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HD **PNG tries to ease miners' fears**
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Papua New Guinea Prime Minister Peter O'Neill has reassured foreign investors he is not trying to assert control over resources development, despite taking stakes in two major resources companies in the past year.

He conceded there were perceptions in the business community he wanted to take a more economic nationalist approach to development but said this was wrong.

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"It was not my intention to take control of the resource development projects in the country but to be a partner and a very reliable partner," he told The Australian Financial Review in an interview on Monday.

"In terms of the ownership of many of the projects in the country, there has been mixed feelings about the government taking over the Ok Tedi Mine.

"I understand that has given a wrong perception that the government was entering the market and trying to take some level of control over resources development in the country. That is certainly not our intention."

He said he was committed to maintaining political stability and business confidence in his country after a year of political turbulence and uncertainty about **mining** development policy.

He added his government was very focused on trying to encourage "our partners" to come into the country and he was conscious government officials had to provide more consistent decision making.

"Many industry leaders have a good feeling about working with our government and they know they have a good listener in us."

Mr O'Neill said the decision to nationalise the Ok Tedi **gold** and **copper** mine was consistent with a long-standing agreement that when the mine reached closure it would go back to the people.

He said he regarded the move as a legal transaction but acknowledged it "has given the perception the government was on path of taking over interests in the country".

On the move to take a 11 per cent staked in **Oil** Search, Mr O'Neill said this was a purely commercial transaction that restored the nation to an **equity stake** it had never intended to lose.

While Mr O'Neill used much less strident nationalist language in the interview and a separate speech to the Congress, he reiterated companies had to abide by their development commitments and the government still saw value in holding **equity** stakes. "Government will exercise its full rights under the legislation with certain percentages of share holdings which we can hold.

"People need to understand that, like anywhere else, we have got 7 **million** shareholders [citizens] in PNG I need to protect. I have to secure their interest in some of these resource developments as I am expected to do."

On other issues, Mr O'Neill strongly applauded the quality of the country's judicial system after a series of controversies involving him and agencies including the police, ombudsman and courts.

He said: "There a certain sections of these institutions where personalities are involved and they are compromised to a certain degree. But overall government constitutional offices are fairly well protected by law. You can rest assured the judiciary is very fair, and transparent and independent."

Mr O'Neill said he was watching closely the evolution of trade agreements around the region to make sure PNG did not get excluded.

In an indication of how he wants to take a greater leadership role in the Pacific – perhaps in competition with Fiji – he said he would be trying to ensure smaller Pacific countries were included in any trade agreements he reached with larger countries such as **China**.

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