

Review of Reserved Activities List Consultation Paper



**INVESTMENT PROMOTION AUTHORITY
PAPUA NEW GUINEA**

Purpose of consultation

This consultation paper outlines the IPA's proposed amendments to the Reserved Activities List in accordance with the procedures required under the Investment Promotion Act 1992.

Have your say

IPA welcomes your comments on the proposed RAL. Please provide your written comments to RALReview@ipa.gov.pg by **5 September 2025**.

List of abbreviations

AML	-	Alluvial Mining Lease
CEPA	-	Conservation and Environment Protection Authority
CIC	-	Coffee Industry Corporation
DAL	-	Department of Agriculture and Livestock
DCI	-	Department of Commerce and Industry
FDI	-	Foreign Direct Investment
FEC	-	Foreign Enterprise Certificate
FMA	-	Fisheries Management Act 1998
FMR	-	Fisheries Management Regulation 2000
GDP	-	Gross Domestic Product
ILG	-	Incorporated Land Group
IP Act	-	Investment Promotion Act 1992
IPA	-	Investment Promotion Authority
ISDCA	-	Informal Sector Development and Control Act 2004
LDC	-	Livestock Development Corporation
LLG	-	Local-level Government
LLGAA	-	Local-level Governments Administration Act 1997
LPA	-	Lukautim Pikinini Act 2015
MRA	-	Mineral Resources Authority
MSME	-	Micro-, Small-, and Medium-Sized Enterprises
MTDP IV	-	Medium Term Development Plan IV
NASP	-	National Agricultural Sectoral Policy
NFA	-	National Fisheries Authority
NPA	-	National Protected Areas
NTSP	-	Non-timber Forest Product
PNG	-	Papua New Guinea
PNGFA	-	PNG Forest Authority
PNGFSP	-	Papua New Guinea Fisheries Strategic Plan 2021 – 2030
PNGSIC	-	PNG Standard Industrial Classification
RAL	-	Reserved Activities List
SEZ	-	Special Economic Zones

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Background

Government commitment to investment and national development

The Government welcomes and acknowledges the contributions that foreign enterprises have made to the development of Papua New Guinea (PNG). PNG is open for business and is committed to creating a stable, predictable and fair investment climate for all investors.

The Medium Term Development Plan IV (MTDP IV) outlines the Government's ambitious strategy to grow GDP by K 164 billion, double the country's internal and export revenues, and create one million new jobs by 2027. Foreign Direct Investment (FDI) is important to these plans and the Government has committed to reviewing and changing policies and law to support investment, encourage investment in downstream processing of PNG's natural resources, and establish Special Economic Zones (SEZs) to drive investment. The National Trade Policy 2017 – 2032 further highlights the importance of FDI to PNG's economic development with commitments to fostering an attractive investment climate and pursue more strategic approach to increasing FDI flows.

The Government regards Micro-, Small-, and Medium-Sized Enterprises (MSMEs) as being a key contributor to PNG's future growth and encourages their broad-based participation in economic opportunity. The MTDP IV aims for MSME contribution to Gross Domestic Product (GDP) to be 16% by 2027. However, it also recognises that this development has suffered from lack of financial resources, inadequate human resources and general management skills, lack of competition, and disjointed Government management. Addressing these issues through targeted interventions is a key priority for the Government.

Foreign certification

In PNG, foreign control over defined thresholds of enterprises undertaking business in PNG must be issued a Foreign Enterprise Certificate (FEC). The issuance of FECs enables the IPA to better control and monitor the contributions that foreign investment has made in PNG. A FEC will list each activity that the foreign enterprise may conduct business in, as well as standard terms and conditions for continued certification. A foreign enterprise must not undertake business in any activity that they do not have explicit certification from IPA to do so.

A FEC does **not**:

- exempt a foreign enterprise from obtaining further standard approvals, such as trading licences, tax registration or visas
- exempt a foreign enterprise from obtaining sector approvals, such as licences from sectoral authorities, and
- allow a foreign enterprise to undertake additional activities unless they have obtained a variation from IPA.

PNG citizen enterprises do not require approval from IPA to engage in business; however, will require a valid trading licence and approval from a sectoral authority, if applicable.

Reserved activities

The IP Act enables certain economic activities to be reserved for sole citizen investment. Where an activity is defined as “reserved” then IPA cannot issue a FEC for a foreign enterprise to engage in the defined activity, including through joint partnerships. In PNG, the Reserved Activities List (RAL) is contained in regulations under the *Investment Promotion Act 1992* (IP Act). These regulations are the only source of reserved activities.

Reserving activities through the RAL is one tool that the Government has to promote and manage economic growth in the best interests of PNG. Other tools include investment promotion and facilitation, direct financial and development assistance being provided to businesses in identified sectors, sectoral regulation, use of SEZs, and immigration controls. In many cases, a combination of policy tools will be the most effective way to achieve a stated policy outcome. As PNG’s economy grows and becomes more complex, IPA anticipates the use of reserved activities to decline over time and more sophisticated tools to be used to promote economic growth.

Improvements in RAL review requirements

The IP Act was amended in January 2023 to provide for an improved process for reviewing the RAL. This is the first review conducted under the new requirements.

How often is the RAL reviewed?

The amended IP Act requires the RAL to be reviewed at least every three years. This provides more opportunities for the RAL to be relevant and align with Government policy.

What types of activities can be included in the RAL?

Certain activities are not eligible for inclusion in the RAL. For an activity to be eligible for inclusion it must meet all three criteria:

Criterion	Description
1	At least one citizen of PNG, whether by himself or herself, is (i) a member of a joint venture; or (ii) a partner in a partnership; or (iii) a trustee; or (iv) an agent or employee, and carries out the activity in PNG
2	10 or more business operators conduct the activity in PNG
3	The activity is not carried on as a business, or part of a business, that produces or supplies goods or services which are used regularly by, or are otherwise important to, the operation of other businesses in PNG.

If an activity is eligible for inclusion, how is it assessed?

Where an activity is eligible for inclusion, the IP Act requires the activity to be assessed against guiding principles. These principles are not weighted and may not be applicable in all circumstances. IPA can also consider other principles as appropriate when assessing whether an activity should or should not be in the RAL.

The principles are:

- keeping the lists as short as possible
- reduction over time of the number of activities contained in the lists to encourage competition within the economy of PNG
- providing clear definitions of each activity to enable effective monitoring and enforcement of activities
- inclusion of an activity only if consistent with PNG's commitments and obligations under international, regional, and bilateral trade and investment agreements, and
- no inclusion of an activity without appropriate provision for existing foreign investors to continue carrying on that activity.

In order to promote coherence between government policies and regulatory restrictions, IPA has included consistency with these requirements as an additional principle, as appropriate. Going forward, IPA will prioritise the consideration of activities where there is a clear, endorsed policy or regulatory instrument that prevents foreign participation. This will help to align the RAL with Government intention, promote coherency in PNG's policy settings toward foreign investment, and promote PNG's image as an attractive destination for investment.

How must IPA consult on the proposed RAL?

The IPA Board is responsible for the conduct of the RAL review. The IP Act sets out the minimum consultation requirements.

IPA must:

- prepare a list of activities proposed to be considered for inclusion
- ensure the proposed activities are published on a public IPA website
- consult with stakeholders:
 - at national and local levels of government
 - in the private sector
 - in the non-government sector
 - in the general public
- provide at least 6 months between the publication of the proposed list and the finalisation of its review.

How is the RAL implemented?

After the review is conducted, the endorsed RAL will be implemented through amended regulations under the IP Act. The Registrar of Foreign Investment will use the revised list to reject applications for certification in the identified activities.

How are existing foreign enterprises treated if they are authorised for an activity that becomes reserved?

If a foreign enterprise is certified to undertake an activity that subsequently becomes reserved, then they may continue to carry on the reserved activity.

Overview of proposed RAL

The current RAL is at **Attachment A**. IPA proposes to amend the current RAL to:

#	PNGSIC Code(s)	Description
Forestry and related activities		
1	0213	Gathering of minor forest products
2	2010	Sawmilling and planing of wood, when conducted using a walkabout (mobile) sawmill
Fishing and related activities		
3	051	Marine fishing, freshwater fishing and trial fishing Fishing within the meaning of the Fisheries Management Act 1998 (excluding aquaculture): <ul style="list-style-type: none"> a. within three nautical miles of the low water line as defined by the Maritime Zones Act 2015; b. in internal waters as defined by the Maritime Zones Act 2015; and c. when conducted as trial fishing under licence within the meaning of the Fisheries Management Regulation 2000.
4	0525; 1512; 5131; 052	Dealing in sea cucumbers, mud crabs, and barramundi Collection, processing, wholesale, and retail of: <ul style="list-style-type: none"> a. sea cucumber – within the meaning of the National Beche-de-Mere Fishery Management Plan; and b. mud crabs – within the meaning of the National Mud Crab Fishery Management Plan; and c. barramundi – within the meaning of the Barramundi Fishery Management Plan.
5	0521; 0522; 0523	Domestic retail of marine aquarium organisms Domestic retail of marine aquarium organisms within the meaning of the National Marine Aquarium Fishery Management and Development Plan 2022.
Mining		
6	1322	Artisanal alluvial gold mining Mining of alluvial gold under customary land rights, without a lease issued under the Mining Act 1992 (or successor legislation).
Wholesale, retail, and general commercial activities		
7	5232	Sale via stalls and markets Retail sale of any kind of products in a movable stall or in a fixed market place.
8	5226	Sale of second hand clothing Retail of second hand clothing in specialised retail stores

#	PNGSIC Code(s)	Description
9	2511	Repair, retreating, and rebuilding of rubber tyres Repair, retreating, and rebuilding of rubber tyres when conducted as a standalone business.
Cottage business activities		
10	5141; 5159; 5212; 5222; 5229; 5239	Wholesale and/or retail of Papua New Guinean traditional cultural expression products Wholesale and/or retail of Papua New Guinean traditional cultural expression products, namely: a) cane products; b) textiles; c) apparel; d) bilums; e) sculptures; f) carvings; g) pottery products; h) paintings; i) jewellery.
11	1712	Silk screen printing

Agriculture and related activities

Overview

Current RAL			Proposed Amended RAL		
#	ISIC	Description	#	PNGSIC	Description
1	011	Growing of non-perennial crops with annual sales of K50,000 or less	Remove		
2	014	Animal production with annual sales of K50,000 or less	Remove		
29	1079	Manufacture of other food products n.e.c., in the form of coffee pulping using a manual pulping machine	Not eligible for inclusion in RAL		

Activity analysis

Current Activity 1	
ISIC Code(s)	011
Description	Growing of non-perennial crops with annual sales of K50,000 or less.
Recommendation	Remove from RAL.

Scope of activity

1. Non-perennial crops are plants that do not survive more than two growing seasons. Examples include rice, sugar cane, tobacco, and some root vegetables. This activity covers the growing of such crops where the annual sales turnover is K50,000 or less.

Recommendation

2. IPA recommends the removal of this activity:
 - a. Industry policy evidences a shift towards improvements in agricultural production, including through partnerships that could include foreign investment. Preserving the image of PNG as being open for investment by including this reserved activity would be contrary to the National Agriculture Sector Plan 2024-2034 (NASP).
 - b. The NASP outlines several areas of support for small-scale agricultural producers who will almost exclusively be citizen businesses.
 - c. Any acquisition of a legal interest in a lease for agricultural purposes by foreign enterprises will generally be for larger-scale activities.
 - d. The significant costs of investment in the PNG economy make small-scale growing of limited crops unlikely to offer an attractive rate of return for foreign enterprises.
 - e. Monitoring sales turnover as a condition of reservation is not efficient for monitoring and enforcement purposes.

Alignment with Government policy or regulatory restriction

Alignment with industry policy

3. The MTDP IV focuses on the development of downstream processing capacity for a number of agriculture products including coffee, cocoa, coconut/copra, rubber, spices, fruits, cassava, potatoes and fresh produce. In support of this high-level. The Plan further plans to engage in import substitution for rice through the encouragement of large-scale rice production.
4. In support of the MTDP IV, the Department of Agriculture and Livestock (DAL) has released the NASP.
5. The overall goal of NASP is for agriculture to contribute K30 billion target to the PNG economy. It anticipates doing so by: (i) improving productivity and increasing production and volume of crops and livestock (ii) growing the rural economy through agriculture by unlocking the potential of agriculture in rural areas and exploring commercial agriculture, (iii) opening up markets for agriculture products, and (iv) improving agriculture sector performance. Under Agriculture Priority Area 5 “Policy and Legal Environment for Enabling Strategic Private Sector Participation and Investments” will prioritise improving policies and regulatory processes that discourage private sector participation and investment.
6. Specifically in relation to rice, the NASP prioritises large-scale production of agricultural goods through strategies including promotion of commercial agriculture, downstream processing, value-addition, rehabilitation of run-down plantations, and the development of Special Economic Zones for agriculture.
7. The NASP envisages the integration of small-scale agricultural production into larger-scale value chains, which may tie in with foreign enterprises. The NASP anticipates supporting smaller-scale agriculture through mobilising small plots of land into production via cooperatives, supporting MSME financing and access to capital, establishing a Freight Subsidy Scheme, establishing a Price Stabilisation Program, providing extension services, and supporting farmers and agribusiness enterprises to identify viable international and domestic markets.

Access to land

8. Most activities of foreign enterprises will occur on alienated land. Alienated land comprises land held under freehold and leasehold tenure.
9. Section 56(1)(b) of the Constitution of the Independent State of Papua New Guinea prohibits the ownership of freehold title by non-citizens. The Land (Ownership of Freeholds) Act 1976 provides further detail, including defining which “citizen corporations” can own freehold. Citizen corporations include incorporate land groups and business groups.
10. Non-citizens may be issued leases of up to 99 years under the Lands Act 1996. Leases are obtained by non-citizens from the State. In general, the Government acquires land from customary owners and may subsequently lease this land to non-citizens. The Lands Act 1996 provides for leases for agricultural; pastoral; business and residence; missions; leases of government buildings; special purpose; special agricultural and business; and urban development. Voluntary customary land registration is also available; however, not often used in PNG.

Keeping the list as short as possible

11. IPA considers this factor to be persuasive for this activity.

Reduction over time to encourage competition

12. IPA does not consider this factor to be relevant for this activity. More market participants in small-scale farming are unlikely to have competition effects in the domestic market.

Effective monitoring

13. Annual sales turnover is variable and functionally difficult for IPA to effectively monitor and enforce. While the Registrar of Foreign Investment has powers to require a person to provide information reasonably necessary for ascertaining whether a person is carrying on an activity in breach of the Act or Regulations, investigating the financial position of individuals is an inefficient use of IPA resources.

Consistency with international investment agreements

14. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

15. There are no foreign enterprises authorised for this activity.

Other considerations

Attractiveness to foreign investment

16. IPA does not consider that low sales turnover agricultural investment will be attractive to foreign enterprises considering the likely low return on investment at this level of activity.
17. The substantial complexity and expense of obtaining a longer-term lease in PNG does not incentivise foreign enterprises from obtaining interests in land for low sales turnover activities. In the PNG agriculture sector, it is more common for foreign enterprises to seek larger State leases for production, complemented with creating relationships with local smallholders for the provision of crops.

Current Activity 2

ISIC Code(s) 014

Description Animal production with annual sales of K50,000 or less.

Recommendation Remove from RAL.

Scope of activity

18. Animal production involves raising (farming) and breeding of all animals, except aquatic animals. The activity further does not include breeding support services, such as stud services; farm animal boarding and care; and production of hides and skins from slaughterhouses.

Recommendation

19. IPA recommends the removal of this activity:
- Industry policy evidences a shift towards promotion of larger-scale animal meat production for domestic consumption purposes which may involve foreign participation.

- b. The Livestock Development Corporation (LDC) is undertaking work to rehabilitate existing cattle farms across the country, which will benefit citizen businesses and encourage their entry into larger-scale animal meat production.
- c. The costs associated with any acquisition of a legal interest in a lease for animal production purposes by foreign enterprises will generally be for larger-scale activities.
- d. The significant costs of investment in the PNG economy make small-scale growing animal production unlikely to offer an attractive rate of return for foreign enterprises.
- e. Monitoring sales turnover as a condition of reservation is not efficient for monitoring and enforcement purposes.

Alignment with Government policy or regulatory restriction

Alignment with industry policy

- 20. The MTDP IV seeks to reduce imports of products, including poultry, beef and pork meat. Part of this effort is through planned support for three new poultry processing facilities, and the development of beef and pork abattoirs. The NASP develops this high-level goal by identifying an objective of reducing imports of meat and poultry products, as well as increasing exports.
- 21. The MTDP IV anticipates investments in large-scale cattle breeding and farming, poultry, and other livestock developments. The National Livestock Development Program was funded with K 10 million in Public Investment Program in the 2023 budget. LDC is further responsible for the rehabilitation of existing cattle farms across the country. The MTDP IV anticipates encouraging smallholder commercial piggery and poultry production.
- 22. The NASP anticipates the strategic use of foreign investment for the development of larger-scale primary production and downstream processing.

Access to land

- 23. Access to land is necessary for engaging in this activity. Low-level production as contemplated but this activity would not be attractive to foreign enterprises considering the substantial transaction cost in acquiring a suitable interest in land.

Keeping the list as short as possible

- 24. IPA considers this factor to be persuasive for this activity

Reduction over time to encourage competition

- 25. IPA does not consider this factor to be relevant for this activity.

Effective monitoring

- 26. Monitoring certification conditions in reference to lower levels of annual sales turnover is not viewed as an efficient use of monitoring and enforcement resources by IPA.

Consistency with international investment agreements

- 27. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

28. There are no foreign enterprises authorised for this activity.

Other considerations

Attractiveness to foreign investment

29. IPA does not consider that participation in low sales turnover animal production will be attractive to foreign enterprises considering the likely low return on investment at this level of activity.

Current Activity 29	
ISIC Code(s)	1079
Description	Manufacture of other food products n.e.c., in the form of coffee pulping using a manual pulping machine.
Recommendation	Not eligible for inclusion in RAL.

Not eligible for inclusion in RAL

30. Section 27B(c) of the IP Act provides that activities carried on as a business, or part of a business, that produce or supply goods or services which are used regularly by, or are otherwise to the operation of, other businesses in PNG cannot be reserved.
31. The MTDP IV provides ambitious targets for the growth of the coffee industry by 2027. The plan envisages the coffee sector creating 200,000 new formal jobs and the increase of production from the current average of 47,000 tonnes annually to over 160,000 tonnes by 2027. The plan targets an increase of coffee exports value from K 394 million to K 1.4 billion. Part of the plan to reach these targets is the establishment of a Downstream Processing and Exports Support Program.
32. Coffee production requires the use of large quantities of beans for processing and eventual domestic consumption and export. PNG largely relies on a smallholder model for growing of coffee to feed into the supply chain. Smallholders will almost exclusively operate on customary land. The majority of smallholders are likely to wet process their own coffee, using small drum pulpers or other hand methods. After processing, the beans are sold to licensed processors or manufacturers which can involve foreign participation.
33. IPA regards coffee pulping to be a vital activity producing goods used by other businesses in PNG and, accordingly, it is not eligible for reservation under the RAL.
34. IPA notes however that foreign entrance into this activity will be functionally difficult. The Coffee Industry Corporation (Statutory Functions and Powers) Act 1991 enables the Coffee Industry Corporation (CIC) to register coffee processing facilities. The current guidelines for registration are contained in the "Standing Conditions for a Registered Coffee Processor" (Standing Conditions) from 2005. Paragraph 2.1 of the Standing Conditions requires new applicants to be wholly nationally-owned PNG registered companies, with preference given to broad-based grower shareholding.

Forestry, hunting, and related activities

Overview

Current RAL			Proposed Amended RAL		
#	ISIC	Description	#	PNGSIC	Description
3	0170	Hunting, trapping, and related service activities	Remove		
4	0230	Gathering of non-wood forest products	1	0213	Gathering of minor forest products
5	1610	Sawmilling and planing of wood, when conducted using a walkabout (mobile) sawmill	2	2010	Sawmilling and planing of wood, when conducted using a walkabout (mobile) sawmill
30	n/a	Hunting of crocodiles and processing of skins: Hunting and processing of crocodile skins for sale at established market outlets	Remove		

Activity analysis

Current Activity 3	
ISIC Code(s)	0170
Description	Hunting, trapping, and related service activities.
Recommendation	Remove from RAL.

Scope of activity

35. Hunting, trapping, and related service activities includes hunting and trapping on a commercial basis; taking of animals (dead or alive) for food, fur, skin, or for use in research, in zoos or as pets; production of fur skins, reptile or bird skins from hunting or trapping activities; land-based catching of sea mammals such as walrus and seals.
36. The activity excludes: production of fur skins, reptile or bird skins from ranching operations; raising of game animals on ranching operations; catching of whales; production of hides and skins originating from slaughterhouses; hunting for sport or recreation and related service activities; service activities to promote hunting and trapping.

Recommendation

37. IPA recommends the removal of this activity from the RAL:
- The activity as described very likely requires access to customary land which cannot be done without landowner consent.
 - The activity does not exclude aggregation or exporting which is more likely to be of interest to foreign enterprises.

Alignment with Government policy or regulatory restriction

Access to land

38. Access to land is necessary for engaging in this activity and the general discussion at paras. 8-10 is relevant.
39. As noted above, the scope of the activity does not exclude the production of fur skins, reptiles or bird skins on ranching operations nor the raising of game animals on ranching operations. Where foreign investment may be present, it is more likely to be occurring on land under a State lease. Hunting and trapping as described is more likely to be occurring on customary land.

Keeping the list as short as possible

40. IPA considers this factor to be persuasive for this activity.

Reduction over time to encourage competition

41. IPA does not consider this factor to be relevant for this activity.

Effective monitoring

42. IPA does not consider this factor to be relevant for this activity.

Consistency with international investment agreements

43. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

44. There are no foreign enterprises authorised for this activity.

Other considerations

Attractiveness to foreign investment

45. IPA does not consider that hunting and trapping will be attractive to foreign enterprises. Undertaking this activity requires specialist knowledge and is more likely to be undertaken by individual citizens or small groups of citizens. Further, non-citizens would not be able to gain a work permit to undertake this activity as 841911 Hunter-Trapper is reserved for citizens under the reserved occupations list.
46. The current scope of the activity does not cover the aggregation or export of the products of hunting and trapping, including food, fur, and skins. These activities are more likely to be of interest to foreign enterprises. IPA notes that an appropriate export licence (including, if necessary, a permit compliant with the Convention on International Trade in Endangered Species of Wild Fauna and Flora) will be necessary for all investors engaging in export.

Current Activity 4	
ISIC Code(s)	0230
Description	Gathering of non-wood forest products.
Recommendation	Retain but reclassify as PNGSIC 0213 “Gathering of minor forest products”.

Scope of activity

47. This activity includes the gathering of non-wood forest products and other plants growing in the wild. This activity includes gathering of wild growing materials: (i) mushrooms, truffles (ii) berries (iii) nuts (iv) balata and other rubber-like gums, (v) cork, (vi) lac and resins, (vii) balsams, (viii) vegetable hair, (ix) eelgrass, (x) acorns, horse chestnuts, (xi) mosses and lichens.

Recommendation

48. IPA recommends the retention of this activity; however, reclassifying as PNGSIC 0213 “Gathering of minor forest products”:
- a. Commercialisation of minor forestry products with existing markets may be subject to ongoing reform and IPA considers it premature to substantially modify regulatory settings through the IP Act
 - b. The implementation of new forestry conservation laws is in progress, and the exact scope of potential restrictions on commercial activity is not yet clear.
 - c. Redescribing the activity under PNGSIC will assist in monitoring and enforcement.
49. IPA notes that it may be appropriate to remove or redefine this activity in the future as the regulatory environment develops.

Alignment with Government policy or regulatory restriction

50. The current RAL reserves the gathering of non-wood forest products and other plants growing in the wild. Previous versions of the RAL extended reservation to wholesale and retail sale of wild growing forest materials. IPA considers the key rationale for reserving the gathering of non-wood forest products to be to promote priority citizen access to often limited livelihood opportunities in for forestry sector. With 97% of PNG’s land held under customary land tenure, conventional logging is generally the most common source of income for customary landowners. While the PNG Forest Authority (PNGFA) manages the issuance of appropriate authorities to engage in forestry activities, it is acknowledged that there are concerning instances of deforestation and unbalanced benefits sharing arrangements with local communities.
51. Diversifying opportunities for livelihood development in the forestry sector is a priority for the Government. “Minor forest products” as described in the PNGSIC are sometimes referred to as “non-timber forest products” (NTFPs) in the forestry sector. In PNG, NTFPs form a relatively modest industry largely focussed on eaglewood (also known as agarwood) and melaleuca resin. The National Forest Plan 2010 notes that the potential for NTFPs has not been met and that there is potential for development in this area to generate income for rural citizens. The National Forestry Development Guidelines 2009 provide that an aim of the guidelines is to develop a focus in wood and non-wood products. While there has been diagnostic work conducted in the past to better regulate and promote NTFPs, there is no current Forest Management Agreement or specific policy on these products.
52. While in most cases, the ownership of forestry resources lies with the customary landowners, it is still necessary for an appropriate authorisation to be issued under the Forestry Act for the trade of minor forest products. No authority is required for subsistence gathering of these products. Section 87 of the

Forestry Act 1991 provides that “registered forestry participants” may be granted a timber authority for the purpose of harvesting other forestry produce to an amount specified in the authority. Becoming a registered forestry participant is not based on citizenship. The issuance of timber authorities is reviewed by the relevant Provincial Forest Management Committee. Section 91 of the Forestry Act enables the Board to, on the application of a registered forest industry participant, issue a licence to engage in forest industry activities other than those carried out, or proposed to be carried out, under a timber permit or timber authority held by the forestry industry participant.

53. An additional aspect of commercialisation is protection of resources of unknown potential. PNG boasts approximately 7% of the world’s biodiversity, the majority of which is on customary land. There is substantial potential for future valuable commercial uses of minor forest products or innovations based on forest genetic resources.

54. In 2024, the National Parliament passed the National Protected Areas Act 2024 to establish National Protected Areas (NPAs) and conserve and replenish biodiversity. The Conservation and Environment Protection Agency (CEPA) will administer the new law. Section 53 of the National Protected Areas Act 2024 enables Incorporated Land Groups (ILGs) to establish a Protected Area. Section 75 of the Act makes it an offence for a person to remove anything naturally occurring, living, inanimate or a cultural object from a Protected Area without approval. Section 61 of the Act provides for Conservation Benefits Sharing Agreements to apply to protected areas which cover research and development on genetic or biochemical composition of genetic resources, and the subsequent application and commercialisation, subject to mutually agreed terms and monetary or non-monetary benefits.

55. Given the potential for substantive regulatory reform in relation to the commercialisation of minor forest products and the establishment of NPAs, IPA does not consider it desirable to modify settings through the IP Act; however, will continue to engage with responsible authorities.

Keeping the list as short as possible

56. IPA is not proposing to expand the number of activities associated with the gathering of minor forestry products.

Reduction over time to encourage competition

57. IPA does not consider this factor to be relevant for this activity.

Effective monitoring

58. Redescription of the activity to PNGSIC 0213 “Gathering of minor forest products” will assist IPA in monitoring this activity. It is noted however that primary responsibility for compliance with forestry laws lies with the PNGFA and conservation laws with CEPA.

Consistency with international investment agreements

59. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

60. There are no foreign enterprises authorised for this activity.

Current Activity 5	
ISIC Code(s)	1610
Description	Sawmilling and planing of wood, when conducted using a walkabout (mobile) sawmill.
Recommendation	Retain in RAL but reclassify as PNGSIC 2010 “Sawmilling and planing of wood, when conducted using a walkabout (mobile) sawmill”.

Scope of activity

61. This activity is limited to the sawmilling and planing of wood when using a walkabout (mobile) sawmill. It does not include sawmilling or planing of wood using any other method.

Recommendation

62. IPA recommends the retention of this activity:
- The current activity is an important source of livelihood for citizens, particularly in rural areas.
 - Government policy in the forestry sector aims to promote larger-scale downstream processing of round logs, which is likely to require foreign investment.
 - As there are continuing issues with illegal logging and non-compliance with regulatory requirements, IPA does not consider it appropriate to take any action which may impact current regulatory arrangements.

Alignment with Government policy or regulatory restriction

Alignment with industry policy

63. The MTDP IV commits the Government to phasing out the export of round logs and the encouragement of downstream processing. The downstream processing agenda anticipates the developed of at least five forestry hubs. FDI is more likely to occur in larger-scale investments for products of export quality.
64. The use of walkabout sawmills has primarily been by rural communities as a means of participating in value addition in the forestry sector. A substantial number of these mills are operated by communities on as ‘as needs’ basis for cash generation and are not operated on a permanent commercial basis. Walkabout sawmills are often used on customary land where it may not be feasible to transport logs to more sophisticated processing facilities. IPA is aware that some independent businesses provide walkabout sawmilling services.
65. Walkabout sawmill operation is not subject to licensing or other controls by the PNGFA on the condition that they are operated within community-owned forests.
66. Foreign participation in fixed-location sawmilling requires an appropriate licence from the PNGFA. IPA understands however that there are more general and continuing issues with illegal logging practices by some foreign companies, felling of protected tree species, and uncommercial benefits sharing agreements with local communities. Further participation of foreign enterprises in the forestry sector accordingly must be done with appropriate oversight of the PNGFA. Accordingly, IPA is reluctant to undertake any action under the IP Act which may disturb current regulatory arrangements.

Keeping the list as short as possible

67. IPA does not consider this factor to be persuasive for this activity.

Reduction over time to encourage competition

68. There are no relevant considerations under this factor.

Effective monitoring

69. To better enable monitoring under the PNGSIC, IPA will re-code this activity as “2010: Saw-milling and planning of wood when conducted using a walkabout (mobile) sawmill”.

Consistency with international investment agreements

70. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

71. There are no foreign enterprises authorised for this activity.

Other considerations

Attractiveness to foreign investment

72. IPA does not expect there to be substantial foreign investment interest in this activity. Given technical limitations of the walkabout sawmills, timber produced is unlikely to be of export quality or in large enough quantities to be commercially attractive to foreign enterprises.

Current Activity 30	
ISIC Code(s)	n/a
Description	Hunting of crocodiles and processing of skins: Hunting and processing of crocodile skins for sale at established market outlets.
Recommendation	Remove from RAL.

Scope of activity

73. This activity covers hunting and processing of crocodile skins for sale at established market outlets.

74. This activity includes hunting and processing of crocodile skins for sale at established market outlets. The activity does not include collection of crocodile eggs, farming of crocodiles, or the export of crocodile skins.

Recommendation

75. IPA recommends the removal of this activity:

- a. Regulatory changes are likely to ban wild hunting of crocodiles nationally.
- b. Access to customary land is necessary for participation in this activity.
- c. Retail activities via markets and stalls is proposed to be reserved for citizens (see discussion at “Wholesale, retail, and general commercial activities”).

Alignment with Government policy or regulatory restriction

Regulatory developments

76. The acquisition and disposal of crocodiles requires a licence under s 5(1)(a) of the Crocodile Trade (Protection) Act 1974. The conditions for licences under the Crocodile Trade (Protection) Regulation 1980 do not preclude foreign enterprises acquiring and disposing of crocodiles; acquiring crocodiles for export; or exporting crocodiles.
77. CEPA is currently undertaking a policy process to review the Crocodile Trade (Protection) Act 1974. The proposed changes are to: improve licensing arrangements and fee collections for crocodile skins and eggs, provide for regulations of skin processing and exports, update enforcement provisions (such as forms and penalties), and transfer the export permit provisions of the Act under the International Trade (Fauna and Flora) Act. CEPA will also review the Crocodile Management Plan which is likely to result in the elimination of wild hunting in the future.

Access to land

78. Access to land is generally necessary for engaging in this activity and the general discussion at paras. 8 - 10 is relevant.

Keeping the list as short as possible

79. IPA considers this factor to be persuasive for this activity.

Reduction over time to encourage competition

80. IPA does not consider this factor to be relevant for this activity.

Effective monitoring

81. IPA does not consider this factor to be relevant for this activity.

Consistency with international investment agreements

82. IPA does not consider this factor to be relevant for this activity.

Appropriate provision for existing foreign investors

83. There are no foreign enterprises authorised for this activity.

Fishing and related activities

Overview

Current RAL			Proposed Amended RAL		
#	ISIC	Description	#	PNGSIC	Description
6	0311	Marine fishing within three miles of the shoreline, excluding the activities of vessels engaged both in fishing and in processing and preserving of fish	3	051	Proposed New Activity Marine fishing, freshwater fishing, and trial fishing Fishing within the meaning of the Fisheries Management Act 1998 (excluding aquaculture): a) within three nautical miles of the low water line as defined by the Maritime Zones Act 2015; b) in internal waters as defined by the Maritime Zones Act 2015; and c) when conducted as trial fishing under licence within the meaning of the Fisheries Management Regulation 2000.
7	0312	Freshwater fishing			
			4	0525; 1512; 5131; 052	Proposed New Activity Dealing in sea cucumbers, mud crabs, and barramundi Collection, processing, wholesale, and retail of: a) sea cucumber – within the meaning of the National Beche-de-Mere Fishery Management Plan; and b) mud crabs – within the meaning of the National Mud Crab Fishery Management Plan; and c) barramundi – within the meaning of the Barramundi Fishery Management Plan.
			5	0521; 0522; 0523	Proposed New Activity Domestic retail of marine aquarium organisms Domestic retail of marine aquarium organisms within the meaning of the National Marine Aquarium Fishery Management and Development Plan 2022

Activity analysis

Proposed New Activity

PNGSIC Code(s) 051

Activity Marine fishing, freshwater fishing, and trial fishing.

Scope of activity

84. Fishing within the meaning of the Fisheries Management Act 1998 (excluding aquaculture):

- a. within three nautical miles of the low water line as defined by the Maritime Zones Act 2015;
- b. in internal waters as defined by the Maritime Zones Act 2015; and
- c. when conducted as trial fishing under licence within the meaning of the Fisheries Management Regulation 2000.

Recommendation

85. IPA recommends the addition of this activity:

- a. It reflects current licensing restrictions that effectively reserve the activity from foreign participation.
- b. It aligns more broadly with the proposed development of the fisheries sector.
- c. It reduces the current list by combining several activities.
- d. It is possible to adequately define the activity for monitoring and enforcement purposes.

Alignment with Government policy or regulatory restriction

86. The MTDP IV identifies high-level goals for the fisheries sector in PNG. The Plan focuses on promoting onshore processing of fish caught in PNG's Exclusive Economic Zone (including through the Pacific Marine Industrial Zone), establishment of more inland fishery farms, and increasing the volume of exports.

87. The Papua New Guinea Fisheries Strategic Plan 2021 – 2030 (PNGFSP) is the Government's 10-year plan for the strategic development of PNG's fisheries sector. The PNGFSP's vision is to achieve "an internationally competitive and sustainable sector characterised by a resilient and commercially inclusive socioeconomic growth providing food security". The PNGFSP has 11 key results areas, under which have strategic actions, of which the most relevant to investment are:

- KRA 3: Increase downstream processing, value adding, employment, and export earnings
 - Strategic action 3.1: develop a broad-based fisheries industry and sector
 - Strategic action 3.2: optimise socioeconomic returns from onshore processing
- KRA 4: Expand and enhance international trade and market access for fisheries products
 - Strategic action 4.2: improve trade and marketing of tradable PNG seafood exports
- KRA 5: Support, maintain, and encourage genuine Foreign Direct Investment inflow
 - Strategic action 5.1: encourage and promote a conducive investment environment
- KRA 6: Optimise Papua New Guinean participation and local content in the fisheries sector.
 - Strategic action 6.1: encourage improved and meaningful local content
 - Strategic action 6.3: State to participate in commercial investment in the sector

88. Further development of the fisheries sector will be undertaken with a mix of domestic and foreign investment, led by the National Fisheries Authority (NFA). NFA actively encourages onshore investment in the tuna sector, and increasingly links foreign and domestic access of purse-seine vessels to onshore

investment, preferably in the form of tuna processing. Given the advanced state of sector planning, IPA views it appropriate to only reflect current regulatory settings that effectively reserve identified parts of the sector for exclusive citizen participation.

89. Specifically in relation to inland fisheries, strategic priority 3.1(iii) of the FSP notes a focus on “encouraging capitalisation of coastal, inland, and aquaculture from both domestic and genuine foreign direct investment that also offer trading platforms and established markets”.

Regulation of marine fishing

90. Most fishing activities, including marine fishing, in PNG require an appropriate licence issued under the Fisheries Management Act 1998 (FMA) and Fisheries Management Regulations 2000 (FMR) by NFA. Under s 42 of the Organic Law on Provincial Governments and Local-level Governments 1998, provincial governments may make laws, not inconsistent with national laws, on fishing and fisheries. Special arrangements exist for fishing in the Torres Strait Protected Zone.
91. Marine fishing as described requires a fishing vessel licence, of which the requirements are specified in s 3 FMA. Section 28 FMA provides for the establishment of fisheries management plans. Fisheries management plans will specify the relevant fisheries management area where activities are authorised. Provisions of fisheries management plans have the same effect as a licence condition made under s 43 FMA. As a matter of practice, these plans do not allow commercial fishing activities within 3 nautical miles of PNG shorelines, subject to limited exceptions for local operators in the lobster sector.
92. The Papua New Guinea National Fisheries Authority Licensing Policy (Licensing Policy) summarises the licensing regime, which include compliance with current fisheries management plans for designated fisheries. Local and domestic licence applicants must be able to present a statement of endorsement for the fishing business from the relevant Provincial Administration for activities within the 3 nautical mile zone.
93. Additionally, s 26 FMA acknowledges the rights of customary owners of fisheries resources and fisheries rights. It is generally expected that customary and artisanal fishing is conducted within the 3 nautical mile zone.

Regulation of fishing in internal waters

94. The FMR does not provide for a specific licence category for inland fishing. Most inland fishing is undertaken on an artisanal or subsistence basis on customary land.

Regulation of trial fishing

95. Trial fishing activities are defined in s 2 FMR as “carrying out fishing trials, and investigations for the purpose of testing the commercial viability of new fishing methods, developing new stocks of fish or fishing in previously unexploited waters”. Section 4(7) of the FMR provides that such trial fishing licences may only be issued to citizens.
96. Trial fishing is undertaken in accordance with the NFA Trial Fishing Policy 2001. Applicants for trial fishing purposes need to demonstrate a genuine interest in developing the fishery and preference is given to applicants whose operation will provide maximum benefit to PNG through employment, onshore processing, and development opportunities for local communities.

Keeping the list as short as possible

97. IPA proposes to combine all fishing-related reserved activities into one activity to keep the list as short as possible. Given the activities are effectively reserved by operation of licensing conditions, it is appropriate to include in the RAL.

Reduction over time to encourage competition

98. Any potential competition benefits to opening the identified activities must be undertaken as a regulatory measure by the NFA or other responsible authority.

Effective monitoring

99. The activity description references the relevant legislation and regulations to promote consistency between the RAL activity and the regulatory restriction. Aquaculture is excluded from the activity description as the FSP anticipates situations where FDI may be encouraged. NFA are the primary regulator in this area and can report breaches to the IPA.

Consistency with international investment agreements

100. Fisheries in PNG complies with a number of international agreements. These agreements specifically identify areas where relevant fishing is allowed. PNG is a member of the Pacific Islands Forum Fisheries Agency (FFA) and has agreed to the Harmonised Minimum Terms and Conditions for Foreign Fishing Vessel Access to be reflected in national legislation. This includes provision for the designation of areas closed to fisheries.
101. PNG is a signatory to the Nauru Agreement Concerning Cooperation in the Management of Fisheries of Common Interest, and recognises licences issued under the Federated States of Micronesia Arrangement for Regional Fisheries Access which enables the issuance of regional access licences for the fishing of tuna. Vessels accessing PNG waters may not fish in closed areas which includes the territorial sea and internal waters.
102. PNG is a signatory to the Convention for the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean and a member of the Western and Central Pacific Fisheries Commission. Operators of fishing vessels in Convention waters must comply with national laws.
103. Restrictions on certain fishing activities are further consistent with the Torres Strait Treaty, which is implemented in domestic law by the Fisheries (Torres Strait Protected Zone) Act 1986. Under the Treaty, PNG shall not extend its territorial sea off its southern coastline beyond three nautical miles.
104. PNG additionally has access agreements with China, Korea, the Philippines, and Taiwan which regulate the entrance of vessels flagged to these countries into the fisheries area. Access by US vessels is facilitated by the South Pacific Tuna Treaty.

Proposed New Activity**PNGSIC Code(s)** 0525; 1512; 5131; 052**Description** Dealing in sea cucumbers, mud crabs, and barramundi.**Scope of activity**

105. Collection, processing, wholesale, and retail of:
- a. sea cucumber – within the meaning of the National Beche-de-Mere Fishery Management Plan; and
 - b. mud crabs – within the meaning of the National Mud Crab Fishery Management Plan; and
 - c. barramundi – within the meaning of the Barramundi Fishery Management Plan.

Recommendation

106. IPA recommends the addition of this activity because it reflects current licensing restrictions that effectively reserve the activity from foreign participation.

Alignment with Government policy or regulatory restriction***Regulation of beche-de-mer trade (sea cucumber)***

107. Section 8(a)(iii)(a) of the National Beche-de-Mer Fishery Management Plan provides that licences to operate in the beche-de-mer trade are reserved for PNG citizens. The Plan applies to all sea cucumber fishery and includes all fishing and activities associated with the collection, processing, storage, buying, selling and exporting of beche-de-mer products. The Plan identifies a total allowable catch per season.

Regulation of mud crab trade

108. Section 6(a)(iii)(a) of the National Mud Crab Fishery Management Plan limits licences to participate in the mud crab trade to PNG citizens. The Plan applies to the mud crab fishery, aquaculture of mud crabs and includes all harvesting and activities associated with the collection, farming, fattening, processing, storage, buying, selling and exporting of mud crabs.

Regulation of barramundi trade

109. Barramundi currently is only undertaken by artisanal fishers in the coastal region around Daru and the Middle Fly region with subsistence fishing elsewhere. There are however concerns that barramundi is overfished in Western Province.
110. Paragraph 6.1(b) of the Barramundi Fishery Management Plan specifies that no licences for the barramundi fishery will be issued to non-citizen companies, individuals, or foreign joint venture arrangements. Recreational and gamefishing of barramundi is not covered under the Barramundi Fishery Management Plan.

Keeping the list as short as possible

111. IPA does not consider this factor to be persuasive in light of the current licensing restrictions described under the relevant Fisheries Management Plans. IPA's proposed consolidation of these activities is intended to shorten the overall number of activities reserved.

Reduction over time to encourage competition

112. Any potential competition benefits to opening the activities to foreign participation must be undertaken as a regulatory measure by the NFA or other responsible authority.

Effective monitoring

113. The activity description references the relevant Fisheries Management Plans to promote consistency between the RAL activity and the regulatory restriction. NFA are the primary regulator in this area and can report breaches to the IPA.

Consistency with international investment agreements

114. IPA does not consider this factor to be relevant for this activity.

Appropriate provision for existing foreign investors

115. There are no foreign enterprises authorised for this activity.

Proposed New Activity

PNGSIC Code(s) 0521; 0522; 0523

Description Domestic retail of marine aquarium organisms.

Scope of activity

116. Domestic retail of marine aquarium organisms within the meaning of the National Marine Aquarium Fishery Management and Development Plan 2022.

Recommendation

117. IPA recommends the addition of this activity because it reflects current licensing restrictions that effectively reserve the activity from foreign participation.

Alignment with Government policy or regulatory restriction

Regulation of domestic live marine aquarium trade retailing

118. The National Marine Aquarium Fishery Management and Development Plan 2022 applies to all species of fish, invertebrates, and substrates that are collected, aqua cultured, sold and/or exported for the live marine aquarium trade. Under the plan, a Domestic Retailer Licence is only issued to a Papua New Guinean national. Holding a Domestic Retailer Licence entitles a holder to employ licenced buyers and to sell marine aquarium organisms to domestic entities, excluding exporters.

Keeping the list as short as possible

119. IPA does not consider this factor to be persuasive in light of the current licensing restrictions described under the National Marine Aquarium Fishery Management and Development Plan 2022.

Reduction over time to encourage competition

120. Any potential competition benefits to opening the activities must be undertaken as a regulatory measure by the NFA or other responsible authority.

Effective monitoring

121. The activity description references the National Marine Aquarium Fishery Management and Development Plan 2022 to promote consistency between the RAL activity and the regulatory restriction. NFA are the primary regulator in this area and can report breaches to the IPA.

Consistency with international investment agreements

122. There are no considerations under this factor.

Appropriate provision for existing foreign investors

123. There are no foreign enterprises authorised for this activity.

Mining

Overview

Current RAL			Proposed Amended RAL		
#	ISIC	Description	#	PNGSIC	Description
8	0729	Mining of other non-ferrous metal ores in the form of alluvial gold mining	6	1322	Artisanal alluvial gold mining Mining of alluvial gold under customary land rights, without a lease issued under the Mining Act 1992 (or successor legislation). ¹

Activity analysis

Current Activity 8	
ISIC Code(s)	0729
Description	Mining of other non-ferrous metal ores in the form of alluvial gold mining.
Recommendation	Retain but reclassify as PNGSIC 1322 “Artisanal alluvial gold mining”

Recommendation

124. IPA recommends the reclassification of this activity to PNGSIC 1322 “Artisanal alluvial gold mining”:
- The Mining Act 1992 explicitly allows non-citizen participation in alluvial gold mining when conducted under a mining lease for alluvial purposes.
 - The Mining Act 1992 further enables non-citizen participation in mining leases for alluvial purposes and Alluvial Mining Leases (AML) under an authorised and registered “tribute agreement”.
 - Tribute agreements are likely to remain a feature of a reformed mining law, subject to revised requirements.
 - Citizens and land groups are able to engage in “non-mechanical” mining of alluvial gold without a lease issued by the Mineral Resources Authority (MRA) under the Mining Act 1992. Tribute agreements are not permitted for alluvial mining without a lease.
125. IPA is aware that the MRA has released a proposed Mining Bill 2025 which is expected to be passed by the National Parliament in 2025. IPA’s review of this Bill indicates that the broad analysis below remains correct and will largely be transferred to the new legislation. IPA may revise this position, based on developments with the proposed law.

Alignment with Government policy or regulatory restriction

126. The Alluvial Mining Policy 2021 estimates that up to 80,000 alluvial gold miners operate in PNG; however, only an estimated 10% do so under an AML issued by the MRA). Alluvial mining is undertaken as an important cash earning activity with substantial portions of citizens undertaking mining intermittently on an “as needs” basis using non-mechanised methods such as simple panning and sluicing techniques. More commercially oriented alluvial gold mining occurs under AMLs using semi- and fully mechanised methods.

¹ This reference will be changed to the new Mining Act once it has been passed by the Parliament.

127. Under s 2 of the Mining Act 1992 “alluvial” means “all unconsolidated rock materials, transported and deposited by stream action or gravitational action, which are capable of being freely excavated without prior ripping or blasting”.

128. The MRA regulate the issuance of relevant leases. Under the Mining Act, alluvial mining is permissible in PNG through three main channels:

Lease type	Granted to
Mining lease for alluvial mining purposes	Citizens and non-citizens. Leases for mining purposes may be issued for up to 20 years and over up to 60 hectares of land. Where a mining lease is issued solely for the purpose of mining alluvial minerals at least 51% of the beneficial ownership must be held by citizens.
Alluvial Mining Lease (AML)	Natural person who is a citizen or of a land group in respect of land owned by the natural person or land group. An AML can be issued for terms of up to 5 years, is limited to 5 hectares, and may only be granted over land that is a river bed or land that extends no further than 20 metres from a river bed.
Non-mechanised alluvial mining (no lease required)	Citizens operating on their own land. Citizens involved in non-mechanised alluvial mining must still comply with safety requirements. Non-mechanised mining means mining by the use of hand tools and equipment but not by pumps or machinery driven by electric, diesel, petrol or gas-powered motors.

129. Section 167(1) of the Mining Act provides that it is an offence for a person to carry on exploration or mining on any land unless they are duly authorised under the Act.

130. Under the Mining Act, foreign participation in alluvial mining is possible under a “tribute agreement”. A tribute agreement is where the holder of either a) an AML or b) mining lease for alluvial mining purposes agrees that another person may work the lease area on terms providing that the holder shall receive from that person a portion or percentage of the minerals won or the proceeds of their sale. A tribute agreement must be authorised by the Minister for Mining and registered for it to be valid.

131. Tribute agreements are most commonly used in the context of AMLs. The framework in effect reserves the *grant* of an AML for citizens and land groups but once they hold the AML the citizens or land groups may enter into an authorised tribute agreement with a foreign enterprise to undertake the *activity* of alluvial mining. Citizens or landowner groups partner with foreign enterprises who may supply capital and other resources to more efficiently mine for alluvial gold for the mutual benefit of the citizen business and the foreign enterprise.

132. Importantly, the law does not provide for tribute agreements in circumstances where citizens or landowners are undertaking non-mechanised alluvial mining without a lease.

133. IPA understands that the forthcoming Mining Bill 2025 proposes that all existing tribute agreements shall be converted into appropriate licences, failing which, the agreements shall cease one year from the commencement of the new law. The proposed new law will retain the use of tribute agreements for alluvial mining, subject to revised requirements. The proposed law does not change the position that tribute agreements cannot be entered into for non-mechanised alluvial gold mining by citizens on their own land, without an applicable lease.

134. IPA considers that the current activity as described is not consistent with the regulatory regime for alluvial mining. Foreign participation through approved and registered tribute agreements in alluvial gold mining is a consistent feature of alluvial mining enterprises controlled by citizens. Participation in

non-mechanised alluvial gold mining by non-citizens is an offence under the Mining Act and there is a clear policy intention for non-mechanised artisanal activities to be undertaken by citizens only.

Keeping the list as short as possible

135. IPA does not consider this factor to be relevant for this activity.

Reduction over time to encourage competition

136. IPA does not consider this factor to be relevant for this activity.

Effective monitoring

137. To promote better monitoring, IPA proposes to reclassify the activity as PNGSIC 1322 “Artisanal gold mining” with clarification text that the activity relates to mining of alluvial gold under customary land rights, without a licence issued under the Mining Act 1992 (or successor legislation).

138. MRA will continue to be the primary regulatory enforcer in the sector. Foreign participation in mining without authorisation will remain an offence under mining laws. Where informed by MRA that a foreign enterprise has engaged in alluvial mining in contravention of mining laws, IPA will use its powers under the IP Act to cancel any FEC issued and prosecute a foreign enterprise for making false statements in the FEC application, if appropriate.

Consistency with international investment agreements

139. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

140. There are no foreign enterprises authorised for this activity.

Wholesale, retail, and general commercial activities

Alternative proposal for general stores businesses

IPA is aware of diverse feedback from the community regarding the appropriateness of foreign-owned general stores. Inclusion of retail through general stores in the RAL would bar foreign enterprises operating in this activity at a national level (excluding existing foreign enterprises currently issued a FEC). General stores are often the source of essential goods for citizens and limiting market access may have negative repercussions for citizens, particularly in communities which have welcomed foreign enterprises operating these stores.

In order to provide a balanced policy response, IPA is proposing to address community sentiment outside of the RAL. The alternative proposal will consider using s 36(1)(a)(ii) of the IP Act which empowers the Registrar of Foreign Investment to cancel foreign investment certificate holders who are in breach of the terms and conditions of their certificate. Providing appropriate evidence of community support for the establishment of a general store would be a condition of certification. IPA will release further details in due course.

The proposal will only apply to “PNGSIC 5211: Retail sale in non-specialized stores with food, beverages or tobacco predominating”. PNGSIC describes this activity as:

“Stores engaged in retail sale of a variety of new goods which, however, food beverages or tobacco are predominant. This kind of activity is usually carried out in so-called general stores which have, apart from their main sales of groceries, several other lines of merchandise such as clothing, furniture, appliances, hardware, etc.”

Note that supermarket operations are captured under PNGSIC Code 5277 “Specialised retail trade in stores – sale of food, beverages, and tobacco”.

Overview

Current RAL			Proposed Amended RAL		
#	ISIC	Description	#	PNGSIC	Description
9	5610	Restaurants and mobile food service activities when sold from mobile food carts	Remove		
10	5610	Retail sale via stalls and markets of food, beverages and tobacco products	7	5232	Proposed New Activity Sale via stalls and markets
11	4782	Retail sale via stalls and markets of textiles, clothing and footwear			Retail sale of any kind of products in a movable stall or in a fixed market place.
12	4789	Retail sale via stalls and markets of other goods			
13	4641	Wholesale of textiles, clothing and footwear in the form of second-hand clothing and footwear	Remove		

Current RAL			Proposed Amended RAL		
14	4774	Retail sale of second-hand goods in the form of clothing and footwear	8	5226	Sale of second hand clothing Retail of second hand clothing in specialised retail stores.
15	4799	Other retail not in stores, stalls or markets when carried out from a motor vehicle or motorcycle	Remove		
16	4773	Other retail sale of new goods in specialised stores in the form of handicrafts and artifacts	Retained, see Cottage Business Activities.		
17	9523	Repair of footwear and leather goods in the form of repair of footwear when not done in combination with manufacture	Remove		
31	4520	Maintenance and repair of motor vehicles in the form of tyre and tube repair, fitting, or maintenance where not done as incidental to the core business of maintenance and repairs	9	2511	Repair, retreating, and rebuilding of rubber tyres Repair, retreating, and rebuilding of rubber tyres when conducted as a standalone business.
32	7730	Renting and leasing of other machinery, equipment and tangible goods in the form of vending and amusement machines	Remove		
33	7710	Advertising, when conducted as sign writing	Remove		
35	4669	Wholesale of waste and scrap and other products n.e.c.	Remove		
36	4761	Retail sale of books, newspapers and stationery in specialized stores, in the form of specialised retail sale of newspaper and magazines	Remove		
37	4761	Repair of consumer electronics goods when not done in combination with manufacture or wholesale or retail sale of these goods	Remove		
38	4761	Repair of household appliances and home and garden equipment when	Remove		

Current RAL			Proposed Amended RAL
		not done in combination with manufacture or wholesale or retail sale of these goods	
39	4761	Repair of other personal and household goods, in the form of repair of watches, clocks and their parts, and the repair and alteration of jewellery when not done in combination with manufacture or wholesale or retail of these goods	Remove

Activity analysis

Current Activity 9	
ISIC Code(s)	5610
Description	Restaurants and mobile food service activities when sold from mobile food carts.
Recommendation	Remove from RAL.

Scope of activity

141. This activity includes the preparation and serving of meals for immediate consumption and sold directly to a consumer from non-motorized food carts.
142. It does not include the delivery to a consumer of food purchased from restaurants or other licenced food outlets.

Recommendation

143. IPA recommends the removal of this activity from the RAL:
- There is limited evidence that this activity would be of interest to foreign enterprises.
 - Existing foreign participation is concentrated in restaurants and similar food service businesses.
 - The proposed reservation of sales via stalls and markets will largely address remaining risk of foreign participation in similar activities.

Keeping the list as short as possible

144. IPA considers this factor to be persuasive for this activity.

Reduction over time to encourage competition

145. IPA does not anticipate opening this activity to foreign investment to have substantial competition effects.

Effective monitoring

146. There are no relevant considerations under this factor.

Consistency with international investment agreements

147. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

148. There are no foreign enterprises authorised for this activity.

Other factors

Attractiveness to foreign investment

149. IPA does not consider that sales via mobile food carts likely to generate significant interest from foreign enterprises given the likelihood of lower returns on investment of this activity. IPA is not aware of mobile food carts being a common business activity in PNG. Further, foreign enterprises are authorised to participate in restaurants and similar activities which are likely more attractive.

Proposed reservation of sale via stalls and markets

150. The proposed reservation of sale via stalls and markets will further reduce the risk of inappropriate foreign enterprise participation in this activity. PNGSIC code 5232 extends to retail via moveable stalls, which addresses the mobile nature of the activity. IPA considers “sale” in this context to extend to the sale of food and beverages that are sold without transformation (e.g., sale of packaged goods) as well as prepared items (e.g., cooked meals).

Current Activities 10, 11, 12	
ISIC Code(s)	6510; 4782; 4789
Description	See below
Recommendation	Merge into proposed new activity “Sale via stalls and markets”.

Note: for the purposes of the analysis, activities 10, 11, and 12 and considered together.

Scope of activity

151. The scope of the activities as currently described are:

- a. Retail sale via stalls and markets of food, beverages and tobacco products.
- b. Retail sale via stalls and markets of textiles, clothing and footwear.
- c. Retail sale via stalls and markets of other goods.

152. The sale of goods in stalls and markets applies to both formal markets (e.g., those owned by Provincial Governments and Local-Level Governments) as well as informal spaces. The current activity covers the sale of food, beverages, and tobacco products.

153. The activity does not include non-specialised or specialised retail trade in stores.

Alignment with Government policy or regulatory restriction

154. Provincial Governments and LLGs have an active role in the regulation of market places. These authorities often run formal markets and actively manage the composition of market vendors and the quality of products for sale.
155. Retail sale via stalls and markets is often participated in by persons outside of the formal economy. The Informal Sector Development and Control Act 2004 (ISDCA) enables businesses of no more than 5 citizens to undertake defined business activities. Section 3(1) of the Act enables the Administering Authority to declare, in either general or specific terms, areas in which informal business activity may be conducted. Part 4 of the Act sets minimum standards for the sale of food; cooked food, ice blocks, and drinks; frozen fish and meat; live animals; betel nut; second-hand clothing and second-hand goods; and the manufacture of goods and the provision of services. IPA is aware however that the ISDCA is not actively implemented.

Keeping the list as short as possible

156. IPA proposes to merge current activities 10, 11, and 12.

Reduction over time to encourage competition

157. IPA does not consider this factor to be substantive in this case.

Effective monitoring

158. IPA proposes to reclassify this activity under PNGSIC 5232 "Sale via stalls and markets" for ease of monitoring and enforcement. The scope of the activity will accordingly be retail sale of any kind of products in a movable stall or in a fixed marketplace. IPA acknowledges that local authorities are primarily responsible for the management of markets and will work in partnership with them regarding suspected breaches of the IP Act.

Consistency with international investment agreements

159. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

160. There are no foreign enterprises authorised for this activity.

Other factors

Community sentiment

161. IPA is aware that there can be strong community sentiment concerning foreign participation in marketplaces. IPA acknowledges that marketplaces serve an important function for providing livelihood opportunities for citizens, particularly women business owners. IPA accordingly proposes to maintain the current reserved activity; however, simplify it to make it clear that any retail undertaken via stalls and markets is reserved.

Proposed New Activity**PNGSIC Code** 5232**Description** Sale via stalls and markets.**Scope of activity**

162. The proposed new activity will extend to retail sale of any kind of products in a movable stall or in a fixed market place.

163. IPA considers retail in this context to include sale without transformation of a good or service, as well as prepared food or drinks sold via stalls and markets.

Recommendation

164. IPA recommends the introduction of this activity:

- a. It simplifies existing RAL activities and improves the ability for IPA to monitor enforcement, in partnership with responsible authorities.
- b. It more closely aligns with community sentiment regarding foreign participation in market places.

Current Activity 13**ISIC Code(s)** 4641**Description** Wholesale of textiles, clothing and footwear in the form of second-hand clothing and footwear.**Recommendation** Not eligible for inclusion in RAL.**Not eligible for inclusion in RAL**

165. Section 27B(c) of the IP Act provides that activities carried on as a business, or part of a business, that produce or supply goods or services which are used regularly by, or are otherwise to the operation of, other businesses in PNG cannot be reserved.

166. Wholesale is the resale (sale without transformation) of new and used goods to retailers, to industrial, commercial, institutional or professional users, or to other wholesalers, or involves acting as an agent or broker in buying goods for, or selling goods to, such persons or companies. Wholesalers frequently physically assemble, sort and grade goods in large lots, break bulk, repack and redistribute in smaller lots. Wholesaling is generally not able to be reserved under the IP Act.

167. Wholesaling can be contrasted with retailing which is the resale (sale without transformation) of new and used goods mainly to the general public for personal or household consumption or utilization, by shops, department stores, stalls, mail-order houses, door-to-door sales persons, hawkers and peddlers, consumer cooperatives, auction houses etc.

Current Activity 14**ISIC Code(s)** 4774**Description** Retail sale of second-hand goods in the form of clothing and footwear.**Recommendation** Retain in RAL but reclassify as PNGSIC 5226 “Sale of second hand clothing”.**Scope of activity**

168. This activity covers the retailing of second hand clothing and footwear. The retail sale of new clothing is not covered.

Recommendation

169. IPA recommends the retention of this activity.

Alignment with Government policy or regulatory restriction

170. The MTDP IV anticipates the creation of programs to support the domestic production of textiles. IPA considers that the use of locally produced textiles can flow to domestic clothes production.

Keeping the list as short as possible

171. While IPA considers that the RAL should be as short as possible, further reduction in the RAL will occur over subsequent reviews.

Reduction over time to encourage competition

172. IPA proposes to monitor the sector over time to determine whether there would be any substantive competition benefits to opening this activity to competition.

Effective monitoring

173. IPA proposes to reclassify this activity as PNGSIC 5226 “Sale of second hand clothing” to improve clarity.

Consistency with international investment agreements

174. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

175. There are no foreign enterprises authorised for this activity.

Other factors***Textiles waste***

176. IPA is aware that there can be issues with the quality of second hand clothing bales imported from overseas for retail sale in PNG, particularly given the increasing popularity of ‘fast fashion’ in the sending countries.

177. Substantial proportions of bales received in PNG are not saleable and are often sent to landfill, are dumped outside of designated landfill, or burnt, contributing to national pollution. This pollution may also include potential atmospheric pollution and groundwater contamination by synthetic fibres. Opening up further participation in this market from foreign enterprises has the potential to increase the volume of bales received and exacerbate environmental concerns.

Current Activity 15	
ISIC Code(s)	4799
Description	Other retail not in stores, stalls or markets when carried out from a motor vehicle or motorcycle.
Recommendation	Remove from RAL.

Scope of activity

178. The scope of this activity covers the retail sale of products when carried out from a motor vehicle of motorcycle. It does not cover the delivery of products purchased in a store.

Recommendation

179. IPA recommends the removal of this activity because the activity is not regularly undertaken in PNG and is unlikely to be attractive to foreign investment.

Keeping the list as short as possible

180. IPA considers this factor to be persuasive for this activity.

Reduction over time to encourage competition

181. IPA does not consider this factor to be relevant for this activity. Foreign enterprises are not likely to enter this market segment.

Effective monitoring

182. There are no relevant considerations under this factor.

Consistency with international investment agreements

183. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

184. There are no foreign enterprises authorised for this activity.

Other factors

Limited scope of activity and attractiveness to foreign investment

185. Retail from a motor vehicle or motorcycle is not a common business activity in PNG. IPA is aware of limited food sales from motor vehicles. To obtain a FEC, IPA requires businesses to nominate the premises from which they will undertake an activity. Mobile retail sale is not consistent with IPA requirements.

186. Given the higher costs of business establishment in PNG, IPA does not consider this activity to be of particular interest to foreign enterprises.

Current Activity 16	
ISIC Code(s)	4773
Description	Other retail sale of new goods in specialised stores in the form of handicrafts and artifacts.
Recommendation	Retain, see Cottage Business Activities.

Scope of activity

187. The activity does not include sale of handicrafts and artifacts via stalls and markets (note: all retail in this area is reserved) or the purchase of handicrafts and artifacts for export.

Recommendation

188. IPA recommends the retention of this activity. See discussion under Cottage business Activities.

Current Activity 17	
ISIC Code(s)	9523
Description	Repair of footwear and leather goods in the form of repair of footwear when not done in combination with manufacture.
Recommendation	Remove from RAL.

Scope of activity

189. The scope of the activity is limited to repair of footwear when not done in combination with manufacture.

Recommendation

190. IPA recommends the removal of this activity:
- Removal of consumer repair options is not consistent with the proposed introduction of consumer guarantees.
 - The activity is not likely to be of interest to foreign enterprises.

Alignment with Government policy or regulatory restriction

191. Under the Consumer and Competition Framework Review, the Government has committed to introducing consumer guarantees. One of the guarantees is an obligation on the trader to replace the goods, refund the price paid for the goods (at the consumer's choice), or repair the goods (if the consumer agrees to it). Removing options for the repair of defective footwear is not consistent with this policy intention.

Keeping the list as short as possible

192. IPA considers this factor to be persuasive for this activity.

Reduction over time to encourage competition

193. IPA does not anticipate opening this activity to foreign investment to have substantial competition effects.

Effective monitoring

194. There are no relevant considerations under this factor.

Consistency with international investment agreements

195. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

196. There are no foreign enterprises authorised for this activity.

Other factors

Attractiveness to foreign investment

197. While IPA is aware of domestic shoe repair businesses, IPA does not consider that standalone footwear repair is likely to generate significant interest from foreign enterprises given the likelihood of lower returns on investment of this activity.

Proposed reservation of sale via stalls and markets

198. The proposed reservation of sale via stalls and markets will further reduce the risk of inappropriate foreign participation in this activity. Under the PNGSIC, the concept of retail extends to repair and installation of personal and household goods whether or not done in combination with retail sale. Repair of footwear when conducted via a movable stall or in a fixed market place will be covered by the proposed reservation.

Current Activity 31	
ISIC Code(s)	4520
Description	Maintenance and repair of motor vehicles in the form of tyre and tube repair, fitting, or maintenance where not done as incidental to the core business of maintenance and repairs.
Recommendation	Retain in RAL but reclassify as PNGSIC 2511 "Repair, retreating, and rebuilding of rubber tyres".

Scope of activity

199. The current activity reserves tyre and tube repair, fitting and maintenance when not done as incidental to the core business of maintenance and repairs.

Recommendation

200. IPA recommends the retention of this activity given its importance to facilitating rural connectivity and the existing participation of foreign investors in full service mechanical operations.

Keeping the list as short as possible

201. While IPA considers that the RAL should be as short as possible, further reduction in the RAL will occur over several subsequent reviews.

Reduction over time to encourage competition

202. IPA does not consider there to be substantive competition issues by retaining this activity.

Effective monitoring

203. IPA proposes to adopt PNGSIC Code 2511 and describe the activity as “Repair, retreating, and rebuilding of rubber tyres” to facilitate monitoring of this activity. The proposed reclassification will retain the current restriction of the activity to standalone businesses.

Consistency with international investment agreements

204. There are no considerations under this factor.

Appropriate provision for existing foreign investors

205. There are no foreign enterprises authorised for this activity.

Other factors

Current market conditions

206. IPA is aware that there is a substantial existing national sector providing standalone tyre repair services in the economy. Given the often-challenging state of transport infrastructure outside of urban areas, the presence of affordable and available service to service tyres is an important enabling factor in rural connectivity.
207. Foreign enterprise participation in this sector is more common in full service mechanical operations, largely present in urban centres.

Current Activity 32	
ISIC Code(s)	7730
Description	Renting and leasing of other machinery, equipment and tangible goods in the form of vending and amusement machines.
Recommendation	Remove from RAL.

Scope of activity

208. This activity is limited to the renting and leasing of vending and amusement machines. IPA does not consider it to extend to any machine that comes under the definition of a “gaming machine” under the Gaming Control Act 2007.

Recommendation

209. IPA recommends the removal of this activity because it is unlikely to be of interest to foreign enterprises.

Keeping the list as short as possible

210. IPA considers this factor to be persuasive for this activity.

Reduction over time to encourage competition

211. IPA does not anticipate opening this activity to foreign investment to have substantial competition effects.

Effective monitoring

212. There are no relevant considerations under this factor.

Consistency with international investment agreements

213. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

214. There are no foreign enterprises authorised for this activity.

Other factors

Attractiveness to foreign investment

215. IPA does not consider the renting and leasing of vending and amusement machines to be of particular attraction to foreign enterprises.

Current Activity 33	
ISIC Code(s)	7710
Description	Advertising, when conducted as sign writing.
Recommendation	Remove from RAL.

Scope of activity

216. IPA considers the scope of sign writing to be limited to traditional, hand-painted signs and does not extend to printed signs, digital signs, or other forms of advertising.

Recommendation

217. IPA recommends the removal of this activity given changes to market practices and the likely lack of interest of the activity to foreign enterprises.

Keeping the list as short as possible

218. IPA considers this factor to be persuasive for this activity.

Reduction over time to encourage competition

219. IPA does not anticipate opening this activity to foreign enterprises to have substantial competition effects.

Effective monitoring

220. There are no relevant considerations under this factor.

Consistency with international investment agreements

221. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

222. There are no foreign enterprises authorised for this activity.

Other factors

Market practices and attractiveness to foreign investment

223. Sign writing was included in the RAL in 1992 when other forms of advertising were less common in PNG. While traditional signwriting as described is still practiced in the PNG market, IPA is aware that this type of activity is more commonly undertaken using more modern techniques. Given the decreasing relevance of the activity, IPA does not consider there to be sufficient reason to retain the activity. Signwriting as an occupation is open to foreign nationals
224. Further, it is more common for advertising firms to provide for integrated services including advertising strategy, graphic design, other printing, and outdoor signage. These activities are not reserved from foreign enterprise participation.

Current Activity 35

ISIC Code(s) 4669

Description Wholesale of waste and scrap and other products n.e.c.

Recommendation Not eligible for inclusion in RAL.

Not eligible for inclusion in RAL

225. Section 27B(c) of the IP Act provides that activities carried on as a business, or part of a business, that produce or supply goods or services which are used regularly by, or are otherwise to the operation of, other businesses in PNG cannot be reserved.
226. Wholesale is the resale (sale without transformation) of new and used goods to retailers, to industrial, commercial, institutional or professional users, or to other wholesalers, or involves acting as an agent or broker in buying goods for, or selling goods to, such persons or companies. Wholesalers frequently physically assemble, sort and grade goods in large lots, break bulk, repack and redistribute in smaller lots. Wholesaling is generally not able to be reserved under the IP Act.
227. IPA notes that the scope of the current activity largely covers the aggregation of scrap and other waste products for on-sale to recycling operators. There is existing foreign enterprise participation in

recycling operations who must be compliant with environmental protection laws. These businesses buy both directly from the public and aggregators/wholesalers.

Current Activity 36	
ISIC Code(s)	4761
Description	Retail sale of books, newspapers and stationery in specialized stores, in the form of specialised retail sale of newspaper and magazines.
Recommendation	Remove from RAL.

Scope of activity

228. The scope of the activity is limited to specialised retail store sale of newspapers and magazines.

Recommendation

229. IPA recommends the removal of this activity given that it is unlikely to be attractive to foreign enterprises.

Keeping the list as short as possible

230. IPA considers this factor to be persuasive for this activity.

Reduction over time to encourage competition

231. IPA does not anticipate opening this activity to foreign enterprises to have substantial competition effects.

Effective monitoring

232. There are no relevant considerations under this factor.

Consistency with international investment agreements

233. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

234. There are no foreign enterprises authorised for this activity.

Other factors

Attractiveness to foreign investment

235. IPA does not consider this activity to be attractive to foreign enterprises. Specialised retail of newspapers and magazines would be very unlikely to provide an adequate return on investment considering the relatively high costs of operating in PNG.

Current Activity 37**ISIC Code(s)** 4761**Description** Repair of consumer electronics goods when not done in combination with manufacture or wholesale or retail sale of these goods.**Recommendation** Remove from RAL.**Scope of activity**

236. The scope of the activity is limited to repair of consumer electronic goods as a standalone activity.

Recommendation

237. IPA recommends the removal of this activity:

- a. Removal of consumer repair options is not consistent with the proposed introduction of consumer guarantees.
- b. Standalone repair of consumer electronics is not a common activity in the PNG economy.

Alignment with Government policy or regulatory restriction

238. Under the Consumer and Competition Framework Review, the Government has committed to introducing consumer guarantees. One of the guarantees is an obligation on the trader to replace the goods, refund the price paid for the goods (at the consumer's choice), or repair the goods (if the consumer agrees to it). Removing options for the repair of consumer electronics is not consistent with this policy intention.

Keeping the list as short as possible

239. IPA considers this factor to be persuasive for this activity.

Reduction over time to encourage competition

240. IPA does not anticipate opening this activity to foreign enterprises to have substantial competition effects.

Effective monitoring

241. There are no relevant considerations under this factor.

Consistency with international investment agreements

242. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

243. There are no foreign enterprises authorised for this activity.

Other factors

Market practices

244. IPA considers that most consumer electronics have become increasingly complex and standalone repair options are relatively uncommon in the PNG market. Where repair is conducted, e.g., mobile phones or computers, this is often by stores that also retail the products. This latter category is open to foreign enterprises and there are existing operators in this market.

Current Activity 38	
ISIC Code(s)	4761
Description	Repair of household appliances and home and garden equipment when not done in combination with manufacture or wholesale or retail sale of these goods.
Recommendation	Remove from RAL

Scope of activity

245. The scope of the activity is limited to repair of household appliances and home and garden equipment as a standalone activity.

Recommendation

246. IPA recommends the removal of this activity:
- Removal of consumer repair options is not consistent with the proposed introduction of consumer guarantees.
 - Entry into standalone repair is not likely to be of interest to foreign enterprises.

Alignment with Government policy or regulatory restriction

247. Under the Consumer and Competition Framework Review, the Government has committed to introducing consumer guarantees. One of the guarantees is an obligation on the trader to replace the goods, refund the price paid for the goods (at the consumer's choice), or repair the goods (if the consumer agrees to it). Removing options for the repair of consumer electronics is not consistent with this policy intention.

Reduction over time to encourage competition

248. IPA does not anticipate opening this activity to foreign enterprises to have substantial competition effects.

Effective monitoring

249. There are no relevant considerations under this factor.

Consistency with international investment agreements

250. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

251. There are no foreign enterprises authorised for this activity.

Other factors

Attractiveness to foreign investment

252. IPA does not consider this activity to be attractive to foreign enterprises. The current scope of the activity does not preclude mixed wholesale/retail of these goods in conjunction with repair which is more likely to be of interest to foreign enterprises. IPA is aware of foreign enterprises validly engaged in these mixed activities.

Current Activity 39	
ISIC Code(s)	4761
Description	Repair of other personal and household goods, in the form of repair of watches, clocks and their parts, and the repair and alteration of jewellery when not done in combination with manufacture or wholesale or retail of these goods.
Recommendation	Remove from RAL

Scope of activity

253. The scope of the activity is limited to repair watch repair, clock repair, and the repair and alteration of jewellery as a standalone activity.

Recommendation

254. IPA recommends the removal of this activity:

- a. Removal of consumer repair options is not consistent with the proposed introduction of consumer guarantees.
- b. Standalone repair of clocks, watches, and jewellery is unlikely to be of interest to foreign enterprises.

Alignment with Government policy or regulatory restriction

255. Under the Consumer and Competition Framework Review, the Government has committed to introducing consumer guarantees. One of the guarantees is an obligation on the trader to replace the goods, refund the price paid for the goods (at the consumer's choice), or repair the goods (if the consumer agrees to it). Removing options for the repair of consumer electronics is not consistent with this policy intention.

Keeping the list as short as possible

256. IPA considers this factor to be persuasive for this activity.

Reduction over time to encourage competition

257. IPA does not anticipate opening this activity to foreign investment to have substantial competition effects.

Effective monitoring

258. There are no relevant considerations under this factor.

Consistency with international investment agreements

259. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

260. There are no foreign enterprises authorised for this activity.

Other factors

Attractiveness to foreign investment

261. IPA does not consider this activity to be attractive to foreign investment. The current scope of the activity does not preclude mixed wholesale/retail of these goods in conjunction with repair which is more likely to be of interest to foreign enterprises. IPA is aware of foreign enterprises validly engaged in these mixed activities.

Cottage business activities

Overview

Current RAL			Proposed Amended RAL		
#	ISIC	Description	#	PNGSIC	Description
18	n/a	Weaving	10	5141; 5159; 5212; 5222; 5229; 5239	Proposed New Activity Wholesale and/or retail of Papua New Guinean traditional cultural expression products Wholesale and/or retail of Papua New Guinean traditional cultural expression products, namely: a) cane products; b) textiles; c) apparel; d) bilums; e) sculptures; f) carvings; g) pottery products; h) paintings; i) jewellery.
19	n/a	Bilum making			
20	n/a	Knitting			
21	n/a	Art and craft making			
22	n/a	Carving			
23	n/a	Pottery making			
24	n/a	Painting			
27	n/a	Jewellery making			
28	n/a	Baking	Remove		
25	1313	Finishing of textiles in the form of screen printing on textiles and wearing apparel.	11	1712	Silk screen printing
26	n/a	Sewing	Remove		

Activity analysis

Current Activities 18, 19, 20, 21, 22, 23, 24, 27	
ISIC Code(s)	n/a
Description	See below
Recommendation	Merge into proposed new activity 9.

Note: for the purposes of the analysis, activities 18, 19, 20, 21, 22, 23, 24, and 27 and considered together.

Scope of activity

262. The scope of the activities as currently described are:

- Weaving – the activity includes, but is not limited to, weaving of canes products, textiles, baskets, nets, dishes, ropes and bags that are saleable at home, street markets or retail outlets on a fee.
- Bilum making – making of string bags (bilums) from traditional bush ropes and cottons taking traditional and contemporary designs that are saleable at home, street market or retail outlet on a fee.

- c. Knitting – the activity includes knitting of textiles, wearing apparels, cloth, garment, designs, fabrics and decorations that are saleable at home, street market or retail outlet on a fee.
- d. Art and craft making – all sorts of handcrafts and artistic designs that are saleable at home, street market or retail outlet on a fee.
- e. Carving – wood carvings and sculptures on a fee (contract) or assorted carvings that are saleable at home, street market or retail outlet on a fee.
- f. Pottery making – all sorts of pottery products including clay pots, cups, mugs, dishes, plates, sculptures and other art forms that are saleable at home, street markets or retail outlet on a fee.
- g. Painting – all sorts of paintings in any shape, type and form including portrait paintings, screen paintings, sand paintings, oil paintings, saleable at home, street markets or retail outlet on a fee.
- h. Jewellery making – making of simple jewellery products including necklaces, ear rings, rings, arm bands, primarily from sea shells, tasks and beads for sale at home, street markets or retail outlet on a fee.

Recommendation

263. Combine into proposed activity 9 as described.

Proposed New Activity

PNGSIC Codes: 5141; 5159; 5212; 5222; 5229; 5239

Description: Wholesale and/or retail of Papua New Guinean traditional cultural expression products, namely: a) cane products; b) textiles; c) apparel; d) bilums; e) sculptures; f) carvings; g) pottery products; h) paintings; i) jewellery.

Scope of activity

- 264. The proposed activity would extend to both the wholesale and retailing of traditional cane products, textiles, apparel, bilums, sculptures, carvings, pottery products, paintings, and jewellery.
- 265. The proposed activity does not deal with the use of the national flag, national emblem, or similar symbols. The proposed activity further does not deal with copyrighted material or trademarks or products which may be considered derivative works.

Recommendation

266. IPA recommends the introduction of this activity:

- c. It is consistent with approved cultural development policy to support appropriate commercialisation of traditional culture for the benefit of citizens
- d. It better deals with issues relating to monitoring and enforcement of the intention of reserving cottage business activities
- e. It works in conjunction with the general reservation of retail via markets and stalls, and
- f. It better aligns with community sentiment.

Alignment with Government policy or regulatory restriction

267. Cottage business activities are generally regarded as small-scale manufacturing activities that require limited capital and are often associated with being relatively labour-intensive. The current cottage business activities in the RAL often overlap with traditional or cultural products.

268. The National Cultural Policy 2022-32 aims to provide direction to the development of PNG's cultural sector. Under output 2.5 "Create a positive atmosphere and incentive for traditional cultural industries to flourish", the policy identifies several activities, including:

- a. Activity 2.5.1: Create conducive market avenues and access for handicraft products, such as bilums, wood carvings, armbands and necklaces, ornaments, traditional paintings, and costumes.
- b. Activity 2.5.4: Partner with municipal authorities and interested parties to construct cultural "one-stop-shop" centre, in major cities and towns where local artists can sell their products.
- c. Activity 2.5.6: Set attractive market prices for local arts and crafts.

269. With respect to the protection of traditional cultural expressions, the National Cultural Policy further anticipates advocating for a review of the Copyright and Neighbouring Rights Act 2000.

Keeping the list as short as possible

270. IPA considers this factor to be persuasive for this proposed activity and accordingly is proposing to consolidate several cottage business activities with traditional or cultural elements into one activity.

Reduction over time to encourage competition

271. IPA does not consider this factor to be relevant for this activity.

Effective monitoring

272. The proposed re-description of the affected activities to focus on the activity of wholesale and retail will help IPA enforce the activity. Wholesale and retail are generally conducted in defined business premises which will be identifiable from foreign investment certification information or trading licence data. This will work in conjunction with the proposed reservation of all retail via stalls and markets (both formal and informal).

273. The activity as described will not deal with all aspects of community sentiment regarding the traditional cultural products. Specifically, inclusion in the RAL cannot:

- a. prevent citizen businesses from commercialising traditional cultural products from cultures they are not a part of (e.g., a citizen business from one group wholesaling or retailing products from another group);
- b. address reproduction of traditional cultural products outside of PNG (e.g., overseas manufacture and sale of products resembling traditional products); or
- c. address intellectual property matters, such as protection of derivative works.

274. There is no accepted definition of what constitutes a "traditional" product as described and IPA will not ordinarily make a determination on this issue. Innovation in cultural designs and practices and the legal ability for persons to obtain copyright protection over derivative works mean that there will be instances where individual products may not be able to be described as traditional.

Consistency with international investment agreements

275. PNG has not agreed any bilateral investment treaties that have any exemptions for expressions of traditional culture.

Appropriate provision for existing foreign investors

276. IPA acknowledges that there may be some foreign enterprises lawfully participating in the wholesale or retail of the identified products. Subsection 27(5) of the IP Act confirms that these enterprises may continue to carry on business in the reserved activity.

Other factors

Community sentiment

277. IPA acknowledges that there is often significant community concern of inappropriate production of goods involving traditional knowledge or designs resulting in economic benefit flowing to persons who are not the traditional owners. The proposed reservation will better control the wholesale and retail of traditional products.

Current Activity 28

ISIC Code(s)	n/a
Description	Baking.
Recommendation	Remove from RAL.

Scope of activity

278. Baking of fresh bakery products including bread loaves, cakes, pies, cookies and scones saleable at home, street market or retail on a fee.

Recommendation

279. IPA recommends the removal of this activity:
- The current description technically extends beyond baking as a cottage-level industry.
 - The proposed reservation of all retail conducted via stalls and markets makes its inclusion unnecessary.

Keeping the list as short as possible

280. IPA considers this factor to be persuasive for this activity. The retail sale of any products via stalls and markets will continue to be reserved for citizens. Accordingly, retention of baking as a standalone activity is not necessary.

Reduction over time to encourage competition

281. IPA does not consider this factor to be relevant for this activity.

Effective monitoring

282. The current scope of the activity is broadly defined and contains some ambiguity for monitoring and enforcement purposes. While baking is currently identified as a 'cottage activity', it technically can extend to mass manufacture of bakery products. As discussed above, IPA considers the reservation of all retail via markets and stalls as being a more consistent way to monitor the intention of the current activity.

Consistency with international investment agreements

283. IPA does not consider this factor to be relevant for this activity.

Appropriate provision for existing foreign investors

284. Some foreign participation exists in mass manufacturing of bakery products in PNG. No foreign enterprises have been authorised to undertake baking at the cottage business activity level.

Current Activity 25	
ISIC Code(s)	1313
Description	Finishing of textiles in the form of screen printing on textiles and wearing apparel.
Recommendation	Retain in RAL but reclassify as PNGSIC 1712 “Silk screen printing”

Scope of activity

285. The scope of the activity focuses on screen printing on general textiles or wearing apparel. In accordance with its cottage business activity nature, IPA considers the scope of this activity to be limited to silk screen printing where ink is forced through a mesh to create a design on textiles or wearing apparel. The activity does not extend to other methods of printing on textiles such as digital printing or heat transfers. The scope of the activity does not extend to embroidery.

Recommendation

286. IPA recommends the retention of this activity; however, reclassify it under PNGSIC 1712 to improve enforcement.

Keeping the list as short as possible

287. While IPA considers that the RAL should be as short as possible, further reduction in the RAL will occur over subsequent reviews.

Reduction over time to encourage competition

288. IPA does not consider the opening of this activity to foreign participation to have substantial competition benefits.

Effective monitoring

289. IPA proposes to reclassify this activity under PNGSIC 1712 “Silk screen printing” to simplify the scope of the activity.

Consistency with international investment agreements

290. IPA does not consider this factor to be relevant for this activity.

Appropriate provision for existing foreign investors

291. There are no foreign enterprises authorised for this activity.

Current Activity 26	
ISIC Code(s)	n/a
Description	Sewing.
Recommendation	Remove from RAL.

Scope of activity

292. Sewing of garments, textile materials, wearing apparels, cloths and fabrics that are saleable at home, street market or retail outlet on a fee.

Recommendation

293. IPA recommends the removal of this activity.

Keeping the list as short as possible

294. IPA considers this factor to be persuasive for this activity. The retail sale of any products via stalls and markets will continue to be reserved for citizens. Accordingly, retention of sewing as a standalone activity is not necessary.

Reduction over time to encourage competition

295. IPA does not consider this factor to be relevant for this activity.

Effective monitoring

296. The current scope of the activity is broadly defined and contains some ambiguity for monitoring and enforcement purposes. Sewing as defined can include larger-scale production of garments which IPA does not consider to be the intention of the activity as described. As discussed above, IPA considers the reservation of all retail via markets and stalls as being a more consistent way to monitor the intention of the current activity.

Consistency with international investment agreements

297. IPA does not consider this factor to be relevant for this activity.

Appropriate provision for existing foreign investors

298. No foreign enterprises have been authorised to undertake sewing at the cottage business activity level.

Childcare

Overview

Current RAL			Proposed Amended RAL		
#	ISIC	Description	#	PNGSIC	Description
34	8897	Child day care service activities, excluding those provided by schools or other educational institutions	Remove		

Activity analysis

Current Activity 34	
ISIC Code(s)	8897
Description	Child day care service activities, excluding those provided by schools or other educational institutions.
Recommendation	Remove from RAL.

Scope of activity

299. The activity covers child day care service activities, excluding those provided by schools or other educational institutions.

Recommendation

300. IPA recommends the removal of this activity from the RAL to encourage greater availability of childcare services.

Alignment with Government policy or regulatory restriction

Regulation of child daycare

301. Part IX of the *Lukautim Pikinini Act 2015* (LPA) provides the regulatory framework for the licensing of early childhood care and development centres, in addition to out-of-home care services. Section 64(d) of the LPA excludes school-associated childcare. The nationality of an applicant is not considered for the purposes of issuing a licence.

302. Section 66(8) explicitly provides that a licence issued by the IPA is not a licence to carry on business in regulated early childhood care and development centres.

Keeping the list as short as possible

303. IPA considers this factor to be persuasive for this activity.

Reduction over time to encourage competition

304. IPA is aware that access to professional child daycare services is limited in PNG. Access to child day care services can be an important enabling factor to support parents enter the workforce or meet work responsibilities. While many parents rely on family and faith-based services, there is still a need for more licensed private sector operators to support greater access to child daycare services.
305. The current description of the reserved activity incentivises day care to be formally affiliated with existing schools and educational institutions, which can reduce the ability for other private sector operators to enter the market. This may also prevent foreign enterprise employers directly providing childcare services to support employees.

Effective monitoring

306. There are no relevant considerations under this factor.

Consistency with international investment agreements

307. There are no relevant considerations under this factor.

Appropriate provision for existing foreign investors

308. There are no foreign enterprises authorised for this activity.
309. IPA notes that childcare workers (421111) and nanny / babysitters (421113) are reserved occupations for PNG citizens.

Attachment A – Current Reserved Activities List

#	ISIC	Description
1	011	Growing of non-perennial crops with annual sales of K50,000 or less
2	014	Animal production with annual sales of K50,000 or less
3	0170	Hunting, trapping, and related service activities
4	0230	Gathering of non-wood forest products
5	1610	Sawmilling and planing of wood, when conducted using a walkabout (mobile) sawmill.
6	0311	Marine fishing within three miles of the shoreline, excluding the activities of vessels engaged both in fishing and in processing and preserving of fish
7	0312	Freshwater fishing
8	0729	Mining of other non-ferrous metal ores in the form of alluvial gold mining
9	5610	Restaurants and mobile food service activities when sold from mobile food carts
10	4781	Retail sale via stalls and markets of food, beverages and tobacco products
11	4782	Retail sale via stalls and markets of textiles, clothing and footwear
12	4789	Retail sale via stalls and markets of other goods
13	4641	Wholesale of textiles, clothing and footwear in the form of second-hand clothing and footwear.
14	4774	Retail sale of second-hand goods in the form of clothing and footwear.
15	4799	Other retail not in stores, stalls or markets when carried out from a motor vehicle or motorcycle
16	4773	Other retail sale of new goods in specialised stores in the form of handicrafts and artifacts
17	9523	Repair of footwear and leather goods in the form of repair of footwear when not done in combination with manufacture
18	n/a	Weaving
19	n/a	Bilum making
20	n/a	Knitting
21	n/a	Art and craft making
22	n/a	Carving
23	n/a	Pottery making
24	n/a	Painting
27	n/a	Jewellery making
28	n/a	Baking
25	1313	Finishing of textiles in the form of screen printing on textiles and wearing apparel
26	n/a	Sewing
29	1079	Manufacture of other food products n.e.c., in the form of coffee pulping using a manual pulping machine.
30	n/a	Hunting of crocodiles and processing of skins: Hunting and processing of crocodile skins for sale at established market outlets.
31	4520	Maintenance and repair of motor vehicles in the form of tyre and tube repair, fitting, or maintenance where not done as incidental to the core business of maintenance and repairs.
32	7730	Renting and leasing of other machinery, equipment and tangible goods in the form of vending and amusement machines.
33	7310	Advertising, when conducted as sign writing
34	8897	Child day care service activities, excluding those provided by schools or other educational institutions
35	4669	Wholesale of waste and scrap and other products n.e.c.,
36	4761	Retail sale of books, newspapers and stationery in specialized stores, in the form of specialised retail sale of newspaper and magazines.
37	9521	Repair of consumer electronics goods when not done in combination with manufacture or wholesale or retail sale of these goods.
38	9522	Repair of household appliances and home and garden equipment when not done in combination with manufacture or wholesale or retail sale of these goods.
39	9529	Repair of other personal and household goods, in the form of repair of watches, clocks and their parts, and the repair and alteration of jewellery when not done in combination with manufacture or wholesale or retail of these goods.