



PNG PORTS
CORPORATION

An aerial photograph of a port at night. A large cargo ship is docked at a pier, illuminated by bright lights. Several cranes are visible on the pier, and the surrounding area is filled with industrial buildings and containers. The sky is dark with some clouds, and the water reflects the lights from the port.

17th PAPUA NEW GUINEA RESOURCE & ENERGY INVESTMENT CONFERENCE

INVESTING IN MODERN AND SUSTAINABLE INFRASTRUCTURE

**IAN HAYDEN – SMART
OFFICER IN CHARGE**

OUR NETWORK OF PORTS



PNG PORTS
CORPORATION

AN OVERVIEW

- Owns and operates 15 of the declared maritime Ports. Of which, 12 (80%) are run as community service obligations.
- In 2022 alone, a total of K32 million was allocated for these 12 ports, to meet operational costs.
- A total of 477 staff across our network of Ports. With Port Moresby and Lae accounting for more than half of the total.
- We are committed to promoting gender equality and social inclusion. A total of 21 female staff holding leadership roles in the company.
- PNGPCL strives to ensure a safe, secure and inclusive work environment across our network of ports.

A STATE OWNED ENTERPRISE

- Together with other SOEs in country, PNGPCL is focused on delivering on government policy agendas.
- We are determined to realise the objectives set out in the PNG Vision 2050 (Pillar 3, “Institutional development and service delivery”) and align our work and corporate plans with government policies such as the Connect PNG.
- In line with the SOE reform program undertaken by KCH, a 30 Year Master Plan was developed for improved, modern and safe facilities that meet global standards that place PNG as a maritime leader and a regional shipping hub for the Pacific whilst contributing positively to the economy.
- All investments in our infrastructure are to be done whilst being environmentally conscious.

TOTAL ASSET VALUE

- PNG Ports Total Asset value as at March 2023 was **K2.504bn (AUD 1.00bn)**
- After the rollout of the Australia Infrastructure Funding For the Pacific (AIFFP), Agence Française de Développement (AFD) and European Investment Bank (EIB) funded projects are completed, total asset base will be circa K3.5bn (AUD 1.46bn)



PERFORMANCE INDICATORS – VOLUMES & THROUGHPUT



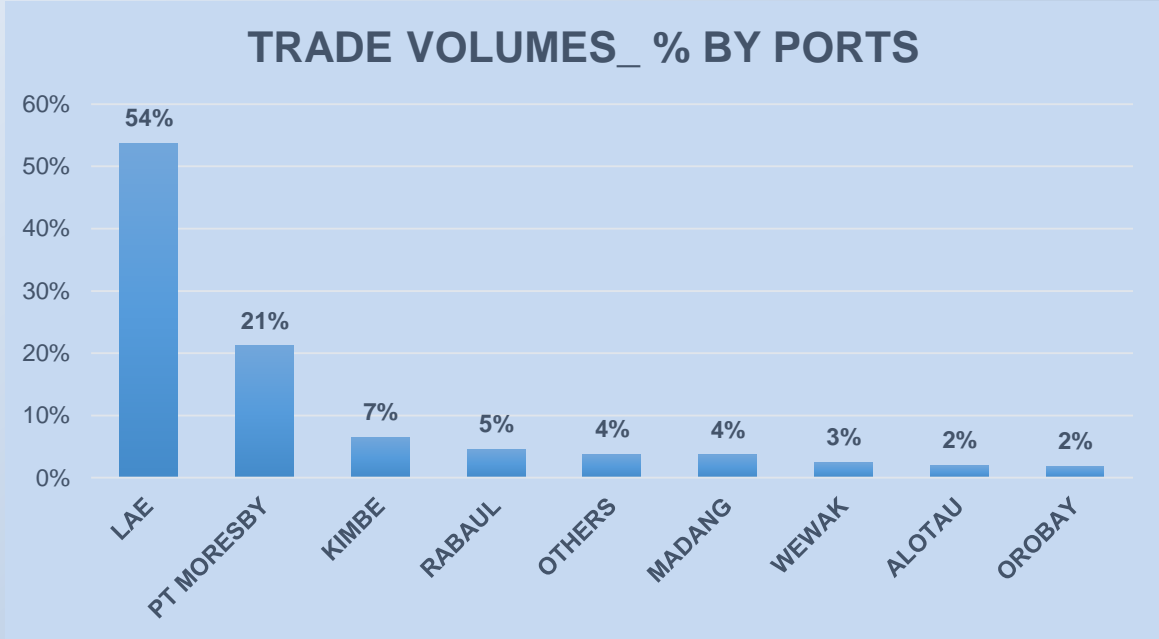
4, 316 Vessel Calls



9.9million cargo revenue tonnes



399, 778 TEU's



PERFORMANCE COMPARISON AGAINST PORTS IN NEW ZEALAND

Port Comparison (NZ Ports) (Based on 2022 Annual Reports)					
	PNG Ports	Port of Auckland	Port of Lyttleton	Port of Tauranga	Centre Port of Wellington
TEUS	429,066	52,882	502,210	1,241,061	89,892
Cargo Tonnage	9,213,838	7,293,000	3,420,568	25,615,286	1,737,522
ROA	6%	-1%	3%	4%	2%
ROE	6%	-1%	4%	4%	2%
Total Assets (NZD)	\$1.13bil	\$1.57bil	\$621.9mil	\$2.7bil	\$517.2mil

PNGPCL IN THE ENERGY & RESOURCE SECTOR

- A longstanding partnership with Exxon Mobil through the provision of safe and efficient marine pilotage, line handling and surveillance services at the LNG Plant located 20km northwest of Port Moresby, at Caution Bay, Central Province.
- Investments in state of the art Pilot Boats, continuous training and upskilling of our experienced pilots and crew demonstrates our commitment in providing safe and efficient pilotage and surveillance services in the LNG shipment space.
- In terms of infrastructure, we are embarking on the upgrading of a number of our port facilities around the country to be fit for purpose and ready to facilitate trade in the resource and energy sector.
- The Ports of Motukea and Lae stand ready to meet the demands from Pogera, Wafi – Golpu and the Papua LNG amongst others.

PNGPCL IN THE ENERGY & RESOURCE SECTOR

- Safe, secure and accessible port facilities and equipment, ready to meet the demands of the energy and resource sector.
- Facilities for storage of all types of cargo, including dangerous goods.
- Work on the Lae Tidal Basin (LTB) continues with the aim of developing the area into an industrial hub, ready for the boom in the resource sector.



Phase 2 of the Lae Tidal Basin



PROJECTS UNDER THE AIFFP, DFAT AND AFD

Target Area	Cost (USD) Million	Cost (PGK) Million	Status
Cyber Security & Pilot Boats (7)	9	31	In progress
Kimbe	60	105	Tender Stage
Daru "Green Port Project"	15	52	Design completed/ ready for tender
Kavieng	32	112	Design stage
Lorengau	30	105	Design stage
Oro Bay	30	105	Design stage
Lae Tidal Basin II	176	619	Design stage
Rabaul	60	210	Negotiation stage

HURDLES AND OBSTACLES

- Tender submissions for **Kimbe** have shown a **100% increase in cost**.
- The market situation – natural disasters in Australia and NZ, combined with major Australian and US investment in defense projects in Australia (Darwin) and in the Pacific triggered this situation.
- Available resources currently are dramatically constrained as the market can only be described as “buoyant”. A situation which will prevail for the foreseeable future.
- Geotechnical Investigations are showing that all Ports are subject to seismic impact (liquefaction) which requires that seismic resilience is built into the design, driving the cost up significantly.
- As a consequence the original scope of works across all Ports are currently being revisited, in an effort to be closer to the original estimates.

SUSTAINABLE INFRASTRUCTURE AND GREEN PORTS

- Daru Port to potentially become pilot project for our Green Port initiative.
- Climate Change Resilience factored into scope – Wharf Deck to be lifted by 500mm.
- Seismic Disaster Resilience – 7.0 Magnitude Earth Quake
- Installation of solar powered lights across our network of ports
- Digital transformation in progress to simplify existing processes as we move into the smart and green port space.
- Local content and the need for upskilling and capacity building of our staff and local contractors is a priority area PNGPCL as we look towards sustainability in the Maritime Ports space.
- Environmental and Social Safeguards Team, working to mitigate undue harm to people and the environment through assessing the potential social risks and impacts (positive or negative) associated with projects.

CONCLUSION

- Our investments in our people and infrastructure is priority as we work towards growing our business and diversifying our financial streams to further contribute to the economic growth of Papua New Guinea.
- We are in tune with current opportunities in the maritime ports sector and we are ready to collaborate further with our stakeholders to meet the current and future demands as we embark on the major port infrastructure developments that are set to propel PNGPCL into the transshipment hub of the Pacific Region.

Thank you & Merry Christmas