2017 FIRST QUARTER UPDATE

Dear Members,

It is my great pleasure to bring to you the 2017 First Quarterly update on the Business Council engagements and activities.

Updates On:

a) Policy Dialogue Update (National Government Relations /International Relations)

b) Events Update

c) Reminders

d) Upcoming Events & Activities

A. POLICY DIALOGUE UPDATE

2017 Focus - Deeper, Frank and Participatory Engagement With the Government and Partners.

• Maintaining the Pace with PNG Government

This year will see Papua New Guinea go to the polls. While this may appear to be a time to suspend engagements with government until after the elections, the Business Council PNG is of the view that now is the time to continue dialogue with key agencies that are appreciating the value of our contribution in the areas they have policy mandate. In the coming months, Executives will work closely with members and knowledge partners to evolve business priorities to work closely with officials, current leaders and the incoming government. We look forward to your active participation.

Notable engagements to come include the deeper engagement with the Department of Treasury in the following areas:

1) Deputy Secretary Manu Momo of the Economic Policy Wing will work closely with Director Chey Scovell on key law reform activities that are of importance to the private sector. These include proposed polices in land lease hold changes, Mining rules, Reserve Activities List, foreign currency shortages, foreign investment rules. Chey will be supported by Director Kee Lim who will focus on E Government platforms and Director San Joyce on productivity as well as Director Nuni Kulu on macroeconomic engagements who is supported by the Institute National Affairs;

2) Deputy Secretary Aloyuisis Hamou of the Budget Wing will work closely with Director Jonathan Seeto on tracking the performance of the National Budget and work closely with financial service providers in providing feedback on the various issues business face on the implementation of the
budget. Notably taxation and related revenue measures. Jonathan will inform members on the outcomes of these engagements.

3) Deputy Secretary Nama Polum of Strategy Wing will work closely with Vice Present National, Michael Penrose and our knowledge partner, Deloitte PNG, in appreciating the priorities of the private sector for the next political cycle and beyond. Michael is actively consulting 20 national business associations on our collective priorities and specific industry needs so as to inform government on facilitating appropriate policies and law reforms in promoting the private sector. These outcomes of this engagement will also be used as the basis to discuss with the new government on business priorities for their 5 year planning. Michal will inform members on the progress of these engagements.

- **Mid-Year Business Report**

Recognizing shortage of leading datasets in the business narrative of PNG, the Business Council PNG with Bank South Pacific Limited, will be engaging leading financial service providers, banks, insurance, investment firms and other financial initiations to formulate sales, employment, investment and other commercial trends in the economy. This timely report will provide the basis for discussions with the public and private sector on formulating the coming national budget and review the performance of the economy.

- **Robust PNG - Australia Business Engagements**

This year will also see the continuing engagement of our executives and members actively involved in the Australia - PNG business activities. They have become extremely useful in sourcing experts and resources to research various issues that are of importance to the bilateral relationship. The Secretariat will inform members on these engagements.

BCPNG Executives also attended the recent PNG - Australia Ministerial Forum in Madang. Director Nuni highlighted the current challenging times for businesses and therefore urged Ministers to work closely with private sector so that their polices do not have unintended consequences. Director Peter Loko informed ministers that while there remain differences in PACER Plus, it was important for both countries work towards developing a framework that ensures stable and predictable rules for investment and trade. Director Chey highlighted the importance of coordination on aid resources that are earmarked for infrastructure projects as many of them do not have a component on maintenance. Ministers responded positively to work with Business Council and its counterpart organizations to consult on policies that affect the private sector. They will also discuss a future bilateral arrangement after the entry into force of PACER Plus Agreement and lastly, Minister Abel will work with his counterparts on streamlining aid resources to have maintenance component. Ministers thanked Business Council PNG's contribution on strengthening the special relationship.
UN Sustainable Development Goals and Business Engagement

In his duel capacity as the President of Business Council PNG and incoming 2018 PNG APEC Business Advisory Council Chair, David Toua will be leading a series of engagements nationally and internationally on how businesses can support in implementing the SDG Goals. Exciting times for our organization as we will become the first national association pushing for greater participation of businesses in SDGs. Meetings related to the UN, APEC/ABAC will come to our shores and members will be informed so they may participate.

B. EVENTS UPDATE

- 2017 Prime Minister’s Back To Business Breakfast: Thursday, February 2nd, 2017

In the recent back to Business Breakfast, the Prime Minister Hon. Peter O’Neill addressed the Business community on the government’s outlook and key policy for 2017. He furthermore, highlighted the need to address issues concerning APEC whereby Papua New Guinea will be Chair and host of APEC 2018. The Prime Minister was then joined in a penal discussion with key features CEO’s in the region, discussing key factors and concerns critical for APEC investment. The discussions were based on the 2016 PwC APEC CEO Survey, highlighting factors that mattered most to CEO’s investing across APEC Borders.

It was a successful turnout by the business executives, partners and the government. New Britain Palm Oil Limited (NBPOL) being the major partner and sponsor for the 2017 PMs Back to Business Breakfast.

- Energy Outlook Presentation breakfast with Rod Gardner: Wednesday, March 1st, 2017

Each year ExxonMobil analyses and updates its long term view on energy and demand. This year Mr Rod Gardner, Manager Corporate Strategy Planning, Economic & Energy Division at ExxonMobil presented to the Business Executive from the Energy sector on the 2017 Outlook for Energy with the theme: A View to 2040.

Interested members who wish to get a copy of the 2017 Outlook for Energy presentation can contact the Business Council office on Tel: 3200 700.

C. REMINDERS

- 33rd Australia Papua New Guinea Forum Trade & Expo Registration
 Registrations has commenced for the Australia PNG Business Forum Trade and Expo 2017.
 This year the Business Forum and Trade Expo are anticipated to double up on its members and booth numbers giving more opportunity to members to showcase its products.
 This Year’s Forum theme: “Navigating the Cycle: Creating opportunities in Challenging Times”. The theme aims to capture the important message that Papua New Guinea has unprecedented opportunity to manage its way through the cycle and position itself for future growth, leveraging advantages for the prosperity to benefit its entire people.
 If you have not yet registered or sighted the forum brochure do contact the Business Council office on Tel: 3200 700 or 321 0966.

 • Mid-Year Budget Report Consultations

 The mid-year Budget Report consultation with selected business executives specifically from the financial institutions and National Business Associations is set for the March 16th, 2017.
 For more info, contact the Business Council office on Tel: 3200 700.

 • Membership Subscriptions for 2017

 2017 Annual membership to the Business Council of PNG will commence at the end of March 2017 and subscriptions will commence in April 2017.
 2016 Membership will ceased at the end of this month (March) and members will be notified to renew subscriptions for 2017/2018.
 Should you have any comments or need further clarification on the status of your membership, do contact the Business Council Office on Tel: 3200 700.

 D. UPCOMING EVENTS

 33rd Australia PNG Business Forum & Trade Expo