



### 1. PNG TO TAP SYDNEY-GUAM UNDERSEA CABLE

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Jan. 15) - Telikom PNG Limited is among international telecommunication companies that have signed up for a new undersea internet cable. According to an AAP report, the AU\$200 million [US\$179 million] Pipe Networks PPC-1 cable will rival Telstra and Optus pipelines, linking Sydney to the Pacific island of Guam to provide a third international broadband link to Australia's east coast. Australian Federal Communications Minister Stephen Conroy said the new undersea internet cable would break open Australia's broadband market, bringing faster download times and lower prices. A Telikom spokesman said yesterday that Telikom was reflecting PNG's position with North Asia and North America and getting involved in such projects would enable a faster flow of data and voice transmission with new business partners in those regions. Telikom currently has an undersea cable linking PNG with Australia and New Zealand. The spokesman said Telikom's signing also reflected big usage in Telikom's internet traffic and attempts by the Telco to bring efficient services to their customers. Telikom PNG chief executive officer Peter Loko is in Honolulu, Hawaii attending the Pacific Telecommunications Conference and will be discussing further international agreements with reputable international telecommunication companies.

### 2. CHINA GIVES \$3.7 MILLION FISH PLANT TO PNG'S LAE

PORT MORESBY, Papua New Guinea (The National, Jan. 17, 2008) - The Chinese government yesterday handed over a PGK10 million [US\$3.7 million] fish processing and cold storage facility at Lae's Malahang industrial centre to the people of Papua New Guinea. The facility was expected to boost downstream processing and create jobs for local fishing groups. Chinese Ambassador to PNG Wei Ruixing yesterday officially handed over the facility to Minister for National Planning and District Development Paul Tiensten. The handover was witnessed by national and provincial leaders, Chinese Embassy officials, Chinese community leaders and other dignitaries. "It is my firm belief that when operational, the project will generate tangible benefits for locals and contribute to improving the fisheries downstream processing industry in the country," Mr. Wei said.

### 3. CHINA NOW PNG'S SECOND LARGEST TRADING PARTNER

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Jan. 21, 2008) - China has become Papua New Guinea's second largest trading partner in the Pacific, says Ambassador of the People's Republic of China to PNG, Wei Ruixing. Speaking at the handover of a fish processing and cold storage facility in Lae last week, Mr Ruixing said the trade relation between the two countries in monetary value had been increasing since 2001. He said in 2001 the monetary unit was US\$140 million and this increased to US\$518 million; and in January to December last year the value was US\$585 million, which he said was a 47 per cent increase since 2006. He said another indicator of that status came from the Investment Promotion Authority (IPA) who reported in 1993 to 2006 the value of trade was K910 million and out of this K310 million alone was for 2006. This, he said, made PNG the largest trading country in the Pacific. Mr Ruixing said the increase in the trade relation between the two countries had also created more than 2000 jobs for Papua New Guineans. He said China was a developing country like PNG but was a big developing country with a huge population compared with PNG and the two countries had some common interests to pursue.

### 4. LANDOWNERS THREATEN TO STOP PNG OIL PROJECT

PORT MORESBY, Papua New Guinea (The National, Jan. 21, 2008) - Angry landowners from the Moran Central and North West Moran oil fields in Papua New Guinea's Southern Highlands province are giving the National Government and developer Oil Search Ltd (OLS) 48 hours to immediately convene the just abandoned NW Moran development forum. Failing that the landowners warned of the forceful closure of the controversial NW Moran oil projects site, the Moran central oil fields (Petroleum Development License 5) and the new Pawa drilling site in the area. Speaking from Masurina Lodge in Alotau yesterday, landowner representatives John Kila, chief Pipi Yalo and Lai Mara told The National on behalf of the 33 landowners still in the camp that they were giving Department of Petroleum and Energy (DPE) and OSL 48 hours to reconvene the forum. Mr Kila, Mr Yalo and Mr Mara said if DPE and OSL were entertaining a minority of self-claimed landowners who were not in any way genuine landowners of NW Moran project and were deferring the forum, then they must be prepared to meet the fallout of their actions. The leaders demand a favourable answer from DPE and OSL within 48 hours as of today to whether they would be having the forum or not, adding that if the forum is to be further delayed, then DPE and OSL must fly them back to Moro and not anywhere else.

### 5. ORION RECEIVES GIFTS OF THANKS FROM REMOTE PNG VILLAGE

On Orion's final visit for the year to Watam Village, situated near the mouth of the legendary Sepik River in Papua New Guinea, the "council of chiefs" representing all the village clans surprised Orion crew and guests with a totally unexpected speech and presentation. Orion's Expedition Cruise Program Coordinator Justin Friend tells us in this presentation the chiefs expressed their absolute delight as to how much Orion's visits have changed their lives in a positive way. Whilst they acknowledged the financial payments and the opportunities to sell their artifacts, they were particularly thankful for all the donations from Orion and her guests noting that the aid post and school virtually survive on donation deliveries alone. In return the community wanted to express their gratitude, responding by presenting gifts for Orion management team and staff. Every family in the community "donated" something to Orion. Significantly, Orion was also presented with a sacred ancestral spirit figure for the office in Sydney. In traditional folk lore the carving is an actual deceased ancestor's spirit so this is an important piece. Entrusting the care of this spirit figure signifies the bond between Orion and the people of Watam. (Source: Orion Expedition Cruises Press Release 10 January 2008)

### 6. ENVIRONMENTAL STUDY OF RAMU NICKEL MINE QUESTIONED

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Jan. 16) - The National Government has been urged to conduct an independent review into the environmental impact of the Ramu nickel mine because the previous study was "slightly suspicious." Former Madang Governor Sir Peter Barter yesterday reiterated his call for Prime Minister Sir Michael Somare and his National Alliance-led government to conduct a review into the impact the mine was having on the environment. Sir Peter said the previous government, which was also led by Sir Michael had failed to consult with him before the mine was allowed to operate. "The first study into the environmental impact of the mine was partly funded by Highlands Pacific so it seems suspicious in my view, and may have been slightly favorable towards Highlands Pacific," the businessman said. "And for that matter, we want an independent evaluation, not influenced from the outside, to again conduct an environmental study immediately." [PIR editor's note: Highlands Pacific is a Brisbane, Australia-based mining company with operations in Papua New Guinea. The company in 2005 signed a master agreement with China Metallurgical Construction Corporation (MCC) for the development of its Ramu nickel/cobalt project in PNG.]

**7. CONSERVATIONISTS FIGHT PNG PLANTATION PROJECT**

WELLINGTON, New Zealand (Radio New Zealand International, Jan. 3) – Activists from all over the world have petitioned Papua New Guinea not to grant a licence to allow Woodlark Island’s rainforests to be cleared to make way for oil palm plantations . [PIR editor’s note: Woodlark Island is in Papua New Guinea’s Milne Bay province. ] The Post Courier newspaper reports that a letter to the prime minister, Sir Michael Somare, has been sent to countries around the world, including PNG embassies and various government departments in PNG. The letter says that clearing Woodlark Island’s rainforests for oil palm plantations will turn a biodiverse paradise into a lifeless monoculture and environmental disaster. It asks that the project’s approval be immediately withdrawn as it is clearly at odds with PNG’s public international statements in support of rainforest and climate protection. The letter suggests that if Sir Michael is unable to lead on establishing strict rainforest protections in Papua New Guinea then he should step aside.

**8. PNG POLICE DEPLOYED TO PROTECT HIGHLANDS OIL**

PORT MORESBY, Papua New Guinea (The National, Jan. 22, 2008) – About 100 Mobile Squad members have been deployed to Moran in Southern Highlands to protect the oilfields there. The policemen from Lae and Mt Hagen were flown in by Oil Search Ltd (OSL) over the weekend. They joined members of Mobile Squad 10 in Mendi to beef up security following intelligence reports of the [threatened] closure of major oil productions facilities in the area such as Moran Central (Petroleum Development License (PDL) 5), the NW Moran oil project and the new Pawa drilling site in the area. On Sunday, Pai Parabia Resources Owners Association chairman Edward Alina gave the Department of Petroleum and Energy and OSL 48 hours to respond favourably to their demands by today (Tuesday). He threatened to forcibly close Moran Central, NW Moran and the Pawa drilling if there was no positive response. A development forum at Masurina Lodge in Alotau last week was postponed after another landowner group led by Elvis Alungi, chairman of Pai Howa Resources Owners Association, claimed that other landowner groups had been invited to attend. Mr Alina’s group was upset over the deferment, and accused the department and Oil Search of bowing down to the call of a “minority”. They warned that after today, they would force the closure of the projects operations if they failed to get a favourable response from the department and Oil Search.

**9. PNG BUSINESS GROUP CONCERNED ABOUT POWER OUTAGES**

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Jan. 22, 2008) – The Lae Chamber of Commerce and Industry (LCCI) – one of Papua New Guinea’s biggest private sector bodies – yesterday said that frequent power interruptions impede businesses in the country. The LCCI said this and other major problems facing businesses could not be discussed with the Government, unlike under the previous National Alliance-led Government. The LCCI said the power supply problem was one of five impediments to doing business in PNG. The others were work permits, visas, co-ordination and control of fees and licences and telecommunications problems. “The last National Alliance-led Government successfully addressed some of the impediments to doing business in PNG, when they established the National Working Group on Impediments to Businesses under the chairmanship of the then Chief Secretary, Joshua Kalinoe,” LCCI president Alan McLay said yesterday. In his weekly news update to members, Mr McLay said the Government had not re-established the committee while there were many unresolved issues.

**10. PNG - TELIKOM : THE NATIONAL PACNEWS 2: Thurs 24 Jan 2008**

24 JANUARY 2008 PORT MORESBY (Pacnews) ----- Telikom PNG will be ready for interconnection with Digicel PNG on 31 January, reports The National. Acting chief executive officer Peter Loko said that was the date set by the Government for Telikom to interconnect with other mobile services and “we will be ready”. He said all their equipment, bearers, switches, technicians and billing system were in place. “There will eventually be four points of interconnection, at Lae, Mt Hagen, Kokopo and Port Moresby,” he said. “Initially all mobile traffic will be routed through our Port Moresby exchange,” he said.

Industry sources said while interconnection between the two operating mobile phone systems was a complex technical matter, the most important issue was pricing. They said it was not just a matter of interconnection and they hoped that it would work. “The pricing mechanism must also work,” one source said. “Ideally, there should be one week of trial so that the public could enjoy a trouble-free transition to the new multiple access regime.” The sources confirmed that Telikom was ready for the long-awaited interconnection, which will allow Digicel users to call both B-mobile users and landlines and vice-versa. In the past year, the number of mobile phone users has increased to about 500,000 primarily because of lower phone prices and call rates. Of these, Telikom claims to have about 400,000. A third service provider, Greencom, has yet to launch. Meanwhile, Digicel (PNG) chief executive officer Kevin O’Sullivan has urged the Government to sustain the current competitive climate with an information, communication and technology (ICT) policy that provided for a level playing field. He said competition in the mobile phone market had proven beneficial to the country. “An effective telecommunication network is needed for PNG to be a competitive player on the global market, thus improving the social and economic living standards of millions of Papua New Guineans,” he told an ICT workshop held at the University of PNG. He said Digicel had the experience and technical knowledge to provide PNG with a high-quality mobile communications network and innovative and affordable services. Mr O’Sullivan said Digicel could provide even better services if the company and Greencom were awarded separate licences to operate.....PNS (ENDS)

**11. PNG ECONOMISTS WATCH U.S. STOCK MARKET TURMOIL**

PORT MORESBY, Papua New Guinea (PNG Post-Courier, Jan. 23, 2008) - Papua New Guinea’s gains from export commodities may decline as world commodity prices drop in fear of recession in the USA. BSP Capital Limited chief executive officer Guy Bower said Papua New Guinea was not really exposed to the global market declines such as the one that occurred yesterday because “Papua New Guinea has an economy that is rather insulated from global stocks market fluctuations.” “What is of interest to the local market however are commodity prices. Should the US and other major economies slip further, prices for commodities such as gold and crude (oil) will fall,” Mr. Bower said. “No matter how sophisticated the global stock markets become, they always tend to overreact in times of uncertainty. History tells us that the best opportunities can be found when others are panicking.” Bower said for the conservative investor, “either stay on the sidelines or stick with quality. For the more opportunistic investor, stay close to blue chips as these will often rebound faster than other stocks.” “Once the market bounces, even the short term trader will prefer blue chips over the speculative stocks and hence blue chips will see the greater impact,” he said.

