



## **MEDIA RELEASE**

### **New study by ITS Global shows Palm Oil can spur economic growth in PNG.**

**PORT MORESBY, Papua New Guinea, Mar. 22** - A vibrant Palm Oil industry is economically and environmentally viable in Papua New Guinea (PNG) and has the potential to raise the living standards of the nation's poor, according to a report released today by international consultancy ITS Global.

The report, entitled "*The Economic Benefits of Palm Oil to PNG*," argues that PNG is in a perfect position to capitalize on oil palm development as a response to strong global demand for food staples and a domestic need for nutrition and food security.

"Growth in this industry will have an immediate, sustainable impact on local and national economies" said Alan Oxley, Principal of ITS Global, whose firm was commissioned by the Port Moresby-based conglomerate, Rimbunan Hijau to produce the report.

"It is estimated one million hectares of designated area is available for oil palm development in PNG. If just 420 000 hectares of this land were developed with oil palm, the industry would generate over K104 billion (USD 40 billion) in revenues over 25 years, provide 105,000 direct jobs annually and support close to 540,000 communities. The prospects for economic development are enormous" said Oxley.

The new study was formally presented to Papua New Guinea's Minister for National Planning and Monitoring, Hon. Paul Tiensten, by the Executive Director of Rimbunan Hijau (PNG), Ivan Lu.

"There is huge potential for growth in the agricultural sector – both to supply domestic consumption needs and to foster greater export earnings. The prospects for Palm Oil are especially strong because of the potential for expansion from increased plantation investments," said the Minister.

The Minister also welcomed news that Rimbunan Hijau had invested in its own oil palm development, the Sigite Mukus Integrated Rural Development Project, in East New Britain Province.



In a short presentation to the gathering of Ministers and business leaders, Lu explained that the project was expected to contribute royalties, payments, levies and other community funding worth K800 million (USD 300 million) over the life of the project and provide much needed transport and social infrastructure to the local communities.

“Agriculture and Forestry are proven industries for raising living standards in poor communities. We have seen this in Malaysia, Indonesia, Africa and South America and we are certain they can play a major role in helping PNG meet its development goals,” Oxley said.

#### **About ITS Global**

International Trade Strategies Pty Ltd, trading as ITS Global Asia Pacific (ITS Global) consults on dynamic international issues. ITS Global builds on the activities of International Trade Strategies which was established more than 16 years ago. ITS Global focuses on four core areas: international trade, environmental policy, development aid and strategy and communication. ITS skills are research, policy analysis and corporate affairs and communications strategies.

Alan Oxley is Managing Director. He is an expert on international governmental and multilateral activities, particularly those with a direct bearing on business. He is a former Ambassador of Australia to the GATT (predecessor to the WTO) and a former Chairman of the GATT. He is Chairman of the Australian APEC Study Centre and Founder of World Growth.

ITS Global has strong in-house expertise and works at the cutting edge of research and advice. Clients are business, governments, industry associations and international agencies. ITS Global extends the activities of International Trade Strategies Pty Ltd which has been consulting since 1989.