

PNG wants more trade, but less with Australia

PNG – TRADE: THE NATIONAL
PACNEWS 3: Wed 07 July 2010

Papua New Guinea and Australia are to renegotiate the Development Cooperation Treaty in Alotau, Milne Bay, this week, with a decided shift away from dependence upon aid towards trade, PNG Foreign Affairs, Trade and Immigration Minister Sam Abal said.

Mr Abal will meet with his Australian counterpart Stephen Smith for the consultations which is expected to cover a “comprehensive” review of the Development Cooperation Treaty; its effectiveness which have been the subject of much public discussion in both Australia and PNG; the PACER Plus (Pacific Arrangement on Closer Economic Relations) economic consultations; and the interesting developments in the gas and mining sectors in both countries.

An independent review on the development cooperation treaty this year told both countries that maintaining the status quo was not an option.

The review said aid had not assisted PNG as well as it should and recommended that the aid programme be “brought into line with new realities; to build on areas where there has been success; and to work towards outcomes that serve the common purpose of both countries”.

Mr Abal said he expected the talks to be comprehensive and cover the broad spectrum of the development cooperation treaty between the two countries.

“Cabinet today gave my delegation the mandate to seriously and drastically review our aid programme.

“Development assistance must be made to work for our people. That is the only reason why it is offered and why we accept it.

“Our development agendas are set out fairly comprehensively in our 50-year Vision 2050, our National Strategic Plan 2030 and our Medium Term Development Strategy.

“All aid must be tailored so that they fit into these plans in order that they help fund our development priorities. We must seriously ask the question whether Australian aid has worked for us.

“The review we just received indicates that it has not worked as well as it should. That necessitates a comprehensive review of existing arrangements. My Australian counterpart and I need to reach an understanding as to how we can proceed with the review findings.”

Mr Abal said PNG did not wish to remain an aid recipient.

“We want to use aid over the course of the next two Medium Term Development Strategies to move decisively towards increased trade and partnership with Australia. We want to use aid to build our business and economic capacity. We want to use aid to move towards economic independence.”

He said that both countries were experiencing exciting developments in gas and mining sectors.

“Following the meeting between my Australian counterpart and other PNG colleague ministers in Melbourne last week, both Smith and I would also need to reach understanding on PNG and Australia’s mutual trade, business and economic relationship.”...PNS (ENDS)