



58

## EVERYTHING YOU NEED TO KNOW ABOUT SHARES

What are bull and bear markets? | How to invest | Is it risky?

54

### PNG BUSINESS AT A GLANCE

Overseas lessons for the coffee industry

Bank pledges money for SMEs

Businesses urged to join COVID-19 fight

56

### PROPERTY REPORT

New housing estate takes shape

What does your ideal house look like?

60

### BIG PUSH FOR SMEs

Interview with John Pora, chairman of SME Corp

62

### AT WORK WITH ...

Air Niugini flight attendant Irene Tobudi

# PNG BUSINESS AT A GLANCE

BY GABRIELLA MUNOZ & DAVID JAMES



## Coffee lessons from overseas

Papua New Guinea has the potential to become one of the top coffee producers in the world, according to Dr Eugene Ezebilo, the deputy director of research at the **Papua New Guinea National Research Institute**.

PNG ranked 18th in coffee production in 2020 and contributed 0.5 per cent to the world's coffee.

Coffee is one of the most tradeable agricultural commodities in the world, says Dr Ezebilo, and it plays an important role in several economies such as PNG. Coffee provides jobs for more than two million people in PNG and generates government revenue.

But Dr Ezebilo says there are several problems facing the industry in PNG. Most of the coffee trees have passed their economic productive age and most smallholder coffee growers do not have access to extension services as well as processing facilities.

He says that if the intention of PNG is to become one of the top coffee-producing countries in the world, it should consider drawing lessons from the top five coffee-producing countries.

Among the lessons, he says:

- ☛ Coffee plantations can trigger an increase in



coffee production and profit, as shown by Brazil.

- ☛ There is a need for governments to encourage modernisation of coffee production systems and to support coffee farmers through a loans facility with low interest rates.
- ☛ More funds are needed for research in areas such as the development of new coffee varieties, high-quality specialty varieties of coffee and farm management practices, as evident in Vietnam, Indonesia and Brazil.

**Dr Eugene Ezebilo's comments were part of a research paper that he wrote, called *Strategic initiatives to boost the competitiveness of coffee production in Papua New Guinea*.**

## Newcrest Mining posts record profit

PNG's largest gold miner, **Newcrest Mining**, has lodged record profits for the 12 months ending June 30, thanks to higher gold and copper prices and lower operating costs. The company posted a record \$US1.164 billion (4.07 billion kina) profit in its 2021 financial year, which is 55%



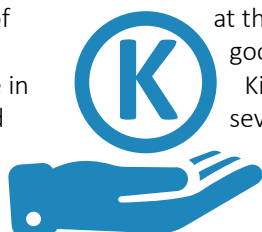
higher than for the previous financial year.

Newcrest's revenue from gold was up 9% in spite of slightly lower gold production, while its copper revenue was up by 46% and its silver revenue up by 63%. By contrast, its operating costs were down by 11%.

## Money for SMEs

**Kina Bank** has pledged 50 million kina to support local small and medium businesses. The funds will be available at a concessional variable interest rate of 4%.

Greg Pawson, CEO of Kina Bank, said: "We recognise that we are in challenging times and also that business is a key cornerstone of the economy."



Through giving strong support to business we are providing an environment for it to consolidate, grow and prosper.

"This is about money for innovation and growth, while at the same time being a good corporate citizen." Kina has removed several fees to make its business loans more attractive.



## Kina Bank has eye on Fiji

Kina Bank has announced that it has received a notification from the **Reserve Bank of Fiji** conditionally approving Kina's application to conduct business in Fiji as a commercial bank. Kina has moved to acquire **Westpac Fiji**.

## Employers urged to help with COVID-19

Businesses in Papua New Guinea can play a key role in helping their workers make an informed decision about COVID-19 vaccination, according to Dr Ann M. Clarke, the project manager at the not-for-profit **Businesses for Health PNG** (B4H).

At the end of May, a survey asked 281 PNG students if they would like to be vaccinated with the Oxford/AstraZeneca vaccine.

The results, published on the **Devpolicy** blog, showed that 46% were 'unsure', 48% said 'no' and 6% replied 'yes'.

Similarly, a recent informal reader survey by newspaper **The National** found that 77% of respondents said 'no' and 23% said 'yes' to taking the vaccine (this survey didn't give respondents the 'unsure' option).

Information about COVID-19 vaccine availability has generated confusion in the PNG population, explains Dr Clark.

She says that the rush to deliver the vaccine has created doubt, misinformation and suspicion among the population. The key to higher vaccine uptake is therefore



clear and practical information.

"It's not about hesitancy," she says. "The questions are: is there a vaccine for me? Is it distributed to where I am? What is the opening time for the clinic?"

Employers need to be able to answer these questions clearly, she says.

The business community in PNG has been involved in health awareness campaigns before, for illnesses such as HIV/AIDs and

tuberculosis, and she says it can help encourage more COVID-19 vaccinations.

In PNG's National Capital District, she explains, COVID-19 vaccinations are being given at the Rita Flynn Stadium in Boroko. In the other provinces, provincial health authorities are responsible for the roll out. Businesses need to contact their local health authority to get the correct information.

Another factor that can help with vaccine uptake is a company's history of talking about health with its employees.

Dr Clarke says that some companies in PNG have clear health policies. Some have worked with B4H previously to address tuberculosis, and in this case, she says, B4H can go to deliver COVID-19 vaccination education sessions for staff.

Employers can't force others to do as they are told, but companies do have the opportunity to explain the advantages.

**For more information, see [businesses4health.com](https://businesses4health.com), which features a COVID-19 toolbox for employers.**

# PROPERTY REPORT

WITH ROBERT UPE

The new **Valley Estate** housing estate is taking shape at Gerehu. There are seven house options available, ranging from three-bedroom townhouses to five-bedroom standalone houses.

Home and land packages start at 495,000 kina at the estate, which will also include a commercial hub with shops.



Prominent real estate businessman, Eke Lama, owner of **Yumi Yet Real Estate Limited**, has acquired the Alotau International Hotel, now renamed as the Alotau Bay Hotel.

This is his second property in Alotau, following the 2019 purchase of Yumi Yet Lodge,

just outside town. Yumi Yet Real Estate says it has over 800 rental properties, 600 land titles and four lodges in its portfolio.

Present at the opening of the newly acquired hotel was the Mayor of Alotau, Peter Elliot, who welcomed Yumi Yet to operate in town.



What does your ideal house look like?

According to a survey by **Hausples.com.pg**, Papua New Guineans have a preference for three-bedroom houses made with bricks and concrete. They like the house to be high set in a suburb like Waigani, Gerehu or Boroko,

with a land size of 300 to 500 square metres.

The findings are in Hausples' *2020 Real Estate Survey*, which questioned about 2000 people and noted that there is increased interest in prefabricated and kit homes.

The survey says 35% of people questioned preferred bricks and concrete, but also 35% liked steel frames and modern materials. Only 22% said they preferred timber houses.

The preference for three bedrooms was expressed by 50.80% of respondents, while 35.69% preferred four bedrooms.

The survey also said that most households have between four and six people living in them.





APPLY FOR A LOAN TODAY ▶






Contact our Call Centre  
or text LOAN to 7200 2100  
for call back!

# Grow

your Business  
with **FinCorp**

GENERAL ENQUIRIES: 7281 4535

PORT MORESBY:  
325 0942 or 7339 1908

KOKOPO:  
7214 4962/1

LAE:  
472 7240 or 7284 2265

email: cfc@fincorp.com.pg





PROPERTIES  
creditcorporation.com.pg

# EXECUTIVE SERVICED APARTMENTS



24 HOURS  
SECURITY



COMPLIMENTARY  
WIFI



CABLED TV with  
DIGICEL PLAYBOX



COMPLIMENTARY  
AIRPORT TRANSFER



ON-SITE  
MANAGEMENT



MONITORED  
CCTV



FITNESS  
CENTRES



MULTI-PURPOSE  
TENNIS COURT



SWIMMING  
POOL



RECREATIONAL  
PRECINCTS



ERA MATANA  
ESTATE

Contact our sales team:

📍 Ela Makana Street Port Moresby

☎ 321 8101 or 321 8103

✉ properties@creditcorporation.com.pg

🌐 <http://www.facebook.com/Credit-Corporation-Properties>



ERA DORINA  
ESTATE

# INVESTING IN SHARES

## WHAT YOU NEED TO KNOW

BY DAVID JAMES



**JMP Securities is one of the two registered stockbroking firms in Papua New Guinea. We spoke with the Managing Director, Lars Mortensen, about what is involved with buying and selling shares on the PNGX, the country's stock exchange.**



### **Can you explain what the stock market is?**

The stock exchange, the PNGX, regulates the trading of shares so they can be bought and sold. It is essentially the marketplace for selling shares to the public. The way the market functions is that you have licenced stockbroking companies to facilitate the trading of shares. There are currently two participating stockbroking firms in Papua New Guinea, Kina Securities and JMP Securities.

### **Do you have to use a broker to buy shares on the PNGX?**

You can do off-market transactions, but it takes weeks and weeks. The stock exchange provides a ready market in shares and is a gathering place for all sellers and all buyers. It creates the stability of what the sellers are willing to sell at and the buyers are willing to buy at.

### **What is the brokerage fee?**

It varies. Our standard brokerage fee is one per cent of what is bought and sold. Clients who trade in large volumes of shares get a discount.

### **How does buying shares compare with keeping money in the bank?**

The value you get from investing in shares is usually a combination of dividend income and capital growth (increase in the value of the shares). In a bank account there is income, but no capital growth. The problem is that buying shares is riskier than money in the bank, so you are compensated for that risk with potentially



greater profits. You should have a diversified investment portfolio, and shares should be a part of your overall wealth, but not be all of your overall wealth. Your portfolio should be a combination of shares, government securities, bank deposits and your residential home. I would be very reluctant to advise anyone to put their only dollar of savings into the stock market. You can't guarantee the outcomes in the stock market in the way you can in a bank deposit.

### Do many Papua New Guineans buy shares?

As a proportion of the adult working population, no. But it runs to thousands of people: 10,000 or 20,000 do have shares. However, all PNG members of major superannuation funds have exposure to the stock market through their superannuation fund.

### What is the significance of the bull market and the bear market?

The figure of a charging bull is a powerful visual representation of aggressive forward movement, whereas a bear tends to get up on its back feet to fight its corner and defend itself. They are representative of the sentiment in the market, what the preponderance of investors are thinking. Are they charging forward,

## EXPLAINER

Shares represent a single unit of ownership in a company, and can go up or down in price depending on economic conditions and a company's performance. Companies issue shares to raise capital. Shares are also called securities.

scared of nothing, or are they in their corner and fighting for their territory?

### How has COVID-19 affected the market?

There has been a negative effect for everyone in PNG. In a recessed economy, like the one we have had because of the pandemic, companies have found it tough. Therefore their share prices are lower. Investors have also found themselves in a very tough situation, so they have preserved their cash rather than invested. That has reduced their spending on shares. The PNG market has recovered somewhat, but not fully. Generally, there is demand for shares at lower prices.

cloudsolutions@pngdataco.com | (675) 313 3929 | www.pngdataco.com

# GROW WITH CLOUD, GROW WITH DATA CO!

INFRASTRUCTURE AS A SERVICE (IAAS)

GET 30 DAYS  
FREE USER  
TRIAL.  
REGISTER  
TODAY!

Conditions Apply\*



OPEN CAMERA



SCAN CODE



TAP BANNER



ENTERPRISE  
Package



GOVERNMENT  
Package



RESELLER  
Package



SME  
Package



COLOCATION  
Package



### ALL DATA CO PRODUCTS AND SERVICES

✓ Wholesale Internet

✓ Domestic Leased Capacity on Fiber Optic

✓ International Ethernet Private Lease (EPL)

✓ IP Transit Services

✓ Data Centre Services

✓ Secure Cloud Solutions

✓ Connect My District Initiative

✓ Health and Education Initiative

# BIG PUSH FOR MORE SMEs

BY CARMEL PILOTTI | PHOTOGRAPH: GODFREEMAN KAPTIGAU

Six months into his five-year term, the Chairman of the Small and Medium Enterprises Corporation of Papua New Guinea (SME Corp), John Pora, is pushing ahead with the government body's ambitious plans to develop the SME sector.

If the PNG government is to reach its goal of bringing 500,000 SMEs into existence by 2030, Pora says SME Corp must have the capacity to activate around 240 new entities every day across PNG's 22 provinces.

As the arm of the PNG government that deals with all things SME, Pora says SME Corp has formulated three strategies to build a bridge between the government and the SME sector.

SME Corp launched its strategy document, *The Road to Fifty*, in September. Referring to the 50th anniversary of PNG's independence, which will occur in 2025, the strategy is based on three principles: integration, communication and people, processes and performance.

Among various projects to help meet the 500,000 target, SME Corp is launching provincial business incubation centres in West New Britain (construction is expected to commence by the end of the year) and upgrading a textile centre in Port Moresby.

The corporation also has plans to move from a policy-driven body to one of implementation, by enabling direct public access to its resources and services.

"These are exciting times which require an organisational cultural shift. I think, as a country, we're ready for it," Pora says.

Pora says the speed at which PNG has transitioned has created



**These are exciting times. SME Corp is moving from a policy-driven body to one of implementation.**

JOHN PORa, CHAIRMAN OF SME CORP

a vast gap between the formal and informal economies. "The question always is, how we can bring our people forward into the future? We've got so much raw resources and land, and we don't have the belief that we can do something with it."

Pora is keen to change this.

He brings to his role a colourful background, from being brought up by his grandparents in a village setting for a portion of his childhood to experience in his

family's successful businesses.

"I come representing my family, who have been in the public service for the past 57 years," he says.

Pora is a director of various entities in the SME sector, has worked across 14 provinces and 10 countries, and has 20 years' experience in the field of e-commerce. He appears suited to help PNG achieve its 500,000 goal.



# Personal Car Loan

## We help you get on the road faster.



## Buying a car?

A Credit Corporation Personal Car Loan can help you get behind the wheel faster.

**Simply visit or call a Credit Corporation branch to complete an application form.**

Website: [www.creditcorporation.com.pg](http://www.creditcorporation.com.pg)

Email us: [sales@creditcorporation.com.pg](mailto:sales@creditcorporation.com.pg)

Call us: +675 321 7066

**For quick 24 hour application turnaround... apply now!**

Terms and conditions apply.



# AT WORK WITH

## FLIGHT ATTENDANT IRENE TOBUDI

BY ZANA ENGLISH | PHOTOGRAPHS: ZANA ENGLISH & SUPPLIED BY AIR NIUGINI

**Irene Tobudi is an Air Niugini stalwart. She joined the national carrier as a fledgling flight attendant 27 years ago and now works in a supervisory capacity on the airline's big birds, the Boeing 767 and 737 aircrafts.**

**Her official position in the flight attendant hierarchy is as a 'cabin crew check and trainer'. It is an air industry-certified position that includes supervising flight attendants.**



### Irene Tobudi on ...

**I love my work** because I get to meet a lot of people from different places and backgrounds ... it's truly amazing. I travel to places like Australia (Cairns and Brisbane), Hong Kong and Singapore and explore their culture during layovers. I also get to travel to most of the provinces in our beautiful country.

**It may seem like an easy job,** however we (flight attendants) go through a lot of training, such as first aid, aviation security, health and safety, to name a few. In my role as check and trainer on the Boeing fleet, I help deliver the best training possible to our juniors so that we can perform to our best and uphold the company's reputation. My job also involves maintaining training, flight and duty records. A check and trainer also provides feedback to managerial staff on cabin crew operational, training and performance matters. Generally, check and trainers ensure a high standard of competency and regulatory compliance.

**Air Niugini is one of the leading airlines** in the Pacific region. The

airline is safety oriented in the air and, more lately, with COVID-19 protocols. Papua New Guinea is one of the world's toughest places to fly a plane. There are short runways, mountains and bad weather conditions from time to time. That's created a kind of resilience that's crept into the DNA of Air Niugini.

**The pandemic** has drastically changed the operation of the airline over the past year, with reduced flights and fewer passengers travelling. We (flight attendants) must comply with the COVID-19 protocols set out by the airline and by each country we fly to. It might take some time before international borders are open for leisure travel again.

“

**We go through a lot of training, such as first aid, aviation security, health and safety.**





## WHY STAY ANYWHERE ELSE?

---

Here you will find Papua New Guinea's most luxurious suites that have housed royalty, world leaders and celebrities. Offering the most modern, state-of-the-art Health & Fitness Centre in the country, in addition to the first-class spa complex and best fine dining restaurant. There is simply nothing like Airways, one of the world's most awarded hotels.



**AIRWAYS HOTEL**  
PORT MORESBY

Jacksons Parade, Port Moresby  
Tel +675 324 5200 | +675 7373 2600  
[reservations@airways.com.pg](mailto:reservations@airways.com.pg) [www.airways.com.pg](http://www.airways.com.pg)

— ALWAYS A PLEASURE —



**NEW**



**Heineken 0.0**  
**Great taste**  
**Zero alcohol**  
**Now you can**

