



Ihu Special Economic Zone

Critical Capital Infrastructure Projects Program

Peter KenGemar, Shangri-La Hotel, Sydney. Monday 19th August 2019

1. What is **GULF** offering **AUSTRALIA**, and the rest of the world?
2. Why & When should **YOU** be interested in **GULF** ?

1. Introduction – Location Map



1. Introduction – Kikori Gulf



GULF PROVINCE & KIKORI DISTRICT PROFILE

“GULF PROVINCE COULD BECOME PNG’S PREMIER NATURAL GAS PROVINCE” L. BROWN, VP, INTEROIL (2014)

	INFORMATION – GULF PROVINCE		KIKORI: KIKORI DISTRICT
GENERAL CAPITAL: KEREMA	POPULATION: 200,000 (2015 Est.), 158,197 (2011 census). LAND: 34,472 SQ.KM, PEOPLE ETHNICITY: MELANESIAN, PAPUAN LANGUAGE: 16 LANGUAGES, ENGLISH, PIDGIN, HIRI MOTU URBAN SETTLEMENT: 15% , 85% IN RURAL COMMUNITIES WITH SUBSISTANT AGRICULTURE BASE		51,000 (30% est.) 27,154 SQ.KM (80%) Melanesian 8 Language+Hiri Motu+Pidgin+English Subsistent farming, fishing, hunting
GOVERNMENT	GOVERNOR: HON. CHRIS HAIVETA, MP KIKORI ELECTORATE: HON. SOROI EOE, MP, MINISTER FOR FOREIGN AFFAIRS & INTERNATIONAL TRADE KEREMA MP: HON. RICHARD MANDANI ADMINISTRATOR: MR. MARC ORISURU AVAI		KIKORI ELECTORATE MP: HON. SOROI EOE, MP, MINISTER FOR FOREIGN AFFAIRS & TRADE DEPUTY GOVERNOR FOR GULF: HON. CHARLES MAIU, MPA
LOCAL GOVERNMENT	LOCAL LEVEL GOVERNMENTS: 10 (20,000 HEAD) NUMBER OF COUNCIL WARDS: 150 (1,333 HEAD)		KIKORI: 4 LLG KIKORI: 77 COUNCIL WARDS
TRADE VOLUME	GULF PROVINCE 1. FORESTRY: 2. FISHERIES: 3. KUMUL CRUDE EXPORT TERMINAL:	MAJOR NEW INDUSTRIAL PROJECTS 1. PAPUA LNG: TARGET FIRST GAS, 2023 2. PASCA GAS: TARGET FIRST PRODUCTION, 2021 3. WESTERN LNG 4. GULF INDUSTRIAL CENTRE 5. ISEZ-FREE TRADE ZONE	Vailala 1&2, Turama 2nd largest. Orokolo prawns hub Kumul Marine Terminal PNG LNG Pipeline section Coal & Iron Sands Lime and Cement 14 major rivers for hydropower

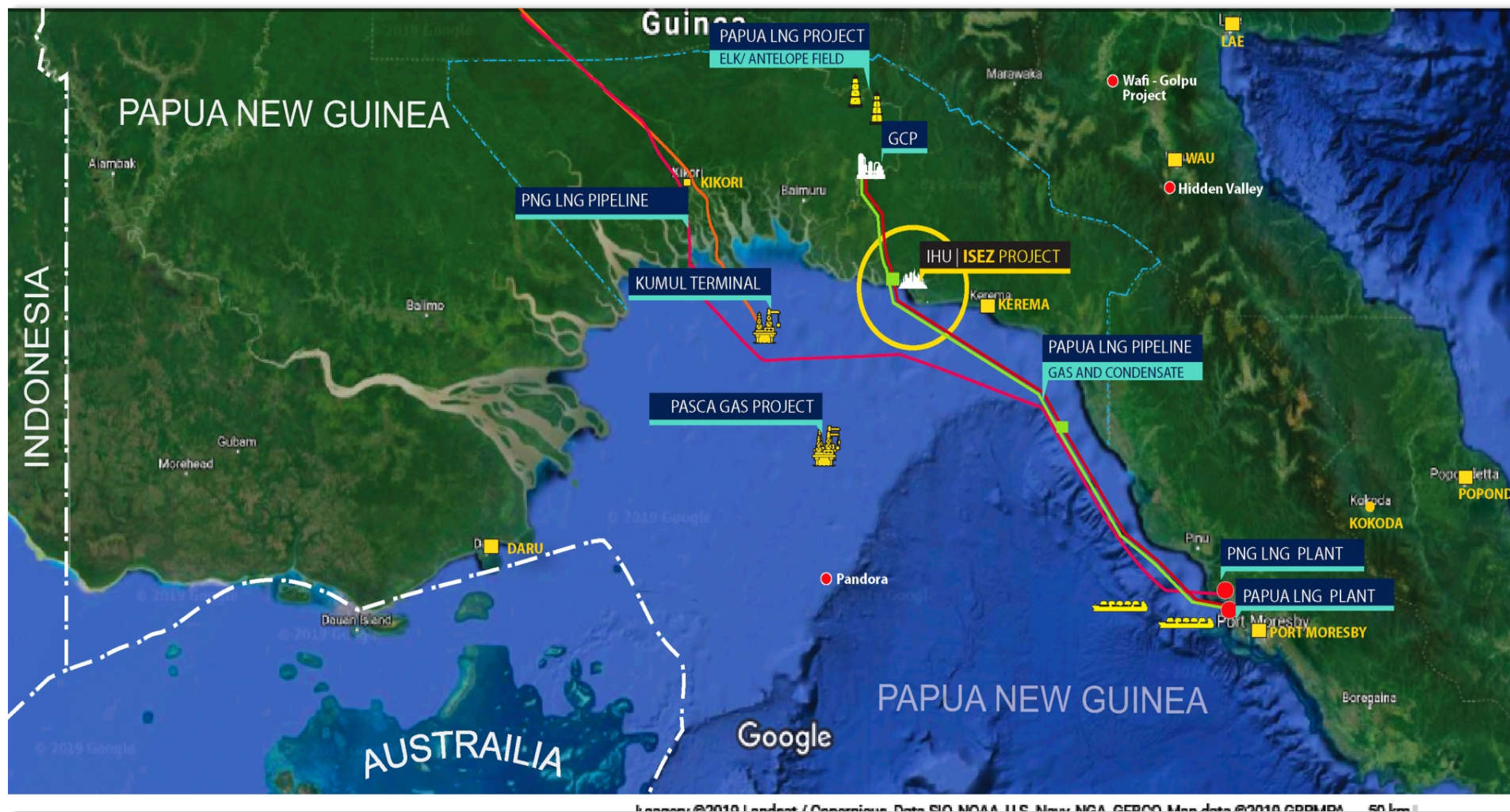
2. Strategic Location

Oil & container shipping routes and on air traffic path

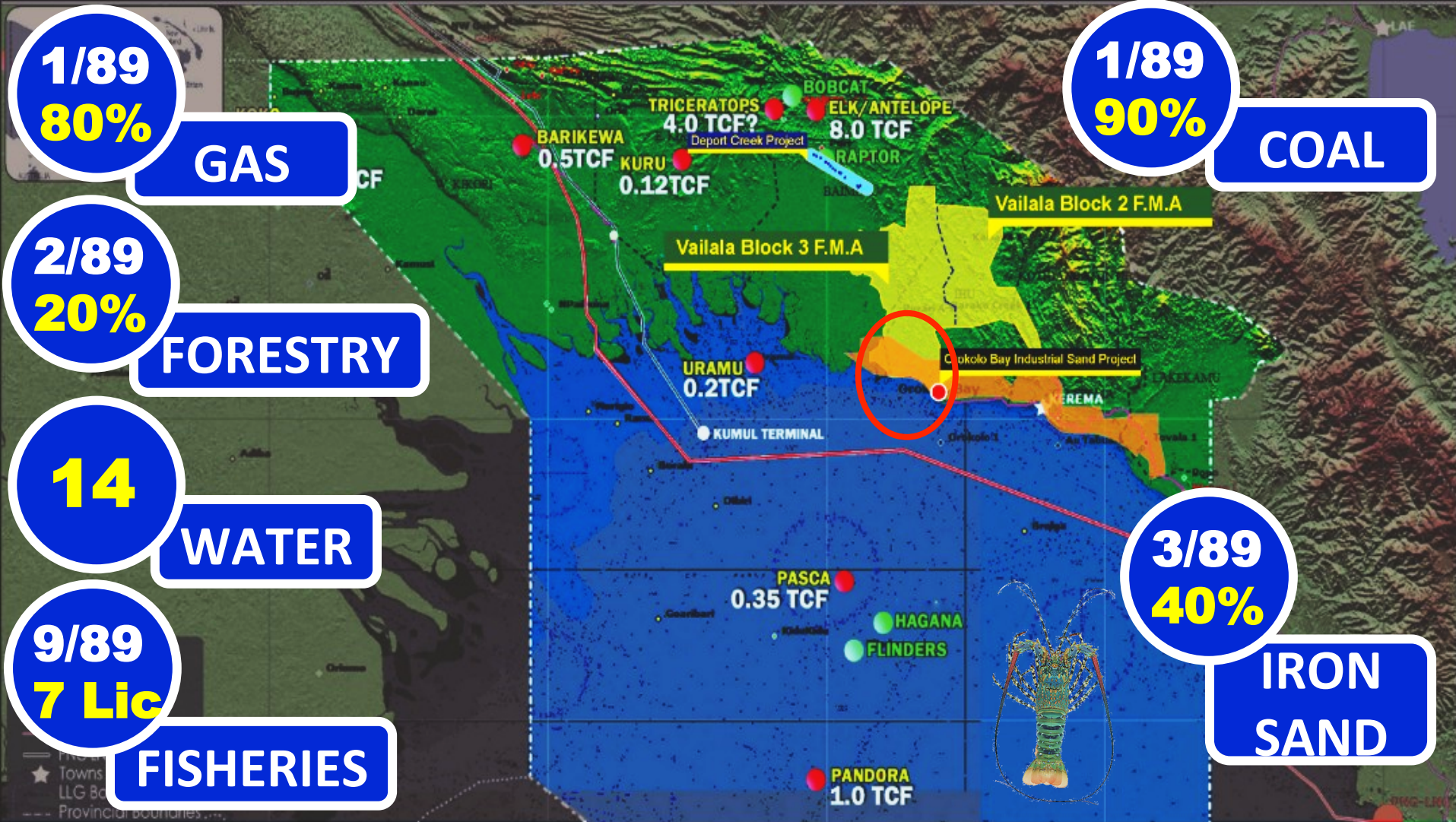


2. Strategic Location

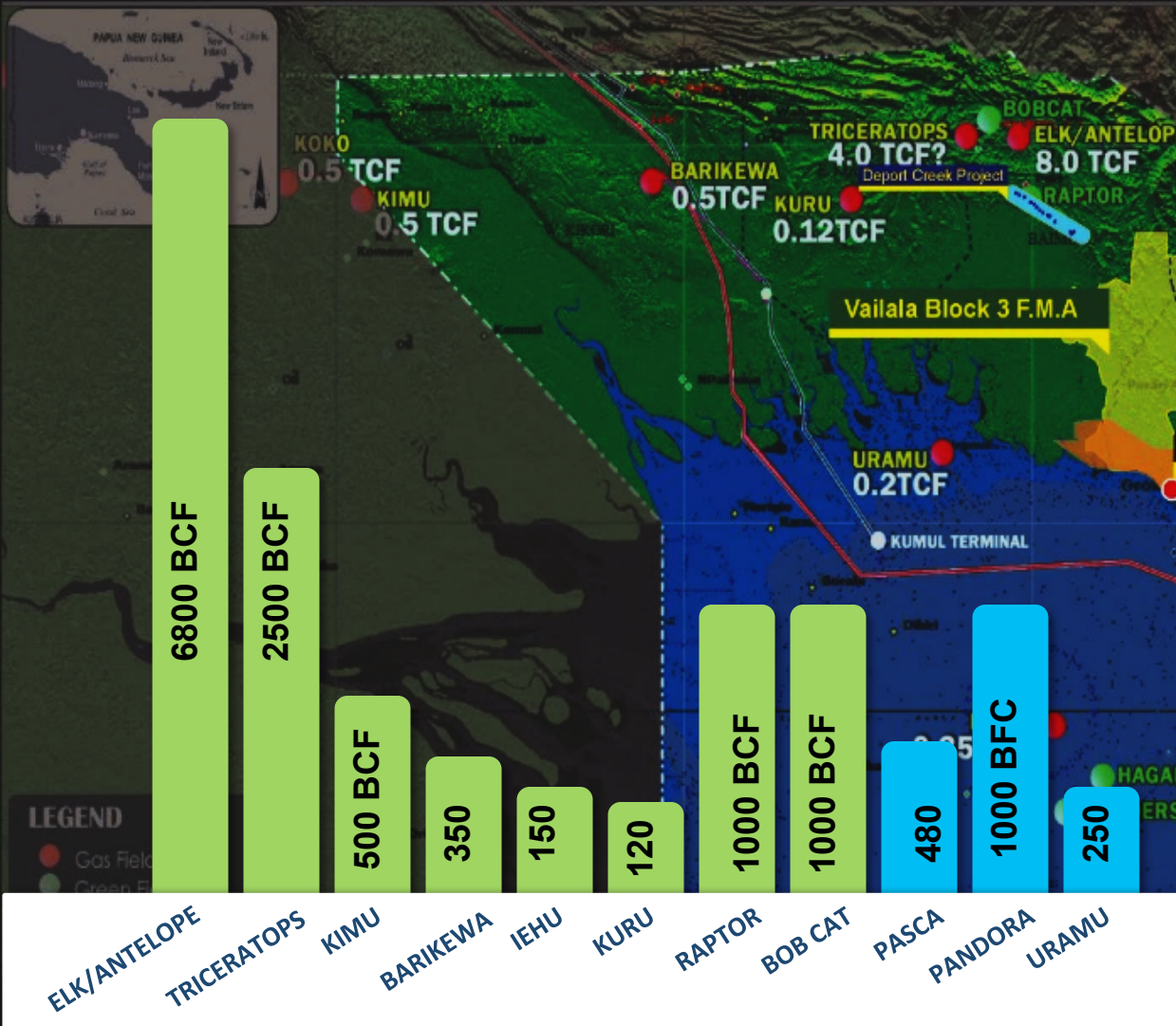
Location next to 2nd LNG development in PNG



3. Natural Resource Base



3. Resource Base - GAS



17,150 BCF
IN TOTAL.

REPRESENTS
80% OF PNG'S
GAS RESERVES

Development Cost
\$35 Billion

4. CURRENT PROJECTS

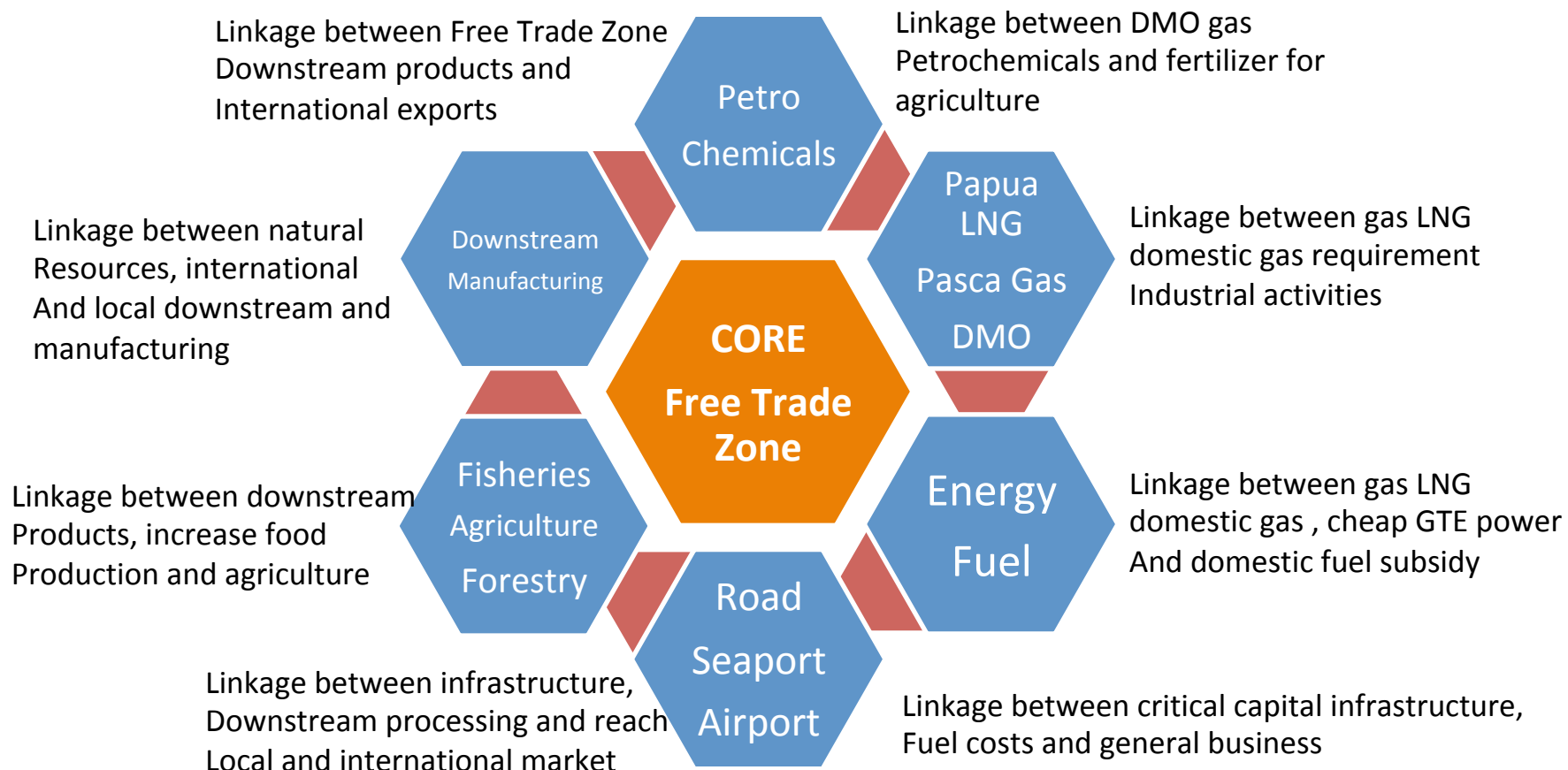
Private & Public Sector Projects in Kikori DISTRICT, Gulf Province



5. IHU SPECIAL ECONOMIC ZONE



LINKAGES

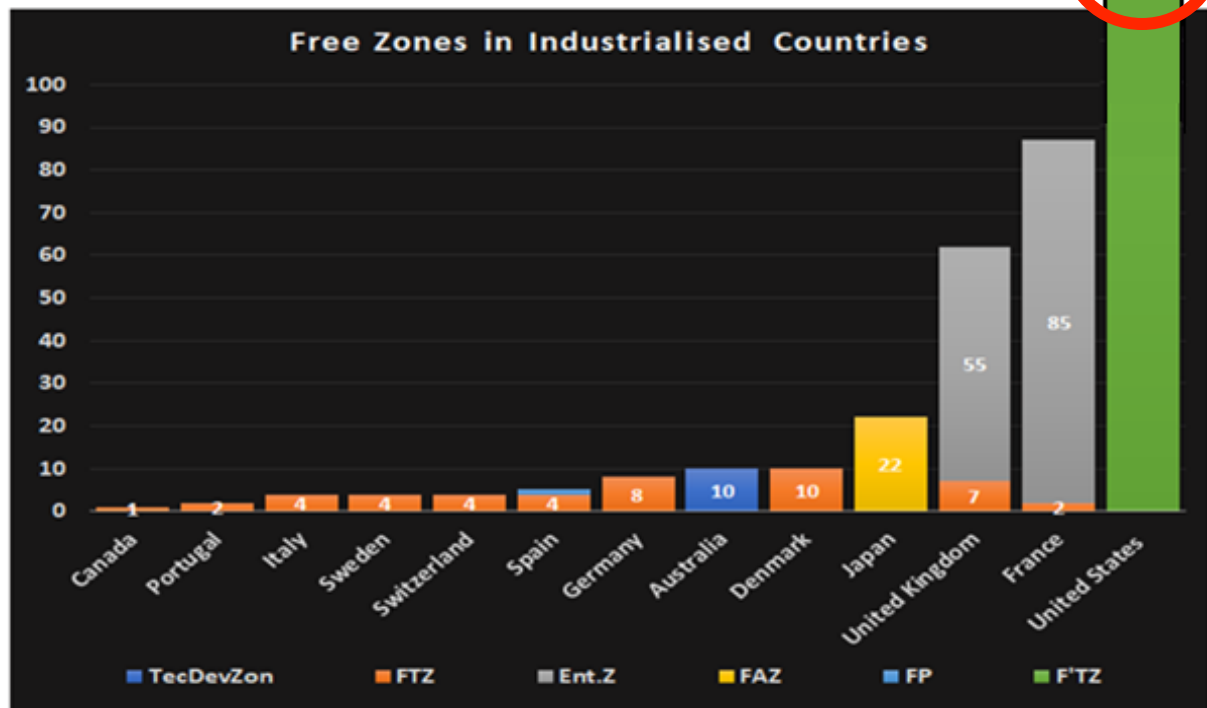
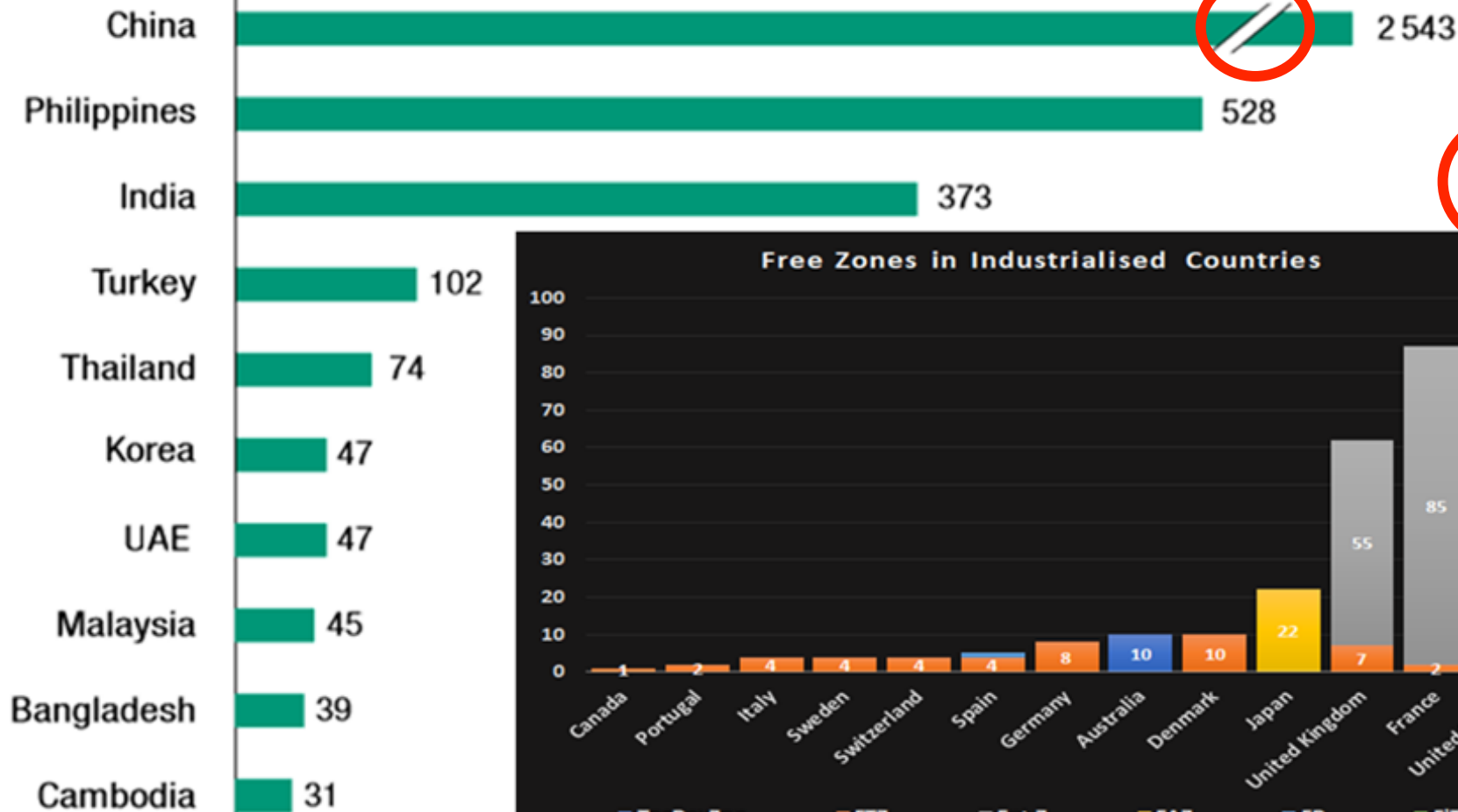


5. GLOBAL SEZ'S GROWTH

Figure IV.4.

Source: UNCTAD.

Developing Asia: economies with the most SEZs, 2019



5. IHU SPECIAL ECONOMIC ZONE



6. BACKBONE INFRASTRUCTURES

CRITICAL CAPITAL INFRASTRUCTURE PROJECTS (CCIP) PROGRAM



Government and Administration Zone



Kikori Seaport



IHU International Airport



Naval Base

7. INVESTMENT PROGRAM



CCIP & ISEZ INVESTMENT PROGRAMS

INVESTMENT PROGRAM				
Projects Program Sectors	Estimated Cost (million)	CCIP PPP	ISEZ FDI	
1. Kikori FTZ	K 300.00		K 300.00	
2. Industrial Hub	K 400.00		K 400.00	
3. Petroleum Park	K 300.00		K 300.00	
4. Technology Park	K 400.00		K 400.00	
5. Forestry Park	K 200.00		K 200.00	
6. Marine Park	K 300.00		K 300.00	
7. Industrial Town & Admin	K 500.00	K 500.00		
8. Airport	K 300.00	K 300.00		
9. Industrial Jetty & Port	K 500.00	K 500.00		
10. Power	K 300.00	K 300.00		
11. Water & Sewerage	K 300.00	K 300.00		
12. Access & Ring Roads	K 300.00	K 300.00		
13. Hotels & Recreation Fac	K 400.00	K 400.00		
Total =	K 4,500.00	K2,600.00	K1,900.00	
OTHER FDI INVESTMENTS				
13. Papua LNG Project	K 52,000.00 (US\$13 billion)			
14. Pasca Gas Project	K 8,000.00 (US\$2.0 billion)			
Total	K 60,000.00			
Total investments in Kikori	K 64,500.00			
ISEZ	K 4,500.00	7.0%		
OTHER FDI	K 60,000.00	93.0%		

1. GOVERNMENT TO GOVERNMENT PARTNERSHIP
2. PUBLIC-PRIVATE PARTNERSHIPS WITH FOREIGN DEVELOPERS
3. JOINT VENTURES: FOREIGN DEVELOPERS & LOCAL COMPANIES

- LOCAL SOURCE OF FUNDS
- Frontload 2% Dev Levy
- Refinance 2% Prod Levy
- Infrastructure Dev. Grants
- Tax Credit Schemes

K2.6 billion

K1.2 billion

K1.4 billion

K60 billion x 0.02% = K1.2 bil

8. BENEFITS 1 - REVENUE



New strategies --> new opportunities ---> **new REVENUE \$\$\$**

GLOBAL SEZ REVENUE STATISTICS

Global: 1985=\$6B, 1995=25B, 2005=600B, 2015=\$1000

Australia: GDP rate 1985 to 2015

PNG: GDP rate 1985 to 2015

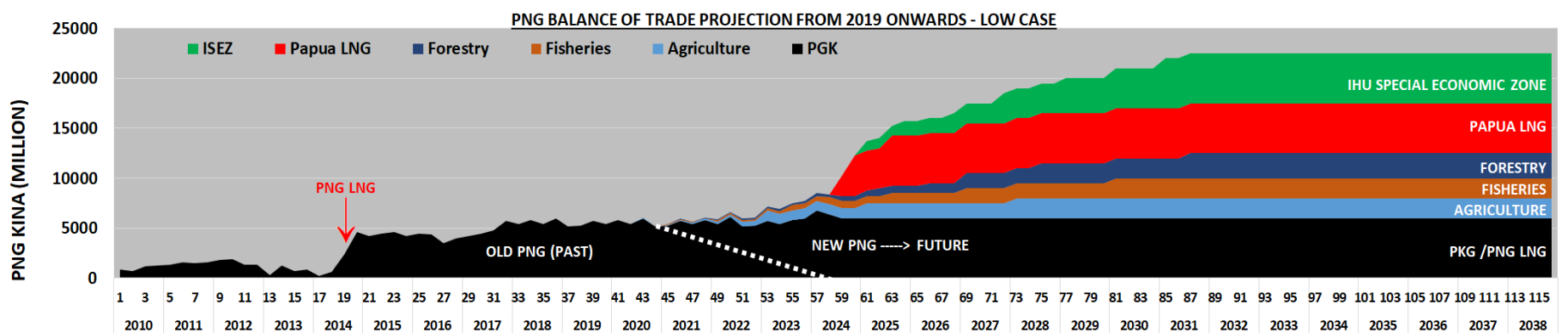
Growth Rate

= 5.5%

= 2.5%

= 5.5%

500 new SEZ planned beyond 2019



8. BENEFITS 2 - EMPLOYMENT



New strategies --> new opportunities ---> **new EMPLOYMENT CREATION**

LOCAL EMPLOYMENT STATISTICS



Australia 2019 Unemployment Rate
Unemployed Youths (15-24) Rate

= 5.2% represents 713,400 (24.415 mil)
= 12.9% 2018 represents 266,000



PNG 2019 Unemployment Rate
Unemployed Youths (15-24) Rate

= 2.5% represents 219,500 (8.78mil)
= 4.65% 244,590 (5.26mil : 60% of pop)

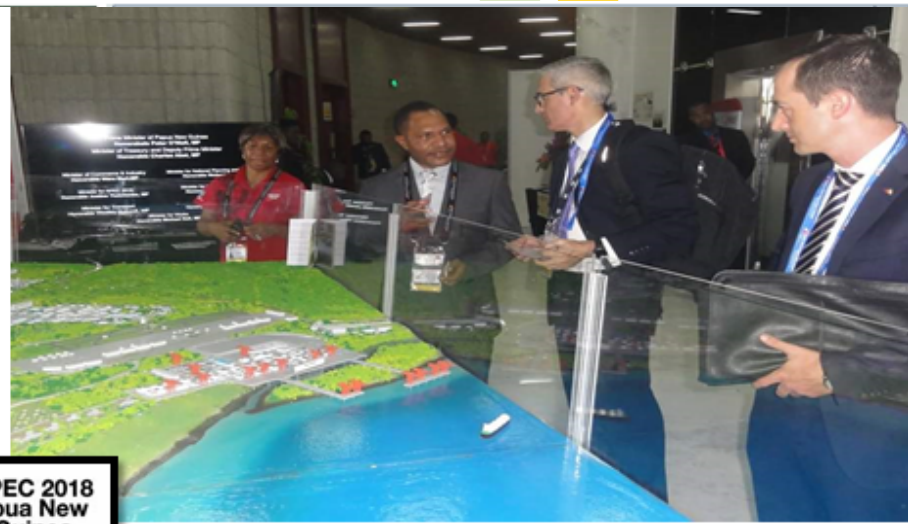
GLOBAL SEZ EMPLOYMENT STATISTICS



Forty-four years ago, 80 special economic zones (SEZs) in 30 countries generated barely US \$6 billion in exports and employed about 1 million people. Today, 5,000 SEZs operate in 155 countries and account for US \$600+ billion in exports and 85 million direct jobs. A large number of them are operating in developing countries.

<u>Year</u>	<u>SEZs</u>	<u>Countries</u>	<u>Revenue</u>	<u>Employment</u>
1975:	80	30	\$6 billion	1 million
1985:	170	47	\$12 billion	6 million
1995:	500	73	\$25 billion	23 million
2005:	3,300	130	\$600 billion	50 million
2015	5,000	155	\$1000 billion	85 million
2019	5,400			

9. PROGRESS UPDATE

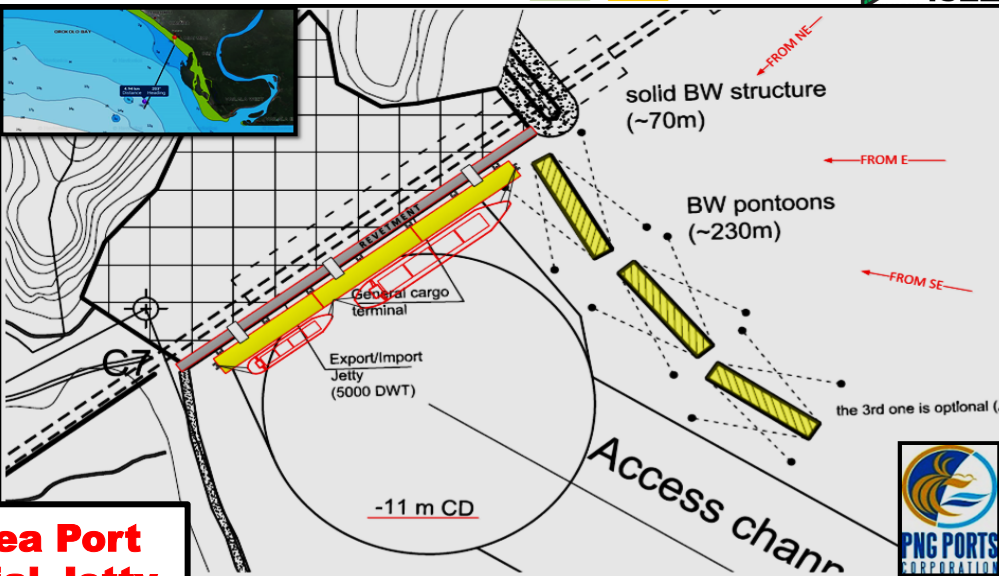


9. PROGRESS UPDATE

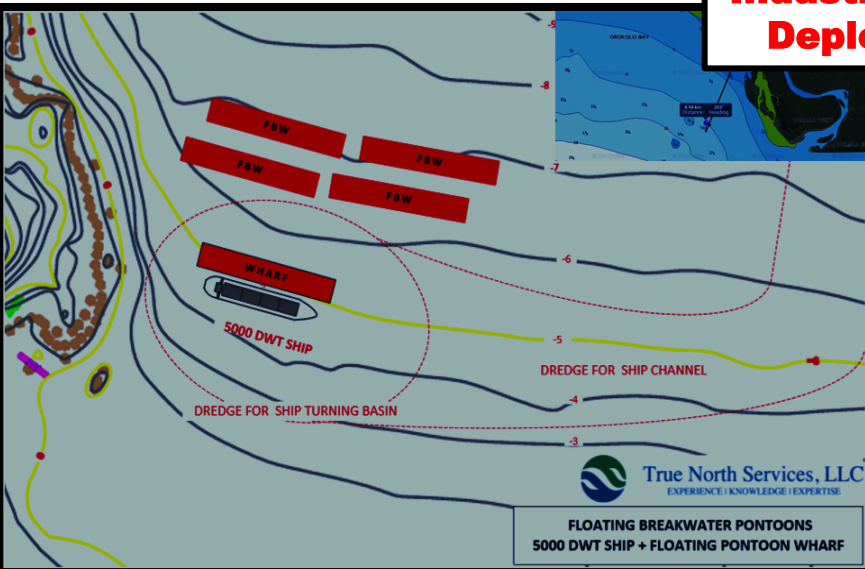


CAMC 中工国际工程股份有限公司
CHINA CAMC ENGINEERING CO., LTD.

Tian jin port Engineering & Consulting Company Ltd. Of CCCC

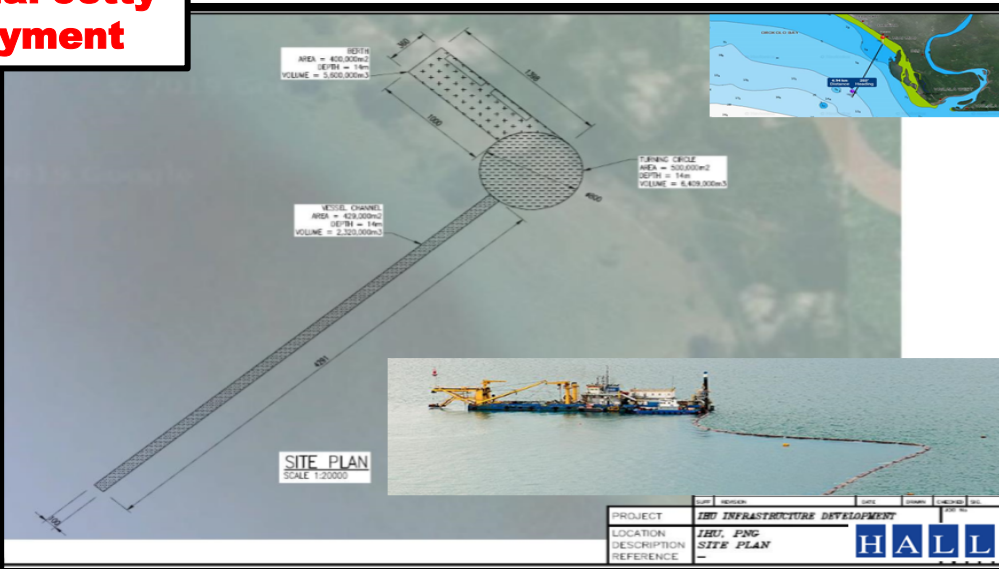


Deepsea Port Industrial Jetty Deployment



True North Services, LLC
EXPERIENCE | KNOWLEDGE | EXPERTISE

**FLOATING BREAKWATER PONTOONS
5000 DWT SHIP + FLOATING PONTOON WHARF**



**SITE PLAN
SCALE 1:20000**

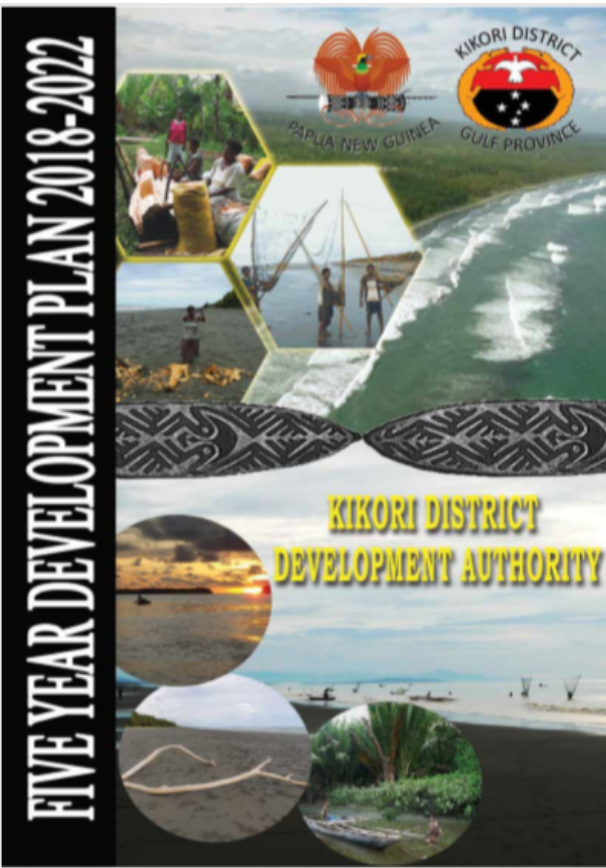
PROJECT	IBD INFRASTRUCTURE DEVELOPMENT
LOCATION	IBD, PNG
DESCRIPTION	SITE PLAN
REFERENCE	



Ihu Special Economic Zone Project
Project Management Team
P O Box 7354, Boroko, NCD, Papua New Guinea

9. PROGRESS UPDATE

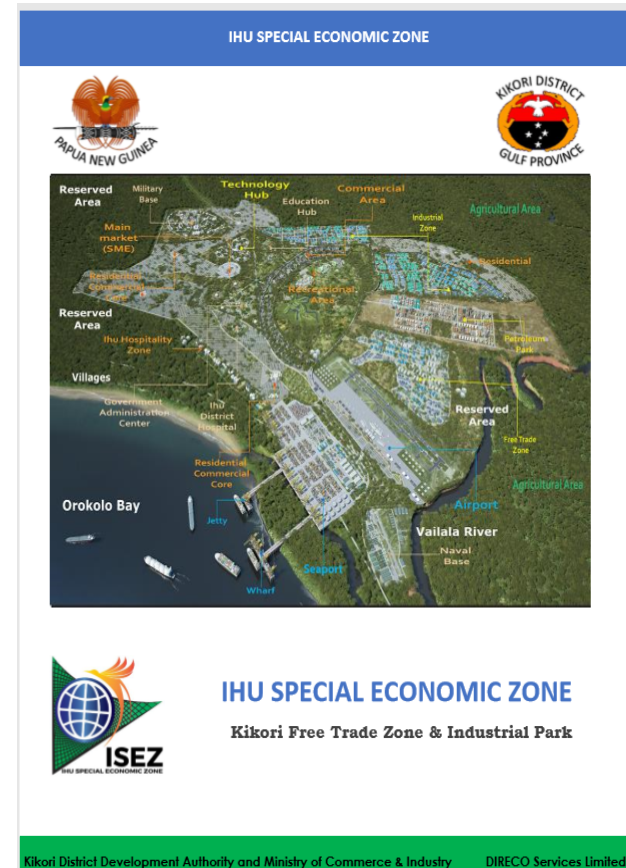
Official Publications now available



**KDDA 5Y Development
Plan 2018-2022
112 Pages**



**CCIP Program
72 Pages**



**ISEZ Program
72 Pages**

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ACKNOWLEDGEMENTS

1. **KIKORI MP & MINISTER FOR FOREIGN AFFAIRS & INTERNATIONAL TRADE**
 2. **KIKORI DISTRICT DEVELOPMENT AUTHORITY AND ADMINISTRATION**
 3. **GULF GOVERNOR & GULF PROVINCIAL GOVERNMENT**
 4. **MINISTER FOR COMMERCE & INDUSTRY**
 5. **NATIONAL EXECUTIVE COUNCIL OF PAPUA NEW GUINEA**
 6. **THE PEOPLE OF IHU ISEZ PROJECT SITE**
 7. **THE ISEZ TEAM**
- 8. Business Advantage International: Kevin McQuillan and Andrew Wilkins**

THANK YOU

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Keys to Success

