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MEDIA RELEASE

PNG resource industry contribution to local communities are significant

Papua New Guinea is one of the few countries in the world where mining and petroleum projects provide socio-economic opportunities to local areas they operate in, says the PNG Chamber of Mines and Petroleum.

The Chamber made this statement when responding to media statements recently that the extractive sector was contributing very little to communities while it was enjoying tax concessions.

The Chamber says such statements undermine the significant social and economic contributions resource projects make to local communities and the nation.

It also stated that most people are not aware that PNG's benefit structure is unique in the world as mining and petroleum companies in many jurisdictions of the world do not provide socio-economic services to the areas they operate in.

“The Chamber is proud of this structure and we will continue to support this. It is also important to appreciate too that in PNG, resource projects have a strong focus on their corporate social responsibility and continue to invest millions of Kina in making sure host communities have access to reliable health and education services, infrastructures such as roads, bridges, construction of classrooms and teachers houses, locally engaged employment and training, and agriculture programs. The development of local SMEs also thrives of the local economy generated by the resources projects in these often remote and rural locations,” it said.

The Chamber added that the financial contribution of the resource sectors to the PNG economy also comprise of company tax, royalty, dividend withholding tax, salary and wages tax, foreign contractors tax, duties, production levy, and development levies and dividends paid to the government and landowners if they hold an equity interest in the project.

In 2017, the industry contributed over 26% of PNG's Gross Domestic Product (GDP) and over 80% of the Nation's export revenue valued at K23 billion with the industry employing in excess of 20,000 people directly while many more were employed in sectors dependent on resources including landowner businesses.

End.