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# Official Launching of Consumer Product Consultative Committee



ICCC inspectors proudly displaying their new uniform. L-R Veva Roaguma, Clement Tamang, Kiriva Hego, Eddie Numbasa, Dennis Jerry (partly hidden) and Ben Walei. Giving morale support to the inspectors during the launching are Honorable Bart Philemon, Minister for Finance and Treasury (left), ICCC Commissioner Thomas Abe (right) and Associate Commissioner (Resident) Chris Gideon (behind Commissioner).

The ICCC has reached another milestone with the establishment of the Consumer Product Consultative Committee (CPCC) which was officially launched by the Minister for Finance & Treasury, Honourable Bart Philemon on Wednesday 27 July at the ICCC Head Office in Port Moresby.

The primary objective of the Committee is to serve as an informal forum for discussion and consultation on issues relating to consumer products in the market place, more particularly the issues relating to product safety, product standards, product recalls and bans, and regulations of safety products in PNG.

In his keynote address Honourable Bart Philemon said ICCC played a prominent role in ensuring the consumers receive a fair deal when it comes to service

standards, pricing, and quality in the many goods and services offered in the PNG Market today.

In commending the ICCC for its efforts and foresight Philemon said "The people of Papua New Guinea, who are comprised of consumers like you and me, deserve a 'fair deal' when it comes to service standards, pricing and quality in the many goods and services offered in the PNG market today.

"In fact that is why the government through the function of ICCC that these declared goods and services are being regulated".

In addition to the issues of service standards and product quality of these declared goods and services, the Commission has a much wider role in terms of acting as a watchdog. The Commission plays a central role in the practical implementation of the fundamental consumer rights in the Papua New Guinea

economy.

In acknowledging the Minister's supporting remarks, ICCC boss, Thomas Abe said as Papua New Guinea's economy is improving, there is evidence of an increasing availability of consumer products in the PNG market from overseas.

"Whilst there is great improvement in the PNG economy which is good for business in terms of trade, competition and consumer choices, it also comes with a price in terms of an alarming increase in consumer products that are now available in the PNG market which may be illegal, unsafe or risky for the vast majority of PNG consumers".

Commissioner Abe explained that the ICCC has come across food products with overdue expired dates still sitting on the traders shelves, contaminated food products (including contamination from

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# From the Commissioner's Desk

## Greetings Readers,

This is our third Newsletter for the year. In this edition we will feature some recent achievements namely; the release of the final Report on the Rice Price Review, launching of the Consumer Product Consultative Committee, Ausaid project to upgrade Commission's computer data capacity and my election in Singapore as the first Chairman of the Executive Committee and the General Assembly of the newly established East Asia and Pacific Infrastructure Regulatory Forum.

The work of the Commission is being noted by other regulators in the region which is something



**Mr Thomas Abe  
Commissioner**

positive for the government in terms of encouraging more foreign and domestic investment in the country. One thing investors look for in a country is a stable, predictable and transparent regulatory processes and rules for their long term invest-

ment. The independence of ICCC guarantees such governance processes required by investors.

To date there is general satisfaction by concerned industries on the various price reviews we have undertaken and these are; fuel, flour, water and sewerage and postal services. We have just completed the final draft report on rice which has been circulated widely and soon a draft report on PMV and Taxi pricing review will be released. The Commission as the implementing agency is also currently reviewing the Regulatory Contract between the Government and Telikom PNG. The regulatory contract runs for 10 years and allows Telikom to enjoy a 5 year monopoly period on

its mobile and fixed line network up to October 2007.

On the consumer front, the Minister for Finance and Treasury on behalf of the Commission, launched the Consumer Products Consultative Committee, an informal advisory body to ICCC comprising the private sector, mostly manufacturers and retailers, and relevant government regulators. The objective of the CPCC is to informally discuss consumer related issues such as product safety and recommend appropriate measures to the Commission.

Finally, I was humbled and honored to have been elected unopposed as the first Chairman of the Executive Committee and the General Assembly of the newly established East Asia and Pacific Infrastructure Regulatory Forum during its third meeting held in Singapore in early October this year. The objec-

tive of the EAPIRF is to promote exchange of vital information to facilitate good decision making by regulators as well as build up capacity and training requirements for regulatory bodies in the region. A Secretariat will soon be established to help the Executive Committee to implement the strategic plan of the Forum. The Executive Committee will oversee the work of the Secretariat and the implementation of the strategic plan. My appointment is for three years and it is my intention to ensure ICCC greatly benefits from the Forum.

Finally, as this is final newsletter for the year, I take this opportunity to wish our readers a very Merry Christmas and a blessed 2006.

**THOMAS ABE  
Commissioner**

## Regional Offices

In this issue we take a brief look at the Regional Offices.

The main function of the Regional Offices is to represent the Commission in the regions of Papua New Guinea so that the work of the Commission is given the appropriate support in terms of effectively implementing the requirements of the ICCC Act including Price Regulation and Trade Measurement Acts.

The Regional Offices are responsible for implementing policies that relates to pricing and monitoring the conduct of regulated entities such as Telikom, PNG Power, MVIL, PNG Water Board, Post PNG and Land Transport.

The prices of declared goods and services like tinned fish, fuel, flour, tinned meat, poultry, soap, sugar, rice are also monitored by the regional offices. The regional offices also monitor the conduct of traders in the market place in order to create a sound and fair economic environment where both the business and consumers can benefit. Part of their responsibility is to receive and investigate complaints on the provision of goods and services and where appropriate action or referral to the appropriate agencies for further action.

The Regional Offices are also responsible for supervis-



**Highlands Regional Office staff. L-R: Paul Tumu, Sawi Loasa (Regional Manager) and Francis Itaki.**

ing the Commission's networking and agency work involving the use of Business Development Officers (BDOs) as ICCC Agents with Provincial Governments and other relevant Agencies the ICCC has signed MOUs with.

### Southern Region

The Southern Regional Office is located at the ICCC Head Office, 1st Floor Garden City, Boroko in Port Moresby. With the staff strength of 4 the Office is responsible for the entire Southern Region covering NCD, Central, Milne Bay, Western, Gulf and the Oro Provinces.

### Momase Region

The Momase Regional Office is located in Vele Rumana 4th Floor in Lae. With a staff strength of 3 the Office is responsible for the entire Momase Region cover-

ing Morobe, East Sepik, West Sepik and Madang Provinces.

### Highland Region

The Highlands Regional Office is Located in AGC building 1st Floor in Mt Hagen. With a staff strength of 3 the Office is responsible for the entire Highlands Region covering Western Highlands, Southern Highlands, Eastern Highlands, Chimbu and Enga Provinces.

### Islands Region

The Islands Regional Office is located in Kaputin Building 1st Floor in Kokopo. With a staff strength of 3 the Office is responsible for the entire Islands Region covering East New Britain, West New Britain, New Ireland, North Solomons and Manus Provinces.

## AusAID Project Update

The ICCC has identified the need for a database for its office use at Head Office and have it linked to its regional offices in the country. The database would be similar to the one currently being used by the Australian Consumer and Competition Commission (ACCC). - the software program 'Matter Administration and

Recordings' (MARS). The initial idea was to adopt the MARS software from ACCC but due to the telecommunication difficulties experienced in PNG, it is now more practical and effective to prepare a specific database tailored towards ICCC needs.

The project is funded by AusAID and will commence in early 2006.

## Complaint and Investigation in brief

Complaint Investigation is also one of the functions of the regional offices undertake when it comes to resolving complaints. The basic process of resolving the complaint are as follows;

- Register all complaints in a register book;
- Acknowledge complainant;
- Investigation begins with questions posed to complainant before going to defaulter;
- Ascertain merit of complaint;
- Acknowledgement in writing to the complainant;
- Defaulting party is contacted with brief introduc-

tion and position of ICCC in this investigation;

- Brief about complainant to defaulting party;
- Current position of defaulting party on the complainant whether or not they are prepared to take action.
- Study documents from complainant
- Reply from defaulting party;
- Analyse documents;
- Investigation process;
- Preliminary conclusion reached and both parties are notified;
- As the mediator the ICCC identify the problem area. Various Acts are consulted upon which decision is made.
- ICCC decision is final.

## PRICE REVIEW ON GOODS AND SERVICES

The Independent Consumer and Competition Commission released the Final Report of the review into the regulated prices for flour and flour products in PNG in 18th July 2005.

The review was conducted under Section 25A (6) of the amended Prices Regulation Act and involved a public consultation process where all relevant stakeholders of the flour industry and the general public were invited by the Commission to participate.

Flour is a declared good under Section 10 of the Prices Regulation Act and this legislation enabled the Commission to undertake the review and to determine appropriate pricing mechanisms for flour and flour products in PNG.

The Commission has outlined in the Final Report its final determinations on the form of price regulation that will apply to flour and flour products. The Commission has determined in the report that price regulation of flour products will continue and with the exception of the wholesale and retail margins which will be price controlled, the form of price regulation to be applied is to be varied from the price control arrangements that are currently in operation.

Because flour constitutes a significant component of the diet of most Papua New Guineans, both as a product on its own and as an input in the manufacture of other food products, it is imperative that the prices for flour reflect the efficient costs of producing and providing it.

As part of the review, the Commission considered a range of possible regulatory techniques, including the monitoring of flour prices against an international benchmark.

The Commission has determined in the Final Report that flour prices in PNG will be regulated under a price monitoring approach where the movement in flour prices in PNG will be compared against the movement in flour prices in Australia.

Australia is our primary source of grain used to mill flour and although PNG prices for flour will not be the same as those in Australia, the change in prices over time should reflect the changes that we see in Australian prices. Thus, using this monitoring



**Momase Regional Manager Ode Diro with cap giving a briefing to BDOs in a training workshop in Madang early his year.**

approach the Commission will ensure that prices are both fair for the producers and also pass through to consumers the efficiency savings that are evident in more competitive markets.

Under the new price monitoring approach, the Commission will also be monitoring both the factory-gate price of flour products and the coastal freight charges for main port delivery of flour products under the provisions of Section 32A of the Act. The main ports include the ports of Madang, Rabaul and Wewak which are supplied flour products from the flour mills in Port Moresby and Lae.

On the wholesale and retail margins, the Commission has determined that fixed mark-ups in kina values will apply. These mark-ups range between 17 to 20 toea per kilogram for all flour products that are packed in sizes ranging from 1 kilogram packs to 50 kilogram packs. These margins will remain for the next five (5) years or until such time the Commission reviews the wholesale and retail margins of declared goods.

This regulation of flour prices in PNG will apply for a period of five (5) years from 1st July 2005 to 30th June 2010.

The Commission acknowledged those who made submissions to the review and thanked everyone who participated to bring this review to a conclusion.

Copies of the Final Report can be obtained from the ICCC head office at 1st Floor Garden City Complex, Boroko or through this email: [tvai@iccc.gov.pg](mailto:tvai@iccc.gov.pg)

### RICE INDUSTRY PRICING REVIEW

The Commission commenced the pricing review of the Rice Industry by releasing the Issues Paper on 17th January 2005. Copies of the Issues Paper were distributed to major stakeholders of the industry, relevant Government agencies and the general public throughout the country. A total of 50 copies of the Issues Paper were sent out from the Commission. And from these there were of seven (7) submissions made to the Issues Paper.

#### Draft Report

From the submissions received, a Draft Report was prepared incorporating views from these submissions. The Draft Report contains the Commission's draft determinations and was released on 17th October 2005. The Commission's draft determinations as outlined in the Draft Report are as follows:

1. Regulation of the prices of rice products will continue, with this regulation to apply to the price-sensitive segment of the domestic rice market, namely the Roots Rice products.

2. With the exception of the wholesale and retail margins, the form of price regulation to be applied is to be varied from the price control currently operating.

3. Unless varied by its Final Determinations, the Commission will Gazette an order that specifies the form of price regulation to be adopted.

4. The form of price regulation to be applied will be:

- price monitoring of the ex factory or factory gate price of Roots Rice products under the

provisions of Section 32A of the Act;

- price monitoring of the coastal and road freight charges for delivery of all Trukai supplied rice products from its Lae facility under the provisions of Section 32A of the Act; and

- price control of the wholesale and retail margins of Roots Rice products under the provisions of Section 10 of the Act, with the declared price per kilogram margin for various rice products and package sizes to be as specified in Table 5.5 and to be fixed under the provisions of Section 21 of the Act.

5. The declaration of prices and price regulatory arrangements will apply for a five year period from a date to be determined but no later than 1st January 2006 until 31st December 2010.

The Commission has invited all stakeholders to make further submissions to the Draft Report. These submissions will be consolidated and will form the basis of the Final Report. The deadline for submissions to the Draft Report is 18th November 2005.

#### Final Report

After the receipt of submissions on the Draft Report, the Final Report will be released taking into consideration comments made in submissions to the Draft Report. The Final Report will contain the Commission's final determinations and price directions to apply for a period of five (5) years. The Final Report of the Rice Industry Pricing Review is scheduled for release on 16th December 2005.

#### PMV & TAXI FARE REVIEW

Further to the granting of an interim fare increase to urban PMV routes in the National Capital District, the Commission commenced the major review into the PMV and taxi fare setting with the release of the Issues Paper on 18th July 2005. The Issues paper outlined the main issues that need to be considered and the processes that the Commission will use in undertaking this review.

As a requirement under the amended provisions of the Prices Regulation, the Commission will conduct the review in a public and transpar-

ent manner by inviting comments and submission from the PMV and Taxi operators, traveling public, relevant government entities and various stakeholders within the transport industry. These comments and submission will assist the Commission to form an opinion on whether or not PMV and Taxi fares are to be regulated, and if so, to determine the form and basis of regulating PMV and taxi fares.

This is a nationwide review which will cover not only the urban routes in the main towns, but also the National Highway routes and Inter-Provincial routes as these routes are zoned and may require particular price arrangements and characteristics.

The review will also be undertaken in the context of current public policy considerations of alternative forms of public transport, particularly in the Port Moresby urban area. PMV and taxi licences are issued subject to conditions such as the area and routes they are to operate. As a result of the high demand for the use of public transport and the level of service provided by current PMV buses, the Government through the Department of Transport has commissioned a study to review and assess the public transport system in Port Moresby.

Considering that the PMV and taxi business has a direct impact on the livelihood of ordinary citizens and those commuters largely dependent on the public transport and in order to have a more favourable outcome and response, a total of 150 Issues Papers were sent, mainly to PMV and taxi operators. A separate questionnaire (Survey form) to be completed by individual PMV or taxi owners/operators was also attached to the Issues Paper.

From the responses received, the Commission is preparing the Draft Report which will be released at a later date. Similar to the release of the Issues Paper, the Commission welcomes further comments or submissions on its draft determinations which will then lead to the Commission's final price directions and determinations for PMV and taxi fares.

## Resale Price Maintenance (RPM)

Part VI of the Independent Consumer and Competition Commission Act, 2002, ("Act") became effective on the 16th May, 2003 twelve (12) months after the Act became effective. Part VI of the Act contains provisions for promoting and protecting competition and fair trade generally known as Market Conduct Rules.

One of the Market Conduct Rules (section 59) prohibits Resale Price Maintenance (RPM), which has been particularly prevalent in PNG for many years in arrangements between suppliers and retailers.

Resale price maintenance (RPM) is where a supplier, be it a manufacturer, importer, wholesaler or distributor, sets the minimum price at which goods or

services can be re-supplied (generally by the retailer) and/or sets the minimum price at which they can be advertised.

It is understood that there are a substantial number of agreements, contracts, franchises, etc, in existence in the PNG market that contain RPM provisions.

Many such agreements will involve overseas suppliers. Many of these agreements may have been entered into some years ago.

Section 59 prohibits not only entering into agreements which contain RPM terms, but also the supplier (or a third party) refusing or threatening to refuse to supply, a retailer, for example, unless the retailer agrees not to resell the goods below the price specified by the supplier; or refuses further supply where

the retailer has resold the supplier's goods at less than the price specified by the supplier.

The refusal or threatened refusal of supply is, in effect, enforcement by the supplier of the RPM requirement in its supply agreement with the retailer.

It is not practicable for the Commission to require that all long-standing supply contracts be rewritten to remove any RPM clauses. If those contracts were written prior to May 2003, entering into them was legal at the time and the continued existence of those resale price maintenance clauses in those long standing agreements does not breach the Act.

However, suppliers trying to enforce RPM clauses now would be breaching the Act and

therefore must cease in doing so. In September of 2004, the Commission had put out notices to inform the business community on the existence of the RPM prohibition.

In creating awareness to ensure smooth transition in the business community and the general public about this change in the law, it may be appropriate for the Commission, when it becomes aware of RPM being enforced by a supplier, to first give that supplier a warning about the illegality of its conduct, rather than taking legal action, because RPM has been such a long-standing, entrenched practice. However, if a supplier fails to comply, the Commission may initiate legal action against the supplier. The Commission may take proceedings in the

National Court seeking penalties which can range up to K500, 000.00 for an individual and K10, 000,000.00 for a business for each contravention.

In making business aware of the RPM prohibition, the Commission would also wish to inform businesses that authorisation, on public benefit grounds, may be available in appropriate cases. While it would be difficult to establish public benefits in the majority of ordinary supplier/retailer supply contracts, in some types of arrangements, for example franchise agreements, authorisation on public benefit grounds may well be justifiable.

The efforts of the Commission to educate and announce the change in the law; to give businesses an ini-

tial warning to comply; and to alert businesses of the availability of authorisation for RPM in appropriate cases, is aimed at assisting business to comply with the Act.

Since the implementation of the Act, the Commission is yet to receive formal complaints and let alone prosecute businesses regarding RPM, though there have been few "concerns" raised by the public and comments in the media alleging RPM practises.

As part of its effort to ensure a fair and competitive business environment and as a way forward to address RPM, businesses are encouraged to contact the Commission. Individuals with knowledge of RPM practices are also encouraged to come forward with information.

## Commissioner Elected First Chairman of New Regional Infrastructure Regulatory Forum

The Minister for Finance and Treasury, Hon. Bart Philemon announced yet another very important milestone achieved by the Independent Consumer & Competition Commission ("the ICCC") since its formal establishment in 2003. Minister Philemon announced the election of ICCC Commissioner and CEO Mr. Thomas Abe as the first Chairman of the Executive Committee and the General Assembly for the recently established East Asia and Pacific Infrastructure Regulators Forum ("EAIRF") in a meeting of member regulators from East Asian and Pacific countries in Singapore from the 6-7 October 2005.

"The EAIRF is a membership organisation whose mission is to enhance regulatory decision making in the East Asia and Pacific Region through the exchange of information and experience in infrastructure regulation, and through the promotion of training programs focused on regulatory issues common among countries" the Minister said.

In announcing Commissioner Abe's election to this important Regional Forum, the Minister said that this signifies a very important sign of confidence and trust not only in the ICCC but the country as a whole that Papua New Guineans can provide sound



**Commissioner Thomas Abe first from right is seen moderating a session in the Singapore meeting with other panel members. They are from left to right: Mr Apurva Sangi – Senior Economist, Infrastructure Unit with the World Bank and Ms Elisa Muzzni – Utility Regulation Specialist with the World Bank.**

leadership and direction to such an important regional grouping.

"The ICCC plays a very important role in supporting and complementing the Government's economic development aspirations by promoting an investment friendly, efficient and predictable regulatory environment whilst also focusing on its key objective of balancing the interests of all stakeholders in undertaking its regulatory responsibilities. Economic regulation is constantly changing around the world through the opening up and restructuring of markets, changes in

the way people do business and technological advancements and the ICCC's ability to maintain best practice regulation is to a large extent dependent on constant interfacing with regional regulators so that regulatory decisions taken are not only consistent with international best practice but are transparent and in the best interest of everyone in PNG", said the Minister.

Minister Philemon said Commissioner Abe successfully established ICCC in 2003 and much has been established under his lead-

ership. Some of his achievements are; setting up of the ICCC Office at Garden City, recruitment of staff, completion of relevant statutory processes and procedures and governance processes, staff training, undertaking various price reviews, having a website and conducting awareness programs on the work of ICCC.

"It is one of the few Statutory Bodies working hard and making a difference and this recent development is recognition of those achievements and some of the positive things happening in the country. Mr. Abe's election as the Chairman of this international forum will further benefit ICCC in terms of good decision making through exchange of information with other Regulators in the Region as well as capacity building and training for its staff", the Minister said.

"On behalf of the Government, I congratulate Mr. Abe on his election and given his performance, I have every confidence in his ability to provide guidance and leadership to this international Body as well as utilise the opportunity to greatly benefit ICCC and the Country as a whole", said the Minister

**HON. BART PHILEMON, MP  
Minister for Finance & Treasury  
11 October 2005**

# A milestone effort on the part of ICCC: Hon. Bart Philemon

## Keynote Address by Minister for Finance & Treasury, Hon. Bart Philemon

On the opening of the Consumer Product Consultative Committee (CPCC) Inaugural Meeting on Wednesday 27 July 2005 at ICCC Head Office, Port Moresby.

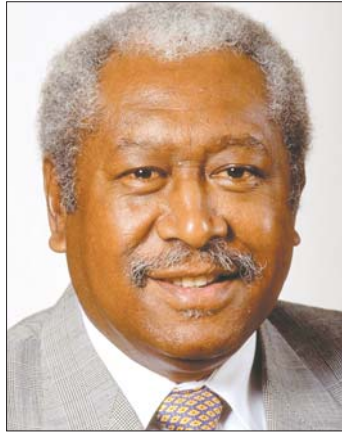
Commissioner, Thomas Abe, representatives from the Industry, Government and Consumer Group and friends from the Media.

It gives me great pleasure to be present here this morning to open this inaugural meeting of the Consumer Product Consultative Committee (CPCC). I do not want to be too formal in my address, except to welcome you and thank you for your attendance.

I must commend the Commissioner, Mr. Thomas Abe, the Associate Commissioners and staff involved in the planning and establishment of the CPCC. This is a milestone effort on the part of ICCC to organize and facilitate the establishment of such a body whose primary objective is to serve as an informal forum for discussion and consultation on issues relating to consumer products in the market, particularly issues pertaining to product safety, product standards, product recalls and bans, and regulations regarding product standards in PNG.

Parliament in 2002 passed the Independent Consumer and Competition Commission Act which established the Independent Consumer and Competition Commission (ICCC) with its primary objective geared towards enhancing the welfare of the people to Papua New Guinea through promotion of competition and fair trade, promotion of economic efficiency in the industry structure, investment and conduct, and the promotion and protection of consumer's rights and interests.

You will note that in the name of ICCC, "consumer" as referred to in the business context, has a prominent position. The people of Papua New Guinea, who are comprised of consumers like you and me deserve a 'fair



**Hon. Bart Philemon**  
Minister for Finance & Treasury

deal' when it comes to service standards, pricing, and quality in the many goods and services offered in the PNG market today. In fact that is why the government through the ICCC regulates public utilities such as electricity, telecommunications, water, postal services, ports and motor vehicle insurance; and has declared certain goods and services such as fuel, tinned fish and meat, flour, rice and poultry as well as PMV and taxi fares for price regulatory purposes. It is the Government's desire that these goods and services be made available at efficient cost reflective prices, and that any monopoly or market power held by the suppliers of these goods and services is not used to the detriment of the consumers in Papua New Guinea.

In addition to the issues of service standards and product quality being a focus for attention by the ICCC for these declared goods and services, the Commission has a much wider role in terms of acting as a watch dog on product quality and service stan-

dards across the economy as a whole.

The Government embraces the 1985 United Nations Charter of Consumer Rights and the fundamental principles embodied in that Charter to protect the rights and interests of consumers and monitor standards for the ethical conduct of those engaged in the production and distributions of goods and services. The Commission plays a central role in the practical implementation of these fundamental consumer rights in the Papua New Guinea economy.

One of the most important rights is obviously the right to product safety, which I believe is to be the focus of this Consumer Product Consultative Committee (CPCC).

The Commissioner in his welcoming address made it crystal clear that we have some serious issues in Papua New Guinea in relation to product safety as highlighted by a number of the complaints already lodged with the ICCC. All parties concerned, including consumers, suppliers and manufacturers, with the help from ICCC, should make it an individual and corporate responsibility to address these product safety issues in order to safe our people. Hence, an initiative such as the establishment of this Consultative Committee, is commended.

A corporate responsibility implies all parties being prepared to initiate and implement action that may serve to resolve to overcome identified product safety issues. Where these problems exist it is not necessarily a matter for new regulations, enforcement of existing laws may be an appropriate response. However, in the spirit of cooperation and consultation that this committee is intended to foster, I would hope that many of the cur-

rent and potential future problems that will be encountered in this area, can be resolved quickly and efficiently through appropriate action by the relevant groups concerned.

Ladies and gentlemen, the composition of the CPCC reflects a broad cross section of key stakeholders. I am aware for example, that our women folk are represented on this Consumer Product Consultative Committee as a consumer group, and I welcome this initiative and acknowledge their presence here today. The input gathered from consultation with all representatives and experts present around the table will certainly be of value and contribute significantly to the functioning of the ICCC and recognition in the wider public domain of the issues of product and consumer rights.

Finally, I take this opportunity again to express my sincere gratitude to Mr. Abe and his staff for inviting me to formally launch the Consumer Product Consultative Committee and to thank all those attending today who are giving their time and expertise as inaugural members of this consultative body. I can assure you that your time and efforts spent in the CPCC will be highly valued and will contribute to the process of market reform and enhancement of consumer welfare that we all desire for this generation and the generations to follow.

It now gives me great pleasure to declare the Consultative Committee formally open and to wish you well in your deliberations and discussions.

**Thank you**

**Honourable Bart Philemon, MP**  
Minister for Finance and Treasury

## Official Launching of Consumer Product Consultative Committee

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foreign objects in cans during processing), uninformative or unintelligible foreign labels, and unapproved electrical appliances. The ICCC through its Regional Offices have reported numerous examples and cases which have been investigated as a result of formal complaints lodged with the ICCC.

The concerns about the consumer product safety and information issues thus has prompted the ICCC to consider and develop strategies that will

address product safety issues for the benefit of all who are involved in making consumer products available to the market or consumers of these products. In addressing this issue one of the steps taken by the ICCC was the recent appointment to the membership of the Consumer Products Advisory Committee (CPAC) in Australia which comprises members from the Australian and New Zealand and all Australian State and Territory governments. Through this link the ICCC is

now actively able to learn and participate in monitoring product recalls including ban notices of products in those countries, in order be warned of dangerous products that may come to PNG.

Abe said it is important that in PNG we need to do a lot more awareness and responsible participation from all concerned in the production, importation, distribution, selling, regulation and consumption of consumer products to ensure that these products that are pro-

duced and sold to our people in this market are safe for consumption.

"That is why the ICCC has taken a lead in establishing the Consumer Products Consultative Committee (CPCC) whose primary purpose will be to serve as an on going informal forum for discussing and providing appropriate advice to the ICCC on issues of product safety and product information standards, consumer product safety recalls and other similar issues", said Abe.

## CPCC first meeting report

### INTRODUCTION

The Consumer Product Consultative Committee (CPCC) an initiative of the Independent Consumer and Competition Commission (ICCC) was successfully launched on the 27th of July 2005 by the Honorable Minister for Finance and Treasury Mr. Bart Philemon, Member for Lae.

The establishment and the launching of the Consumer Product Consultative Committee (CPCC) is part of ICCC's focus to involve key players in the industries as technical advisors and partners in making sure that consumer protection issues such as product safety are addressed in PNG.

The Terms of Reference (TOR) of CPCC as highlighted in the meeting encourages the industries, stakeholders and consumers alike to work together in finding solutions to protect the consumers for the benefit of the industries and the wider community in ensuring the goods and services manufactured and distributed in the market are safe for consumption and use.

### ISSUES DISCUSSED AT CPCC MEETING

The launching and the CPCC meeting proper on the 27th of July 2005 was a success, well presented and received by all the CPCC members. The issues raised in the

meeting were as follows;

- Counterfeit and Pirated products
- Products do not conform to the relevant mandatory product standards
- Mandatory product standards are not known to relevant industries.
- Who are the custodians of relevant mandatory product standards?
- Product labels in foreign language that consumers don't understand.
- Apart from Expiry dates, Safety dates not known to consumers in some products.
- Absence of product recall policies in some of the industries.

### PROGRESS

Following the CPCC meeting, the ICCC organized a series of meetings and dialogues with IPA, IRC Customs, CHM on the issue of pirated and counterfeit music products, PNG Power Limited on the issue of electrical standards, the Food Sanitation Council on the issue of product labeling and expiry dates and a number of traders on their foreign language labeled products.

The following are some of the results achieved from the dialogues and meetings;

- (a) Ban/Confiscation of Products

On the advice of IRC Customs and IPA Registrar of Trade Marks, CHM has

engaged a lawyer to register the major brand product that it distributes and supplies. This will allow IRC Customs to ban the counterfeit/fake and pirated products. Meanwhile CHM has also engaged the assistance of the Police Department to search and confiscate pirated music products produced locally.

- (b) Electrical Product Standards

PNG Power who are the regulatory authorities for electricity have been engaged to identify product standard requirements and advice ICCC. Based on this information ICCC in liaison with PNG Power will conduct consumer awareness on electrical product standard requirements. The industries will be advised that products that do not comply with the standards will be removed from the market or banned.

- (c) Product Labelling – Food Products

ICCC have recently collaborated with the Health Department in media releases on product information and labeling. In collaborating with the Health Department, ICCC was invited to serve on the Food Sanitation Council Meeting and attended its Meeting No#3 on the 2nd of September 2005.

The Council supported the initiative by ICCC to establish an MOU with Health Department and the

City/Town Authorities to exchange information and share resources in the enforcement of consumer protection related activities.

The draft Food Sanitation Regulation which comprehensively covers the requirements of food labeling and information has now been approved by the Council and will shortly be submitted to the NEC.

- (d) Voluntary Product Recall Guide

Following the need for industries to consider having product recall polices, the ICCC has drafted a Voluntary Product Recall Guide, distributed and circulated to the CPCC members and stakeholder for their comments.

### OBSERVATION

It was obvious from the first CPCC meeting that there are many important issues that will need to be further discussed and addressed going forward with the support from all CPCC members mainly in relation to;

- Creating more awareness on mandatory product standards to consumers and industries.
- Preventing banned and illegal/unsafe products from coming into PNG.
- Getting support from industries to enforce mandatory product safety standards.
- Getting support from enforcement agencies to

enforce mandatory product safety standards.

- Adopting and developing appropriate product safety standards in products where there are none.

### CONCLUSION

Even though it was the first CPCC meeting some progress are already made in assisting the Commission in addressing consumer product safety issues including other relevant consumer protection issues with the help of the CPCC members, the industries and the consumers.

Through the CPCC some awareness and the existing partnership with the industries and the relevant enforcing agencies to work together have improved to some new level for the benefit of all consumers and players in the industries.

Hence in order to continue this awareness and commitment, the Chair has invited PNG Power Ltd to make a presentation on Electrical Standards and IRC Customs to make a presentation on the Ban on Counterfeit and Pirate Products for the 2nd CPCC meeting from issues raised in 1ST CPCC meeting.

**THOMAS ABE**  
Commissioner & CEO  
CPCC Chairman

## East Asia and Pacific Infrastructure Regulatory Forum

The East Asia and Pacific Infrastructure Regulatory Forum ('EAPIRF') is a membership organisation whose mission is to develop regulatory capacity through activities and services that enhance regulatory decision making in the East Asia and Pacific region via the exchange of information and experience in infrastructure regulation, and through the promotion of training programs focused on regulatory issues common among countries. The EAPIRF was formally established at a meeting of infrastructure regulators from the East Asia and Pacific countries at a meeting in Manila in April 2004 with the support of the World Bank and the Public-Private Infrastructure

Advisory Facility.

EAPIRF has two goals which together define the overall purpose of EAPIRF as a membership organisation formed to support the development of regulatory capacity in the region. These goals are:

- Goal 1 – Promote the exchange of information and sharing of experience with infrastructure regulation; and
- Goal 2 – Facilitate the development of training and capacity building opportunities for infrastructure regulators.

Membership to the EAPIRF comprises two categories; Core Members and Affiliate Members. Core Members are regulators in the

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Commissioner Abe is flanked by ICCC Principal Price Analysts Fego Kiniafa (left) and Samson Rowaro (right) at the Singapore meeting.

# Noticeboard

## Indicative Retail Prices Notice 8th November 2005

The following prices are the anticipated prices for Mogas, Diesel and Kerosene to apply at the pump (including GST) at the centres identified. These prices will take effect from 12.01am on Tuesday 8th November 2005, and reflect the Import Parity Prices (IPP) that will apply from that month until the next price change. The prices are for bulk fuel delivered to these centres and sold at the retail service stations.

Centre	Mogas (Petrol)	Diesel	Kerosene
POM (ex Napa Napa)	313.41 - 314.04	245.37 - 246.01	241.38 - 242.02
Lae	319.41 - 319.80	252.23 - 252.62	247.82 - 248.21
Madang	318.48 - 319.36	251.30 - 252.18	246.88 - 247.76
Rabaul	319.24 - 319.70	252.06 - 252.52	247.64 - 248.10
Kokopo	322.44	255.26	250.84
Kimbe	319.36 - 320.46	252.18 - 253.28	247.76 - 248.86
Alotau	339.22 - 339.46	274.19 - 274.42	268.70 - 268.93
Wewak	334.60 - 340.10	268.99 - 274.49	263.78 - 269.28
Kavieng	336.96 - 340.59	271.66 - 275.29	266.30 - 269.93
Manus	364.24	301.74	294.96
Goroka	327.39 - 328.62	260.21 - 261.44	255.79 - 257.03
Mt Hagen	338.60 - 339.79	271.42 - 272.61	267.00 - 268.19
Oro Bay		269.61 - 274.78	
Kerema		280.83	276.85
Kundiawa	339.27 - 346.35	272.09 - 279.17	267.68 - 274.76
Mendi	353.24 - 359.47	286.06 - 292.29	281.64 - 287.88
Wabag	353.96	286.78	282.36
Vanimo	334.87	273.74	260.30

### Note

Where a range is shown, this reflects the latest advice received of the freight charges that apply to these locations. Where the Commission has been advised of more than one freight rate, it has incorporated the rate into a range for the final retail price.

Pump prices in these locations should fall within the specified ranges. In the event that prices are higher than the top end of the range, Section 3 of the Fuel Price Monitoring Form will apply accordingly.

**THOMAS ABE**

Commissioner

7th November, 2005

## East Asia and Pacific Infrastructure Regulators Forum

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energy (electricity, oil & gas), water and sanitation, telecommunications and transportation sectors. Affiliate Members are partner institutions including NGOs, universities and donor organisations. The General Assembly comprises all members; however, only Core Members have voting rights. Leadership is provided by an Executive Committee of seven members who are elected by the General Assembly for terms ranging between two and three years. The Executive Committee then elects from within them a Chairman and Deputy Chairman.

The first Executive Committee members of the EAPRIF was elected by the General Assembly during the second annual EAPIRF meeting held in Singapore from the 6-7 October 2005. Commissioner Abe was elected unopposed as the first Chairman of the Executive Committee and General Assembly for a term of three years commencing 2006. The Executive Committee under Commissioner Abe's leadership now has the responsibility to develop EAPIRF over the next three-year period into a sustainable and effective organisation that provides value to members. One of the first priorities of the Executive Committee will be to appoint a Secretariat, which will be an organisation in the region selected on the basis to of the capacity to undertake the required functions under the EAPIRF Strategic Plan and other activities as directed by the Executive Committee.

Further information on the EAPIRF can be obtained by visiting its website [www.eapirf.org](http://www.eapirf.org).

## Fuel Price Booklet

The global impact of high oil prices have generally have been taken out of context with the Commission, the InterOil Refinery at Napa Napa and oil companies being held responsible for high fuel prices in PNG.

The Commission has come to realize that there many misconceptions about fuel pricing arrangements in PNG and therefore wants to address this issue.

Since the inception of import parity pricing (IPP) arrangements in September 2004, the Commission as part of its consumer and public awareness role has continued to release monthly press statements on or before the 8th of each month to inform and

educate the general public about the IPP price changes and the factors influencing these changes and the process under which the IPP changes are implemented as determined by the Final Report of the Petroleum Industry Pricing Review and consistent with the Napa Napa Project Agreement.

Misconceptions by fuel consumers will certainly take time to fully appreciate and understand the changes in the structure of the oil industry, the new pricing arrangements and how this applies to the country.

As part of the Commission's ongoing effort to better inform all fuel consumers in PNG, the Commission has undertaken to

produce a "Fuel Booklet" which is intended to provide consumers with an understanding of fuel pricing in PNG by presenting answers to some frequently asked questions. The Commission intends to print as many copies of the brochure and have them widely circulated so that the information reaches as many people and organisations as possible.

The Commission believes it has the responsibility to take all necessary measure to enhance consumer understanding of fuel pricing arrangements, hence it is undertaking this exercise. It hopes that other stakeholders will jump on the bandwagon and also help in this exercise.



Enforcement and Compliance Officer Edward Numbasa goes through a routine fuel price inspection in Port Moresby.

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Independent Consumer & Competition Commission

# Mission Statement

## OUR VISION

TO FOSTER AN INFORMED AND FAIR PNG MARKET

## OUR MISSION

CONSISTENT WITH THE ICCC ACT 2002, OUR MISSION IS TO ENHANCE THE WELFARE OF THE PEOPLE OF PAPUA NEW GUINEA THROUGH:

- ENCOURAGING FAIR TRADE PRACTICES AND PROTECTING CONSUMERS;
- PROMOTING COMPETITIVE AND INFORMED MARKETS;
- REGULATING DECLARED GOODS AND SERVICES AND DECLARED INDUSTRIES WHERE COMPETITION IS LIMITED; AND
- DEVELOPING OUR AGENCY AND ENSURE EFFICIENT USE OF OUR RESOURCES.

## OUR VALUES

THE FOLLOWING VALUES HAVE BEEN ADOPTED:

- PROFESSIONALISM AND ETHICAL CONDUCT;
- TRANSPARENCY;
- ACCESSIBILITY; AND
- INDEPENDENCE AND FAIRNESS.

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