



MINISTRY OF PUBLIC ENTERPRISES

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DEPARTMENT OF PUBLIC ENTERPRISES

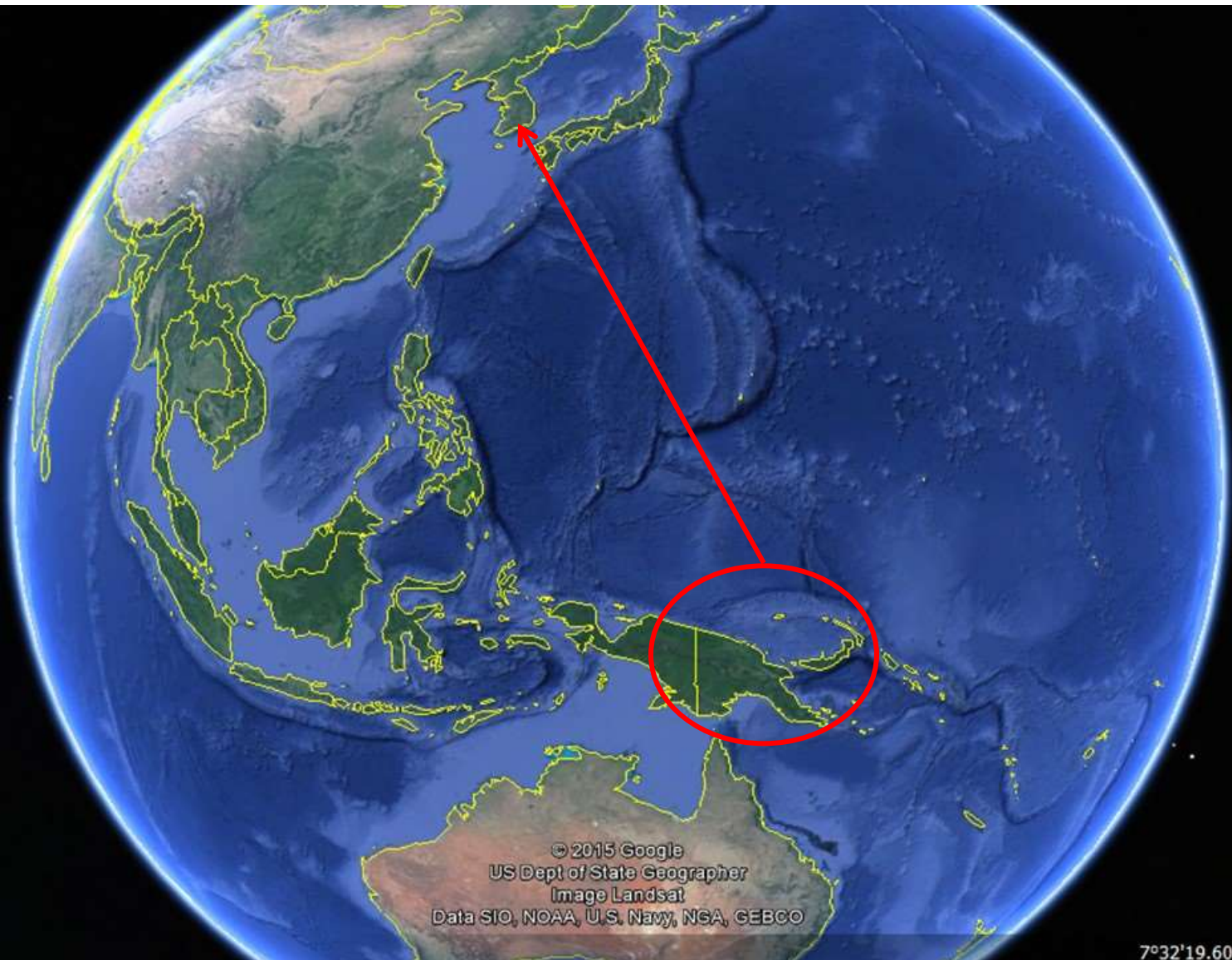
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SECRETARY

GLOBAL INFRASTRUCTURE COOPERATION CONFERENCE (GICC)

Seoul, South Korea
04 - 06 September, 2017

PNG PERSPECTIVE

SOME COUNTRY FACTS



- POPULATION: 7.4 MILLION
- TOTAL AREA: 462,840 km²
(compare S. Korea 100,210 km²)
- GDP GROWTH: ~8% (2002-2015)
~4% (2016)
- MEMBER OF APEC
- OBSERVER ON ASEAN
- “LAST ASIAN COUNTRY”

MINISTRY'S CORE FUNCTIONS

1. PROVIDE POLICY OVERSIGHT TO STATE-OWNED ENTERPRISES (SOEs)

Provide sound enabling policy environment for SOEs to operate in and perform competitively to deliver relevant services and ensure profitability.

2. ENFORCEMENT OF SHAREHOLDER VALUES, RIGHTS AND EXPECTATIONS

The Ministry is the delegated entity that enforces the shareholder rights, values and expectations over all SOEs for and on behalf of the State and the People of PNG. The asset base of all SOEs, including the mineral and hydrocarbon assets, are worth over US\$6 Billion (e.g. petroleum assets worth US \$2 Billion, GBT is worth US \$2 Billion, and minerals is probably worth US \$2 Billion if properly assessed). These are substantial asset base that the Department oversees.

3. INCUBATE START-UPS

New ideas are captured through creation of special purpose vehicles (SPVs) and then formally transitioned to be established as SOEs, traditionally under Kumul Consolidated Holdings Ltd (KCHL) or under an appropriate Kumul Company. These SPVs, usually are a result of a new policy initiative, and are initially incubated within the Department.

NATIONAL VISION

Development Strategic Plan 2030:

- 70% of households have access to power.
- Addition of 800MW of hydro power by 2030 with support from the private sector.
- All major towns & cities connected to National Grid.
- Large reduction in use of diesel generation.

Vision 2050 goals:

- 100% of households have access to power.
- 100% of power generated from renewable sources.
- Reduction of greenhouse gas emissions to 1990 levels.
- Contribution of non-renewable resources to GDP reduced from 80% to 30%.

INFRASTRUCTURE PROJECTS

No.	Project	Details	Cost (US\$)
PORT/SHIPYARD			
1	Hyundai Ship-repair Yard	<ul style="list-style-type: none"> Located in Madang Feasibility completed Pending Cabinet Approval 	<ul style="list-style-type: none"> Approx. US\$200M
2	Lae Tidal Basin Port Development	<ul style="list-style-type: none"> Going into 2nd phase Operated already appointed 3rd phase on the horizon 	<ul style="list-style-type: none"> Approx. US\$190M
ELECTRICITY			
3	Naoro Brown Hydro	<ul style="list-style-type: none"> Located 2hrs outside of Port Moresby 80MW Transaction Advisor Appointed by NEC Advanced to Tender 	<ul style="list-style-type: none"> Approx. US\$500M
4	Karimui Hydro	<ul style="list-style-type: none"> Located in Simbu Province Feasibility completed 1,000MW Transaction Advisor Appointed by NEC 	<ul style="list-style-type: none"> Approx. US\$1,500M
5	Purari Hydro	<ul style="list-style-type: none"> Located in Gulf Province 1,800MW Feasibility completed NEC Approved 	<ul style="list-style-type: none"> Approx. US\$3,800M
6	Geothermal Project	<ul style="list-style-type: none"> Going into feasibility 	<ul style="list-style-type: none"> TBA
7	Ramu 2	<ul style="list-style-type: none"> Contract Awarded 	<ul style="list-style-type: none"> Approx. US\$500M

CONTINUE..

No.	Project	Details	Cost (US\$)
TRANSMISSION LINE			
8	TBEA Mt Hagen - Tari Loop	<ul style="list-style-type: none"> Between Hagen & Tari 132KV Line China Exim Bank Funded NEC Approved 	<ul style="list-style-type: none"> Approx. US\$160M
9	Kundiawa-Usino Loop	<ul style="list-style-type: none"> Between Simbu to Madang Provinces Korea Exim (EDCF) Grant Application NEC Approved 	<ul style="list-style-type: none"> Approx. US\$30M
MINING			
10	Yandera Mine project	<ul style="list-style-type: none"> Located in Bundi, Madang Feasibility completed Copper-Gold Mine Prospect Construction by 2020 	<ul style="list-style-type: none"> TBA
11	Wafi-Golpu Project	<ul style="list-style-type: none"> Located in Wau, Morobe Province At advance stage Going into FID in 2yrs Construction possibly by 2020 	<ul style="list-style-type: none"> TBA
12	Frieda Mine Project	<ul style="list-style-type: none"> Located in West Sepik Province Feasibility completed Application for SML in progress Construction possibly by 2022 	<ul style="list-style-type: none"> TBA

CONTINUE..

No.	Project	Details	Cost (US\$)
FIBRE OPTIC			
13	Fibre Optic cable	<ul style="list-style-type: none"> Port Moresby - Sydney Madang - Jayapura 	<ul style="list-style-type: none"> Approx. US\$100M Approx. US\$200M
ROAD CONSTRUCTION			
14	Highlands Highway Road Rehabilitation	<ul style="list-style-type: none"> ADB Funded (start 2018) 	<ul style="list-style-type: none"> Approx. US\$1,000M
PETROLEUM			
15	PNG LNG Extension	<ul style="list-style-type: none"> 3rd Train FEED 2018 	<ul style="list-style-type: none"> TBA
16	Papua LNG	<ul style="list-style-type: none"> 2nd LNG Project 2-3 Trains FEED 2018 	<ul style="list-style-type: none"> TBA
17	Western Pipeline	<ul style="list-style-type: none"> 2 x Trains LNG & LPG FEED 2018 	<ul style="list-style-type: none"> TBA

**SOME EXAMPLES OF INFRASTRUCTURE PROJECTS
TRANSACTIONED AND COMPLETED IN THE LAST FIVE YEARS**

LAE TIDAL BASIN PORT DEVELOPMENT

LAE PORT DEVELOPMENT PROJECT TIDAL BASIN PHASE 1



LAE TIDAL BASIN PORT DEVELOPMENT (status update)

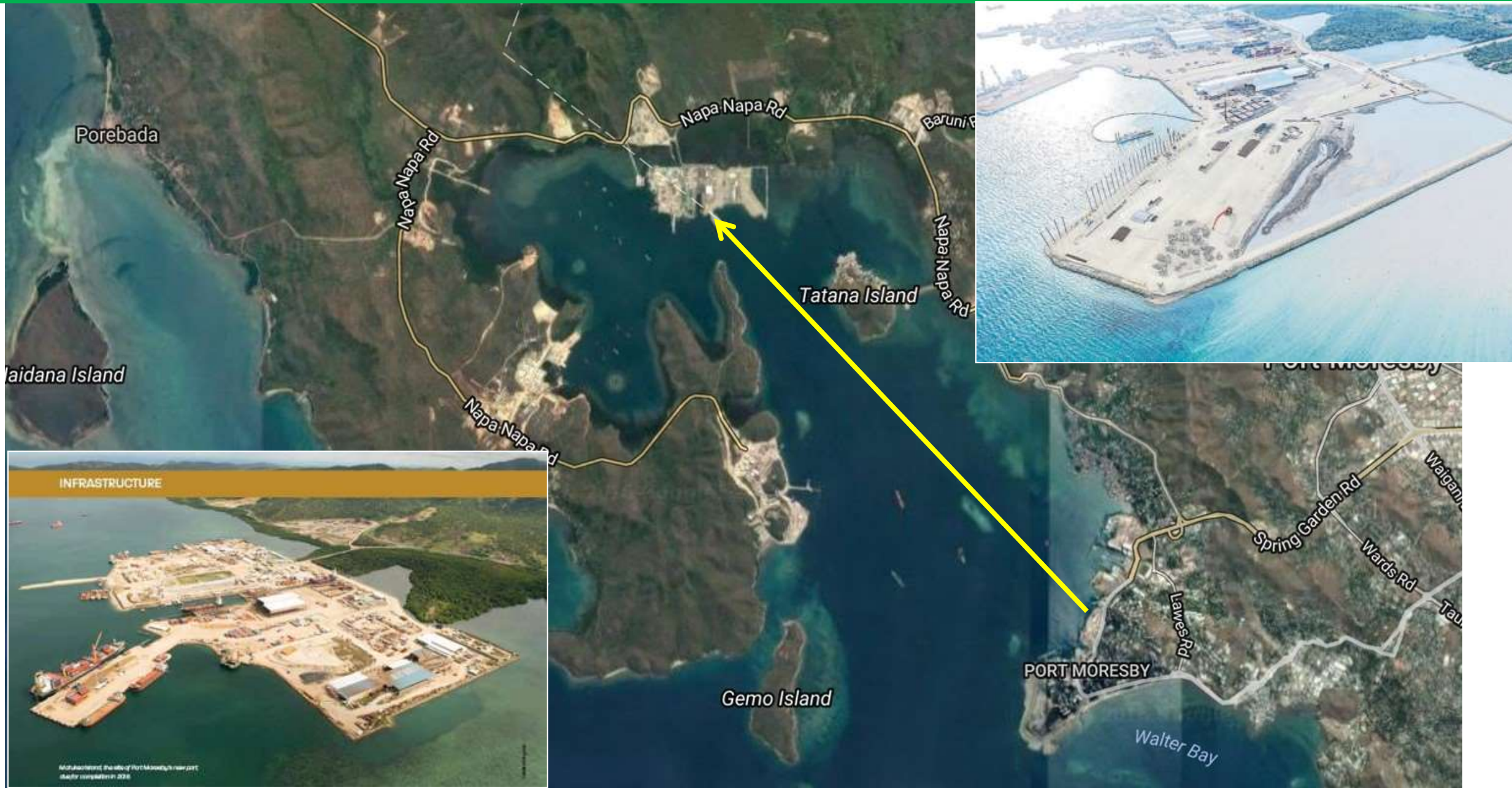


PORT MORESBY PORT RELOCATION – MOTUKEA



In 2015, State acquired part of Curtin Bros' Motukea dry dock

PORT MORESBY PORT RELOCATION – MOTUKEA

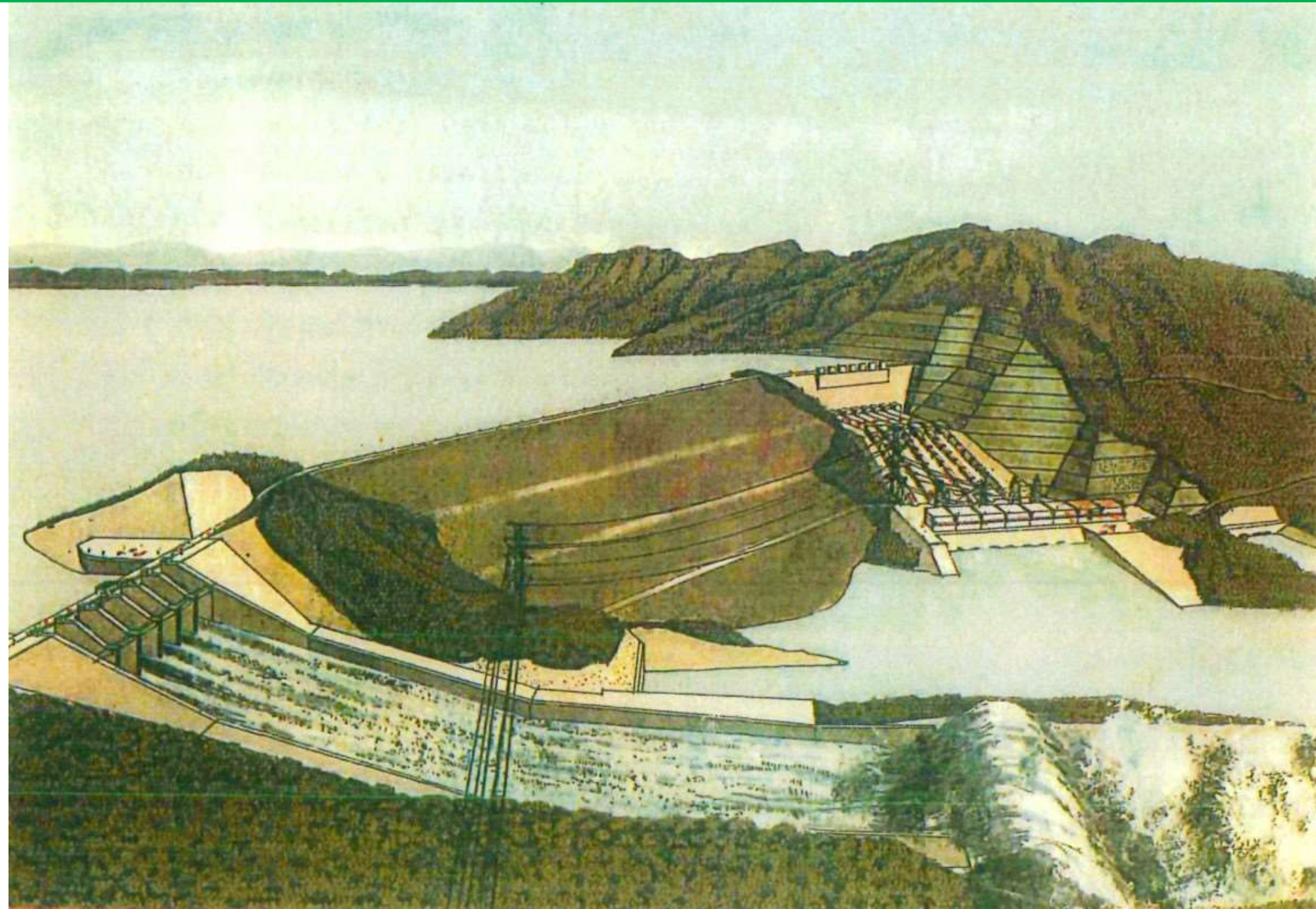


SOME EXAMPLES OF INFRASTRUCTURE PROJECTS

UNDER PLANNING

PURARI HYDRO POWER

- Rockfill dam 160 m H, 670 m in crest length, 15.9 mcm in volume
- Net head 98 m
- Mean inflow 2,500 m³/s
- Firm power 1,800 MW
- Firm energy 11,825 GWh
- DD & construction: about 8 yr after financial closure
- Const. cost: in an order of \$3.8B
- kWh cost in an order of 3 cent



KARAMUI HYDRO POWER

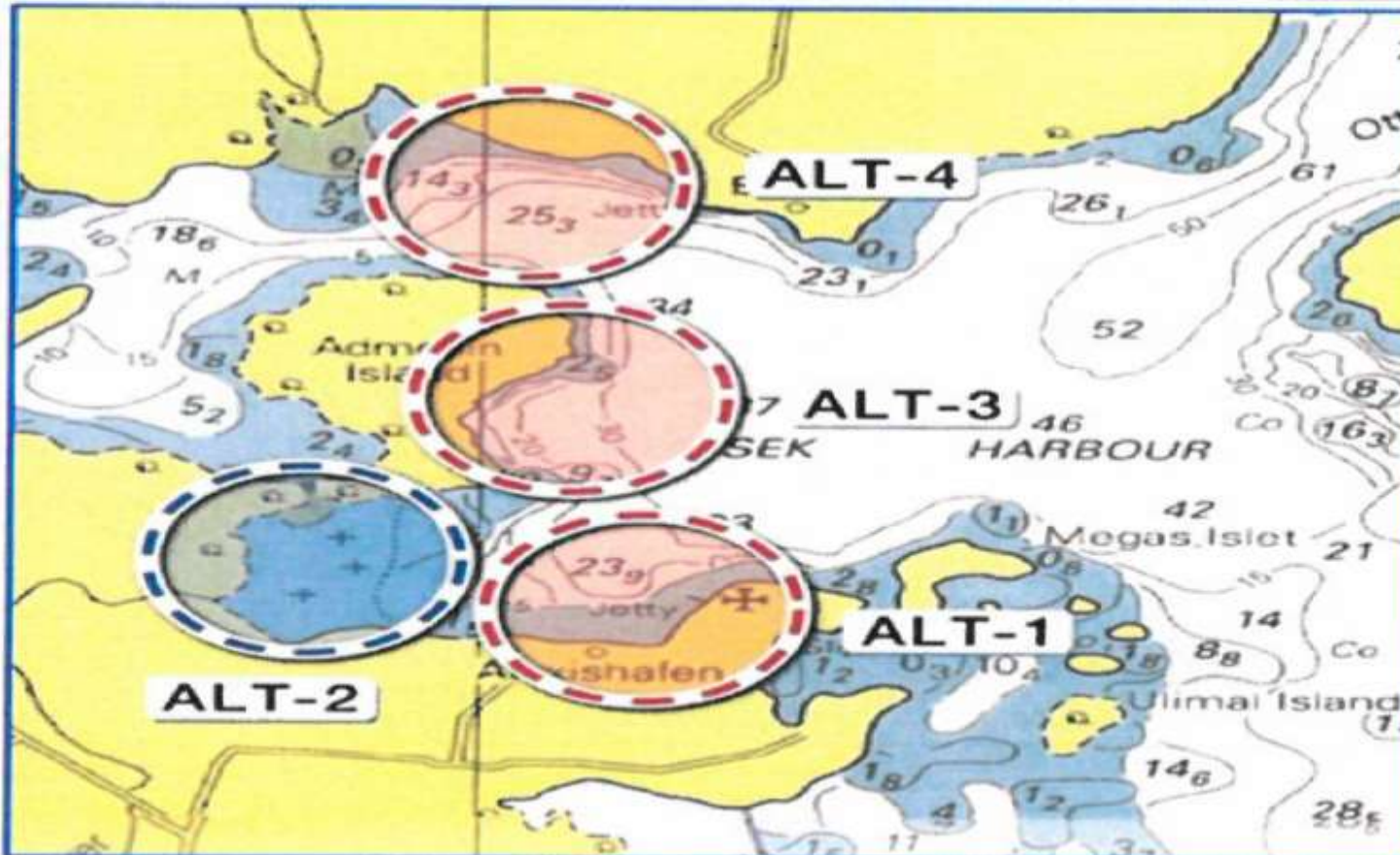
- FEASIBILITY COMPLETED



MADANG SHIP REPAIR YARD – HYUNDAI PROJECT

Review for optimal location (proposal)

- The optimal project site will be reviewed and determined by relevant authorities, i.e. DPE and Madang Provincial Government



THANK YOU!
KAMSAHAMNIDA!