

Medium Term SEZ candidates

SL	Tentative Name of potential SEZ	1. Land	2. Infra	3. Market	4. Investor	5. Commitment	TOTAL
7	Vanimo Free Trade Zone	10	4	6	6	10	36
8	Finschafen Cement SEZ	6	3	8	8	10	35
9	Lae Nadzab Agro SEZ & Nadzab Airport City SEZ	8	8	8	4	6	34
10	Labu Integrated Port and Industrial Park SEZ	6	3	8	6	8	31
10	Mt Hagen Industrial Park	10	7	8	2	4	31
12	Western Province Agro SEZ	2	6	8	6	8	30
12	Tokua Airport City and Tourism SEZ	6	6	8	6	4	30
14	Pomio Special Forestry Economic Zone	2	2	10	4	10	28
14	West Sepik Industrial (Log Processing) Zone	8	4	6	4	6	28

DATA Assessed by Japan Development Institute (JDI) - 9th MAY 2023

Vanimo Free Trade Zone

Item	Description
Type of SEZ	Free Trade Zone
Location	Bewani/Wutung Onei Rural LLG, Vanimo/ Green River district, West Sepik Province
Potential Land	<ul style="list-style-type: none"> Overall land area: 2 ha state land
Potential Product / Market	A range of Products for boarder trading, both import and export
Potential production / export	To be confirmed later.
Potential Employment	To be confirmed later.
Development concept	Trade center development, where tenants (traders) will be accommodated and business transactions will take place for boarder trading.



Vanimo Free Trade Zone

Total evaluation point: 36 points

1. Land: 10 points

The boarder facility is already a government land. The proposed land (2a) for a trade center is also a government land, who is a developer. Therefore the score is 10.

2. Infrastructure and utility: 4 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
9	3	10	0	0	0
Fix Wet Crossing along Highway	Existing wharf is small. Build proposed International Wharf		Connect Waramo to Wutung PNG Power Supply and Draw Power from Koya, Indonesia provided its clean energy.	Build Private Bore Water System	Build Proper Sewerage System

3. Market potentiality: 6 points

Demands for boarder trade already exists and currently informal trades in small scale are taking place (vanilla etc.). Opening of the boarder will enable access to new market (Indonesia) and boost the trades.

4. Potentiality of investors, tenants and developers: 6 points

The (local) Government is going to invest in the trade center. Since there are already informal trading in small scale, there should be some potential tenants (sellers of goods) for the trade center. The FS for the trade center has not been done yet.

5. Government commitment (Political will): 10 points

MITI and Indonesian government have already started dialogues for trade agreement as well as for power import.



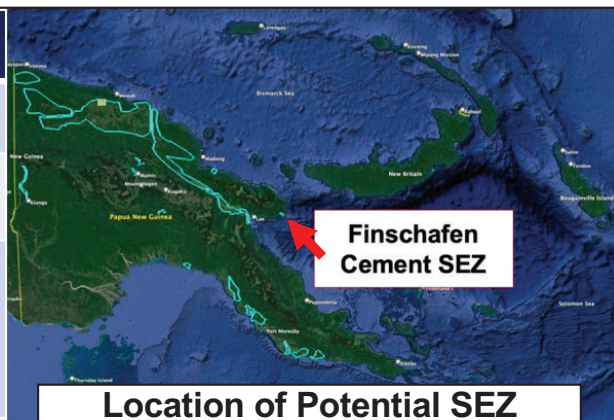
Proposed Project Site in Wutung



Proposed Project Site in Wutung

Finschafen Cement SEZ

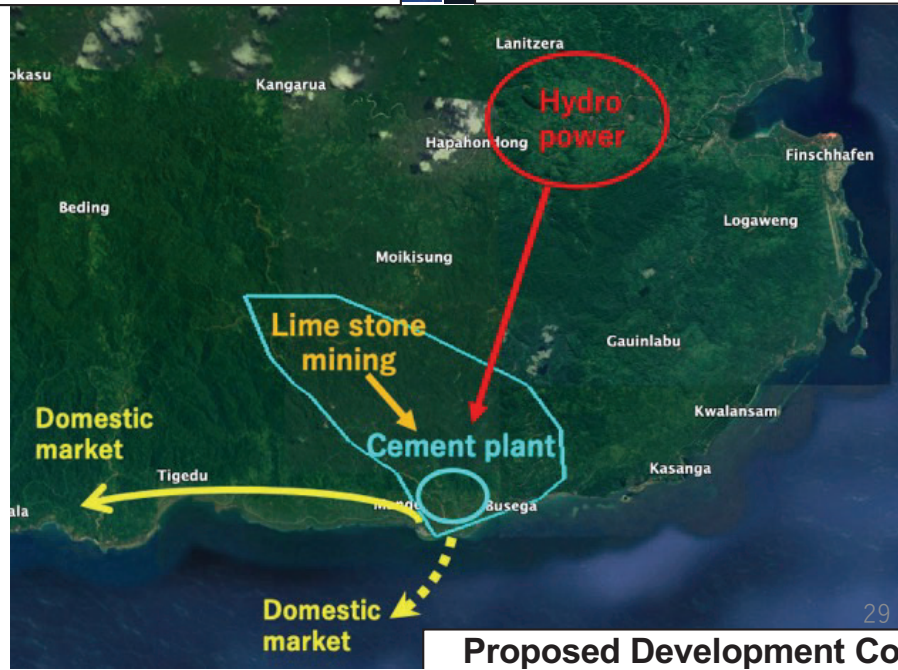
Item	Description
Type of SEZ	Industrial Park (Manufacturing)
Location	Yabin-Mape LLG Finschafen district, Morobe Province
Potential Land	<ul style="list-style-type: none"> Overall land area: 4,000 ha customary land Part of the land will be initially developed for cement
Potential Product / Market	Cement production for domestic markets
Potential production / export	750,000 tons of cement production (tentative, to be updated)
Potential Employment	100-200 jobs
Development concept	Integrated cement production from local limestone. Final products will be transported to domestic markets through roads and the wharf in front of the cement plant. This site will be eventually upgraded to Busiga industrial park in future.



Location of Potential SEZ



Location of Potential SEZ



Proposed Development Concept

Finschafen Cement SEZ

Total evaluation point: 35 points

1. Land: 6 points

The proposed lands of estimated 4,000ha ha in Yabin-Mape LLG for Busiga Industrial Park (initially starting with a cement SEZ) are under negotiation with local owners without any problem. Therefore, the score is 6 points.

2. Infrastructure and utility: 3 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
5	0	5	0	5	0
Complete and Seal Fisika Highway Connection to Lae City	Build Proposed Busiga Deep Water Port	Upgrade Finshaffen Airport to sealed runway	Build Proposed Burum II and Mape Hydro power Plants	Connect Water Supply from nearby river	Build private sewerage

3. Market potentiality: 8 points

The domestic market size is currently about 0.3 million ton. Export to nearby island countries may be possible. Taiheiyo Cement is currently the only manufacturer of cement in PNG, which imports and crushes clinker. An Australian company (Mayur Resources) is planning a mega cement project in Central province, which seems to export cement to Australia. There is already a good market in the country as well as oversea. And they are growing in near future. Therefore, the score is 8 points.

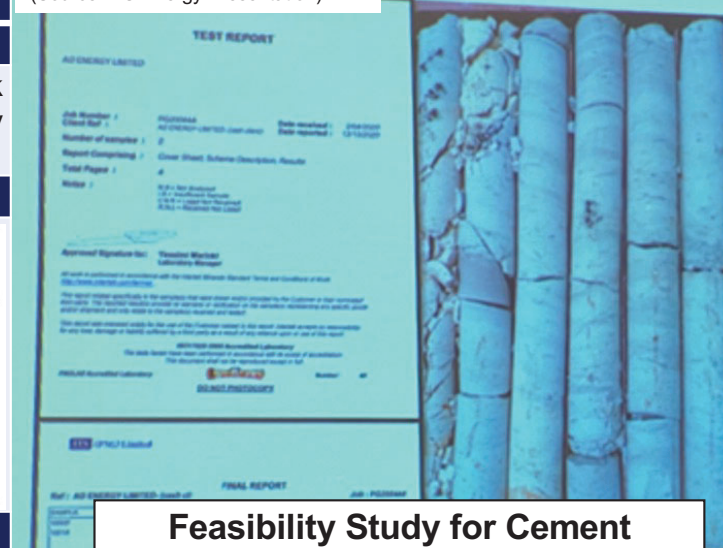
4. Potentiality of investors, tenants and developers: 8 points

Foreign investors are expected such as China Harbor etc. FSs for the projects has been already conducted by foreign renowned consultants (SMEC). Therefore, the score is 8 points.

5. Government commitment (Political will): 10 points

Finschafen MP's political will has been confirmed by FSs for Cement and Hydro power projects, and access road under construction. Therefore, score is 10 points.

(Source: AG Energy Presentation)



Feasibility Study for Cement

(Source: AG Energy Presentation)



Planned Finchafen Cement Industry

Lae Nadzab Agro SEZ and Nadzab Airport City SEZ

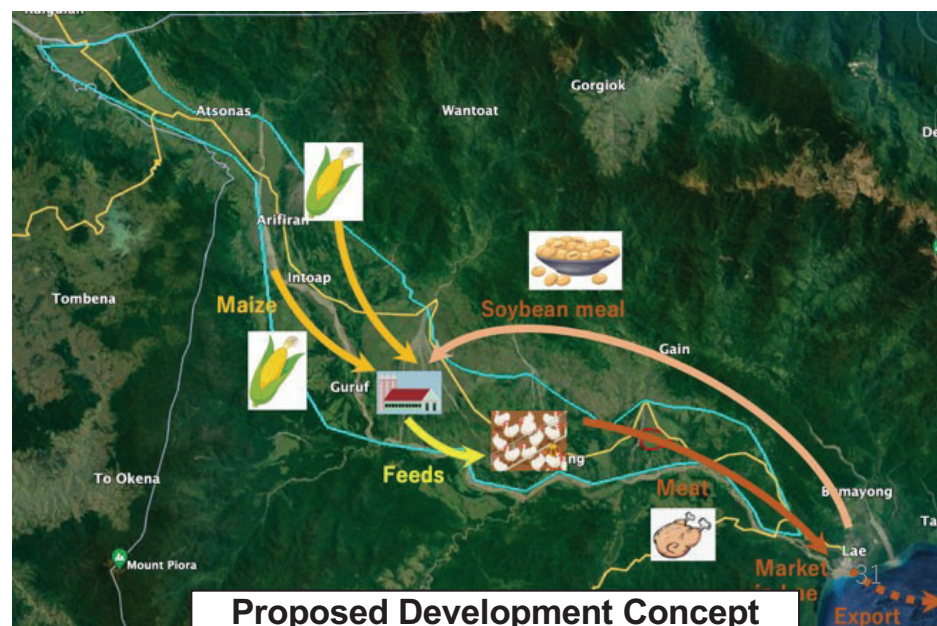
Item	Description
Type of SEZ	Agro SEZ (and Airport City SEZ)
Location	Markham, Huon and Nawae districts, Morobe Province
Potential Land	<ul style="list-style-type: none"> The corridor has a plain land of about 16,000 ha, of which about half may remain available along district and adjacent districts. Some 3,000 ha of state land is available for agricultural development inside the 16,000 ha.
Potential Product / Market	Maize for animal feeds, integrated livestock industry (such as chicken) for domestic and export markets, cassava for starch, animal feeds, ethanol for domestic and export markets etc.
Production / export	3,000 ha X 20 tons/ha X 0.5 = 30,000 tons (in case of cassava dry chips)
Employment Development concept	Depends on production system Develop a large-scale mechanized commercial agricultural farm for maize and cassava for domestic market in short term for import substitution as well as export market in long term.



Location of Potential SEZ



Location of Potential SEZ



Proposed Development Concept

Lae Nadzab Agro SEZ and Nadzab Airport City SEZ

Total evaluation point: 34 points

1. Land: 8 points

The corridor has a plain land of about 16,000 ha, of which about half is available along district and adjacent districts. Most of the land is customary lands except some state lands. A 3,000 ha of state land is available for agricultural development, such as large-scale cassava cultivation. Therefore, the score is 8 points.

2. Infrastructure and utility: 8 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
10	10	10	8 Connect to reliable power grid or backup to avoid blackouts	6 Upgrade Existing Water Supply to Airport and surrounds	3 Upgrade existing sewerage to match SEZ demand

3. Market potentiality: 8 points

Maize is mainly for domestic market for chicken feed. Cassava is initially for domestic market and will be exported in future. The domestic demand for chicken is 30,000-40,000ton (so potential market of maize is 50,000-60,000ton). SP Brewery has a cassava starch factory which is short of cassava supply. The Global market size of cassava is more than 10 million ton. There is already a good market for cassava and maize/chicken in the country as well as oversea. And they are growing in near future. Therefore, the score is 8 points.

4. Potentiality of investors, tenants and developers: 4 points

Developers and tenants are to be confirmed later. Foreign investors are expected but their interest is not clear yet. They have not come to PNG yet. However, there are many existing investors already operating factories in this area and they are also potential investors in near future. Therefore, the score is 4 points.

5. Government commitment (Political will): 6 points

Local government's willingness has been confirmed with governor directly but there are a lot of government initiatives such as support for cassava contract farming. So, score is 6 points.



Ramu Power System

(Source: PNG Power website)



Existing Chicken Farms

Labu Integrated Port and Industrial Park SEZ

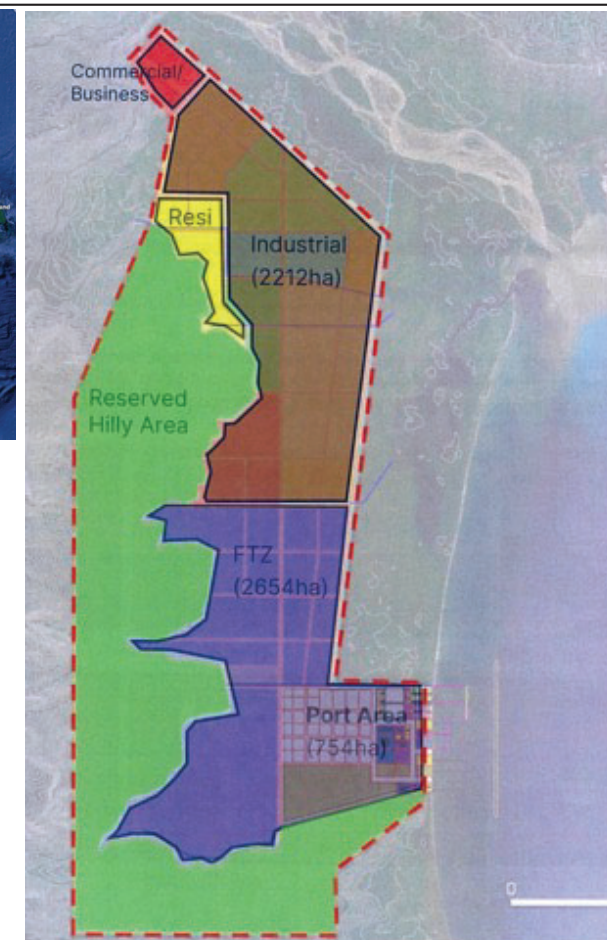
Item	Description
Type of SEZ	Industrial Park / Free Trade Zone
Location	Huon district, Morobe Province
Potential Land	While the specific site (9,833 ha) has been identified, the lands are still customary land, which is under negotiation at present.
Potential Product / Market	Food processing/Fish processing, Timber processing, Energy hub/terminal with down streaming of Liquefied Natural Gas (LNG)
Potential production / export	To be decided later
Potential Employment	100-400 jobs/ha x 2,000 ha = 200,000-800,000 jobs (industrial zone)
Development concept	Develop a large-scale industrial zone for general manufacturing industries with energy hub (50MW gas power) and international port.



Location of Potential SEZ



Location of Potential SEZ



Proposed Development Concept

(Source: Labu Port and Industrial Park Pre-Feasibility Master Plan, 2022)

Labu Integrated Port and Industrial Park SEZ

Total evaluation point: 31 points

1. Land: 6 points

Though discussions with local clan leaders have already taken place, the lands are still customary land, and there are concerns among the clans (there's been an incident recently due to SEZ licensing).

2. Infrastructure and utility: 3 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
0	0	10	0	5	0
Build access road to main Lae - Bulolo Highway	Deep Water Port needs to be built		Site needs private power	water supply system needs to be built from Existing rivers and lake	Sewerage System needs to be built

3. Market potentiality: 8 points

Demand as an energy and industrial hub-port, as a container terminal/depo and as food/fish processing seems to exist already and expected to grow in future.

Availability of supply chain

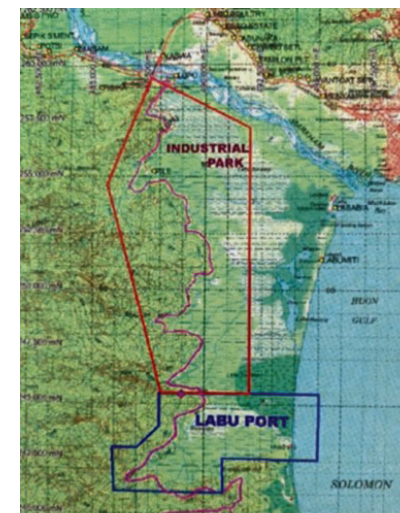
The proposed deep-sea port would allow large vessels to transport goods and raw material in and out. The existing Lae port can also accommodate goods and raw material. Nadzab airport enables access to the market.

4. Potentiality of investors, tenants and developers: 6 points

An FS has been conducted by potential investors, AG investment. Actual financier is not identified. Anchoring or major tenants/investors and port operator need to be identified.

5. Government commitment (Political will): 8 points

Local government and the tribe leaders expressed their intention to support the project but the recent incident may cause a setback.



(Source: Labu Port and Industrial Park Pre-Feasibility Master Plan, 2022)

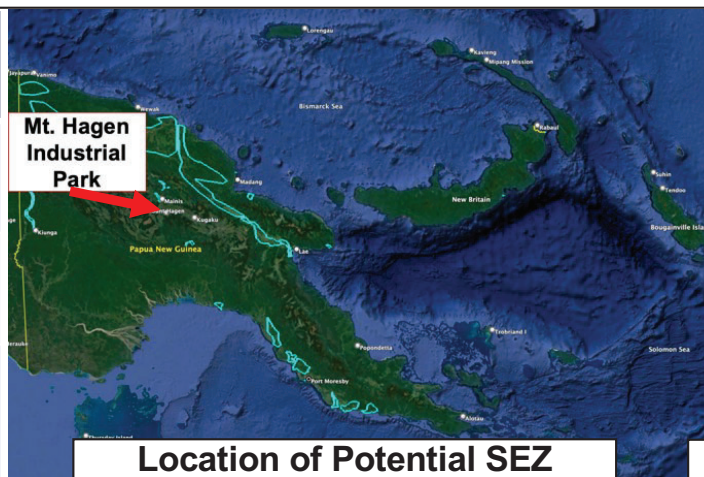
Potential Project Site



Access road under construction

Mt. Hagen Industrial Park

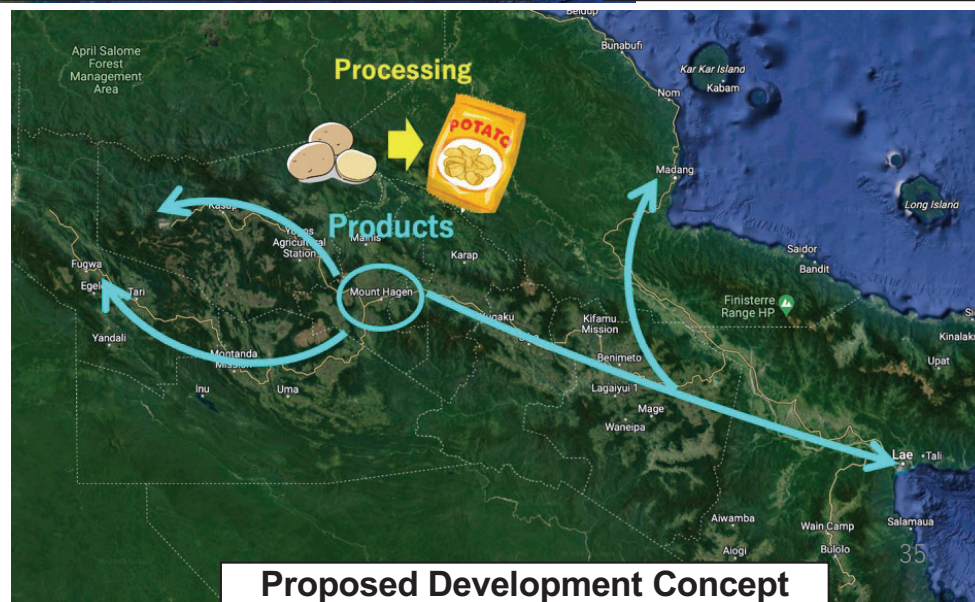
Item	Description
Type of SEZ	Industrial Park
Location	Mt Hagen, Western Highlands province
Potential Land	The proposed land of 30-40 ha (total area 100-200ha) is under Highlands Agriculture College.
Potential Product / Market	Agricultural processed products such as potato chips, chicken meat, coffee etc.
Potential production / export	To be confirmed
Potential Employment	100-400 jobs/ha x 100 ha = 10,000-40,000 jobs
Development concept	Develop a general industrial zone for factories manufacturing agricultural processed products for mainly domestic markets.



Location of Potential SEZ



Location of Potential SEZ



Mt. Hagen Industrial Park

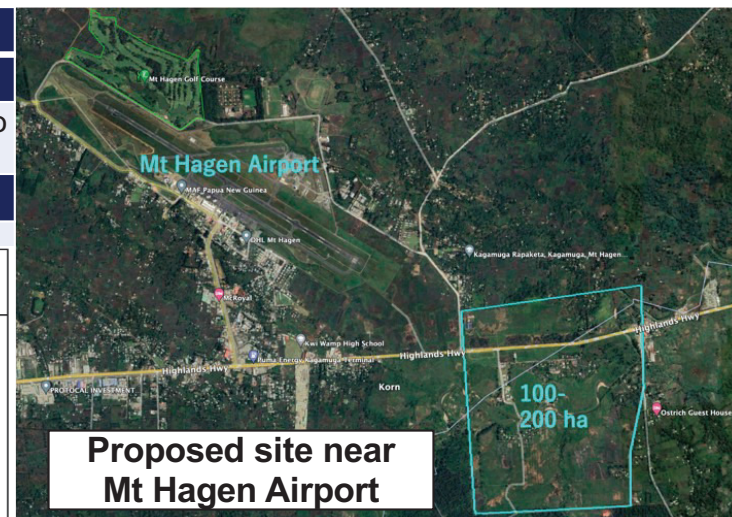
Total evaluation point: 31 points

1. Land: 10 points

The proposed land (30-40ha) is under the ownership of Highlands Agriculture College, who is willing to offer the land for the SEZ project. Therefore, the score is 10 points.

2. Infrastructure and utility: 7 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
10	10 Lae Port	10	8 Build Sustainable Clean and reliable Power as backup to PNG Power Grid	5 Build Water Reticulation to proposed SEZ Site. Water PNG Bores to supply entire Mt Hagen City is located within the site	0 Build Sewerage network to support SEZ



Proposed site near Mt Hagen Airport

3. Market potentiality: 8 points

PNG currently depend on import for meat and processed food products. The domestic market for import substitution has high potential for agro processing companies. And it is expected to grow in the future. Therefore, the score is 8 points.

4. Potentiality of investors, tenants and developers: 2 points

The developer of the proposed SEZ is not determined yet. Therefore, the score is 2 points.

5. Government commitment (Political will): 4 points

Activities for FS, Promotion etc. has not been done yet. Therefore, the score is 4 points.



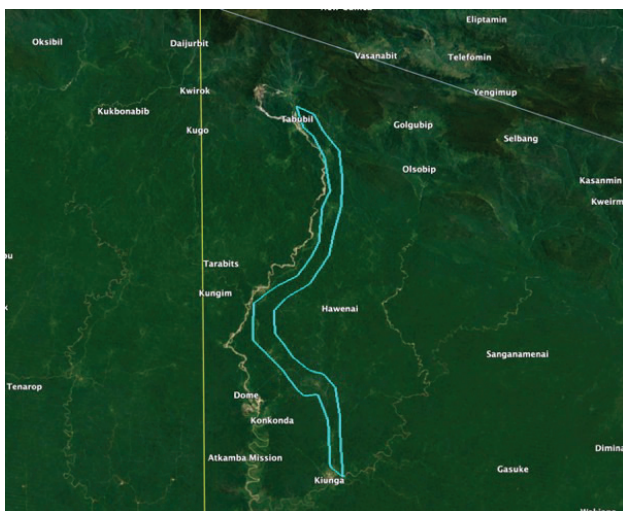
Proposed site

Western Province Agro SEZ

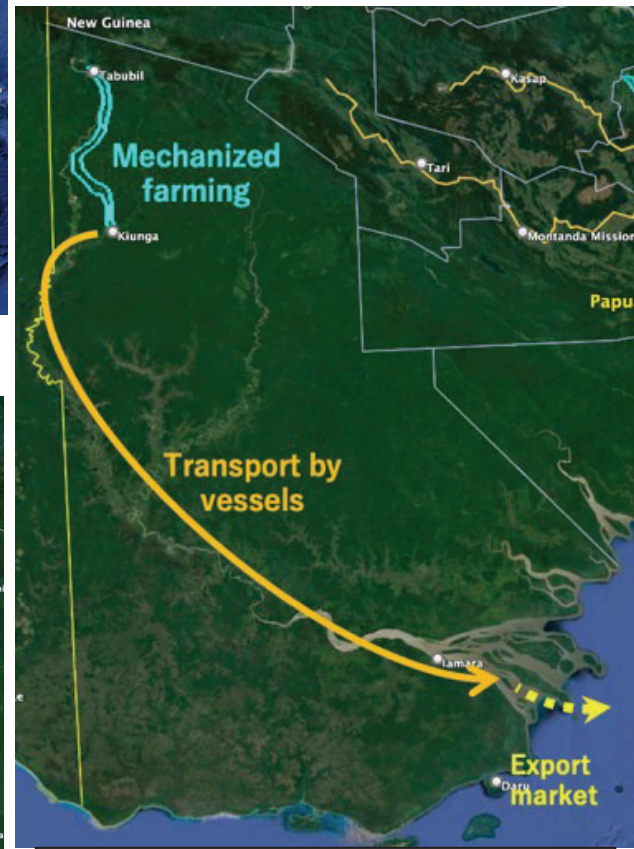
Item	Description
Type of SEZ	Agro SEZ
Location	North Fly district, Western Province
Potential Land	There is no specific proposed land for SEZs but it seems the land along the road between Tabubil and Kiunga is a potential area (about 50,000 ha) for future development.
Potential Product / Market	Oil palm, cattle and feeds crops (maize, cassava etc.), sustainable forestry, rubber, etc.
Potential production / export	3ton/ha X 50,000 ha = 150,000 tons of palm oil production (in case of palm oil in 50,000 ha)
Potential Employment	24,000 jobs (in case of palm oil in North Fly 50,000 ha site)
Development concept	Develop large-scale mechanized farms with processing facilities in SEZs for export markets.



Location of Potential SEZ



Location of Potential Site



Proposed Development Concept

Western Province Agro SEZ

Total evaluation point: 30 points

1. Land: 2 points

There is no specific proposed land for SEZs in North Fly. Probably the land along the road between Tabubil and Kiunga is a candidate for future agricultural development such as oil palm, rubber, cassava etc. However, there has been no particular negotiation for land so far. Therefore, the score is 2 points.

2. Infrastructure and utility: 6 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
6	0	8	3	0	0
Complete construction and seal Connect PNG Highways and roads along North , Middle, Delta and South Fly	Construct Daru Deep Water Port to support SEZ Export	Upgrade Terminal	Small Generation capacity and unreliable power supply. Build more sustainable clean energy and connect 56 MW Ok Menga Hydro and 5MW Kiunga Power Post Mine Closure Program to support energy demand of Province	Build Proper Reticulated Water System for the province to support proposed SEZs	Build Proper Sewerage Systems to support proposed SEZ Developments

3. Market potentiality: 8 points

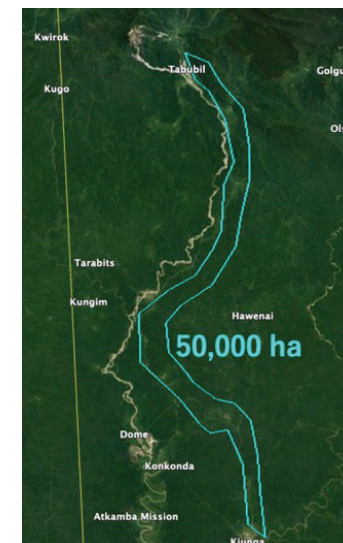
Potential products are oil palm, cattle and feeds crops (maize, cassava etc.), sustainable forestry, and rubber. Palm oil is for mainly for export with the global market of palm oil of about 75 million tons. Cassava an is an internationally traded commodity with the global market of more than 10 million tons as dry chips and further growth is expected in the future due to bio-energy growth. Demand for cattle exists in Indonesia during Eid Islamic festival .

4. Potentiality of investors, tenants and developers: 6 points

Developers and tenants are to be confirmed later. Ok Tedi may be a potential investor or sponsor for future development. Therefore, the score is 4 points.

5. Government commitment (Political will): 8 points

The Government has conducted a number of pilot agricultural projects in cooperation with Innovative Agro (IAI) from Israel. However, local land owners' will toward development is not clearly observed. Therefore, the score is 8 points.



Potential Area for Initial Development



Old Rubber Plantation

Tokua Airport City and Tourism SEZ

Item	Description
Type of SEZ	Tourism SEZ
Location	Kokopo District and Rabaul District, East New Britain Province (ENB)
Potential Land	New Tokua Airport area (500ha), Tokua-Kokopo-Rabaul Tourism Corridor, Rabaul Port area (100ha), and Old Airport/Rabaul Mt Area (200ha).
Potential Product / Market	Tourists from Australia, Asia, Europe and America etc. as well as locals.
Potential production / export	To be confirmed later
Potential Employment	To be confirmed later
Development concept	Develop touristic destination through giving incentives to construction and tourism business including hotels and activities.



Tokua Airport City and Tourism SEZ

Total evaluation point: 30 points

1. Land: 6 points

It is not certain if a negotiation for the lands has already started. The airport land may have less difficulty as it is mostly government land and there is no settlement, and the current airport is already there as public infrastructure. However, other components require lands owned by businesses (hotels, ports, shops, residents) and it could take time to acquire those lands.

2. Infrastructure and utility: 6 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
5	10	7	8	5	0
Upgrade and Seal Tokua - Kokopo - Rabaul Corridor Highway		Extend Runway of Tokua Airport and replace deteriorated terminal	Build reliable clean energy to address power outage problem.	Water Supply system at Tokua and Rabaul need to be upgraded to support proposed SEZ	Sewerage System needs to be built

3. Market potentiality: 8 points

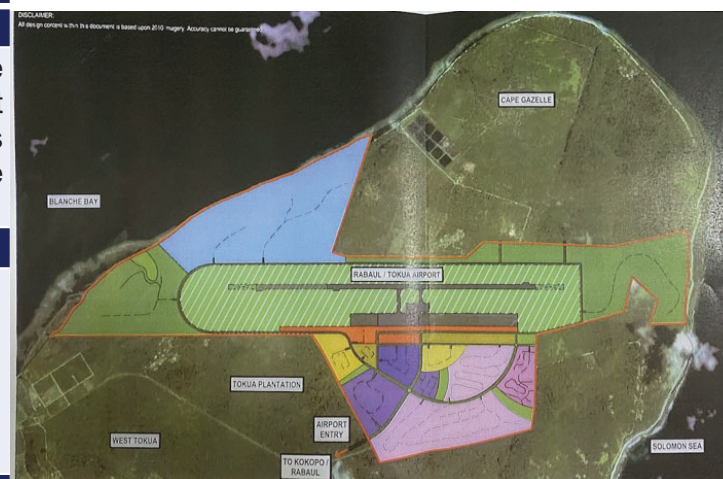
Tourists: Before Covid19, the international arrivals were growing. Tourists number is recovering from Covid19 globally so future growth is expected. From Australia, the site is close and offer diverse tourism resources. But, from Asia, Europe and USA, the site requires long travel as no direct international flights available. There are some domestic tourists but not many. The site offers WWII memorial and Marine attractions.

4. Potentiality of investors, tenants and developers: 6 points

Investors may not show interest under the current circumstances as the site lacks international airport. Once the new airport project is developed, or the financing is secured, investors may show their interest in developing SEZs, hotels, infrastructure (tourist attractions). Airlines to fly in to the airport must be identified.

5. Government commitment (Political will): 4 points

A preliminary MP has been made by the province in 2016. After 2018, the plan was promoted to a tourism SEZ plan. JICA has done the FS for the airport, and intended to provide financial assistance but it did not happen.



Tokua airport city Master Plan

(Source: Local Authority of ENB)

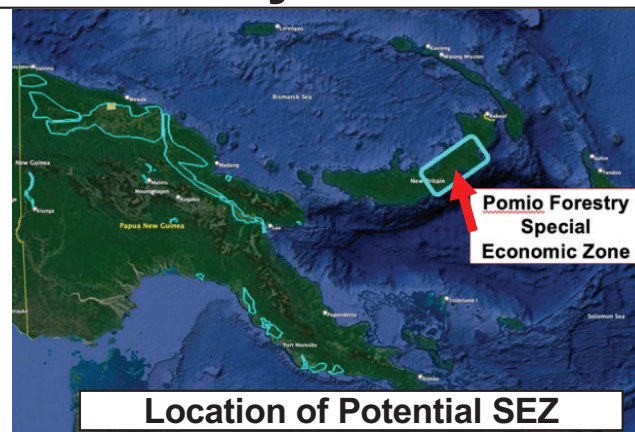


**KOKOPO - TOKUA CORRIDOR
SUBJECT DEVELOPMENT PLAN 2016**

(Source: Local Authority of ENB)

Pomio Special Forestry Economic Zone

Item	Description
Type of SEZ	Forestry SEZ
Location	Pomio District, East New Britain Province
Potential Land	There is no specific proposed land for an SEZ. However, the majority of the land of Pomio district is “proposed, active and historic logging” areas (light green color in the map below). Sustainable forestry can be established in more than 100,000 ha land in these areas.
Potential Product / Market	Sustainable processed woods products (veneer, ply wood, furniture, woodchip/ pulp etc.)
Potential production / export	more than 100,000 ha of sustainable forestry and downstream processing
Development concept	Develop a large-scale forestry (planting, growing, harvesting under international environmental standards) with downstream processing under incentives for sustainable forestry.



Location of Potential SEZ



Location of Potential SEZ



Proposed Development Concept

(Source: Local Authority of Pomio)

Pomio Special Forestry Economic Zone

Total evaluation point: 28 points

1. Land: 2 points

The land is not identified yet while local government has presented there is the availability of 60,000 ha which could be utilized for sustainable forestry and wood processing industry. Plenty of forestry area can be seen as below.

2. Infrastructure and utility: 2 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
3 Build Pomio - Kokopo Highway and seal all district roads	0 Build proposed Deep-water Port at Unung	5 Upgrade Jacquinot Airstrip	0 Connect Power to Site	5 Connect Water Supply from nearby river	0 Build private sewerage

3. Market potentiality: 10 points

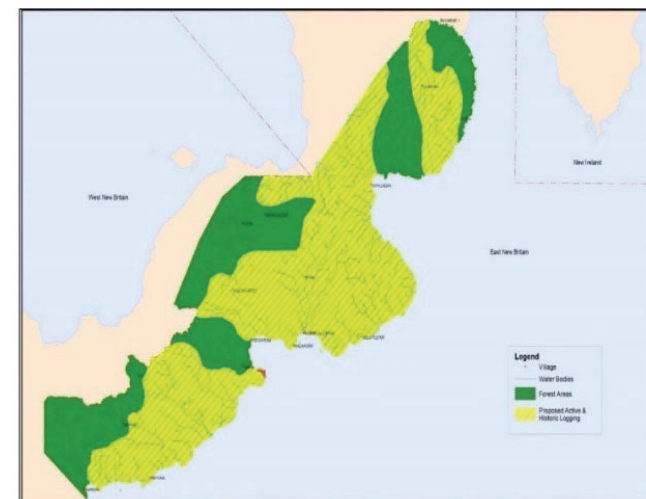
There is already global demand for wood chip/pulp and woods for furniture and it will keep growing in the future.

4. Potentiality of investors, tenants and developers: 4 points

There are several development/operation candidates, but the site has been inspected. While needing more information, a few Japanese paper companies showed interest in investigating the opportunity of business development. One of them is already running forestry business in neighboring district, Gazelle.

5. Government commitment (Political will): 10 points

There is strong leadership and will from the local government to invite FDI. Specific development plan has been identified, while the strategy could be improved. Pomio district was awarded as most improved district by the country.



Potential Project Site

*Light green: Proposed, active and historic logging
*Green: Forest

(Source: Local Authority of Pomio)

West Sepik Industrial (Log Processing) Zone

Item	Description
Type of SEZ	Industrial Park
Location	West Sepik Province
Potential Land	150-200 ha in Vanimo (Government land). Not much objection or resettlement is expected.
Potential Product / Market	tropical round logs and processed woods products. There is already global demand for wood chip and forestry for furniture as well as paper and it will keep growing in the future.
Potential production / export	Processed log products from tropical round logs from sustainable forestry. The log export from West Sepik is 44,1049 m3 in 2022 according to pngiforest.org.
Potential Employment	100-400 jobs/ha x 150 ha = 15,000-60,000 jobs
Development concept	Develop a log processing zone based on sustainable forestry development in areas where logging is proposed, active, and historically operated.



West Sepik Industrial (Log Processing) Zone

Total evaluation point: 28 points

1. Land: 8 points

The proposed land of about 150-200 ha in Vanimo is already a Government land (to be confirmed). Not much objection or resettlement is expected.

2. Infrastructure and utility: 4 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
6 Seal road to site	3 Existing wharf is small. Build proposed International Wharf	10	3 Upgrade PNG Power Supply to avoid black outs and upgrade capacity to match SEZ demand	0 Build Vanimo Town Water Supply to support SEZ Operations	0 Build Vanimo Sewerage System to support SEZ Operations

3. Market potentiality: 6 points

Processed wood products will be exported. Target market depends on investors and not known yet now. Global market size of processed wood products is huge.

4. Potentiality of investors, tenants and developers: 4 points

There are already some Chinese and/or foreign companies interested in timber manufacturing.

5. Government commitment (Political will): 6 points

A feasibility study for a new international port has been completed. A state land is already secured for the SEZ.



Log transportation at Vanimo Port



Log Stock at Vanimo Port