



Office of the Commissioner
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Office of the Secretary

14th May 2009

Mr. Thomas Abe
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02/7/09

Manager
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Dear Commissioner

RE: COMMENTS ON DRAFT REPORT ON THE PNG WHOLESALE AND RETAIL INDUSTRY REVIEW

We thank you for giving us the opportunity to view and comment on the Draft Report on above subject via your letter dated 02nd April, 2009.

After having noted your Draft Report and the pertinent recommendations therein proposed, we have some few general remarks which I hope will aid in finalizing the report for presentation to government.

On the outset, we noted with commendation that the Draft Report had answered its Terms of Reference (TOR) comprehensively by covering, analyzing and commenting on the operations, composition, structure and regulation aspects of the Wholesale and Retail Industry in PNG to date.

Comments on specific Draft Findings and Recommendations:

- 1. Current Regulatory Framework

DCI affirms both recommendations and they be adopted as final.

- 2. Government interaction with wholesale and retail industry

DCI affirms first two draft recommendations but restrictions on Foreign Investment in retail sector be remained until 2015.

Further, DCI propose ban on street selling in major urban centres and this be enforced by government with concerned agencies.

3. Infrastructure in PNG

DCI affirms both draft recommendations.

4. External Cost Drivers

DCI recommends that government should build more of "Lot 60" type of commercial and industrial warehouses or commercial facilities for retailers to rent at affordable rates.

While the Draft Report reports on wide ranging issues affecting the competitiveness of wholesale and retail industry in PNG and how best policy makers/stakeholders can regulate and participate in and promote effectiveness of this sector for overall socio-economic well being of the economy and the general public, the Commission has given very limited consideration to the damaging impact of black markets and street selling under this industry.

We once again reiterate that such illegal activities, which of course is beyond ICCC's control will add up to the existing patent and copy rights regulations when it comes to brand names, product labeling etc, and evasion of tax revenue to government.

All concerted efforts should be made to address this immediately, as this activity is the basis for influx of youths and people from rural areas to urban centers and thereby complicating law and order situation in PNG. Other than that the Draft Report can be finalized for presentation to government.

Yours sincerely



IGNATIUS KADIKO
Acting Secretary