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## Media Release

### THE IMPACT OF COVID-19 ON THE PNG RESOURCES INDUSTRY

The PNG Chamber of Mines and Petroleum is mindful of the significant economic importance of the industry and understands the impact coronavirus (COVID-19) is having on resource projects and exploration.

The Chamber along with other Peak business bodies are working closely with the government to address the impact of COVID-19 on the sustainability of business in PNG including the ongoing operations of our producing mines and petroleum facilities.

The Chamber liaise regularly with the SOE Controller, his Deputy and Ministers for Health and Police at NOC 19.

The industry makes a significant contribution to both direct and indirect state revenues in PNG, which benefit all Papua New Guineans.

The industry also contributes to a wide range of community development programmes in host communities and provinces by investing in infrastructure, health, education, law and order, and agriculture, as well as, programmes in health care and medical outreach, scholarships and student support, and landowner business development.

“The Chamber is working with the industry linking with NOC 19 and facilitates dialogue ensuring operations continue with minimum disruptions, and importantly that, the health, wellbeing and safety of the industry employees remained paramount priority at all times and through this difficult period of the COVID-19 pandemic,” President Gereia Aopi said.

“The industries have world class preparedness plans and programmes, including benchmarking against WHO standards to manage the spread and impact of COVID-19 in our project areas, and are actively monitoring and evaluating the situation.”

“There are a number of resource projects in different stages of project preparedness including Papua Pasca, P’nyang, Wafi-Golpu and Freida River and each are before government for review and consideration, and the Chamber stands by each and all these projects.”

The President said the finalisation of project agreements for P’nyang, Wafi-Golpu, Pasca projects and extension of Porgera mine are all important enablers to stimulate a resurgence of the PNG economy.

“The Developers have invested significantly, and the government has not sanctioned any of these projects. The uncertainty presented by Covid-19 is causing all including the major economies to slow down significantly, the Oil Price has declined, demand is diminished so the extractive projects around the globe are on hold and PNG is not immune. It is about timing and Papua New Guinea must wait this out,” the President said.

“What would be prudent is for Government to continue to review and evaluate these submissions and place in a holding position so that when the global economy recovers, when demand for petroleum and their mineral commodities shifts, PNG can work with its developers to expedite these projects.”

“Bringing these projects expeditiously to sanction will provide a massive impetus to kick start PNG’s economy when this tide turns, the President said.

“However, consistency of legislation and regulation is critical to investment in the economy not just the extractive sector. Therefore, the position of the Chamber has not changed, we welcome the governments initiative to review and reform resource laws, but this must be done with effective consultation.”

“PNG must be mindful that its legislative and regulative platform is internationally benchmarked, and it is competitive and conducive for investors. Should the uncertainty of law reform prevail then Papua New Guinea will miss the inevitable wave of projects that will follow the recovery post Covid-19. It is rather simple, we are either on that bus, or we are left behind at the bus stop.”

“As we are witnessing around the globe, Covid-19 has impacted economies and will do so for a long time, and at this time it is impossible to place a timeline. There is a race to develop a vaccination for the coronavirus and until this happens the uncertainty will continue.”

“The Chamber congratulates the Government of PNG, they have developed a strong strategic response plan, it has a targeted approach and it is designed understanding the limited capacity and resources of our health sector and our general infrastructure,” the President said.

“The SOE lockdown, the Covid-19 measures including social distancing, limited movement, and related restrictions is impacting our economy as well as our lifestyle, but the Chamber has encouraged its members to adhere to SOE Orders and the behaviours of the ‘new norm’.”

“To reiterate, the industry has preparedness plans in place and is working to ensure that it can endure this difficult period with minimal disruptions as possible to production in existing projects. It will also be beneficial for an economy such as ours if we see through the development of projects like P’nyang and Wafi-Golpu and extension of Porgera mine. This will not only boost our economy but also install investor confidence,” the President said.

Authorised by:



Gerea Aopi, CBE  
President  
The Chamber of Mines & Petroleum