

**PNG's maturing landowner companies:**  
*Telling the story of the emerging group of  
PNG-owned and -managed jobs generators*

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The World Bank Group  
in Papua New Guinea

# What we'll be talking about

## 1. Why this is a useful story

- a) **Firms emerging out of natural-resource production linked to local land-owning group**
- b) **...are developing businesses that are decreasingly linked to the specific resource projects...and are able to compete nationally, even regionally**
- c) **...generating jobs, at a range of skill levels**

## 2. How to tell this story

- a) **Suggestion of what the mini case studies need to cover**
- b) **...and how to incorporate them into the larger case study**



# The businesses

## *Why they're interesting*

- ▶ **Seem to be a PNG response to the question of how to turn the resource boom into broader, 'good' jobs-generating growth:**
  - ▶ **Nationally-owned and managed**
  - ▶ **With business activities beyond the sector's core EIS job stream (in exploration, construction and extraction)?**



# The businesses

## *Large landowner companies*

**1. Transwonderland**

**2. Anitua (owner of National Catering)**

**3. IPI**

**4. Star Mountain**

▶ **But these are the exceptions**

▶ **Most LO Cos follow different trajectories**



# The businesses

## *Large landowner companies: Transwonderland*

### ▶ **Origins:**

- ▶ **Hides Oil wells land owners**
- ▶ **Incorporated September 2002**

### ▶ **Activities:**

#### ▶ **Logistics**

- ▶ Trucking operation, espec. the highlands highway
- ▶ Franchise truck-owner structure
- ▶ ....

### ▶ **Management:**

- ▶ **All PNG nationals; living in either Southern Highlands or POM**

### ▶ **[Viability/profitability]**



# The businesses

## *Large landowner companies: Anitua*

### ▶ **Origins:**

- ▶ **Lihir gold mine**

- ▶ **Established Mar 1993**

### ▶ **Activities:**

- ▶ **National Catering:** providing catering services around PNG, mine sites in northern Australia

- ▶ .....

### ▶ **Management:**

- ▶ **All Directors (except 1) are PNG nationals; all live in Lihir**

### ▶ **[Viability/profitability]**



# The businesses

## *...also the exceptions*

- ▶ **These LO companies are the exception**
  - ▶ **Most LO companies are used as means to redistribute rents from resource projects to land owners**
  - ▶ **May move into buying assets (land) out of resource project areas**
  - ▶ **...or buying existing businesses or subsidizing businesses out of project areas**
  - ▶ **Become monopolist providers to resource projects (eg, LKR)**



# The case studies: What they need to cover

## *Their origins and the jobs they're creating*

- ▶ **Connection between the EIS and the 'new LO companies':**
  - ▶ **How (or how much) do resources derived from EIS stimulate the creation of the landowner companies?**
  - ▶ **Patterns in the movement of workers (male or female) between jobs in the EIS resource companies and jobs in the landowner companies?**
    - ▶ What different skills do they bring or take with them and how are those skills used in their new jobs?
    - ▶ What link between the senior PNG workers who exchanged jobs in PNG's EIS for jobs in EIS overseas, and the senior management of the LO Cos?
- ▶ **To what extent do these companies operate as genuine 'national businesses':**
  - ▶ **A significant PNG cadre in senior management positions**
  - ▶ **Using their initial downstream or upstream links to the mining/oil/gas projects that originally funded them to leverage broader activities**
  - ▶ **Going beyond mere investment of dividends for redistribution to landowner groups and their members and moving into non-EIS segments of the manufacturing and services sectors,**
  - ▶ **Expanded to geographic areas beyond 'their' EIS project site.**





# The case studies: What they need to cover

## *...how they're different and how sustainable*

- ▶ **Do these 'new model' landowner companies contribute to national social cohesion by enhancing the scale of cooperation and interaction between people of different ethnic backgrounds**
  - ▶ **Or does their origin as clan-linked landowner groups detract from this contribution?**
    - ▶ (Goes to the **quality** of the jobs these companies are creating)
- ▶ **How do current PNG government policies relating to the EIS in general (like the preferred area policy or gender equity policy) or landowner companies in particular affect the social and economic impacts of the EIS job stream from the LO companies?**
- ▶ **To what extent do those landowner companies represent a "new model" for national businesses in PNG, creating new or better jobs within and beyond the EIS job stream?**



# The case studies: What they need to cover

## *Issues*

- ▶ **How generalizable are these companies to other contexts?**
  - **How unique is the PNG context?**
    - ▶ **Landowner groups, with land rights defined and protected by legislation and so not subject to the negotiations around individual mines?**
    - ▶ **The social contract in terms of communal obligations and the relationship with and expectations of the State?**
    - ▶ **The impact of an unusually significant and extended mineral price boom**
      - ▶ Will these companies endure when the original mines are less profitable as revenues fall or costs rise?



**Title**

*Subtitle*



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