

261 Department of Commerce and Industry

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2011	2012	2013	2014	2015
2639	SME APPROP TECH DEV	10.9	4.0	2.3	2.3	2.3	25.0
3206	PMIZ	154.0	54.0	25.0	25.0	25.0	
3220	Risk Facility	5.7	2.0	1.7	1.2	.7	
TOTAL CAPITAL PROJECTS		170.6	60.0	29.0	28.5	28.0	25.0
TOTAL		170.6	60.0	29.0	28.5	28.0	25.0

261 Department of Commerce and Industry

AGENCY SUMMARY OF ALL PROJECTS

EXPENDITURE PROJECTIONS AND FINANCING REQUIREMENTS (K Millions)

PROJECT COST		2009 Actual	2010	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments				1.6	.7	.3	.3	.3	
Current Transfers				90.0	10.0	20.0	20.0	20.0	20.0
Goods and Other Services			1.5	72.9	46.9	7.5	7.0	6.5	5.0
Sub-Total			1.5	164.5	57.6	27.8	27.3	26.8	25.0
Capital Expenditure									
Capital Transfers									
Acquisition of Existing Assets									
Capital Formation			22.2	6.0	2.4	1.2	1.2	1.2	
Sub-Total			22.2	6.0	2.4	1.2	1.2	1.2	
A TOT DIRECT PROJECT COST			23.7	170.5	60.0	29.0	28.5	28.0	25.0
Technical Assistance									
Project Preparation									
Equipment									
Advisory									
Training									
B TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)			23.7	170.5	60.0	29.0	28.5	28.0	25.0
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
Loan				124.0	44.0	20.0	20.0	20.0	20.0
Grant									
b) Self Generating Revenue									
a) Government Input			1.5	46.6	16.0	9.0	8.5	8.0	5.0
C TOTAL DIRECT FINANCING			1.5	170.6	60.0	29.0	28.5	28.0	25.0
Technical Assistance									
D TOTAL FINANCING (C+D)			1.5	170.6	60.0	29.0	28.5	28.0	25.0
FINANCING SOUGHT									
Direct Project Cost (A-C)			22.2	-.1					
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT			22.2	-.1					

PIP NUMBER: 2639

PROJECT NAME: SME APPROPRIATE TECHNOLOGY DEVELOPMENT

EXECUTING AGENCY: Department of Commerce and Industry

PROJECT OBJECTIVIES:

The objective of the project is to source and or develop appropriate technologies especially to assist the SME sector both in the urban and rural areas of PNG in processing their produce into finish products for personal consumption and the markets.

PROJECT STATUS:

Activites completed during this year are: Completed work on designing and modifying an initial 25 machines with an additional twelve (12) plus to be added to the list of machines being developed by Unitech. An MoU is in place between Unitech and DCI for the R & D to be under taken by Unitec whilst the program implementation to be done by DCI. The renovation and maintenance of the buildings, workshops and fencing has been completed together with procurement and installation of key tools and machinary. It is currently working on orders for the production of 20 coconut expellers and electric scrapers. Designs for Nonie juice, peanut butter and rubber roller rice mills have been completed. There should be for sale starting this year (2011).

PROJECT COMPONENTS:

The project is expected to address lack of appropriate technologies by making available; (1) appropriate technologies, including machinery, equipment and tools, (2) production processes and techniques to be used in carrying out downstream processing of natural resources, (3) skilled human resources that can play an effective role in manufactur- ing, operation and maintenance of machines/equipment, (4) a training program to enable Papua New Guineans to be successful small scale entrepreneurs, and (5) technology transfer from other countries.

PROJECT LOCATION:

The project is located at the PNG University of Technology, Lae and the Small Industries Centre, Port Moresby and will be implemented through out the country.

PROJECT JUSTIFICATION:

The project is in line with the National Government's SME Policy of 1998 and the Export Driven Economic Recovery and Growth Strategy, which promotes private sector participation, self-reliance, poverty alleviation and sustainable development. Currently there is lack of appropriate technology which is an impediment to the SME sectors' development. Thus the project aims to address the constraints and subsequently provide opportunities for business improvement in the Sector which will also cover the informal sector.

PROJECT CAPACITY:

The DCI will utilise expertise from the Universitiy of Technology to implement the program and the Small Industries Centre will administer the project.

PROJECT BENEFICIARIES:

The beneficiaries will be the rural resource owners and potential entrepreneurs. Rural people mainly in the informal sector will benefit through use of appropriate technology to process their resources into finish or semi-finished products for personal consumption or for the markets.

PROJECT SUSTAINABILITY

The project will be sustained through the recurrent budget after the project is completed. It also has the potential to sustain itself when fully implemented as it will generate revenue from the machines that will be produced.

2639 SME APPROPRIATE TECHNOLOGY DEVELOPMENT

ESTIMATED TOTAL PROJECT COST 10,680.0 ESTIMATED DURATION OF THE PROJECT 5.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2009 Actual	2010 Bugdet	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments				1,644.0	744.0	300.0	300.0	300.0	
Goods and Other Services			1,500.0	4,116.0	1,116.0	1,000.0	1,000.0	1,000.0	
Current Transfers									
Sub-Total			1,500.0	5,760.0	1,860.0	1,300.0	1,300.0	1,300.0	
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation				5,140.0	2,140.0	1,000.0	1,000.0	1,000.0	
Capital Transfers									
Sub-Total				5,140.0	2,140.0	1,000.0	1,000.0	1,000.0	
A TOT DIRECT PROJECT COST			1,500.0	10,900.0	4,000.0	2,300.0	2,300.0	2,300.0	
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)			1,500.0	10,900.0	4,000.0	2,300.0	2,300.0	2,300.0	
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input			1,500.0	10,900.0	4,000.0	2,300.0	2,300.0	2,300.0	
b) Self Generating Revenue									
Loan									
Grant									
C TOTAL DIRECT FINANCING			1,500.0	10,900.0	4,000.0	2,300.0	2,300.0	2,300.0	
D Technical Assistance									
TOTAL FINANCING (C+D)			1,500.0	10,900.0	4,000.0	2,300.0	2,300.0	2,300.0	
FINANCING SOUGHT									
Direct Project Cost (A-C)									
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT									

CURRENT DONOR INVOLVEMENT

GoPNG is fully funding this program.

POTENTIAL DONOR INVOLVEMENT

There is no potential for donor involvement.

2011 Budget Votes for this PIP are :-

26139013206 SME APPROPRIATE TECHNOLOGY DEVELOPMENT

PIP NUMBER: 3206

PROJECT NAME: PACIFIC MARINE INDUSTRIAL ZONE

EXECUTING AGENCY: Department of Commerce and Industry

PROJECT OBJECTIVIES:

To ensure sustainable harvesting and processing of marine resources in Western Pacific region.

PROJECT STATUS:

The project is in the advance stage now following the purchase of land in mid 2009 with Boundry Perimeter Fencing near completion and the Site Clearing and Grubbing about 70% complete. There are outstanding technical work that needs to be completed before contractors are engaged under MEXIM Bank loan to undertake major civil works on site.

PROJECT COMPONENTS:

(1) Shipping infrastructure development which included the construction of appropriate storage sheds, wharves and other utilities (2) Project management (3) Consultation with other Melanesian Spearhead Group countries and the fishing industry.

PROJECT LOCATION:

The project is located in Madang Province.

PROJECT JUSTIFICATION:

This project is an initiative of the Melanesian Spearhead Group of countries to regulate, monitor and ensure the marine resources are harvested in a sustainable manner. As PNG is a leading country and the marine industrial park will be established in Madang, the government must provide funding support for the project.

PROJECT CAPACITY:

The Department of Commerce and Industry in partnership with the Industrial Centres Development Corporation (ICDC) has the capacity to implement this project.

PROJECT SUSTAINABILITY

The project will generate income to sustain its operations.

3206 PACIFIC MARINE INDUSTRIAL ZONE

ESTIMATED TOTAL PROJECT COST 22,220.0 ESTIMATED DURATION OF THE PROJECT 1.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST	2009 Actual	2010 Budget	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST								
Current Expenditure								
Personal Emoluments								
Goods and Other Services			64,000.0	44,000.0	5,000.0	5,000.0	5,000.0	5,000.0
Current Transfers			90,000.0	10,000.0	20,000.0	20,000.0	20,000.0	20,000.0
Sub-Total			154,000.0	54,000.0	25,000.0	25,000.0	25,000.0	25,000.0
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation		22,220.0						
Capital Transfers								
Sub-Total		22,220.0						
A TOT DIRECT PROJECT COST		22,220.0	154,000.0	54,000.0	25,000.0	25,000.0	25,000.0	25,000.0
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		22,220.0	154,000.0	54,000.0	25,000.0	25,000.0	25,000.0	25,000.0
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input			30,000.0	10,000.0	5,000.0	5,000.0	5,000.0	5,000.0
b) Self Generating Revenue								
Loan			124,000.0	44,000.0	20,000.0	20,000.0	20,000.0	20,000.0
Grant								
C TOTAL DIRECT FINANCING			154,000.0	54,000.0	25,000.0	25,000.0	25,000.0	25,000.0
D Technical Assistance								
TOTAL FINANCING (C+D)			154,000.0	54,000.0	25,000.0	25,000.0	25,000.0	25,000.0
FINANCING SOUGHT								
Direct Project Cost (A-C)		22,220.0						
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT		22,220.0						

CURRENT DONOR INVOLVEMENT

The current donor is China with a loan funding.

POTENTIAL DONOR INVOLVEMENT

There is no potential for donor involvement except for china.

2011 Budget Votes for this PIP are :-

26139013216 PACIFIC MARINE INDUSTRIAL ZONE

PIP NUMBER: 3220

PROJECT NAME: SME ACCESS RISK FINANCING FACILITY SME ACCESS RISK FINANCING FACILITY

EXECUTING AGENCY: Department of Commerce and Industry

PROJECT OBJECTIVIES:

The objectives of the Small & Medium Enterprises Finance Project are; (i) An increase in the overall number of formal sector SMEs. (ii) An increase in the employment in the formal SME sector. (iii) An increase in the number of women owned / managed formal SMEs. (iv) An increase in the capacity and willingness for PNG Financial Institutions (FIs) to provide sustainable finance to formal sector SMEs on an ongoing basis.

PROJECT STATUS:

This is a new project which will start implementation in 2011.

PROJECT COMPONENTS:

The three (3) major components of the project include; 1. A SME finance Risk Share Facility (RSF). 2. Capacity building for SMEs. 3. Technical Assistance (TA) for FIs.

PROJECT LOCATION:

The project will be located at the Department of Commerce & Industry, Port Moresby.

PROJECT JUSTIFICATION:

It has been recognized that SMEs are faced with many constraints in trying to obtain capital from banks for their businesses and banks have found the risk-return profile of SME lending to be uncompetitive when better returns could be obtained from lending to governments or large corporations.

PROJECT CAPACITY:

The Department of Commerce & Industry has the capacity to implement the project.

PROJECT BENEFICIARIES:

The project will bring significant economic benefits to participating SMEs as they will improve the living standards of owners and their employees ; they will increase employment ; there will be an increase in women owned / managed SMEs and capacity and willingness of FIs (Banks) to provide finance to SMEs will improve.

PROJECT SUSTAINABILITY

The key components of the project are to build capacities of the FIs (banks) to continue providing finance to formal sector SMEs and SMEs to participate meaningfully in economic development. When the project ends, FIs (banks) will keep providing finance and the formal SME sector will continue to grow.

3220 SME ACCESS RISK FINANCING FACILITY SME ACCESS RISK FINANCING FACILITY

ESTIMATED TOTAL PROJECT COST 12,000.0 ESTIMATED DURATION OF THE PROJECT 2.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2009 Actual	2010 Bugdet	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services				4,779.0	1,779.0	1,500.0	1,000.0	500.0	
Current Transfers									
Sub-Total				4,779.0	1,779.0	1,500.0	1,000.0	500.0	
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation				884.0	221.0	221.0	221.0	221.0	
Capital Transfers									
Sub-Total				884.0	221.0	221.0	221.0	221.0	
A	TOT DIRECT PROJECT COST			5,663.0	2,000.0	1,721.0	1,221.0	721.0	
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)				5,663.0	2,000.0	1,721.0	1,221.0	721.0	
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input				5,663.0	2,000.0	1,721.0	1,221.0	721.0	
b) Self Generating Revenue									
Loan									
Grant									
C	TOTAL DIRECT FINANCING			5,663.0	2,000.0	1,721.0	1,221.0	721.0	
Technical Assistance									
D	TOTAL FINANCING (C+D)			5,663.0	2,000.0	1,721.0	1,221.0	721.0	
FINANCING SOUGHT									
Direct Project Cost (A-C)									
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT									

CURRENT DONOR INVOLVEMENT

The current donor involved is World Bank.

POTENTIAL DONOR INVOLVEMENT

There is no potential for other donor involvement.

2011 Budget Votes for this PIP are :-

26139013217 SME ACCESS RISK FINANCING FACILITY

PIP NUMBER: 3221

PROJECT NAME: INTERNATIONAL BUSINESS DATABASE INTERNATIONAL BUSINESS DATABASE

EXECUTING AGENCY: Department of Commerce and Industry

3221 INTERNATIONAL BUSINESS DATABASE INTERNATIONAL BUSINESS DATABASE

ESTIMATED TOTAL PROJECT COST 3,000.0 ESTIMATED DURATION OF THE PROJECT 2.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2009 Actual	2010 Bugdet	5 Year Total	2011	2012	2013	2014	2015
A	DIRECT PROJECT COST								
	Current Expenditure								
	Personal Emoluments								
	Goods and Other Services								
	Current Transfers								
	Sub-Total								
	Capital Expenditure								
	Acquisition of Existing Assets								
	Capital Formation								
	Capital Transfers								
	Sub-Total								
TOT DIRECT PROJECT COST									
B	Technical Assistance								
	Project Preparation								
	Advisory								
	Training								
	Equipment								
TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)									
FINANCING SOURCES									
C	IDENTIFIED FINANCING								
	Direct Project Financing:								
	Government Contributions:								
	a) Government Input								
	b) Self Generating Revenue								
	Loan								
D	Grant								
	TOTAL DIRECT FINANCING								
	Technical Assistance								
TOTAL FINANCING (C+D)									
FINANCING SOUGHT									
	Direct Project Cost (A-C)								
	Technical Assistance (B-D)								
	TOTAL FINANCING SOUGHT								

CURRENT DONOR INVOLVEMENT

POTENTIAL DONOR INVOLVEMENT

2011Budget Votes for this PIP are :-