



## Mining to Papua New Guinea.

### Trends and opportunities

#### The market

Australia currently supplies around 65 per cent of total requirements to Papua New Guinea's mining sector.

Mineral exploration expenditure has been in steady decline. In an attempt to revitalise the mineral sector, the Papua New Guinea government **reduced the income and dividend withholding tax levels** for mining companies.

Investment **incentives are available to legitimate investors**. This includes duty-free entry of plant and equipment (if not manufactured or available in Papua New Guinea). In general, the cost of doing business in Papua New Guinea is high **and the investment environment is considered risky**. This risk is associated with government policy changes, law and order issues, poor infrastructure and inefficient bureaucracy.

Australian banks, law firms and accountants are a ready source of investment advice and should be approached before any investment decision is taken.

The [Investment Promotion Authority](#) (IPA) of Papua New Guinea, as well as the [Papua New Guinea Department of Mining](#) can provide specific information relating to mining investment.

A significant proportion of mining personnel in Papua New Guinea are Australian and therefore use Australian products and services with which they are familiar. Regular air and shipping services, particularly from Queensland ports, facilitate this supply.

#### Opportunities

The Papua New Guinea Department of Mining, with support from AusAID, promotes initiatives designed to assist **the development of small scale alluvial mining in Papua New Guinea**, mostly gold mining. Papua New Guinea's only gold refinery (run by Metals Refining Operations Ltd) assists with training, field trips, information videos and booklets, as well as the establishment of a supply outlet for tools and equipment to small scale miners.

#### Competitive environment

To ensure the Papua New Guinea Government, provincial governments and landowner groups receive maximum and equal benefits from its natural resources; the Mineral Resources Development Company Pty Ltd (MRDC) was **established as custodian of national mining and petroleum interests**.

MRDC purchases government equity in mining and petroleum projects and then on-sells it to Orogen Minerals Ltd (a part-government, part-privately owned company) to participate in the project or take a shareholding. MRDC is an **advocate of the landowners and retains equity** on their behalf.

The [Papua New Guinea Department of Mining](#) allocates all mineral exploration licences and mining leases. It also monitors mining operations and has **an important role in determining mining taxation and investment policy** in Papua New Guinea.

#### More information

For further information please contact Austrade on 13 28 78 or email [info@austrade.gov.au](mailto:info@austrade.gov.au)

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