



**INDEPENDENT CONSUMER AND  
COMPETITION COMMISSION**

**CONSUMER PRODUCTS CONSULTATIVE COMMITTEE SECRETARIAT**

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**BRIEF ON CPCC MEETING NO: #05 – 26<sup>th</sup> OCTOBER 2006**

**INTRODUCTION**

The CPCC Meeting No #05 was held on the 26<sup>th</sup> of October 2006. A number of presentations were made during the meeting for the awareness, discussion and benefit of members. Most sessions featured the issues on counterfeit and fake products, followed by presentations on important reviews undertaken by ICCC and a presentation from the Fire Service Department on product safety and fire hazards.

Guest speakers from the PNG Business Council representing *British American Tobacco, Colgate Palmolive* and *K.K.Kingston* gave three (3) very valuable presentations and provided a few examples of counterfeit products. IPO/IPA made a presentation to the members in the light of the Intellectual Property Rights issues raised with regards to the existing laws and enforcement in PNG.

The ICCC was also able to make a valuable presentation on the final conclusions and recommendations on the *Airlines, Shipping and Tourism Industries* the ICCC undertook to CPCC members. The review findings were able to highlight some of the issues or impediments affecting the concerned industries and the recommendations of the way forward.

**ISSUES DISCUSSED AT CPCC MEETING**

Most of the issues raised related to the offering of fake and counterfeit products which is subsequently affecting the industries in PNG and more particularly the genuine local manufacturers, exporters and importers.

***Counterfeit/fake products Issues***

Below are some of the effects of what a counterfeit or fake product can do to a country's economy;

- *Consumers deprived of genuine quality*
- *Counterfeit/fake products can pose serious health and safety problems*
- *Counterfeit/fake product encourages organized crime*
- *Tax evasion by those involved in the supply of counterfeit/fake products*
- *Discourages further investment and creativity for right owners*

The quality, health and safety of the products are questionable as they are produced in backyard warehouses and makeshift production facilities that do not comply with government regulations and standards.

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*" Friend to Businesses, Friend to Consumers"*

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## **Other issues**

- *Quality of Goods (clothing),*
- *Anti-dumping*
- *Shipping – Charging of fees for government services (NAQIA, Harbours, etc)*
- *Contamination of food products – proper standards not enforced,*
- *Advertising - misrepresentation,*
- *Slow response from government departments and agencies – enforcement of legislation,*
- *Lack of participation by key government departments and agencies*

## **PROGRESS STATUS**

### **Counterfeit/Fake Products**

The industries through the PNG Business Council and PNG Manufacturers Council have taken the initiative to address the counterfeit/fake products issues with the stakeholders, key government departments and agencies.

Multinational organizations in PNG are conducting major investigations and awareness in combating the influx of counterfeit/fake products.

### **IPA/IPO**

IPOPNG administers IP laws of PNG including *Trademarks Act 1978* and *Copyright and Neighboring Act 2000*. These laws allow for the registration of Trade Marks and IP. PNG is member to international conventions and treaties; WIPO, Paris Convention, Patent Corporation Treaty and WTO – TRIPS.

The purpose of the IPO laws is to provide protection of IP owners in promoting and encouraging creativity, trade and investment. IPO has registered 18,352 trademarks and 75 patents and industrial designs.

Legislation and policy changes are now under review to amend and incorporate changes with the international conventions and treaties. IPO/IPA is currently organizing an APEC funded seminar to be held in Port Moresby in 2007 and geared to strengthening IPR enforcement in PNG.

### **Fire Services Department – Product Safety**

Product safety is an emerging issue with the Fire Services Department. The Department has taken the initiative to liaise with international counterparts, stakeholders and key government department and agencies in product safety and fire hazard.

### **ICCC Industries Review**

The major final recommendations of the Airlines and Tourism Industry were presented as well as the draft recommendations from the Shipping Industry Review.

#### **• Airlines Industry**

The final report of the Airline Industry Review has been published with the following major recommendations:

- Create and encourage an environment conducive to facilitating greater competition to bring about competitive and cost reflective airfares;
- Airport infrastructure and aerodromes need to be upgraded based on their future commercial viability ;

- No direct government subsidies however industry to invest in fuel efficient aircrafts and the covert AVGAS driven engines to JETA1 compatible engines .
- CAA charges and levies must be set in an open and transparent manner and CAA to be restructured to separate safety regulatory functions and airport management functions to eliminate the perceived conflict of interest;
- Code sharing in the Airline Industry (Air Niugini & Qantas) must be reviewed by ICCC under the ICCC Act.

- **Tourism Industry**

The Tourism Industry Review recommendation encompasses a 10 years strategic plan for marketing, investment and product development in line with transport, infrastructure and human resources with the institutions and industry in partnership:

- Review of Tourism marketing and policy;
- Development and implementation of an effective niche based marketing strategy focused on key source markets;
- Various taxation and fiscal incentives to attract major trophy investments in the industry;
- Upgrading of infrastructure and encouraging new airline competition;
- Remove visa requirements for key source markets;
- Training and investment in human resources and allowance for major projects in tourism.

- **Shipping Industry**

ICCC has released the draft report of the Shipping Review with the following draft recommendations:

- Upgrading and new investments in Port facilities and related infrastructure is very urgent;
- Current cabotage arrangements may potentially be retained on the ground of public benefit;
- Pricing regimes under the Merchant Shipping Act be maintained;
- Licensing arrangements to be restructured with a view towards introducing a new process which is less costly, efficient and transparent to encourage entry into the industry.

### **Commercial Advertising Act**

ICCC has been successful in transferring the Commercial Advertising Act from the Treasury Department to be administered and implemented by ICCC.

### **GOING FORWARD**

The participation of industries, key government department and agencies in such consultative meetings is the best way forward to get results in addressing issues of concern to businesses and consumers. It is far better an approach when considering the need for industry experience and guidance and existing overlapping of functions under different government jurisdictions.

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**THOMAS ABE**  
CPCC Chairman