TOURISM INVESTMENT INCENTIVE GUIDE BOOK

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FOREWARD

Foreign Direct Investment (FDI) has come to be widely recognized over the past decade as a major potential contributor to growth and development. It can bring capital, technology, management know- how and access to new markets. In comparison with other forms of capital flows, it is also more stable, with longer-term commitment to the host economy.

The *Tourism Investment and Incentives Guide* is the initiative of the Papua New Guinea Tourism Promotion Authority (PNGTPA). The objective of this guidebook is to provide potential investors and partners who are keen to venture into tourist industry the basic investment and regulatory requirements that needs to be complied with and the fiscal concessions and incentives that are granted by the government for all FDI's and some more specific ones only granted to the tourism industry.

This guide is therefore properly seen as parts of a process, a long-term process at the heart of which is an ongoing dialogue between industry members and the government. The guide is the product of a dialogue including that occurring among and between representatives of business and government during the workshops that precede the completion of the guide. It is our hope that the guide will in turn contribute to the dialogue, helping to strengthen and sustain it. We are convinced that in the long run it is this alone that will create conditions increasingly conducive to greater flows of tourism investment.

We wish every success in your tourism investment and encourage you to take very advantage of the fiscal incentives and concessions.

Peter Vincent
Chief Executive Officer

1. Introduction

Papua New Guinea is the largest island nation in the Pacific and the richest, in flora and fauna, of all the nations of the Pacific Rim. It comprises the eastern half of the island of New Guinea plus the great islands of the Bismarck Archipelago and the northern-most Solomon group, as well as some 600 additional smaller islands.

PNG's borders stretch from the Equator to 12 degrees south latitude and encompass about 463,000 square kilometers.

The nation supports a remarkable range of equatorial environments. From high alpine peaks that are periodically dusted with snow to pristine tracts of extensive lowland alluvial rain forest, down to coral reef systems; arguably diversity not found in many other places on earth.

The inland of both the mainland and the provincial islands is dissected and mountainous. There are also extensive areas of flat or gentle terrain, particularly along the coasts. The combination of topography, geology, climate and volcanic events has created a complex pattern of soils, some of which are highly productive. Large river systems rise in the mountain regions and cause some of the most exquisite waterfalls in the region.

Papua New Guinea is very rich biologically. More than 700 birds and 200 species of mammals occupy its varied environments. Many of these species are not found elsewhere in the world. They include some of the world's largest- and smallest parrots, the largest pigeons, all of the world's three species of cassowaries, more than two- thirds of all the world's birds of paradise, all of the world's tree kangaroos and the world's largest butterfly, the Queen Alexandra Birdwing. Added to this, the forest flora is seemingly one of the richest on earth with an estimated 9000 species of higher plants and as many as 1,500 species of forest trees.

The rich diversity of Papua New Guinea also extends to its people with over 800 distinct languages and cultures, who have strong cultural ties with the land and are highly dependent upon it for their way of life. Protection of the environment and conservation of its rich diversity of species is therefore necessary to protect the culture of the people. These very unique natural and cultural features hold Papua New Guinea as one of the world's best tourist destinations.

Papua New Guinea tourism sector has been overshadowed by a robust and booming mining and petroleum industry. However, the PNG Government has now placed equal emphasis on tourism with appropriate policies to develop the sector given its huge economic potential more equal to mining and petroleum sector. The Government has introduced policies and investment incentives to encourage more investments in tourism business. These investment incentives are discussed in length in various Chapters of this Investment Guide Book.

2. Investment

The term investment has become an everyday language for almost every person involved in business. Investment simply means an asset and investing is an act of increasing the asset or adding value to the existing asset (s). People invest in many different things or ways, for example, in businesses, education, sports, and others. Our focus here is on investing in Business and more specifically in Tourism Business in Papua New Guinea. Our interest is also about investment incentives available to the prospective investors in the tourism sector

Business takes many forms and styles. Investing in tourism business simply means opening up business practices more suited to tourism, some of which include tour operations, airlines, hotels & guest houses, etc. Tourism business is largely new to Papua New Guinea because the sector has been neglected by the governments over the past decades. Arguably, tourism has the potential to contribute immensely towards Papua New Guinea's cash economy if adequately developed. Economies like Fiji rely mostly on tourism sector for its annual income due to its advanced status in tourism development in the region.

3. Investing In Tourism

Opportunity exists in tourism for business of all sorts but relevant to the industry. Businesses may range from small micro-investments to very large scale multimillion kina operations normally run by multinational corporations, for instance the five star hotels. Although we've seen very little progress in the past, industry is slowing picking up with eventual government support. Locally, tourism business awareness has not been very effective resulting in lack of or little business participation. There has been some interest however, lacked resources to undertake such investments. It has also been classified as high risk investment because usually you don't reap rewards continuously (all the time), or business turnover is slow in line with flow of tourists into the country although hoteliers make money all the time.

With the National Government keen on developing tourism sector under its medium term development strategies, the sector is poised to benefit immensely and open up more business activities in the medium term and will continue to flourish in the long run when the country's mining and petroleum runs out. So to speak- investing in tourism business is a viable option.

Who can invest in Tourism?

Any existing business or potential business person can invest in tourism business. The person can be a citizen or a foreigner. It requires adequate financial and other resources to invest in tourism.

It can be an individual or a company investment and business may range from small artifact sale on the street to large service sales like the hotels. Individuals or groups interested in venturing into tourism business but need to register a company or business name can obtain the business registration forms from Investment Promotion Authority or visit their website at: http://www.ipa.gov.pg

4. Foreign Investment

The Government and the people of Papua New Guinea welcome foreign investment. The country is rich in natural resources and places a priority on the downstream processing of these assets to achieve economic growth and a higher standard of living for its people.

Large investment to date has been concentrated in the minerals and petroleum sectors. It is the Government's policy to reinvest the revenue it gains from these highly profitable sectors into the development of its human resources, small and medium sized industries and industries which add value to locally available resources (for example, fish and marine products, timber and other forest products, agricultural commodities).

The Government also will support developments in the tourism sector as the country has huge untapped potential in this area.

The Government recognizes that non-renewable resources like oil and gold will eventually be depleted. It therefore wants to broaden the nation's economic base for long term sustainable economic growth. Development of the nation's vast renewable resources, including forests, fisheries and agricultural commodities, is seen as fundamental to this objective. Where it was once commonly accepted that export of raw materials was a necessity, it is now seen as essential that these products undergo further processing within Papua New Guinea to maximize benefits to the nation, including greater foreign exchange earnings, more employment opportunities, technology and skills transfer and an increased standard of living.

Foreign investment proposals which reflect some or all of these important objectives will be given preference over other business proposals to make use of the investment incentives offered by the Government.

5. Foreign Investment Protection and Guarantees

Foreign investment in Papua New Guinea is facilitated, regulated and monitored by the Investment Promotion Authority Act (the Act).

Investment Promotion Act

Section 37 of the Act (Investment Promotion Act) guarantees that the property of a foreign investor shall not be nationalized or expropriated except in accordance with law, for a public purpose defined by law and in payment of compensation as defined by law.

- Multilateral Investment Guarantee Agency

The Multilateral Investment Guarantee Agency's (MIGA) principle responsibility is promotion of investment for economic development in member countries through:

- guarantees to foreign investors against losses caused by non-commercial risks; and
- advisory and consultative services to member countries to assist them in creating a responsive investment climate and information base to guide and encourage flow of capital.

❖ APEC and WTO

Papua New Guinea is a member of the Asia-Pacific Economic Cooperation (APEC) and the World Trade Organisation (WTO), and therefore party to a number of agreements and understandings. A lot of these matters relate to trade and investment liberalisation.

❖ International Centre for Settlement of Investment Disputes

Section 39 of the Act seeks to encourage greater flows of international investment by providing facilities for the conciliation and arbitration of disputes between government and foreign investors.

❖ Other Agreements

Separate investment protection agreements have been entered into with several individual countries, notably Australia and Malaysia. The Department of Foreign Affairs has more information on bilateral and multilateral agreements which Papua New Guinea has entered into.

Certain economic sectors, while they still have a great deal of untapped potential, are already well developed (for example, mining). Others are steadily improving.

However, it is the manufacturing sector, including the downstream processing of natural resources and the manufacture of industrial goods such as clothing, textiles, leather goods, food timber products, footwear, chemicals, plastic products, paper products, automotive parts, and so on which current government policies target for greater improvement. Village eco-tourism and large scale resort developments are also targeted.

Favourable consideration is also given to development projects that result in some of the following:

- Contribute to economic growth;
- Create new jobs;
- Utilise domestic resources, particularly renewable resources;
- Assist in skills acquisition;
- Expand the volume and value of exports;
- Develop remote areas of the country;
- Promote import replacement; and
- Facilitate increased ownership of investment by citizens.

6. Legislative Requirements of Investors

Key legislations which affect investors in Papua New Guinea are administered respectively by:

a. the Department of Foreign Affairs (in relation to immigration procedures and visas for non-citizens);

b. the Department of Labour and Employment (in relation to work permits for non-citizens and occupations which are prohibited for non-citizens); and

c. the Bank of Papua New Guinea, the central bank (in relation to foreign exchange controls).

The following will apply depending on the area of economic activity:

a. the National Fisheries Authority administers the Fisheries Management Act 1998, which governs the fisheries sector
b. (e) the Papua New Guinea Forest Authority administers the Forestry Act 1998
c. (f) Acts of Parliament relating to the effecting of investment incentives, the environment, land tenure, customs duties, etc.
d. (g) the Department of Finance and Treasury and the Department of Trade and Industry, as well as any specific sectoral legislation for large scale investment proposals in the manufacturing sector
e. (h) by-laws imposed by provincial and local authorities, for example, local authorities issue trading licenses.

7. Citizen, National and Foreign Enterprises

The Investment Promotion Act categorises business enterprises as follows:

Citizen Enterprise:

An enterprise wholly owned by a PNG citizen, including the state.

National Enterprise:

An enterprise which is 50 percent or more owned by PNG citizens unless the enterprise is controlled by non-citizens.

Foreign Enterprise:

An enterprise which is 50 percent or more owned or controlled by non-citizens.

An enterprise may be an individual or a company, partnership or other legally-recognized person or body. All forms of enterprise are subject to other relevant legislation, such as the Companies Act 1997.

The categorization of enterprise is relevant for two (2) important reasons:

1. All foreign enterprises must be certified by IPA prior to carrying on business in PNG, and;
2. Certain business activities are restricted to citizen and national enterprises. A list of reserved activities for citizen enterprises can be obtained from the IPA. To date, there are no such activities restricted solely for national enterprises.

8. Certification

It is the IPA's function to grant certificates to foreign enterprises to carry on business in PNG. Some foreign enterprises may be exempt from the certification requirement.

The application for certification must be complete and on the correct form and be accompanied by the correct fee of K2, 000.00. All particulars and attached documentation must be correctly supplied. Incorrect applications are rejected while others are deferred and returned to the applicant with a letter explaining the requirements.

However, if the information supplied is completely correct, IPA will process the application and grant a certificate, if appropriate, in about three (3) weeks. The IPA may grant a certificate subject to certain terms and conditions being fulfilled by the foreign enterprise. Visit IPA website for more information on certification.

9. Visas and Work Permits

Residency and Employment Visas

The Department of Foreign Affairs and Trade will not issue residency or employment visas:

a. to foreign company directors or shareholders unless they can produce an IPA certificate in the name of the company concerned, or;

b. to foreign owners of a business unless they can produce an IPA certificate in their own name, and;

c. They can produce proof of the registration of a company or business name as the case may be.

None of the Acts referred to above prevent a legitimate business person from coming to this country for a short time. In such instances, the Department will issue a business visa.

If a foreign individual trading in his/her own right makes an application for a residency or employment visa, then in all likelihood, a Business Name should be registered. He/she should supply a certified copy of:

a. the Business Name Certificate, and;

b. the application form.

The obligation to satisfy the Department of Foreign Affairs requirements rests with the applicant for the visa.

Applicants who cannot supply necessary details will not be issued a visa.

Employment and multiple entry business visas must be obtained from PNG missions and posts abroad, with prior approval from the Secretary of Foreign Affairs.

Tourist and Business Visas

Bona fide tourists and business visitors to Papua New Guinea are able to obtain 60-day visas upon arrival at Jacksons International Airport, Port Moresby. More information is on visas and fees charges are available from the Foreign Affairs Department.

Work Permits

Just as there is a list of prohibited business activities, there is also a list of prohibited jobs which may not be undertaken by foreigners in Papua New Guinea (see CBAL). These lists are not meant to deter potential investors in any way but are designed to preserve specific areas of activity for Papua New Guineans who are experienced and financially-capable of running such businesses or sufficiently-skilled to perform such duties.

It is necessary for foreigners to apply for a work permit for each non-citizen employee employed in PNG.

The work permit application must be accompanied by a training and localization program in accordance with the employment of Non-Citizens Act.

This is to monitor the entry of all immigrants into PNG, approve the positions in which they can work and ensure that there is a program for the transfer of skills to Papua New Guineans citizens.

Each work permit is for a particular position and is generally valid for a period of three years. During this period, it is possible to replace the employee working in that position without obtaining approval for a new position. More information is available from the Department of Labour & Industrial Relations. Refer address listings page.

10. Investment Incentives

Investors willing to explore business opportunities in Papua New Guinea have available to them numerous incentives to assist in their investment decision-making. The government has a range of direct and indirect taxation based incentives for large and small proposals. The international treaties, agreements and pacts which give Papua New Guinea manufactured goods preferential access to various export markets, including duty free and reduced tariff entry to some of the largest markets in the world, for example the European Union (EU) under the Cotonou Agreement are added incentives for investments in downstream processing and service sectors.

What are Investment Incentives then?

Investment Incentives are factors used to motivate or encourage more investment activities that would reduce associated risks. Business people prefer minimum risks with their investments and would also prefer incentives in high risk business activities. Tourism business is a high risk investment and investors in this sector would require some form of incentives to continue in the business.

There are hosts of investment incentives including healthy economic climates, nil law & order issues, low cost of flights and accommodations, etc, available to investors however our focus here is on the governments Tax Incentive policy on

Investments in the Eco-Tourism market. Governments various Tax Incentive available for eco-tourism business is discussed at length in the following chapters

11. Tax incentives

Recognizing the potential of Papua New Guinea to be a world leader in the eco-tourism market given the country's abundant natural beauty, unique environment, and cultural diversity, the National Government's Medium Term Development Strategy (MTDS) has called for tourism to be a significant driver of the economy. While it acknowledges that the negative perception arising from the law and order situation and the high costs of flights and accommodation are significant constraints for the country to achieve its full potential and the necessity for the government to address these obstacles in its policies, the MTDS also supported the use of fiscal policy tools to promote PNG's tourism industry, particularly the extension of existing tax concessions to the industry, provided a comprehensive appraisal of these incentives is conducted to make sure that the increased benefits from tourism are outweighing the costs of reduced tax revenue from tourism operators.

The Internal Revenue Commission (IRC) administers a number of different tax incentives. Most of these are available to any businessperson and take the form of exemptions from company income tax or deferment of income tax liabilities. This guide gives a snapshot on tax incentives available to the tourism sector.

I. Double Tax Deductions for Export Market Development Costs

Deduction is an expense incurred by the taxpayer that can be offset against his assessable income and, therefore, reduces his taxable income. When an expense qualifies for double deduction in the Income Tax Act, it means that, first, the assessable income will be deducted by the amount of that expense and, second, that the taxable income will be further reduced by same amount allowing additional and significant tax savings. Double deduction, therefore, directly diminishes the amount of tax payable and will act as a "subsidy" to tourism operators promoting their services in overseas market. The tax saving arising from the double deduction should, however, not be confused with neither a cash subsidy nor a cash reimbursement.

Following are examples of some of the expenditures incurred by Tourism Industry Operators that qualifies for Double Deduction which includes all overseas marketing and promotional costs:

- Publicity & advertisements in any media outside Papua New Guinea
- Expenses incurred in the provision of samples including the cost of delivering the samples outside PNG
- Market research costs
- Costs of preparation of tenders for supply of goods outside PNG
- Travel fares (costs) to a country outside PNG, being travel necessarily undertaken for the purpose of negotiating or concluding contracts for sale of goods on behalf of the company or for the purposes of participating in trade fairs or industrial exhibitions or tourism fairs and actual expenses, subject to a maximum of K400 per day, for accommodation and sustenance

- o Costs related to provision of tourism related fairs & expositions
- o Expenses for services rendered for public relations work connected with tourism;
- o Expenses for the cost of maintaining sales offices overseas for the promotion of tourism within Papua New Guinea
- o Expenses incurred by a local tourism operator directly attributable to costs incurred in bringing travel agents or other tourism related sales representatives to Papua New Guinea for the purpose of promoting tourism within Papua New Guinea."

How Does Double Deduction Actually Work- An Illustrative Example:

Let us consider PNG Sunshine Holidays, a fictional company incorporated in PNG engaged in tourism, to see how the double deduction incentives will make a difference in its financial statement:

Table 1. How Double Deduction Help Businesses

	Single Deduction Regime	Double Deduction Regime
Assessable Income	K5,000,000	K5,000,000
Expenditures, *of which:*	K3,100,000	K3,100,000
Salaries and Wages	*K500,000*	*K500,000*
Repairs and Maintenance	*K100,000*	*K100,000*
Materials and Supplies	*K2000,000*	*K2000,000*
Overseas Marketing and Promotional Expenses	***K500,000***	***K500,0000***
Income Before Depreciation	K1,900,000	K1,400,000
Depreciation	K100,000	K100,000
Taxable Income	K1,800,000	K1,800,000

Additional Deduction for Overseas Marketing and Promotional Expenses	K0	K500,000
Taxable Income After Additional Deduction	K1,800,000	K1,300,000
Tax Payable at 30 Percent	K540,000	K390,000
Net Profits	K1,260,000	K1,410,000

From the example above, tax savings amount to K150, 000 as a result of the introduction of double deduction incentive for overseas marketing and promotional expenses. Note that the tax saving from the double deduction represented 30 percent of the total cost incurred on overseas marketing and promotional expenses.

Two conditions, applies:

1. Tax savings can not create a loss and, 2. Overseas marketing and promotional expenses reimbursed to the taxpayer do not qualify for double deduction.

There are no specific administrative procedures at the moment, the amount will have to be claimed on the tax return form like any other deduction but taxpayer must have sufficient evidence to substantiate the claim should the Internal Revenue Commission query the amount during assessment or auditing procedures.

II. Double Deduction for Tourism Staff Training Costs

This incentive is designed to boost the proficiency of staff engaged directly in the promotion of tourism within PNG. It is designed to do so by giving a double deduction for the costs of relevant training courses provided, such costs being course enrolment and associated costs but excluding salary and wages.

This incentive is not restricted to citizen staff. In administering this provision IRC proposes to broadly adapt certain of the criteria (but not all) which are applied for training levy purposes. Accordingly we would accept that the following types of training courses would qualify:

- training provided at a Government training institution, a recognized University or a prescribed place of tertiary training;
- training through an approved business training course - these have to be approved by IRC and are expected to be formal training courses conducted in a classroom or workshop environment (though correspondence courses will also be considered);
- 'on-the-job' training will also be considered, but only where conducted in a structured and classroom type environment and where the course presenter

All such training would need to be immediately relevant to core tourism functions, but can be conducted both within PNG and overseas.

Here too the limitation that the tax saving resulting from allowance of the double deduction cannot exceed 75% of the cost actually incurred applies.

III. Accelerated Depreciation

This tax incentive is extended to the Tourism Industry mostly in the areas of Capital Investments. It has been available to many sectors and has recently been extended to the tourism industry in the Income Tax (2006 Budget Amendment) Act 2005 for hotels, restaurants, and recreational tourism facilities (such as sport fishing).

Increased Accelerated Depreciation

Increased initial year depreciation of 55% is available on "eligible property" to those tourism businesses falling within the ISIC tabulation code for Hotels, Camping Sites and other Commercial Accommodation and that for Restaurants, Bars and Canteens.

The term "eligible property" in the context of the tourism industry essentially means new items of plant or capital equipment with an effective life of more than 5 years.

This incentive means that qualifying capital items can now be depreciated up to 70% in the year of acquisition and fully depreciated after four years. Take the example of an eco-tourism or dive resort which purchases a new back-up generator at the start of 2007. In that year it can elect, under s 75 of the Act, to use the Diminishing Value depreciation rate of 15%. They then add the additional 55% depreciation available under this incentive, which produces a total allowable depreciation claim of 70% that year.

They can then exercise the option to revert to the Prime Cost or Straight Line rate of 10% for succeeding years. That election, under s 76 of the Act, must be made in writing in the 2008 income tax return. With an allowable depreciation claim of 10% of the original cost each year, the generator is then fully depreciated by the end of the 2010 income year.

For all tourism operators who intend to take advantage of this section 73(3A) incentive, it is important that they clearly identify such claims to IRC in the depreciation schedule lodged with their income tax return for the relevant year.

How Does Accelerate Depreciation Incentive Actually Work-An Illustrative Example:

A K10, 000, 000.00 investment is made in the construction of a tourist resort with 10 years life. If the taxpayer chooses to depreciate his capital investment using the straight line basis method, the depreciation rate will be based on the effective life i.e. 10 percent per annum over 10 years as the table below illustrates:

Table 2. Ordinary Depreciation Schedule Based on Effective Life (Straight-Line Method)

Resort-10 Years Life	Year1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
K10 ML	1 ML	1 ML	1 ML	1 ML	1 ML	1 ML	1 ML	1 ML	1 ML	1 ML

Under the extra depreciation option, an extra 20 percent of the cost can be depreciated during the first year, this will reduce the effective life by 2 years and therefore, the investment will be depreciated over 8 years: 30% over the first year and 70 percent over the seven next years at a 10 percent rate per annum.

Table 3. Extra Depreciation Schedule Based on Effective Life (Straight-Line Method)

Resort-10 Years Life	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**
K10 ML	1 ML	1 ML	1 ML	1 ML	1 ML	1 ML	1 ML	1 ML		
	2 ML									

If the taxpayer chooses to depreciate his capital investment using the diminishing value basis method, the depreciation rate will be based on the effective life (i.e. 10 percent per annum) multiplied by 1.5 or 15 percent per annum as the table below illustrates:

Table 4. Accelerated Depreciation Schedule Based on Diminishing Value Method

Resort-10 Years Life	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**
K10 ML	1.5 ML	1.275 ML	1.0838 ML	0.921 ML	0.783 ML	0.666 ML	0.566 ML	0.481 ML	0.409 ML	0.347 ML

Under the extra depreciation option, an extra 20 percent of the cost can be depreciated during the first year: 35 percent of the investment will, therefore, be depreciated the first year; the remaining value will be depreciated at 15 percent rate per annum over the next years.

Table 5. Extra Depreciation Schedule Based on Diminishing Value Method (Combining Extra and Acceleration Options)

Resort-10 Years Life	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**
K10 ML	1.5 ML	0.975 ML	0.828 ML	0.704 ML	0.599 ML	0.509 ML	0.433 ML	0.368 ML	0.313 ML	0.266 ML
	2 ML									

It is also possible to alternate the methods (provided prior notification is provided by the taxpayer to the Internal Revenue Commission) and therefore, starts with the diminishing value method to get the highest possible depreciation in the first years and then shift to the straight line basis method as it gives a higher depreciation, this will reduce the effective life of the plant by 3 years and the value will be depreciated over 7 years:

Table 6. Alternating Methods to Maximize Depreciation Acceleration (Combining Extra, Acceleration and Straight Line Methods)

Resort-10 Years Life	**Year 1 (1)**	**Year 2**	**Year 3**	**Year 4 (2)**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**
K10 ML	1.5 ML	1.275 ML	1.0838 ML	1 ML	1 ML	1 ML	1 ML			
	2 ML									

(1) Written down Value Method used first as it allows a faster depreciation.
(2) Straight line method used as it allows for higher depreciation starting from Year 4.

In addition, there is a 100 percent deduction on boats or ships used as dive boats as well as their ancillary equipment by scuba diving or snorkeling operator accredited by the Tourism Promotion Authority.

To qualify for the extra depreciation (either 20 percent or 100 percent), full details should be provided on the depreciation schedule regarding the items the taxpayers would like to benefit from additional depreciation.

IV. 100% Depreciation - Dive and Snorkeling Tour Boats or Ships

Being items of plant or equipment, boats and ships, plus ancillary equipment fitted to them, can be depreciated at the rate of 100% in the year of purchase.

This is conditional on the boats or ships being used *solely* for the purposes of scuba diving or snorkeling tours, by operators who are accredited for those purposes with the Tourism Promotion Authority (TPA) of PNG. A copy of the operator's current accreditation certificate must be supplied to IRC when any such claim is made.

It is again important to clearly identify such claims to IRC in the depreciation schedule lodged with your income tax return for the relevant year.

12. Other Concessions

I. Concessional 20% Tax Rate - Large Scale Tourist Accommodation Facilities

This special tax rate represents a reduction of one third in terms of the normal company tax rate of 30%. It applies initially in the year when income is first derived from the new facility, and then for the following nine years.

This measure is designed to benefit taxpayers who build new large scale tourist accommodation facilities in PNG or who improve existing (smaller) such facilities to the point where they become large scale undertakings. Importantly, only facilities which satisfy the definitional terms in s 154E will be considered here. This means that the new or substantially improved accommodation facility must:

- have construction commenced between January 2007 and December 2011;
- involve expenditure of at least USD $10 million;
- upon completion provide for at least 150 rooms for the purpose of temporary accommodation for people.

Also, to be eligible for consideration as a "qualifying taxpayer", businesses must:

- "derive all of their income solely from the operation of" the relevant new or newly improved large scale tourist accommodation facility;
- be registered with IRC before being able to access this reduced tax rate.

There are certain practical effects that flow from these limitations, which will obviously to be specifically addressed at the time of registration with IRC. One example is in relation to owners of existing tourism or other business operations who wish to build a new large scale facility. To qualify for the 20% tax rate, they will need to set the new venture up as a separate legal (corporate) entity, otherwise all their income would not be derived from the large scale facility.

As to what constitutes income "solely from the operation of" such tourist accommodation facilities, we propose to take a commercial realistic approach. For example a large scale tourism facility would normally be expected to have a range of facilities as an integral or ancillary part of its temporary accommodation business. These could include bar, restaurant, poker machine, boutique, gift shop, entertainment and conference facilities. It is likely that all such income will be considered as being solely from such tourist accommodation facility operations.

One the other hand, where undertakings of the taxpayer are too distinctly different from its core operations and can be clearly differentiated from a primary function of providing temporary accommodation, then the income test would be breached.

It is also important to note that this concession only applies where the accommodation to be provided is “temporary” in nature, as one would expect is appropriate to the needs of genuine tourist. The measure is not designed to give relief to long term rental undertakings, where the prevailing market conditions in PNG already provide a quite profitable outcome to business.

As a general guide, only where accommodation is available to the same person for a continuous period not exceeding 3 months will IRC consider them “temporary” in nature. Tourism operators who believe they have a genuine case for consideration outside this period are advised to seek separate approval from us.

In terms of registering with IRC for this concession, taxpayers should address their written applications to:

Applications should clearly indicate in the heading that they are for registration under the Division 9B large scale tourist accommodation facility provisions. These should include full details of the proposed facility and address all the criteria contained within Division 9B of the Act.

Finally, prospective applicants under this concession should be aware that commercial reality and arms length principles will also be applied by IRC in considering the incorporation and structure of proposed large scale tourism accommodation facility entities. Accordingly, transactions or arrangements which appear contrived or artificial, when contrasted to normal third party business dealings would be immediately disqualified. Tax payers or businesses who wish to register with IRC for this concession should address their applications using the IRC address provided at the end of this book.

II. Prescribed Infrastructure Tax Credit of 1.5%

Taxpayers who qualify and are registered for the large scale tourist accommodation facility that is, 20% tax rate concession, will also be eligible for this concession.

The prescribed infrastructure tax credit regime provides that expenditure by the taxpayer on prescribed infrastructure developments will count as a tax credit towards their income tax liability. For qualifying tourism operators, that credit is limited to a maximum of 1.5% of assessable income derived in the relevant year.

There are certain other conditions associated with the operation of the section 219C provisions, which potential claimants should explore further with IRC and or their taxation advisors. One notable requirement is that such infrastructure projects are only "prescribed" where they have prior approval from the Department of National Monitoring and Planning.

III. Zero Rating of Supplies of Domestic Travel (Within PNG) and Temporary Accommodation to Overseas Visitors from Payment of Goods and Services Tax (GST)

Prior to budget 2007, international air travel into or out of PNG was zero-rated i.e. no GST was payable. The budget changes approved by Parliament have expanded the tourism concessions to zero-rate domestic travel (within PNG by air or sea) and temporary accommodation, provided they are purchased by the visitor before they arrive in PNG.

It is designed to remove any GST impact on the costs of travel, by sea or air, and on temporary accommodation which are for the eventual supply to foreign visitors. It is a requirement that the passenger benefiting from the zero-rating of GST must not be a resident of Papua New Guinea and the supply of the travel or accommodation must be made prior to the visitors arrival in PNG.

Purchase through a travel agent of travel or accommodation by non-residents intending to visit PNG are treated as being made by the visitor direct from the airline or hotel operator. Such purchases are zero-rated (GST free) if made before the visitor reaches PNG.

The new concession relating to temporary accommodation in PNG (e.g. hotel or resort accommodation) for overseas visitors also covers accommodation on cruise ships and dive boats.

Accommodation or travel can include incidentals such as insurance, food, beverages, tours, activities and airport transfers which are provided 'inclusive' of the accommodation or travel package price. Where the incidentals are sold by the accommodation or travel provider to the intending PNG visitor (before their arrival in PNG) their value will not be subject to GST. These package items are incidental if their total value is less than half the total package price. If the 'incidentals' are sold separately to the visitor by someone other than the accommodation or travel provider they will remain subject to PNG GST. It is emphasized that GST will apply in all cases where the visitor purchases accommodation or travel after arriving in PNG.

'Unstructured arrivals' refers to independent travellers, who fly in to PNG and then purchase accommodation and sea or air travel within PNG. Their domestic travel and accommodation is subject to GST.

IV. Zero Rating Custom Tariff Duties on Products Imported by the Tourism Sector

One of the negative impact of the high tariff rate policy practiced before the implementation of the Tariff Reform Program (TRP) in 1999 was the high negative rates of assistance faced by the service industry in particular and the tourism related service industries in particular (i.e. higher tariff rates meant higher business costs and hence, reduced competitiveness). Tourism related industries like air transport, hotels and accommodation and restaurant and fast food faced considerable negative rates of assistance of 21 percent, 14 percent and 12 percent respectively.

The implementation of the TRP allowed for a significant reduction of negative rates of assistance for most service industries and the elimination of their distorting impact on most industries.

In its efforts to further reduce these negative rates of assistance for the tourism industry while still maintaining its commitments regarding the protection of local industries, the Government decided to zero rate from custom tariff duty the following products which is or are widely consumed by the tourism industry and not manufactured locally instead of reducing their duty rates from 20 percent to 15 percent only:

Zero rated Tariff Items

- bed linen, table linen, toilet linen and kitchen linen,
- tableware, kitchenware, other household articles and toilet articles, of porcelain or China,
- ceramic tableware, kitchenware, other household

articles and toilet articles, other than porcelain or china,

- glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar processes and,
- Wetsuits of a type suitable for underwater diving.

The zero rating of the products above will benefit not only to certain niche markets of the tourism sector but to all sectors as it was zero rated from duty as a Budget Provision Amendment to Schedule I of the Custom Tariff Act as part of the Governments broader incentive policy for investments and was not granted as a specific exemption for the tourism industry under the exemption provisions of the Custom Tariff Act.

V. Zero Rating Excise Duties on Products Imported by the Tourism Sector or Consumed by Tourists

Excise duties on photographic film have been removed and are now free as opposed to 30 percent previously. These include photographic films in rolls, sensitised, unexposed, of any material other than paper, paperboard or textiles; instant print film in rolls, sensitised, unexposed.

VI. Zero Rated Airfares

International air fares and ship fares including travel into and out of PNG are zero rated. The GST Act zero-rates domestic air travel within PNG where that travel is taken as part of an international air service. For example, if a foreign tourist purchases a holiday to Papua New Guinea from Air Niugini which includes international and domestic fares as part of their visit to PNG, all the airfares (including those for domestic flights inside PNG) are zero-rated. PNG's GST law is consistent with common international practice in this regard.

VII. Duty Free Shops

The GST Act zero-rates goods sold by an inwards or outwards duty free to inbound or outbound air travellers. The shops must be licensed under the Customs Act to operate as duty free shops. Items bought at the outward (only one in PNG) duty free stores must be exported by the purchaser. This can only be done in Papua New Guinea in the passengers hand baggage as the only duty free store in PNG is located in the sterile area at Jacksons Airport (i.e. after passing through outwards immigration process). Items bought at the inwards (only one in PNG) duty free store must fall within the duty free concession or passenger allowance otherwise duty will be calculated on the excess. There is no facility for postage etc.

VIII. GST Free Shopping from Retailers (Not Duty Free Shops)

Goods purchased by tourists from retailers (not duty free shops) and sent directly by the retailer to the overseas address are zero rated. The retailers will have to provide evidence of export. Duty, however, can not be refunded to the consumer as it has already been paid by the importer or manufacturer of the good

IX. Tax Free Importation of Goods by Tourist

In line with the Government's policy on assisting tourism in PNG, the 2005 and 2006 Budget Provisions also made amendments to the Customs (Personal Effects) Regulations 1995 changing the way the duty free allowances are applied to all travellers entering PNG, whether by aircraft, vessel, vehicle or on foot.

The New Allowances – what are they?
Goods imported by travellers as part of their accompanied baggage are exempted from GST and duty as prescribed in the Customs ´Personal Effects´ rules.

The new allowances provides for GST and duty concession on all new goods (excluding tobacco, alcohol and perfumes) to the total value of 1000 Kina per traveller over the age of 18 years instead of K250 previously. Where the traveller is under the age of 18 years the amount is 500 Kina instead of K125 previously.

In addition, a traveller over the age of 18 years is entitled to a GST and duty free allowance of 250 grams of tobacco, being equal to 250 cigarettes instead of 200 cigarettes previously or 50 cigars, up to 2 litres of alcohol instead of 1 litre previously and perfumery not exceeding one litre or 1000 grams instead of 500 grams previously. This allowance does not apply to a person under the age of 18 years.

A traveller of any age is allowed to import free of GST and duty, among other things, a personal computer, a still and video camera, and work tools free of duty provided they are not new or in commercial quantity and are intended for their own use. Crews of vessels and aircraft have slightly different allowances.

How are the concessions applied by Customs?
The following example explains how the concessions are applied.

A family, consisting of husband, partner and one child under 18 years old, arrives at Jacksons Airport from overseas. In their personal luggage, in addition to their clothing; they have a video camera, which they've owned for some time, a new personal computer, 2 cartons of cigarettes and 4 bottles of alcohol.

The duty free allowance means that the family will be charged duty on the new personal computer but not on the used camera or on the cigarettes or alcohol. However as the two adults are entitled to a 1000 Kina duty free concession and the child a 500 Kina concession, the amount of duty payable is calculated on the value of the personal computer minus 2,500 Kina, being the sum of their concessions.

With the new concessions, the calculation will look as follows (the value of the computer is for example purposes only):

Table 7. Savings under New Concessions for International Travellers

	New Concessions	**Previous Concessions**
Value of the personal computer	5000 Kina –	5000 Kina –
Total family concession	2500 Kina	625 Kina
Total Customs value for duty	**2500 Kina**	**4,375 Kina**

The amount of duty Customs charges is calculated at the rate specified in the Customs Tariff Act 1990. Different rates apply for different types of goods. The duty rate for personal computers is currently zero.

Customs duty also includes the payment of a GST component. The GST rate applied is 10% of the value of the goods plus the amount of duty payable on those goods.

In this example, with the new concessions the calculation for GST is:

K5000-K2500 = K2500
(K2500 + K0) x 10% = **250 Kina**.

As opposed to:

(K4375 + K0) x 10% = **437.5 Kina** under the previous concessions.

The total amount payable to Customs is the sum of the duty and GST. Therefore in this example the total amount to be paid to Customs by this family is **250 Kina,** a saving of **187.5 Kina** or 40 percent compared to the previous regulations.

Had the family had any additional cigarettes or alcohol then there would have been charged duty on them, as the child is not entitled to any allowance for these items and the 1000 Kina concession on new goods does not apply to tobacco, alcohol products and perfumes.

A quick guide to the formulas:

1. The value of the item – the passenger concession = Customs Value [CV]

2. {Customs Value [CV] + Customs Duty [CD]} x 10% = GST Payable

3. CD + GST = Total Amount Payable

Attitude of the Internal Revenue Commission with Respect to Tourists

The Internal Revenue Commission encourages its Customs officers to take a flexible approach to tourists visiting this country in respect of items they have with them that may exceed the concessions but which are obviously intended for personal use during their short visit and will be taken out of the country by the tourist concerned. If there is any doubt, officers may request the tourist to sign a personal undertaking or, for very high value items, lodge a security to ensure protection of the Revenue.

X. Tax Concessions for Ship Stores and Aircraft Stores

GST and duty zero-rating for goods for use on ships stores or aircraft stores for consumption outside PNG on an aircraft or ship travelling to a destination outside PNG (this covers fuel, food, beverages and other consumables). Ship stores and aircraft stores include all the goods necessary to keep the ship and the aircraft as well as their crew and passengers functioning and alive. They should not be confused with duty free shops on the ship or on the aircraft.

These stores that sell consumables (alcohol, cigarettes, perfumes, jewelry, cloths etc.) to passengers are only duty free as long as they are not landed. Once, they are landed, the goods are subject to duty and GST if they exceed the limits allowed under the concessions of the Custom Regulations mentioned previously. For example, if you purchase 3 litres alcohol duty free on an aircraft, Customs will charge you duty on the 1 litre purchased in excess of the 2 litres allowed if you try to land them with you.

These shops cannot trade while the ship or aircraft is in port or the airport, they only operate when the ship or the aircraft has cleared the port or the airport, and are on an international voyage.

In addition to the above there are special concessions under the Customs law that permits tax free importation of boats by visiting yachtsmen who will depart PNG waters.

XI. Boats Imported by Visiting Yachtsmen

Yachts and other small craft that arrive in PNG but are not intended for import are treated as any other commercial vessel or aircraft. No duty is charged and the vessel is allowed to travel between Customs ports on what is called an inter-port clearance. Yachts may visit non-Customs ports only with the permission of the Collector and must abide by any conditions attached to that permission.

Where a vessel has entered PNG temporarily but after such enquiries as he thinks appropriate, the Collector has reason to believe that the vessel might have been imported, he may serve a notice requiring the owner or operator to either export the vessel or enter it for home consumption and pay the duty and GST owing within 30 days. If the vessel remains in PNG after this time without being entered it shall be forfeit to the State.

XII. Cruise Vessels and Charter Flights

Another amendment to the legislation in the last budget sitting now intended to support tourism was to allow the Collector to issue permission for a charter vessel or aircraft to arrive or depart from PNG using non-Customs ports and airports. The Collector may impose any condition to the permission he or she thinks appropriate in order to protect the Revenue and ensure compliance with Border Security and Customs related legislation.

Examples of the conditions may include the vessel or aircraft operator paying appropriate costs for the services of Customs officers or employing security personnel to ensure no unauthorized activities occur at the non-customs ports or airports.

The collector means the principal officer at a port of entry and includes the Commissioner General, the Commissioner of Customs, the Assistant Commissioner of Customs, a principal officer of Customs performing duty at the time and place in relation to which the expression is used, and any officer performing duty in the matter in relation to which the expression is used.

Summary on Tax incentives

Basically, there are two types of tax incentives available to the tourism industry. They are:

1. Double Income Tax Deduction, and
2. Accelerated Depreciation

Double Tax Deduction applies for tourism operators promoting services in overseas markets while Accelerated Depreciation applies for capital investments in hotels, restaurants and other big investments.

Further, there are also several tax concessions available to the tourism investors which include;

- Exempt from GST any purchase by foreign tourists prior to arrival in PNG
- Increased accelerated depreciation to a maximum of 55%
- Any expenditure on staff training qualifies for double tax deduction
- A concessional tax rate of 20% for 10 years for large multimillion kina hotel developments
- Infrastructure tax credits

Other additional incentives available to the tourism sector include the following;

- o Zero rating custom tariff duties on products imported by the tourism sector
- o Zero rating duties on products imported by tourism sector or consumed by tourists
- o Zero rated airfares
- o Duty free shops
- o GST free shopping from retailers, and
- o Tax free importation of goods by tourists

13. Other Investment Incentives

There are other incentives available for business and investments in the country and they include the following:

a) Rural Development Incentives

This is where a ten-year tax holiday is provided on the net income of new businesses set up in specifically designated under-developed rural areas that are not dependent on the exploitation of resources. This incentive is basically available to promote development of businesses in remote and less developed areas of PNG. An example of investments in this area would include a development of a large scale conversation park & hotel in remote districts in the country.

b) Corporate Tax

This is a thirty per cent (30%) tax on taxable income for all resident companies. Companies, which are incorporated in PNG or carry on business in PNG and whose management and control is located in PNG. Non resident companies pay higher taxes usually 48% and above. It is purposely done to attract companies to set up their base in the country.

c) Industrial Plant Depreciation

Industrial plants not previously used in PNG are eligible for increased depreciation up to 100% of cost. This incentive is applied to encourage investment in industrial plants not previously used in PNG as part of the technology transfer process. Examples in the tourism industry would include ships or boats used solely as dive boats or scuba diving/snorkeling tour operations.

d) Imported Input

This is a duty free importation of capital equipment & raw materials used for production of goods and services. Raw materials are however subject to a 10% VAT. This incentive is available to attract capital equipment to boost primary and secondary production

e) Double Taxation Treaties

Double tax agreements have been signed with the United Kingdom, Australia, Canada, Singapore, Malaysia, The People's Republic of China, Germany and Fiji with other countries also being considered. These agreements are in place to a make PNG more attractive to foreign investors

f) Excise Duty Exemption on Fuel & Fuel Oil (Zoom)

Although is applicable mostly to fishing & fish processing companies who export products overseas, it is also applicable to tourism development & promotional operators who are registered with Investment Promotion Authority of Papua New Guinea. Currently 50% refund is in place for all fuel and fuel oil consumption

g) Manufacturing & Industrial Development Tax Incentive Scheme

Provide 15 years corporate tax holiday to all non-competing investment into manufacturing and downstream processing industries established in the rural areas in the country apart from the existing 10 year tax holiday under rural development incentive with a total investment of more than 3 million US Dollars with the final product of 50% for export purposes. This incentive is provided to encourage export base industries to create employment, add value & bring foreign currency, etc.

h) Tax Exemption for Competing new Industries

3 to 5 years tax holiday to expand manufacturing onshore, create employment, spin off, etc.

i) Free Trade Zone (FTZ), Special Economic Growth Centres, Marine & Industrial Park/ Hubs

Duty exemptions on goods, materials, equipments, etc for construction & manufacturing purposes. Exempt or reduction of land rate to improve condition of investment in PNG. FTZ is available to add value to raw materials for export and create avenue for industrial development as well as to reduce cost of investment with reduced land rate.

Other general investment incentives can be accessed from the Papua New Guinea Investment Promotion Authority website: http://www.ipa.gov.pg

14. Cottage Business Activities List (CBAL)

The Regulations of the Investment Promotion Authority Act 1992 as amended contain a list of business activities which are restricted to citizens and/or national enterprises. This comprises the Cottage business activities list and foreign enterprises cannot conduct business activities under the CBAL. However, with new policy changes, all business activities have been liberalized and are open to both nationals and foreigners.

In the tourism sector, we have some more traditional type of businesses which are suited to the nationals to venture into. These include;

a) Weaving

These includes weaving of cane products, textiles, baskets, nets, dishes, ropes and bags that are saleable at home, street markets or retail outlets for a fee.

b) Bilum Making

String bags (bilums) made from traditional bush ropes and cottons taking traditional and contemporary designs that are saleable home, street markets or retail outlets for a fee.

c) Knitting

The activity includes knitting of textiles, wearing apparels, garment, designs, fabrics and decorations that are saleable at home, street market or retail outlet for a fee.

d) Art & Craft Making

All sorts of handcrafts and artistic designs that is saleable at home street market or retail outlet for a fee

e) Carving

Wood carvings and sculptures or assorted carvings that is saleable at home, street market or retail outlet for a fee

f) Pottery Making

All sorts of pottery products including clay pots, cups, mugs, dishes, plates, sculptures and other art forms that are saleable at home, street market or retail outlet for a fee.

g) Painting

All sorts of paintings in any shape, type, and form including portrait paintings, screen paintings, sand paintings, oil paintings saleable at home, street market or retail outlet for a fee.

h) Screen Printing

Screen printing of designs including emblems, logos, traditional & contemporary art forms, commemorations and special events on apparels including laplaps, shirts & other garments and textile materials, suited to the event, situation or purpose they relate that are saleable at home, street market or retail outlets for a fee

i) Sewing

These include sewing of garments, textile materials, wearing apparels, clothes and fabrics that are saleable at home, street market or retail outlet on a fee.

j) Jewelry Making

Making of simple jewelry products including necklaces, ear rings, arm bands, primarily from sea shells, tusks and beads for sale at home, street market or retail outlet on a fee.

k) Hunting of Crocodiles and Processing of Skins

Hunting and processing of crocodile skins for sale at established markets.

While these activities may be more suited to citizens, foreign investors are encouraged to tap into them independently or in partnership with the locals especially development of more traditionally held arts & crafts to international markets. This is possible with the liberalization of restricted business activities for both citizens and foreigners.

15. Summary

In-depth industry knowledge, proper analysis of risk against the available incentives and the general economic climate are the key to any viable investment decisions.

For a developing economy like Papua New Guinea, key investment sectors are still at their development stages including the tourism sector. Unlike industrial developments in the other sectors, tourism is still regarded as untapped. Mining and Petroleum sector which had much of government attention over the past decades would soon be depleted. The government has recently introduced appropriate policies under its Medium Term Development Strategies with the increased tax incentives and concessions in the tourism sector in order to encourage more investment in the sector.

We recap these government policy decisions in the following manner as summary of what has been covered in this Tourism Investment Guide Book.

- Double Tax Deductions for Export Market Development costs and Tourism Staff Training costs.
- Increased Accelerated Depreciation: Up to 70% depreciation in the initial year for large capital investments
- 100% Depreciation in the initial year for Dive & Snorkeling Tour boats or ships
- Concessional 20% Tax rate for large scale tourists accommodation facilities. Normal tax rate is 30%.
- 1.5% tax credit for infrastructure development
- Zero rating (GST free) of domestic travel and temporary accommodation
- Zero rating of certain imports by tourism sector from payment of custom tariffs or import duties

- Zero rating of certain purchases by tourists or tourism industry from payment of Excise Tariff Duties
- Increase in Duty free Allowances
- Entry and departure Concessions for cruise vessels and charter flights
- GST and Duty Free shops

Also covered are the procedures involved with the registration of business, visa and work permit requirements.

This Guide Book has been intended to aid existing & potential investors in tourism business. It has covered mostly Investment Incentives especially various types of tax incentives and concessions that are available for the tourists as well as tourism business. Its main focus has been to encourage more investments in the tourism sector while at the same time making investors aware of the various investment incentives available with tourism business.

We hope this Book would be very handy both for investors and tourism stakeholders in terms of tourism investment awareness as well as encouraging more small to large scale investments without much fear on the risks involved. More information can be accessed from the relevant contacts and addresses given at the end of this manual.

Index

APEC	Asia Pacific Economic Cooperation
CBAL	Cottage Business Activities List
FDI	Foreign Direct Investment
FTZ	Free Trade Zone
MIGA	Multilateral Investment Guarantee Agreement
MTDS	Medium Term Development Strategy
GST	Goods and Services Tax
PNG	Independent State of Papua New Guinea
PNGTPA (TPA)	Papua New Guinea Tourism Promotion Authority
PNGIPA (IPA)	Papua New Guinea Investment Promotion Authority
IRC	Internal Revenue Commission
SICTA	Standard Internal Classification of Tourism Activities
TRP	Tariff Reform Program
VAT	Value Added Tax
WTO	World Tourism Organisation

Key Contact Addresses

Enquiries relating to tax incentives, concessions and taxpayer registration are to be directed to:

The Commissioner General
Internal Revenue Commission
P. O. Box 777
PORT MORESBY
National Capital District
Papua New Guinea
Telephone: (675) 3226600
Facsimile: (675) 3214249
General Email:
Official Website: www.irc.gov.pg

For information relating to registration of new businesses (company, individual, partnership, joint venture, etc), contact the following:

The Managing Director
Investment Promotion Authority
P. O. Box
PORT MORESBY
National Capital District
Papua New Guinea
Telephone: (675) 3084444
Facsimile: (675) 3212819
General Email: info@ipa.gov.pg
Official Website: www.ipa.gov.pg

Visa enquiries to:

The Secretary
Department of Foreign Affairs & Trade

P. O. Box
WAIGANI
National Capital District
Papua New Guinea
Telephone: (675) 3014121
Facsimile: (675) 3231011
General Email: dfai@daltron.com.pg
Official Website: Nil

For work permits:

The Secretary
Department of Labour and Industrial Relations
P. O. Box
WAIGANI
National Capital District
Papua New Guinea
Telephone: (675) 3014121
Facsimile: (675) 3231011
General Email: Nil
Official Website: Nil

The Chief Executive Officer
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P. O. Box 1291
PORT MORESBY
National Capital District
Papua New Guinea
Telephone: (675) 320 0211
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