

# WHY IS THE NATIONAL GOLD CORPORATION BILL DESTRUCTIVE TO THE PNG SOVEREIGNTY AND ECONOMY?

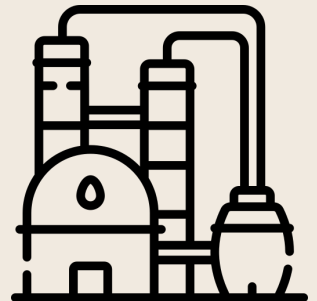


## NO OBLIGATION TO REFINE IN PNG

The passage criticizes a bill in Papua New Guinea that grants significant control over the gold industry to a foreign company, without requiring them to refine gold locally.

## IMPACT ON EXISTING AND FUTURE MINES

The Bill seeks to override existing project agreements for PNG's existing mines, which will jeopardise existing financial arrangements for these projects and undermine viability and investor and financing confidence in current proposed new mines.



## BROAD APPLICATION

The Bill's extension to encompass all precious metals, not just gold, introduces a layer of complexity and broad impact that could have unforeseen consequences across the mining sector.

## STATUTORY MONOPOLY CONCERNS

The Bill's attempt to establish a statutory monopoly in a global context of oversupply and minimal refining costs is fundamentally flawed. Such a strategy, especially if enforced by statutory compulsion, poses grave risks to the stability and sustainability of the gold sector in PNG.



## EXCESSIVE POWERS AND MARGINALIZATION OF STATE AGENCIES

The granting of exceptional powers to the National Gold Corporation and the creation of a "Gold Police" in Papua New Guinea, capable of significant enforcement actions at a foreign company's request, raises concerns about the undermining of existing state agencies and the potential for rights abuses.

## UNPRECEDENTED STATE GUARANTEE

The Bill's provision for an unconditional state guarantee to be provided for the obligations of the foreign owned National Gold Corporation, National Gold Mint, and National Gold Bank is unparalleled and raises concerns about the implications for PNG's fiscal responsibility and international reputation.



## TRANSPARENCY AND ACCOUNTABILITY ISSUES

The absence of comprehensive details regarding the organizational setup, governance, financial backing, expertise, and shareholders of the foreign entity owning the National Gold Corporation calls into question the transparency and accountability necessary for justly and effectively overseeing national resources.

**THE BILL RAISES CONCERNS ABOUT THE NEGATIVE IMPACTS ON PNG'S ECONOMY, THE UNDERMINING OF LOCAL AUTHORITIES, AND THE LACK OF BENEFITS LIKE JOB CREATION FROM LOCAL GOLD REFINING.**

**The Bill creates a National Gold Corporation, National Gold Bank, and National Gold Mint to be majority owned by a foreign company but taking key powers from the Bank of PNG and the MRA, including holding the country's gold reserves, the sovereign right to issue legal tender, and regulation of gold exports.**

