business opportunities through provision of technical input in the growing Oil and Gas Industry and by becoming a major player in industrial real estate. PNG Ports as a team is looking forward to take this company to the next level.” Mr Kiniafa concluded.
PNG Ports Corporation Ltd is increasing and improving capacity of its infrastructure nationwide to cater for the adverse impacts of climate change, an official says.

Vagi Eoima, the corporation’s chief infrastructure officer, said this during a workshop on building resilience to climate change in the country. It was held in Port Moresby on Tuesday.

Eoima said building ports came with huge financial costs. He said PNG Ports Corporation, as a company and Papua New Guinea as a country, could not afford to spend huge sums of money on infrastructure which could easily be damaged by extreme weather events.

“Most of the huge ports built in the country have a lifespan of over 50 years,” Eoima said.

“We would like to incorporate the impact of climate change as part of our design standards, in the new port infrastructure that will be built or maintenance of existing port facilities.”

A presentation was done by Dr Ashwini Otta, an international coastal engineering specialist.

Dr Otta was engaged by PNG Ports Corporation to undertake climate vulnerability studies on the country’s existing port infrastructures.

The study indicated that most existing port infrastructures were prone to the impact of climate change and extreme weather events.

“Apart from the port infrastructure, most access roads to ports are unpaved road stretches which are prone to floods and natural disasters,” he said.

PNG Ports Corporation, in partnership with the Climate Change and Development Authority, is working towards identifying climate vulnerabilities of port infrastructure and develop action plans.

The plans will assist and guide the company in its planning and design for new port infrastructure.

– Source: The National
A rural show held to promote conservation, agriculture and culture, which was supported by PNG Ports Corporation Limited, was staged successfully in November 2018.

The show, held in far-flung Karamui District in Chimbu Province got the support of PNG Ports Corporation because, the event was staged with the aim to educate the people in the district about alternative ways to use their resources and to promote eco-tourism to the outside world.

“Life on land and Climate Action” was the theme of the show, which was in line with the United Nation’s 17 sustainable goals and the event featured the conservation, agriculture and cultural potential of the district to the outside world.

Organised by Partners with Melanesians, a national conservation and community development non-governmental organisation, the event attracted 168 groups from the district to show case various activities from traditional singsings to arts and crafts.

Cocoa, coffee and vanilla are the main cash crops of this highlands district and these were featured at the show.

The show organisers hailed the success of the show and planned to make the event become an annual feature in the Simbu Province.

PNG Ports donated K5000 towards the cost of the show. Organisers say it cost a total of K113,400, which was also supported by the local MP with K10,000 and the Department of Simbu through its Division of Primary Industry with K5000.
This notice goes to all shipping lines operating in Papua New Guinea and the public that former employees of PNG Ports Corporation Limited (PNGPCL) are using our branded uniforms to undertake pilotage work for their present employers.

PNGPCL notes that these pilots did not hand in their uniforms when they left our employment and this practise is a misrepresentation of us to the public and the shipping lines.

Further, PNGPCL gives notice that it will not be responsible for any misrepresentation from these individuals and their employees and further, PNGPCL will not be liable for any damages for potential misrepresentation.

Furthermore, PNGPCL advises that its uniforms remain the property of PNGPCL and any use of branded uniforms in any manner without lawful authority amounts to fraud and those involved including shipping lines can be prosecuted under the criminal laws of this country.

PNGPCL advises that those engaging in this practice must stop immediately to avoid possible criminal prosecution.
REMOVAL AND DISPOSAL OF
ABANDONED VESSEL MV LOTUS – LAE PORT

The vessel MV Lotus was abandoned by her owners in Lae Port which is now classified as a dead vessel as it is not able to power itself and most of the equipment onboard have ceased including the main engine. Further, the damage to the hull of the vessel has deteriorated and taking in more water which poses a risk to the marine environment, surrounding port communities including other vessels navigating within the port.

PNG Ports Corporation Limited (PNGPCL) trading as PNG Harbours Management Service (PNGHMS) is calling for interested persons to submit proposals to remove and dispose the vessel in an environmentally safe manner. The details of the proposal should include;

1) The method of removal, indicating the equipment to be used,
2) The containment of the organic rubbish, sludge and bilge from the hull of the vessel, and
3) The disposal method of the organic rubbish, sludge/oil from the hull including the cost.

For detail information on the TOR, contact;

Ben Tomba
Chief Maritime Compliance Officer & Port Manager

PNG Ports Corporation Ltd
Credit Corporation Building Level 5 & 6
P.O Box 671
PORT MORESBY, National Capital District
Phone: 3084 200
Email: Ben.Tomba@pnghms.com.pg
The Manan Relief Operations in the volcano devastated Madang Province, literally kicked off on Friday, thanks to the timely assistance provided by PNG Ports Corporation Limited.

Relief supplies bound for the disaster stricken area where over 30,000 people are at care centres were stuck at the Madang Port, while PNG Defence Force personal who moved into the province to assist locals carry out the relief operations waited for much needed funds to be released by the Government.

On Friday PNG Ports Acting Managing Director, Fego Kiniafa gave instructions to his staff in Madang Port to use every available resources to off load the supplies stuck on a PNGDF boat that berthed at the Madang Port.

“We are moving the stuff out of the boat now. It’s all going good, thank you PNG Ports,” head of PNGDF team assisting the relief operations, Major Joshua Dorpar confirmed later that Friday evening.

Mr Kiniafa heard about the plight of the PNGDF when Major Dorpar sought help from PNG Ports to remove the supplies from the vessel. He was in Madang with the Chairman of the PNG Ports board, Sir Nathaniel Poya to deliver the company’s donation towards the cost of the relief operations for the victims of the recent volcanic eruption.

“We are still waiting for the funds that were committed by the government to reach our account. The previous government promised us K3 million and the current government promised us K5 million. Those funds have not be released so our relief and restoration work has not started,”
Governor Peter Yama told the PNG Ports team.

“I whole heartedly thank PNG Ports for this donation which is literally kick starting our relief and restoration exercise for the Manam victims. Our PNGDF team is already on the ground, our local staff are ready so we will start rolling out the program into the care centres and affected villages.

Undertaking an exercise of this magnitude cost huge sums of money, however we have to do what we can because our people are badly affected,” Mr Yama said.

The Governor further directed his Provinical Administrator Mr Joseph Kunda Bonomane to ensure that an acquittal report is produced for PNG Ports after the funds have been expended.

Speaking on behalf of PNG Ports, Sir Nathaniel reiterated that the company was state owned, meaning that the people of PNG owned the business.

“We are only custodian. As a state owned entity, we pay dividends but further to that, we also provide assistance to our people when they are in need.

“We provided K100,000 to the West New Britain Disaster Committee to help in the relief and restoration program. Their Governor James Maneke picked up the cheque from us last week. We are here in Madang to present another cheque of the same value to you, Governor, to receive on behalf of your people,” Sir Nathaniel informed Governor Yama.

Mr Kiniafa assured Mr Yama and Mr Bonomane that PNG Ports will continue to assist the relief and restoration program through its Madang port with regards to movement of personal and supplies for the care centres and the victims.
PNG Ports Corporation Limited is a State Owned Entity whose ownership is vested in trust with the Kumul Consolidated Holdings on behalf of the Government of PNG. PNG Ports currently owns and operates 16 Ports throughout the maritime provinces of Papua New Guinea.

PNG Port’s latest endeavour will now see the introduction and implementation of a supply base for offshore oil and gas rigs in Papua New Guinea.

This undertaking is reflective of the growing demand for exploration and production of such products in the Pacific including onshore/offshore transportation, storage, repair and fabrication services. PNG Ports Corporation Limited – Papua New Guinea’s premier port services operator – is well placed to provide such world class marine logistic services to the oil and gas industry in Papua New Guinea.

“We are currently in negotiation with an international partner for a Joint Venture agreement to strengthen our capabilities in the area of turnkey services, catering for the upstream oil and gas segment,” Acting Managing Director Fego Kiniafa announced. Already providing marine services such as surveillance patrolling, line handling and pilotage to the PNG project at the Caution Bay LNG Plant outside of Port Moresby as our latest venture builds PNG Port’s capacity to another level for servicing the oil and gas sector.

By introducing this service package PNG Ports becomes a major supplier for the maritime transport sector, which will include offshore supply and support, vehicle and vessel charter, tug and barge operations, offshore rig repair, platform equipment maintenance, fabrication of modules and topsides. The venture will provide drilling equipment, carry out hull repairs and vessel maintenance, as well as supply base management.

“With the Gulf of Papua becoming...
PNG Ports is ready to serve Oil and Gas Sector

a major hot spot for the oil and gas industry, Motukea Island has been identified as the best location for this operation.

PNG Ports intends to operate warehouses at Motukea and basically provide a one stop shop for the offshore drilling industry,” Mr Kiniafa said.

PNG Ports is now pushing to get this project underway by 2020.

Following the successful implementation of the Supply Shop Operation for the Gulf Region in Port Moresby, PNG Ports intends to create a similar operation in Lae, which will complement PNG Port’s latest project that encompasses the construction of the multimillion Kina Huon Industrial Park in Lae, Morobe Province.

“The development at the western side of the recently opened multimillion Lae Tidal Basin international wharf facility, is part of PNG Port’s ongoing efforts to build and rebuild facilities at its key ports.

The strategic location of the Huon Industrial Park is opening up a direct access to the main wharf facilities and provides the best business opportunities for ourselves and any serious investor.

Expression of interest are already coming in from corporate citizens within Papua New Guinea and abroad. PNG Ports is closely working with all potential clients to ensure suitable lease arrangements are put in place.

Lot sizes can be tailored to individual requirements.

Clearly, the Huon Industrial Park development is a move away from the company’s traditional core business, but is in line with PNG Port’s strategic approach to diversify and expand, to create new revenue generating opportunities for the company.” Mr Kiniafa added.

PNG Ports is developing the Industrial Park to serve both dry and wet bulk trade to provide room for building commercial warehouses, suitable for both heavy and light industries as well as hardstands for container and equipment storage.
There are dedicated areas reserved for fuel, oil, and gas tank farms. The site will be fully serviced with Power Supply, Fibre Optic Telecommunication, Water Supply and Sewerage Treatment. The estate, with a capital expenditure of nearly K350 million will be completed by 2021.

There are more new projects for PNG Port’s in the pipeline! After the successful relocation of the old Port Moresby Port to Motukea and the completion of the new multimillion International Container Terminal and Port facility, the Alotau overseas wharf facility and the Kimbe coastal wharf facility upgrade, PNG Ports is now looking at developing the long needed Industrial Park at Motukea Island.

“There is only one way the growth of Port Moresby town can go and this is North. The Motukea Industrial Park project is reflective of this scenario and therefore creating a new industry hub in the new northern development zone was only a logic step in the right direction.” Mr Kiniafa explained.

“Apart from providing our traditional core services of managing ports we have recognized that it is time to diversify. In order to expand PNG Ports is now embracing new business opportunities through provision of technical input in the growing Oil and Gas Industry and by becoming a major player in industrial real estate. This can also include the operation of new Port Facilities. PNG Ports as a team is looking forward to take this company to the next level.” Mr Kiniafa concluded.

Captain Morea Vavine providing pilotage service on-board a LNG vessel recently. Capt. Morea clocked in 20 years as a marine pilot this year (2019) thanks to PNG Ports making him one of the company’s most experienced marine pilots. He piloted the first LNG vessel for the first LNG shipment.
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We are often told that keeping law and order should be everybody’s business.

“It is not the work of the Police alone. We require the help of everyone in the community to keep the peace and ensure that law and order is maintained,” words from the Gerehu Police Station Commander, Inspector Hanson Tokally

Early this month, the Gerehu Police Station was the lucky recipient of a computer and printer from PNG Ports Corporation Limited to assist Inspector Tokally and his men undertake their work in one of the most troublesome suburbs in the nation’s capital.

“Your donation will greatly assist us to maintain our case files, and keep records. We have been doing everything manually for a long while,” Inspector Tokally said.

When presenting the donation, Helen Nanuma, Team Leader ICT System Support with the ICT Department informed Inspector Tokally and his staff that PNG Ports as a State Owned Entity, was owned by the people of Papua New Guinea and it was only proper that it should provide support to the Police where necessary.

“We also have a lot of our staff residing in Gerehu and they benefit from the work the Gerehu Police provide to the community here. Further, the Gerehu Police also provide assistance to the security personnel at the Port Moresby Motukea International Port.

“This small donation is our way of saying thank you to the police here and also to consolidate the relationship we have enjoyed with the police from Gerehu,” Ms Nanuma said.

PNG Ports has also come to the assistance of Boroko Police station, Gordons Police Station and Waigani Police station with similar items to help boost the work of the city police.
Acting MD site visit to new Head Office building project.

Management taken on a tour of PNG LNG plant site.

Members of PNG Ports Savings & Loans Society at 2019 AGM.

Team PNG Ports at 2019 PMs Corporate Golf Challenge.

Potential tenants from China checking out land at Motukea with Project Management team.
PNG Ports Corporation Limited (PNG Ports) has donated K100,000.00 to assist the West New Britain Provincial (WNBP) Government to re-open schools, aid posts and health centres in the volcano disaster area.

In thanking the Board and Management of PNG Ports, the Member for Talasea, Hon. Francis Maneke, during a cheque presentation ceremony on Wednesday, July 10, 2019 in Port Moresby, said the funds will be used to assist re-open the schools, aid posts and health centres soon and people can have access to clean water and medicine when they are resettled back to their villages.

Mr. Maneke commended PNG Ports for the special recognition and support and praised the company on its successful business management, operations and continued growth in PNG and WNBP also.

The donation was recommended by the PNG Ports executive management and approved by the Board of Directors in their recent meeting.

PNG Ports management made this decision to reach out to the volcano disaster victims in WNBP after the recent Mt. Ulawun volcanic eruption where thousands of people have been displaced and in need of proper food, water and medicine supplies.
Acting Managing Director of PNG Ports, Mr. Fego Kiniafa said "as a Good Corporate Citizen of PNG, and specifically WNBP, and as part of PNG Ports' Community Service Obligations to the people of PNG were our ports are located, a donation to the sum of K100,000.00 was recommended to the Board for approval to assist the volcano affected citizens of PNG."

"PNG Ports is seen as a leading Corporate Organisation in PNG and a Good Corporate Citizen and under its internal policy for Community Service Obligations is reaching out to the PNG citizens in times of disasters," Mr. Kiniafa stressed.

He said this was also in response to the Minister for Public Enterprises and State Investments, Hon. Sasindran Muthuvel's appeal (The National newspaper, 02.07.19) to all corporate companies in WNBP to treat the situation as an emergency and assist in any way possible.

Minister Muthuvel said in The National newspaper dated Tuesday, July 2, 2019, page 6, that 10,675 people in WNBP were displaced at last count and people were struggling without proper food.

Mt. Ulawun volcano in WNBP erupted at 6am in the morning of Wednesday, June 26, 2019. The eruption has since ceased after 24 hours, however, it has forced the displacement of over 10,000 people due to the eruption.
Razon group-led International Terminal Container Services Inc. (ICTSI) has earmarked $380 million for capital outlays this year, a period of “cautious optimism” for the group despite lingering risks to global trade.

As the outlook for global container port throughput remains healthy, port utilization levels are expected to rise in most regions. This means berths with the infrastructure to handle the largest ships will be the most highly utilized and in short supply, while older berths will be underutilized, ICTSI chair Enrique Razon Jr. said in a report to stockholders on Thursday.

These indications, coupled with global trade dynamics, our drive in maintaining positive volume growth organically and through M&A (merger and acquisition), our focus on cost and operating efficiency to make our terminals the preferred port of call in their respective countries and regions all combine to provide a case for cautious optimism in 2019,” Razon said.

After the stockholders meeting, Razon told reporters that even if global trade would not grow at all - which was his expectation for 2019 - ICTSI could still benefit from strong growth in places like Africa and markets while main trade routes across the Pacific and Atlantic would not likely grow.

ICTSI's capital expenditure budget of $380 million this year is about the same as the original budget last year, although actual spending last year came in at only $261.3 million due to delays in construction works.

Last year's budget was allocated for capacity expansion in Manila, Mexico, Iraq and Honduras, additional equipment and minor infrastructure works in Papua New Guinea, and completion of the barge terminal in Cavite.

Rafael Consing, ICTSI chief financial officer, said this year’s budget would still focus mainly on the four ports - Manila, Mexico, Iraq and Honduras, as part of the expansion of the group’s organic portfolio.

To date, the Philippine operations contribute 29 to 31 percent of ICTSI’s revenue and net profit, while the rest comes from its overseas business.

ICTSI operates 32 ports across the globe. It handled last year a consolidated volume of about 9.74 million TEUs (20-foot equivalent unit which is used to measure a ship’s cargo carrying capacity), 6 percent higher than the previous year. The increase was mainly due to trade growth and the contribution of the new terminals in Lae and Motukea in Papua New Guinea, and in Melbourne, Australia. Without the new terminals, consolidated volume would have increased by 3 percent in 2018.

– Source: Inquirer.net
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To support the flourishing Lae fisheries sector—a major growth driver of the Papua New Guinea (PNG) economy—as well as the Morobe Province’s industrial base (especially its agro-processing and mining sectors): this is the vision for the Port of Lae. With the redevelopment, the port is geared to become a premier hub for Asia-Oceania trade. Key to the port program are the partnerships between the public and private sectors, and the private sector and host communities.

Port authority PNG Ports Corporation Ltd. having successfully overseen the 2014 initial upgrade in Lae, is keen on ramping up operational efficiencies and port performance, towards Lae’s increased competitiveness in the South Pacific, and to boost regional trade capabilities.

Private sector partner International Container Terminal Services, Inc. (ICTSI), through PNG unit South Pacific International Container Terminal (SPICT), is investing in major equipment upgrades and leading-edge information technology. Equally significant are its investments in the people being hired for the redeveloped port.

Partner Communities represented by AHI Investments Ltd. and Labu Holdings Ltd. are engaged across several areas in the program. They will benefit directly from port employment, with global standard training and benefits packages, and career pathing and mentoring.

Underpinning the sustainable port development are community programs to be carried out by the ICTSI Foundation, AHI Hope Foundation, the national and local governments, and host communities.

Together, the PNG Government, ICTSI, and the Partner Communities are optimizing PNG’s potential across borders—and working for development that is sustainable across generations.