



IFC Helps Papua New Guinea Develop Economic Zone Strategy to Promote Growth

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Madang, Papua New Guinea, June 3, 2009—IFC, a member of the World Bank Group, is partnering with the government of Papua New Guinea to develop a strategy to establish multi-use Special Economic Zones that could help create jobs and attract foreign investment.

The strategy will provide the country with best-practice approaches to develop and operate economic zones. Known as SEZs, these zones are geographically delimited areas set up with conditions conducive to investment. Incentives are provided to startup businesses through simplified processes, and by supplying infrastructure and labor. SEZs have the capacity to promote private sector growth, increase foreign exchange earnings, encourage export growth and diversification, create jobs, and increase government revenues.

“A zone strategy highlighting best-practice legislation and policy will provide the government with the building blocks to establish a successful Special Economic Zone,” said Peter Cusack, IFC Country Coordinator for Papua New Guinea.

The strategy will detail the appropriate legal and regulatory framework and economic incentives necessary for an appealing zone regime. It will also address the government’s plan to establish the Pacific Marine Industrial Zone promoting investment in onshore processing of regionally caught tuna.

The project made an important step forward yesterday when the PMIZ project's National Management Committee and Technical Working Group, along with IFC representatives and members of the private sector gathered in Madang to plan the administrative, technical, and financial strategy going forward. The National Management Committee is led by the Department of Commerce and Industry and includes other key national and provincial government agencies concerned with planning and implementing the project, as well as representatives of the fishing industry.

In opening the meeting Gabriel Kapris, Minister for Commerce and Industry, reiterated the government's commitment to seeing the PMIZ implemented. The minister urged both public- and private-sector participants to work together to realize Papua New Guinea's ambition to establish itself as the regional and ultimately the global tuna capital. He also welcomed the support of IFC as a key development partner in creating a best-practice framework for the SEZ. The SEZ project is part of IFC's broader advisory program. IFC's donor partners for advisory services are the governments of Australia, Japan, and New Zealand.

About IFC

IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. We foster sustainable economic growth in developing countries by supporting private sector development, mobilizing private capital, and providing advisory and risk mitigation services to businesses and governments. Our new investments totaled \$16.2 billion in fiscal 2008, a 34 percent increase over the previous year. For more information, visit www.ifc.org.