

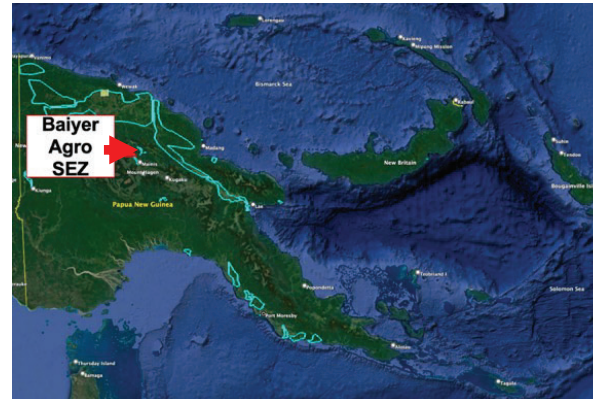
# Long Term SEZ Candidates

SL	Tentative Name of potential SEZ	1. Land	2. Infra	3. Market	4. Investor	5. Commitment	TOTAL
16	Baiyer Special Economic Zone	8	5	8	2	4	27
17	Pacific Marine Industrial Zone (PMIZ)	8	4	6	4	4	26
18	Karimui Special Economic Zone	6	2	8	2	6	24
19	Ihu Special Economic Zone	4	2	6	4	6	22
20	Western Province Free Trade Zone	2	1	8	6	4	21
21	Rai Coast Special Economic Zone	8	4	2	2	2	18
22	Middle Ramu Agro SEZ	2	3	8	2	2	17

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

# Baiyer Agro SEZ

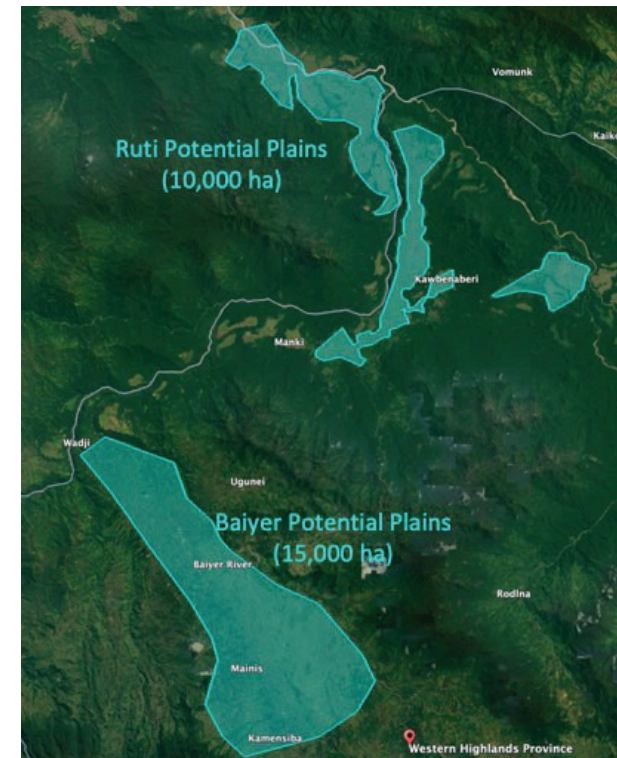
Item	Description
Type of SEZ	Agro SEZ
Location	Mul-Baiyer district, Western Highlands Province
Potential Land	About 25,000 ha highland plains available. Probably most of these areas are customary lands
Potential Product / Market	Potential products are coffee, cattle, chicken, maize etc.
Potential production / export	To be confirmed later
Potential Employment	To be confirmed later
Development concept	Develop a modern mechanized farms including livestock with processing facilities



**Location of Potential SEZ**



**Location of Potential Site**



**Location of Potential Site**

# Baiyer Agro SEZ

## Total evaluation point: 27 points

### 1. Land: 8 points

Consultant team has identified some potential lands as below. About 15,000 ha and 10,000 ha highland plains are available in Baiyer and Ruti respectively. Probably most of these areas are customary lands, but there seems some state lands in these areas. If there are some state lands for a SEZ, the score is 8 points.

### 2. Infrastructure and utility: 5 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
7 Upgrade to seal roads to connect Mul-Baiyer District and production Lands at Baiyer and Ruti Valley.	10 Lae Port	10	5 Build Reliable Clean Energy	0 Build Proper Water System	0 Build Proper Sewerage System

### 3. Market potentiality: 8 points

Potential products are coffee, cattle, chicken, maize etc. The coffee is for export market, which has huge size and PNG is already participating in. Maize is mainly for domestic market for chicken feed. The domestic demand for chicken is 30,000-40,000ton (so potential market of maize is 50,000-60,000ton). The domestic demand for cattle (beef) is about 10,000ton, of which most is dependent on import.

There is already a good market of coffee, cattle, chicken, maize in the country as well as overseas, and growth would be in the near future. Therefore, the score is 8 points.

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

There are no developer candidate identified as yet. Therefore, the score is 2 points.

### 5. Government commitment (Political will): 4 points

The political leaders of Western Highlands Province and Mul-Baiyer Lumusa District are in support of the Baiyer SEZ and have pledged to support the proposed development with the necessary resources. However, other specific action or budget allocation has not been observed. Therefore, the score is 4 points.



Potential Area in Baiyer valley

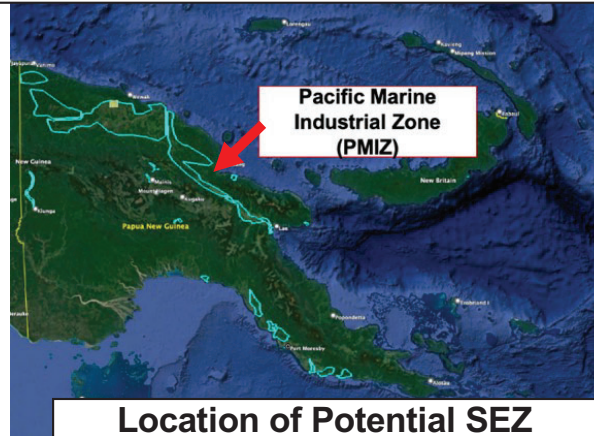


Potential Area in Ruti valley

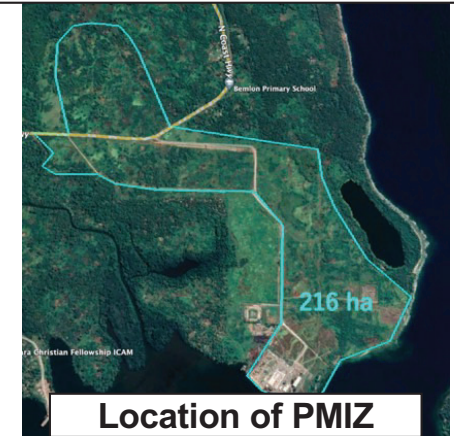


# Pacific Marine Industrial Zone (PMIZ)

Item	Description
Type of SEZ	Industrial Park
Location	Madang District, Madang Province
Potential Land	A land of about 216 ha is available in the Zone with a boundary fence and the main gate.
Potential Product / Market	Canned tuna products, processed foods, etc.
Potential production / export	Originally 10 tuna canneries were expected to invest inside PMIZ. However, considering the current lack of raw material (fish) supply, the original idea seems unrealistic now. Other industries such as general food processing industry should be invited.
Potential Employment	30,000 jobs ( <a href="https://www.pngbusinessnews.com/">https://www.pngbusinessnews.com/</a> )
Development concept	Develop an ocean front industrial zone with jetties for fish and food processing, and other industries.



**Location of Potential SEZ**



**Location of PMIZ**



(Source: <https://www.pngbusinessnews.com/>)

# Pacific Marine Industrial Zone (PMIZ)

**Total evaluation point: 26 points**

## 1. Land: 8 points

A land of about 216 ha is available in the Zone. The boundary of the land is marked by the fence with the main gate. There was a land dispute with a court case. Therefore, the score is 8 points.

## 2. Infrastructure and utility: 4 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
7	10	7	0	0	0
Build localized defects along main highway to site and seal site access road		Upgrade Madang Terminal	Connect Reliable Power into Site	Build Water Supply	Build Sewerage System

## 3. Market potentiality: 6 points

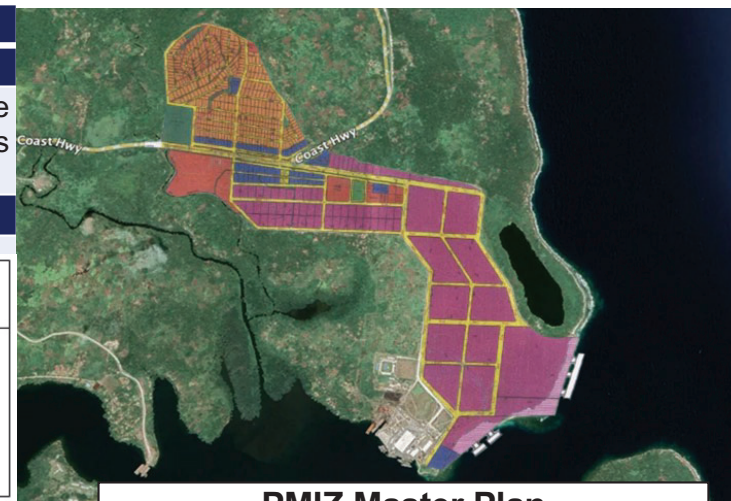
Originally about 10 tuna canneries were expected to invest inside PMIZ. However, considering the current lack of raw material (fish) supply, the original idea seems unrealistic now. However, canned tuna export has been growing since there is an accumulation of tuna canning factories in Lae. PMIZ needs to find other types of tenants. There is currently no demand. But it is expected to grow in near future once proper infrastructure (common wharf&power) is in place. Therefore, score is 6 points.

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

Developers and tenants are not identified yet and to be confirmed later. However, RD Tuna Cannery implied their interest during the interview in February 2023. Therefore, the score is 4 points.

## 5. Government commitment (Political will): 4 points

Although there has been a lot of development for PMIZ, consistent political will has not been observed in the past history of PMIZ. There was a land dispute with a court case. Fish domestication policy needed for securing fish for factories. Therefore, the score is 4 points.



**PMIZ Master Plan**

(Source: <https://www.fisheries.gov.pg/pmiz>)



**Tuna Wharf and Cool Store and prospective site for PMIZ**

(Source: NFA)

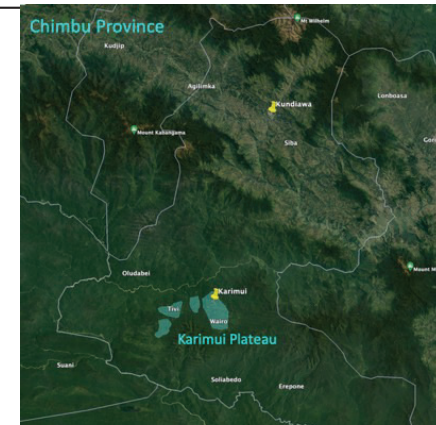


# Karimui Agro SEZ

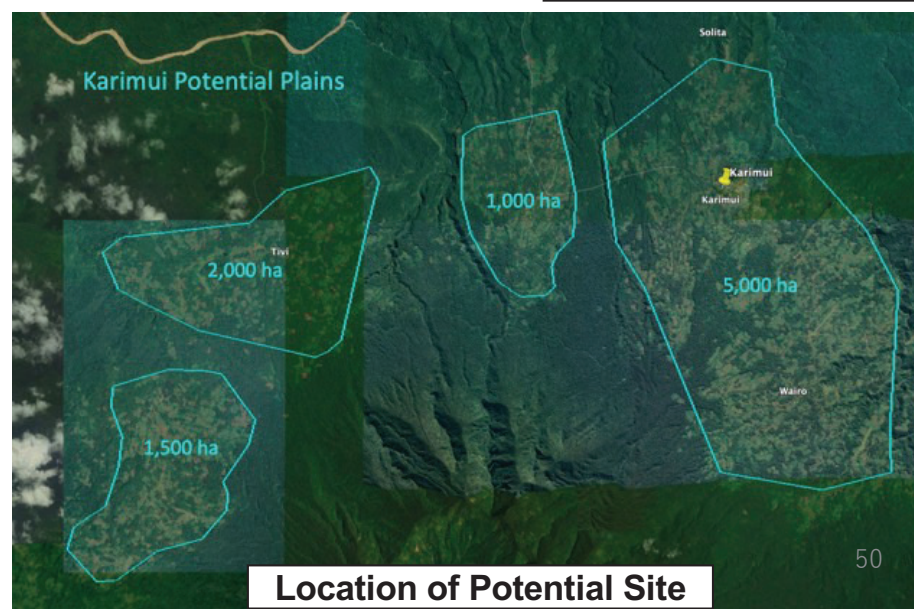
Item	Description
Type of SEZ	Agro SEZ
Location	Karimui-Nomane district, Chimbu Province
Potential Land	The location and size of the proposed land is not clear. Some potential lands of about 10,000 ha are identified by satellite image and geographical information as below.
Potential Product / Market	Coffee, cacao and vanilla production are potential products, which are for export markets where demands are generally large enough. Maize for animal feeds and livestock (pig and chicken slaughter house) also may be possible and there are already some demand in the country.
Potential production / export	To be confirmed later
Potential Employment	To be confirmed later
Development concept	Develop modern mechanized farms including livestock with processing facilities



Location of Potential SEZ



Location of Potential Site



Location of Potential Site

# Karimui Agro SEZ

**Total evaluation point: 22 points**

## 1. Land: 6 points

The location and size of the proposed land is not clear. No map has been provided to Consultant team yet. Consultant team identified some potential lands as below. Development of an SEZ is permitted by the clan and the Governor in this area. Therefore, the score is 6 points.

## 2. Infrastructure and utility: 2 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
0	10	3	0	0	0
Build access road	Lae Port	Upgrade Karimui Air Strip	Build Clean Energy including Solar or Hydro Power	Build Water Supply from Surrounding Rivers or Bore water System	Build Sewerage System

## 3. Market potentiality: 8 points

Coffee, cacao and vanilla production are potential products, which are for export markets where demands are generally large enough. Maize for animal feeds and livestock (pig and chicken slaughter house) also may be possible and there are already some demand in the country.

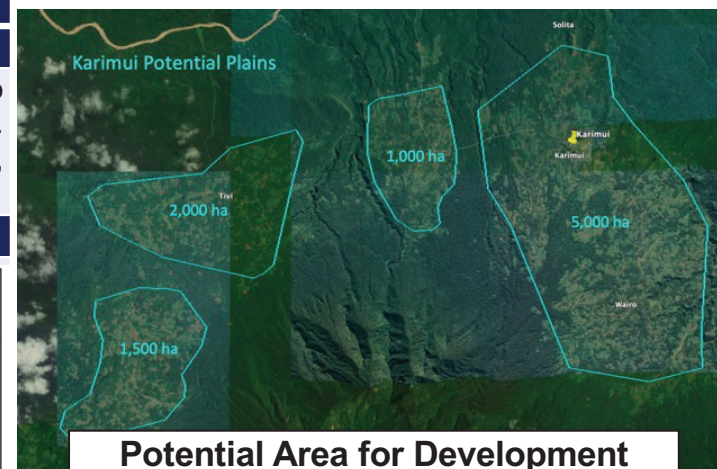
Certain demands are already seen inside and outside the country, and they will grow in the near future. Therefore, the score is 8 points.

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

Developers and tenants are unclear and to be confirmed later. Therefore, the score is 2 points.

## 5. Government commitment (Political will): 6 points

Development is permitted by the clans and the Governor in this area. Some FS fund has been secured. Therefore, the score is 6 points.



**Karimui Highland 51**



# Ihu SEZ

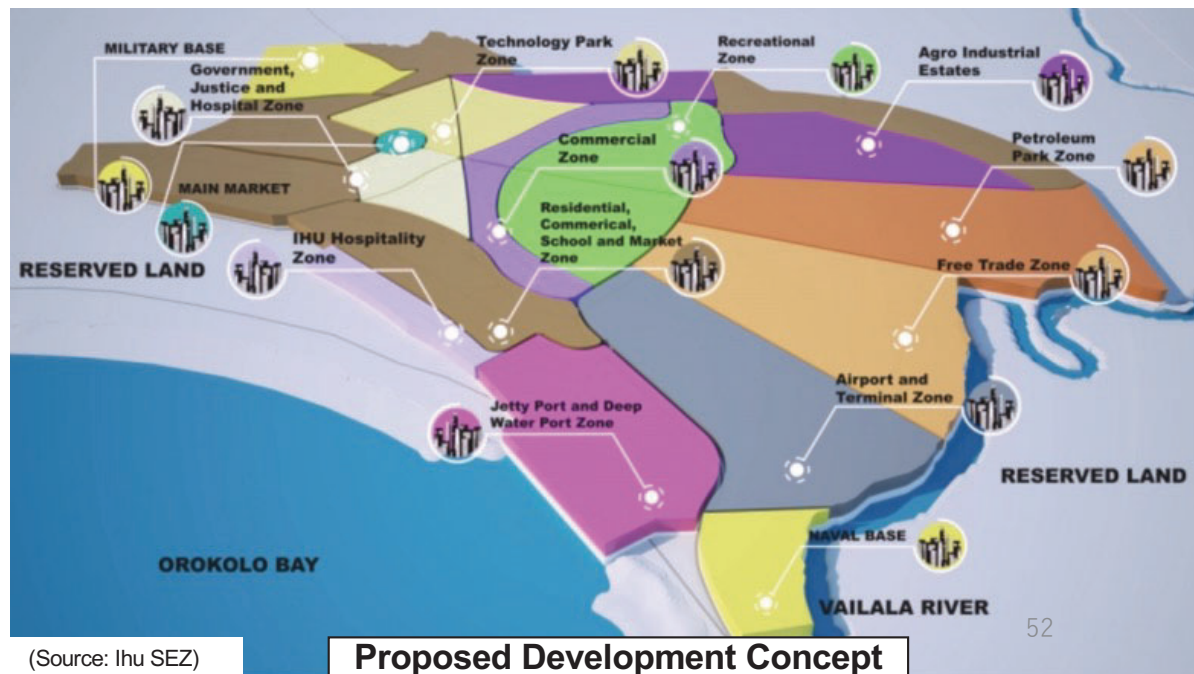
Item	Description
Type of SEZ	Industrial Park / Free Trade Zone
Location	Kikori district, Gulf Province
Potential Land	The proposed land (15,000ha) is still a customary land.
Potential Product / Market	Downstream processing of Gas: there is a good demand for chemical fertilizer in the domestic market. However, the GAS supply is doubtful. If no GAS supply (GAS goes to other place?), ISEZ cannot be viable. Gas Power/IPP: for both on-site and off-site power demanding industries. Demand exists.
Potential production / export	To be confirmed later after FS
Potential Employment	>200,000 jobs ( <a href="https://www.businessadvantagepng.com/">https://www.businessadvantagepng.com/</a> )
Development concept	Develop Industrial Downstream Processing Zone targeting exports based on natural resources: 1) Petroleum Park, 2) Forestry Par, 3) Marine Park, 4) Agro Park, 5) Free Trade Zone



Location of Potential SEZ



Location of Potential Site



Proposed Development Concept

(Source: Ihu SEZ)



# Ihu SEZ

## Total evaluation point: 22 points

### 1. Land: 4 points

The proposed land (15,000ha) is still a customary land. Dialogues have been taken to persuade the locals for the past several years. There are some demands made by the locals.

### 2. Infrastructure and utility: 2 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
7	0	2	0	0	0
Upgrade and seal existing national, provincial and district roads to SEZ area	Build Kikori Deep Water Port	Upgrade and seal Hepea Airport.	Build proposed 25MW Vailala Hydro Power or process DMP gas into Power	Build Water Supply for SEZ	Build Sewerage for SEZ



(Source: Ihu SEZ)

Ihu SEZ Master Plan

### 3. Market potentiality: 6 points

Power/IPP: for both on-site and off-site power demanding industries. Demand exists. Downstream processing of Gas: there is a good demand for chemical fertilizer in the domestic market. However, the GAS supply is doubtful. If no GAS supply (GAS goes to other place?), ISEZ cannot be viable.

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

ISEZ is to be developed under PPP arrangement. Incentives/fund shall be given by Government. However, no investors is secured. As more infrastructure, especially road connections, come into play, viability of ISEZ becomes higher. Project scale is large as it requires transmission lines and power plant as well as Gas pipeline so financial risk mitigation measures (PPA etc) must be offered by Government.

### 5. Government commitment (Political will): 6 points

ISEZ Development Co., Ltd, as a designated organization to promote the SEZ, has been actively improving the conditions and investment environment. The Government allocated financing for road constructions already so the expectation is high. The locals did not seem to be satisfied or agreed with the current negotiation conditions judging from the local gathering in Dec. 2022.



Access Road under construction

# Western Province Free Trade Zone (Butmambin)

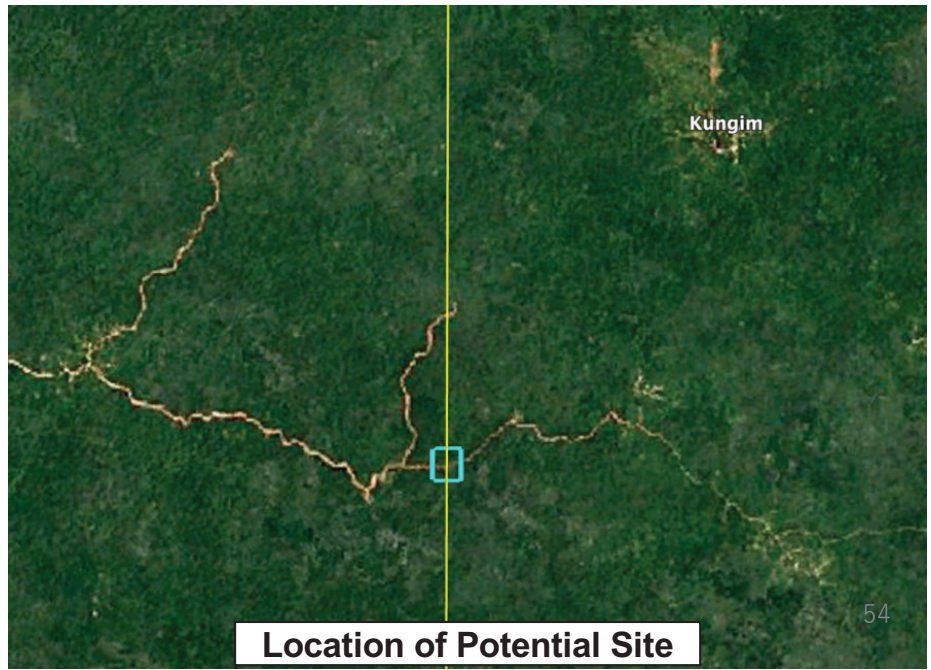
Item	Description
Type of SEZ	Free Trade Zone
Location	Butmambin, Near Kungim, North Fly district, Western Province
Potential Land	A 5ha land on PNG side has been allocated to build PNG's border facility. If a 50 ha industrial park is developed, the additional land may be customary land.
Potential Product / Market	Processed goods like processed beef (Ox & Palm), chicken, sausages, rice, biscuits etc.
Potential production / export	To be confirmed later
Potential Employment	To be confirmed later
Development concept	Develop a free trade zone or industrial park for promoting border trading



Location of Potential SEZ



Location of Potential Site



Location of Potential Site



# Western Province Free Trade Zone (Butmambin)

**Total evaluation point: 21 points**

## 1. Land: 2 points

There is a potential area for a free trade zone at Butmambin near Kungim, North Fly District. Currently the border facility is to be built to facilitate cross border trade with Indonesia. A 5 ha land on PNG side has been allocated to build PNG's border facility. If a 50 ha land is to be acquired additionally for developing an industrial park, the land will be customary land, the score will be 2 points.

## 2. Infrastructure and utility: 1 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
6 Complete construction and seal Connect PNG Highways and roads along North , Middle, Delta and South Fly	0 Construct Daru Deep Water Port to support SEZ Export	8 Upgrade Terminal	3 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	0 Build Proper Reticulated Water System for the province to support proposed SEZs	0 Build Proper Sewerage Systems to support proposed SEZ Developments

## 3. Market potentiality: 8 points

Current informal trade into Indonesia is done by locals and includes processed goods like processed beef, chicken, sausages, rice, biscuits, betelnut etc. PNG Locals buy from Indonesia mostly clothes, electronic goods and house hold items. There is currently some demand. And it is expected to grow in near future.

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

The (local) Government will invest in the boarder facility. It may also invest in a free zone like a trade center in Vanimo. Since there are already informal trading in small scale, there should be some potential tenants (sellers of goods) for the trade center.

## 5. Government commitment (Political will): 4 points

The boarder facility on Indonesia side has been completed and the action by PNG side is lagged behind. However, the PNG Government commitment is observed in construction of the access road to Butmambin boarder. Therefore, score is 4 points.



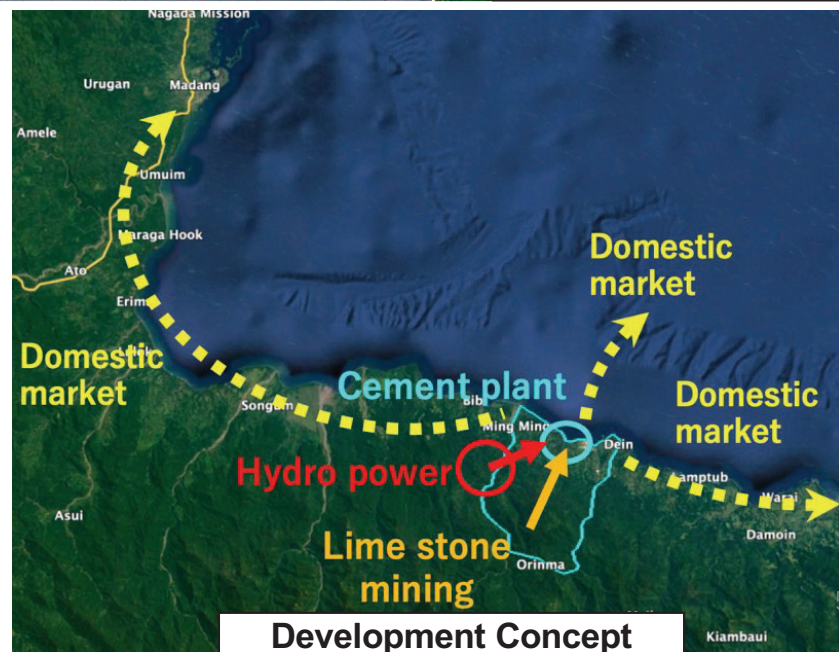
**Border Facility on Indonesia side**



**New Road at No Man's Land connecting PNG and Indonesia Border**

# Rai Coast SEZ

Item	Description
Type of SEZ	Industrial Park (Cement Industry)
Location	Rai Coast district, Madang Province
Potential Land	There are about 11,800 ha of state-owned land where numerous lime stone could be mined.
Potential Product / Market	Cement made from local limestone
Potential production / export	To be confirmed later
Potential Employment	To be confirmed later
Development concept	Develop an integrated cement plant





# Rai Coast SEZ

## Total evaluation point: 18 points

### 1. Land: 2 points

There are about 11,800 ha of state-owned land where numerous lime stone could be mined.

### 2. Infrastructure and utility: 4 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
3 Build Madang - Morobe Coastal Highway , Raicoast to Saidor Highway and upgrade existing district roads within Basamuk Area	10 Basamuk International Port	3 Saidor Airport	5 Build Sustainable Clean Energy and negotiate under Mine Closure Plan, Power from Ramu Nickle Mine to support SEZ	3 Build dedicated Water Supply Reticulation system from rivers or bore to Support SEZ	0 Build Sewerage System

### 3. Market potentiality: 8 points

There is already some demand for cement (about 300,000 tons). However, there are multiple areas having potentiality for similar cement industry, especially Finschafen area. Considering the fact of weakness in infrastructure development progress and distance to main roads, the competitiveness might be low. Also, once another SEZ for cement is developed, the market will be limited at the time SEZ in Rai Coast is developed.

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

Developers and tenants are not yet identified. Therefore, the score is 2 points.

### 5. Government commitment (Political will): 2 points

Specific development plan and/or development action for SEZ development was not identified at the area.



Plain in Middle Ramu



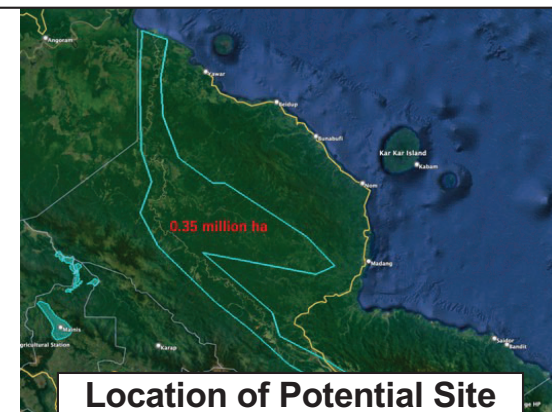
Kambara river for hydro power

# Middle Ramu Agro SEZ

Item	Description
Type of SEZ	Agro SEZ
Location	Middle Ramu district, Madang Province
Potential Land	A vast plain land of about 350,000 ha, being customary lands available for agro development
Potential Product / Market	Potential products are sugarcane, palm oil, maize, rice etc. for domestic and export markets
Potential production / export	1 million ton of palm oil production and USD 1 billion of palm oil export (in case of oil palm)
Potential Employment	168,000 jobs (in case of oil palm)
Development concept	Large scale farms will be developed by mechanization. Crops and livestock will be processed at site. Final products will be transported through Madang port to domestic and export markets.



Location of Potential SEZ



Location of Potential Site



Development Concept



# Middle Ramu Agro SEZ

## Total evaluation point: 17 points

### 1. Land: 2 points

A vast plain land of about 350,000 ha is available along Ramu river. Most of the proposed land is customary lands. A negotiation for land ownership for development has not started yet. Therefore, the score is 2 points.

### 2. Infrastructure and utility: 3 points

Road & Bridge	Deep Water Port/ Wharf	Airport/ Airstrip	Energy or Power	Water	Sewerage
0	10	7	0	0	0
Build Connect PNG Road (Baiyer - Middle Ramu - Madang Highway)	Madang Wharf	Upgrade Madang Terminal	Build Sustainable Energy or Power or connect to nearby Hydro Power	Build Water Supply	Build Sewerage System

### 3. Market potentiality: 8 points

Potential products are sugarcane, palm oil, maize, rice etc. The domestic market for sugar is about 100,000 tons. Palm oil is for mainly for export with the global market of palm oil of about 75 million tons. Maize is mainly for domestic market for chicken feed. The domestic demand for chicken is 30,000-40,000ton (so potential market of maize is 50,000-60,000ton). Rice is mainly for domestic market and will be exported in future. Existing markets size for rice is 300,000ton. The Global market size of rice and chicken is huge (rice export market is 21 million ton).

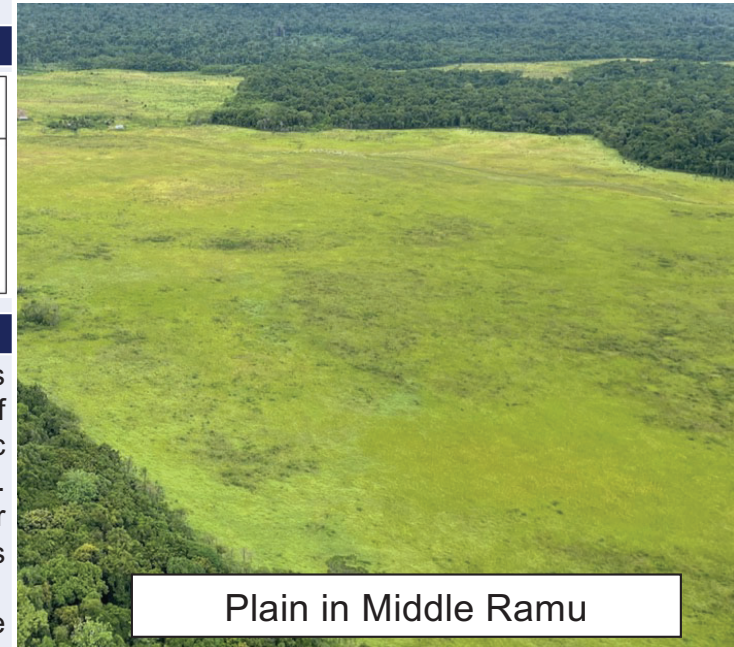
There is already a good market for rice, maize etc. and chicken in the country. And they are growing in near future. Therefore, the score is 8 points.

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

Developers and tenants are not yet identified. Therefore, the score is 2 points.

### 5. Government commitment (Political will): 2 points

Local government's willingness has been confirmed with governor directly. However, Consultant team did not observe much progress in FSs, development budgets and other promotion efforts on the ground. Therefore, the score is 2 points.



Plain in Middle Ramu