

**ADDRESS BY THE  
PRESIDENT OF THE PNG CHAMBER OF MINES AND PETROLEUM**

**GEREA AOPI, CBE**

**35<sup>th</sup> Australia-PNG Business Forum**

**Port Moresby 18<sup>th</sup> June 2019**

Good afternoon ladies and gentlemen.

What a wonderful thought-provoking two days it has been.

I'm sure many of you are looking forward to unwinding after this last session and taking back the many important lessons and messages that have been shared over the two days.

As with developing economies around the world, like Papua New Guinea, the resource sector is an important economic driver.

In PNG, the sector alone contributes about 26% of PNG's GDP and almost 80% of the nation's export revenue.

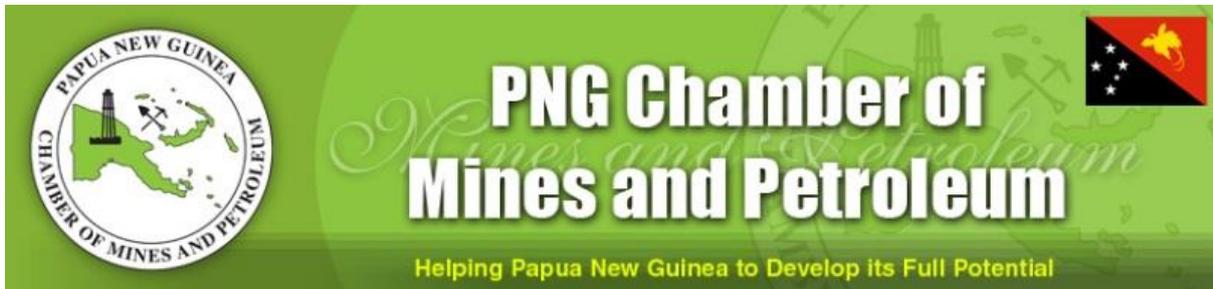
The sector also provides more than 20,000 Papua New Guineans jobs, whilst 30,000 more are employed in landowner businesses, and other PNG businesses that support the industry.

We also deliver strong and sustainable growth in areas such as infrastructure by building roads, and bridges; health in areas such as the provision of much needed medical drugs for health centres and hospitals, immunizations programs for mothers and children; education and training where thousands of young Papua New Guineans have been trained to work in this worldclass industry, and business development where we have helped established and grow landowner businesses in which some have become household names in our country.

This industry is and will remain a vital part of PNG's growing economy. We have helped developed this country, and we will continue to do so.

However, in order for the industry to continue supporting and growing our economy and contributing to areas like job creation, we need to have stable government policies and a favourable investment climate that underpins PNG's investment attractiveness.

We have heard the Government's desire to amend resource laws, and to ensure PNG benefits more from its resources. This is a desire we also want as a Chamber and as an industry. The industry recognises that changing times and new challenges dictate such considerations, and we support the Prime Minister Marape's motivation to update legislation to meet the challenges



and changes of the 21<sup>st</sup> century. We will support the development of legislations that encourage investments and provides a better outcome for PNG.

We want to work together with Government and all stakeholders to make this happen. The vision shared by many, including our Prime Minister to grow PNG's wealth is supported by us. We want to see a stronger Papua New Guinea, a stronger economy, and a bright future for our country.

PNG is at the cusp of another resource boom. How we all as partners work together will be crucial to maximising the outcomes from this next wave of projects.

The Wafi Golpu project has the potential to create thousands of jobs for our people and inject significant revenue into our country, money that can then be well utilised to develop our districts, and improve basic services.

The Papua LNG project, PNG's second LNG project led by Total with the support of joint venture partners Oil Search, ExxonMobil and the State, will also contribute significantly to PNG's growth.

The project will see two additional trains being built to the existing PNG LNG project while P'nyang will support an additional train that will represent an expansion of the existing PNG LNG Project. Each of the three trains will have a capacity to produce 2.7 million tonnes of LNG annually, effectively doubling PNG's current level of LNG exports.

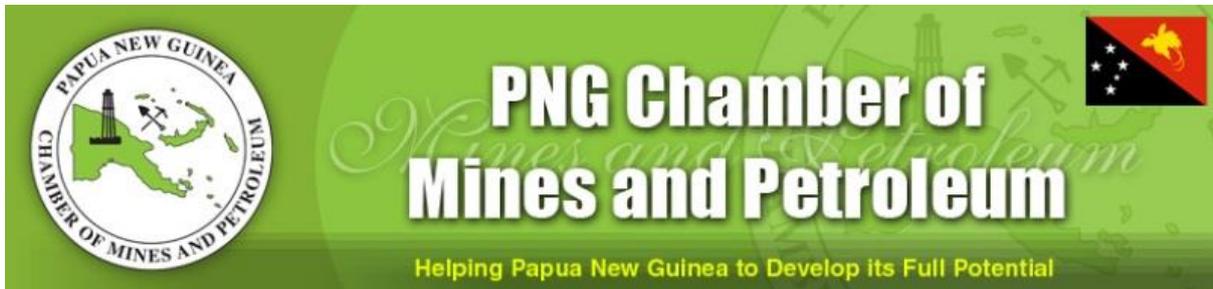
The additional 8.1 million tonnes a year LNG capacity, along with associated production of condensate, will fuel a substantial boost to the PNG economy in the coming decade. The three new LNG trains are expected to be completed in 2024.

These are projects that will contribute significantly to PNG, not only in State revenue, but the improvement of social services for our people.

And as I stated earlier, we need the environment to be investor friendly. We are encouraged by Prime Minister Marape's statements that it is not his intention to chase investors away.

We want to work more closely with his Government on the revised Mining Act, an important policy that has taken more than a decade to complete. The industry is concerned that some of the changes that have been proposed will have severe negative impacts in the immediate and long term on both existing operations and proposed projects, to the detriment of PNG's economy..

It is important that fiscal and regulatory settings achieve a balance between the expectations of the our people, good governance of the nation's mineral wealth, and the requirements for attracting long-term investments. A sound legislative framework provides for a fair distribution of returns between the developer and the state; security of tenure to its investors; and stability of investment terms.



Recently the Chamber and the mining industry contributed to the review currently being undertaken by the Government on the country's Mining (Safety) Act and Regulations. We are fully supportive of this process and are happy with the close collaboration we are having with the Government on this review process. Having an up-to-date regulation that ultimately promotes the safety of our mine workers and our operation is paramount.

We are also ready to support the Government's vision to establish a Petroleum Resources Authority. We've stated publically the industry's position on many occasions, and our position remains steadfast. The establishment of a strong, robust and efficient regulator that is financially autonomous will have the capacity to promote increased oil and gas exploration and assist the government in regulating petroleum industry activities.

Lastly, before I conclude, let me highlight the serious and steady decline of exploration activities, particularly mineral exploration in PNG. This sector has been depressed and is of a grave concern for the Chamber and the industry. The decline threatens the sustainability of the mining industry which has been the backbone of our country's economy for more than three decades. Exploration is the lifeblood of a vibrant resource sector.

In conclusion, on behalf of the Chamber, I would like to thank the organisers of this forum for giving us an opportunity to speak and moderate this session.

Thank you

**GEREA AOPI, CBE**

**PRESIDENT**