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# PNG BUSINESS AT A GLANCE



BY GABRIELLA MUNOZ & CARMEL PILOTTI | PHOTOGRAPH: GODFREEMAN KAPTIGAU

## Business community rallies for RSPCA

Port Moresby's business community turned out in force for the **RSPCA's** Charity Golf Day at the **Port Moresby Golf Club**.

Twenty-two teams took part in a four-person Ambrose event. The finalists were **Orbitz Elevators**, **SP Brewery** and **Paradise Brewery**.

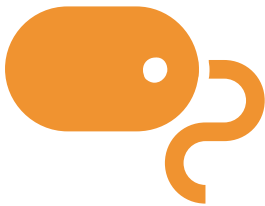
The RSPCA's Karen Swale says the event was a great success because of the support of the business community, the sponsors, and the commitment of volunteers.

"This golf competition encourages companies and individuals to partake in a fun game whether they have experience or not. The RSPCA hopes more will join next year for an even bigger and better event," Swale told *PNG Now*.

The charity day is one of the RSPCA's major annual fundraising events and was sponsored



by **Fletcher Morobe**, **Agmark**, **Dulux**, **KPMG**, **Paradise Brewery**, **Meat Haus**, **Graffiti Signs** and **DFL Mayberry**, with catering by Chef Julz from the **Healthy Food Co**.



## Tax time goes online

The Commissioner General of PNG's **Internal Revenue Commission** (IRC), Sam Koim, has announced the development of an online client platform, myIRC, which will "enable individuals and organisations, for the first time, to lodge returns, pay their taxes, as well as other interactions previously only able to be performed at an IRC office."

## PNG economic predictions

PNG's economic performance is projected to remain subdued for the rest of 2021 but rebound in 2022, according to the **World Bank's** latest East Asia and Pacific Economic Update.

The update's projection of GDP growth for PNG of just 1% for 2021 reflects "a decline in gold mining and LNG production, and the impact of lockdown measures to counter the COVID-19 waves in March and May". This growth is largely due to the non-resources economy.

By comparison, the **PNG Treasury's** Mid-Year Economic

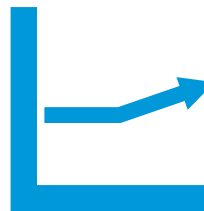
and Fiscal Outlook (MYEFO) predicts growth for this year of 1.8 per cent, and the **Asian Development Bank** 1.3 per cent.

The World Bank's outlook for PNG in 2022 is more positive. "Contingent on mining output returning to pre-pandemic levels, growth

is projected to accelerate to 4% in 2022."

The report cautions, however, that this level of growth will only mean PNG's economy attains pre-COVID levels.

The bank is predicting GDP growth of 3% for PNG in 2023.



## PMs join in for conference

Two sitting prime ministers – Papua New Guinea’s **James Marape** and Samoa’s **Fiamē Naomi Mata’afa** – fronted up for the three-day Business Advantage\* Papua New Guinea Investment Conference.

The prime ministers were among a host of expert speakers addressing the 2021 digital forum.

The tone was more upbeat than could have been expected 18 months into the COVID-19 pandemic.

The **Asian Development Bank’s** country economist for PNG, Ed Faber, seemed to sum up the general sentiment when he said that “PNG can expect a tough couple of years, followed by the beginning of another growth cycle.”

**KPMG’s** Wayne Osterberg pointed out how PNG had

suddenly become very important in geopolitical terms as the US and its allies seek to counter China’s influence in the Indo–Pacific region. He also explained that KPMG’s recent decision to establish an integrated South Pacific Practice was based on its confidence in the region’s strong longer-term prospects.

James Marape had a positive message for foreign investors, acknowledging that both they and PNG need to benefit from every project.

Besides the larger resource projects, he explained how his administration is keen to use special economic



**James Marape**  
PNG PM



**Fiamē Naomi Mata’afa**  
Samoan PM



**Wayne Osterberg**  
KPMG

zones to create new opportunities not just in different sectors, such as tourism and agribusiness, but also in different parts of the country.

The PM also said that the government is seeking to progress key resources projects such as Wafi-Golpu, Papua LNG, Pasca A, P’nyang and the restart of operations at Porgera.

“Once these projects are up and running, they will support the national budget to fund and sustain our development agenda,” he added.

**\*Business Advantage International is the publisher of this magazine.**

## Coffee boost

PM James Marape has announced 1.5 million kina for coffee development in Menyamyra, Morobe Province. One million kina will be for a



coffee depot and the rest of the money will be used for coffee price support, according to a report in *The National*.

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# PROPERTY REPORT

WITH CARMEL PILOTTI

Housing estates on the outskirts of Port Moresby have been a popular property investment for the past decade, and the trend continues into the next.

Tom Snelling of Papua New Guinea's property classifieds site **Hausples** says this trend indicates a growing middle class and a demand for home ownership.

"I believe there is an ongoing demand for home ownership, and developers who can build quality houses at an affordable rate will find the demand," Snelling says.

He says there are new housing developments coming online with increasing numbers of inquiries generated monthly, however, there is a shortage of developable land.

Some of the latest developments

are the **Valkyrie Estate** at 8 Mile, **Iagamaga Estate** at 8 Mile, **Tuhava Town** on Napa Napa Road, **Tranquility Estate** in Hohola and **Anitua 7 Mile Estate** in the city.



A research paper released by the **National Research Institute PNG** has highlighted the need for bankable customary land leases.

Customary land makes up 97% of land in PNG and is administered by the **Department of Lands and Physical Planning** through the **Voluntary Customary Land Registration (VCLR)** system.

Researcher Logea Nao says that many customary land leases have been found to not be bankable due to disputes around ownership

and administration. This makes it impossible to acquire loans from banks to develop the land.

The researcher says landowners need to minimise land disputes to gain confidence from lenders, and the government needs to improve title registry and management.



In an interview with **PNG Fire Chief Bill Roo** by the *Post-Courier*, it was revealed that it is a requirement to have a fire hydrant every 100 metres and for apartments to be equipped with a fire extinguisher. Roo said that unfortunately there had been insufficient installation of fire hydrants at some housing developments.

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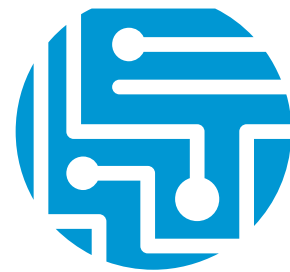
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# CRYPTOCURRENCY: WHAT IS IT, HOW DOES IT WORK?



BY DAVID JAMES

One of the more radical recent developments in finance has been the creation of Bitcoin and other digital cryptocurrencies. They are being touted as a revolution in how we create money. There is some growing interest in Papua New Guinea.

Bitcoin first emerged after the global financial crisis (GFC) of 2007–08. It was promoted to solve the problems of ‘fiat currency’: money created by government fiat, or edict. It was claimed that the GFC occurred because of the fatal shortcomings of fiat currency and that a new approach was needed.

Bitcoin is described as a ‘trustless’ system that does not rely on human-to-human trust (collapsing trust in the system is what caused the GFC). It is based on a mathematical solution to what is known as the ‘two generals’ problem.

Imagine two generals must attack a castle together if they are to win a battle. But they must do so via intermediaries who cannot be trusted. How do they know the message has got through?

An ingenious mathematical solution was devised to this puzzle that makes it unnecessary to trust any intermediaries. This mathematics forms the basis of what is known as the blockchain, the digital system underpinning Bitcoin and other cryptocurrency technology.

Originally, the idea was that Bitcoin would replace, or supplement, normal money.

## AT A GLANCE

- ✦ Cryptocurrency is a digital currency.
- ✦ Cryptocurrency can be bought through online exchange platforms.
- ✦ There are more than 10,000 cryptocurrencies, including Bitcoin, Ethereum and Cardano.
- ✦ Cryptocurrency can be used to buy and sell things, as well as to store and potentially grow in value.
- ✦ Cryptocurrencies are high-risk and speculative to buy, because of their volatility.



It would be used for everyday transactions in the same way that the kina is. But there was always a question about this. Would it become just a new form of money, or would it become a digital asset that people invest in?

If it was a new form of money, its value would tend to stay stable in the same way that one kina always equals one kina. But if it became a financial asset used by investors its value would change.

It is now clear that Bitcoin has become a financial asset, not a replacement for ordinary money. Over the last five years its value

has increased by a factor of 892. The total value of Bitcoin has soared to US\$1 trillion (3.5 trillion kina) and the total value of all the cryptocurrencies (Bitcoin is only one) is US\$2.3 trillion (8.2 trillion kina).

Anyone buying Bitcoin should realise they are investing, not using an alternative currency. Loi Bakani, Governor of the Bank of Papua New Guinea, has warned that Bitcoin does not have “legal tender status to be accepted as a currency.” He added that investment in cryptocurrencies is “considered very risky and speculative in nature.”

# THE 7 ESSENTIAL STEPS FOR SAVING MONEY

It can be overwhelming to start saving money, which is why it's often viewed as a difficult thing to achieve. The secret, and sometimes the hardest thing about saving, is just getting started.

You can start by setting a small, achievable short-term goal for something fun that you are unlikely to have the cash on hand to pay for, such as a new smartphone.

Achieving smaller goals – and enjoying the reward you've saved for – can give you a psychological lift that makes the payoff of saving more immediate and reinforces the habit.

Staying motivated to save money can be made easy by following the tips here explained by experts from Credit Corporation.

## 01 SET YOUR SAVING GOALS

Start by thinking of what you might want to save for. Perhaps you're getting married, buying a car, or saving for school fees. Figure out how much money you'll need and how long it might take you to save it.

## 02 RECORD ALL YOUR EXPENSES

Figure out how much you currently spend. Keep track and a record of all your expenses – that means every lunch, coffee, and household items you purchase daily, weekly, and monthly.

## 03 SET UP A BUDGET

Once you have an idea of what you spend in a month, you can begin to organise your recorded expenses into a workable budget. Your budget should outline how your expenses measure up to your income – so you can plan your spending and limit overspending. Include a

savings category, which clearly states how much you aim to save as a percentage of your income.

## 04 CUT DOWN ON YOUR EXPENSES

If you find your expenses are high and you can't save as much as you'd like, identify non-essentials expenditure, such as entertainment, and spend less. Look for ways to save on your fixed monthly expenses, such as your mobile phone, by buying bundled packages.

## 05 WATCH YOUR SAVINGS GROW

Review your budget and check your progress every month. Not only will this help you stick to your personal savings plan, but it also helps you identify and fix problems quickly.

## 06 PICK THE RIGHT TOOLS

Get the right account for your goal. Do you have a short- or long-term goal? Depending on your answer, you need to open a savings or investment account that is tailored to your needs.

## 07 THE POWER OF HABIT

By paying money into your savings account first thing every month, or even setting up a standing order, you're creating a savings habit that's more likely to last than when you're only saving occasionally.

Tips provided by  
Credit Corporation,  
[creditcorporation.com.pg](http://creditcorporation.com.pg).



# AT WORK WITH

## NURSE GLEN BANI

BY LEMACH LAVARI | PHOTOGRAPH: LEMACH LAVARI

**Glen Bani is a nurse in the surgical department of Port Moresby General Hospital.**

**He says he always wanted to do work that would have a positive impact on people. After considering joining the PNG Defence Force, he settled on nursing and has been in the surgical ward for six years.**

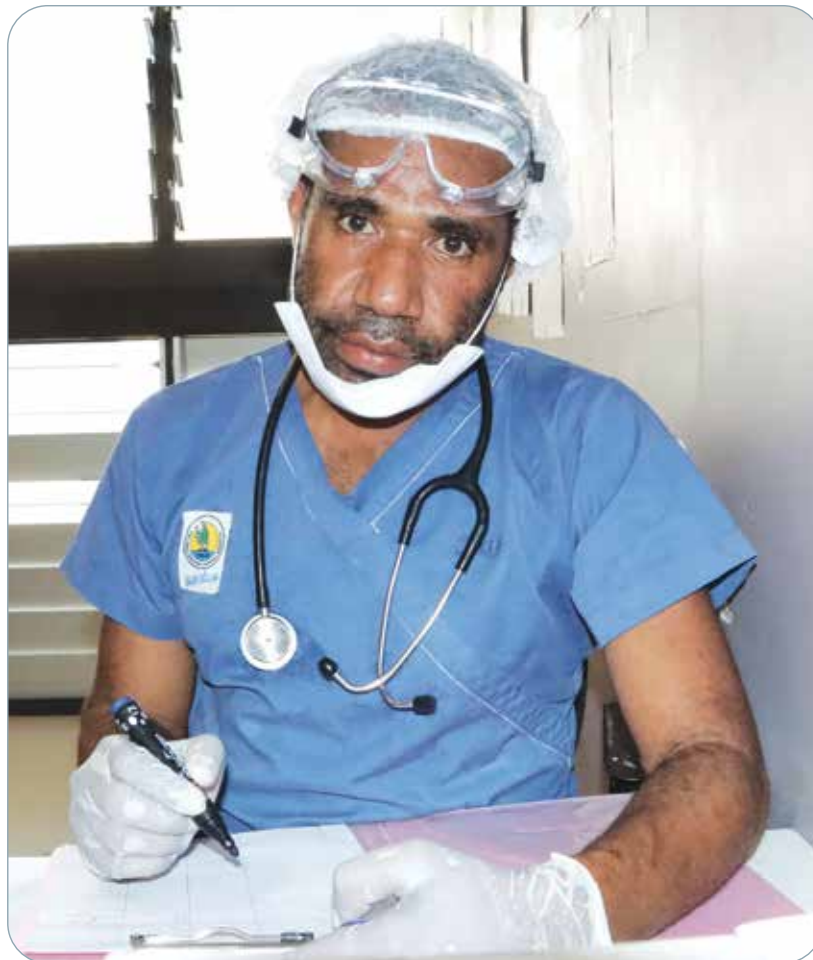
**“Growing up in a Christian family, we were taught to help others,” he says. “That’s why I thought I wanted to become a soldier or a health worker.”**

### Glen Bani on ...

**Working in surgery** is challenging, especially when patients have had major procedures or operations. As a nurse, you are always at the bedside observing and reporting to doctors. You must be a quick and critical thinker.

**The best part of the job** is seeing patients fully recover, leaving their beds and saying goodbye to me. In those moments, I feel accomplished and satisfied that I have contributed towards the wellbeing of someone else, and I feel proud about that.

**Working in the COVID-19 section of the surgical ward** has been tough. I no longer spend as much time as I would like with family and friends because we must self-isolate if we are exposed to the virus. Sometimes we need to spend our days off in isolation, and then go back to work. But I must keep going because this is the line of work I chose.



**A typical day for me** is attending to patients, observing and recording their recovery and providing medical care where needed. We work in eight-hour shifts. There is the morning shift (7am–2pm), afternoon shift (2pm–10pm) and night shift (10pm–7am).

**As the team leader for the afternoon shift**, I often stay on for the next shift if we have people (nursing staff) away. After my shift, I go into self-isolation and keep alert for symptoms of COVID-19.

“

**The best part of the job is seeing patients fully recover.**