

PMIZ AND THE VILLAGE

STRATEGIES TO CONVERT THE RESOURCE BOOM
INTO DEVELOPMENT

“THERE IS A BIG ANIMAL OUT THERE. NOGUT YUMI GO
KLOSTU LONG BANIS NA EM I KILIM YUMI” – FRANK
DON 15/02/15 AT REMPI.



1. PACIFIC MARINE INDUSTRIAL ZONE IN MADANG

The Pacific Marine Industrial Zone project at Vidar is planned to be Papua New Guinea's first Special Economic Zone (SEZ) project. It is situated along the north coast of Madang province.

Vidar is situated some 20 kilometres from Madang town

Vidar currently has a blue metal fence built around its boundaries and the land is largely covered in dense bush after all the aging coconut trees were bulldozed. R D Tuna has established a wharf and port facilities for its fishing fleet at the waterfront.

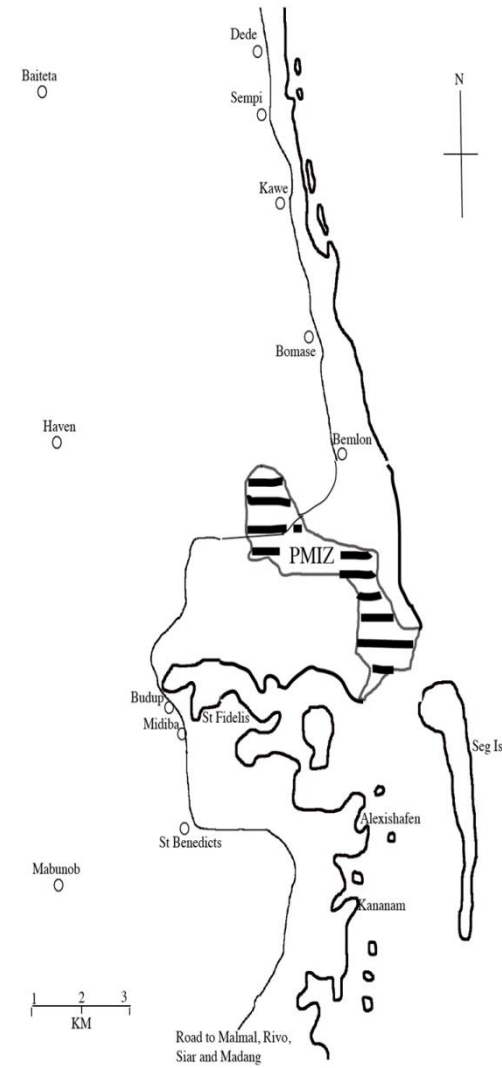


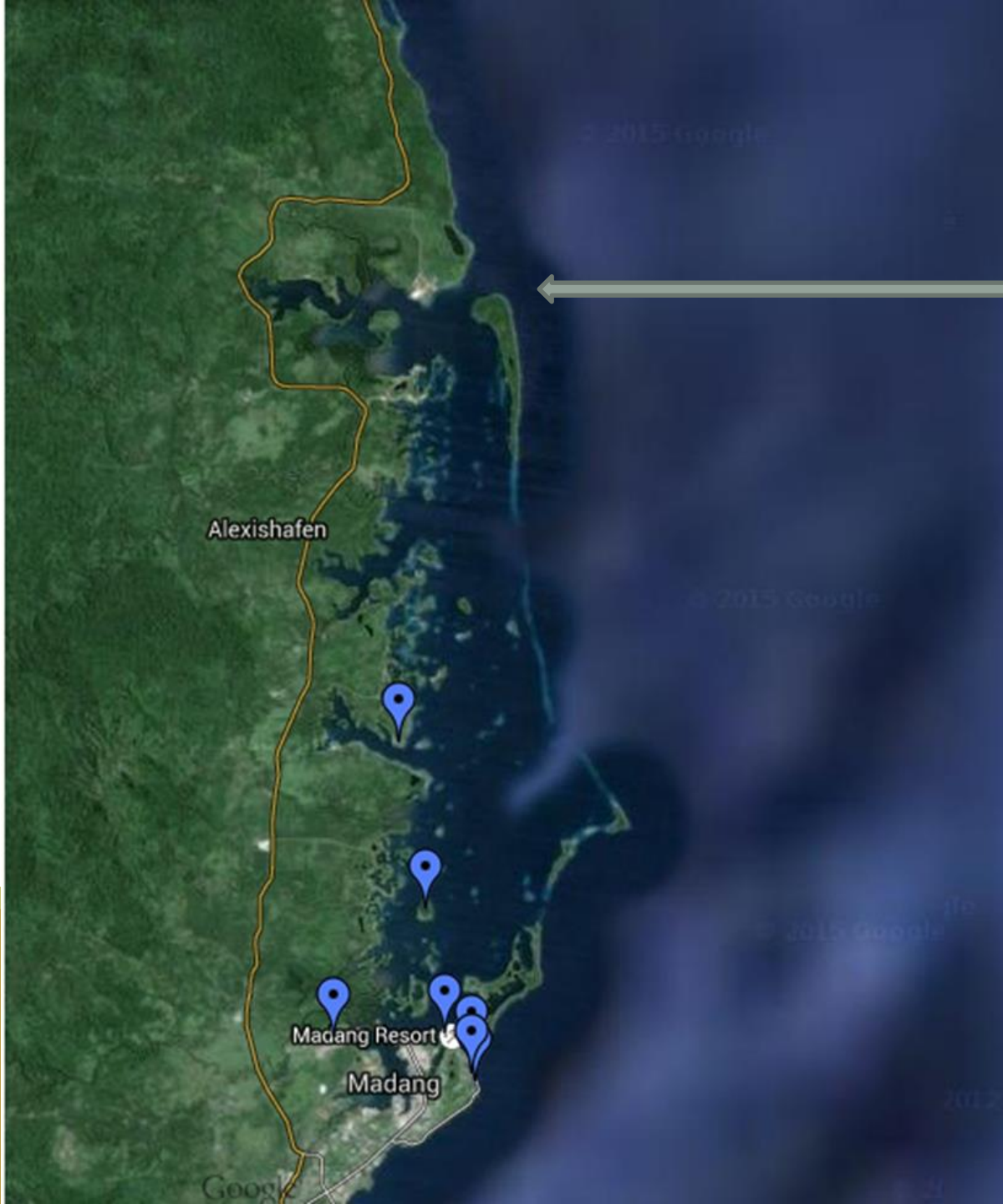
MIKLOUCHO-MACLAY WENT TO REMPI

The lagoon has sustained generations of Bel, Ari and Rempi people who inhabit the area. They are three distinct language groups.

The first recorded mention of the PMIZ area comes from the diary of the Russian explorer and naturalist, Nikolai Mikloucho-Maclay. He had settled in Astrolabe Bay in 1871 and in 1876 he decided to visit the Erempi people that he had heard so much about.

“The inhabitants were very scared by my unexpected appearance and probably by my aspect, as they had not seen a white man up to that time.”





Vidar in the Madang Lagoon

2. SPECIAL ECONOMIC ZONES AND THE PMIZ

Papua New Guinea, in 1982 institutionalized long-standing coastal and island state claims over its 200 nautical miles of coastal zones (the Exclusive Economic Zone - cf. United Nations Convention on the Law of the Sea)

By 2009, the annual tuna catch taken in PNG waters exceeded 500,000 tonnes, an export value of US\$766 million, accounting for more than 10 per cent of the entire fish supply of the multi-billion dollar tuna industry .

PNG was making money at what is called a first-generational level, by licensing boats fishing in its waters. This yielded about \$45 million per year.

Richard Maru, Minister for Trade, Commerce and Industry: “The biggest beneficiaries of PNG's fisheries are foreign fleets who take unprocessed catch from PNG waters to their fish factories overseas.”



3. THE COMING OF RD CANNERY

Until recently, the country was losing an estimated two-thirds of its potential downstream and value-added business (US\$808 million annually) due to a lack of domestic processing facilities.

Movement to a second-generational level in the tuna industry involved PNG having its own downstream processing facilities in the form of RD Fish Cannery in Madang, and accounting for the fishing catch for all boats registered with these facilities.

The Managing Director of RD conceived of a Pacific Marine Industrial Zone (PMIZ) to reduce production costs, and for nine years lobbied the National Fisheries Authority (NFA) and the Department of Commerce and Industry to take on the project.

Government officials have begun to explore exporting agricultural and other products from the Zone as well.



THE CANNERIES DO DOWNSTREAM PROCESSING

PNG is already home to four commercial tuna canneries, which have a combined maximum daily processing capacity of 640 tonnes (which is 200,000 tonnes a year).

“More than 3.5 billion people depend on the ocean for their primary source of food. In 20 years, this number could double to 7 billion”

The former Minister for Commerce and Industry who was instrumental in setting up the SEZ in Vidar, Gabriel Kapris, is now directing one of the few companies already making money out of the PMIZ.



THE ADVANTAGES OF A SEZ AND DISADVANTAGES

A Special Economic Zone (SEZ) is an extralegal, 'multi-use, geographically delimited area with conditions conducive to investment' (World Bank 2009, 1),

An SEZ gets an income tax holiday, exemption from national and local taxes, enjoys simplified profit repatriation, imports equipment duty free and has excellent infrastructure in terms of water, power and telecommunications

BUT ON THE OTHER HAND, EXPERIENCE WITH RD HAS BEEN:

Wages are low, benefits to workers are kept to a minimum, promised improvements in the neighborhood in terms of schools, clinics, roads and power supply have not eventuated. The onerous conditions of the fish factories fall mostly on the women, who have also in some areas been led into a trade of sex for fish.



BLOGSITE WARNINGS

Various blog sites warn of the economic danger, environmental destruction and severe social damage that can come from a Special Economic Zone:–

“Fisheries are one of the most criminalized sectors in the world. This generates so much money that it’s like drugs”

FADs (Fish Aggregating Devices) “are responsible for the wholesale death of baby tuna, sharks and turtles and are a major cause of the decline of the valuable big-eye tuna.”

Bluefin tuna – “their demise will have dire consequences for marine ecosystems. Without large predators, entire food chains may erode, leaving the seas overrun by millions of jelly fish and micro-organisms.”

“I have made referrals of officers, some of them very senior in stature who have allegedly involved in graft and corruption involving several project funds and I have no hesitation in referring them for prosecution.”



THE VILLAGE FACES THE MULTINATIONAL CORPORATION

We are in no position in this paper to enter into the conflict discussion head-on. Our purpose here is to document the village point of view, without the sophistication that rightly belongs to the whole question and as is presented in the May 2015 Petition.

How does a village negotiate with multi-national corporations and massive exploitation of their resources? Can the village hope in a future when living cheek by jowl with a PMIZ?



4. THE ALIENATION OF THE VILLAGE LAND

The chairperson of Rempi village organizing committee, Alphonse Miae, makes a comment about Vidar, the PMIZ site, “We know we don’t have the land now. We are after the benefits that come to us as an impact group.” This brief statement of the present position obviously conceals a lot of heartbreak in the village.

The land was purchased by three officials of the German New Guinea Company in 1901. The Catholic Mission built a church on one of the native reserves.

In May of 2010, an old man, the leader of the Bomase clan, Peter Gau Sabum, told the story of how the Catholic Church ‘purchased’ his ancestor’s land with a handful of trinkets and quantities of salt. The Catholic Mission took up the expropriated land again after the First World War in 1927.



CATHOLIC MISSION SELLS THE GROUND

1. In 1992, the Archdiocese of Madang was approached by the Madang Provincial Government who expressed an interest in acquiring Portion 625 after partnering with a Company called “ZZZ Company”
2. Madang Provincial Government (MPG) then acquired Portion 625 with a total landmass of 856.56 ha in 1992 for K800,000,00. Later, MPG auctioned off Portion 625 which RD Tuna acquired for a reported K3,000.000.00.
3. RD Tuna in turn sold 216ha out of the total 856.56ha to PMIZ for a reported K4,000.000.00.

No one else can purchase land in PNG apart from the national government, not even the previous *Papa graun*.



5. THE VILLAGES ORGANISE

The Memorandum of Understanding (MOU) between the villages and the PMIZ will include three distinct groups of people represented by the landowner umbrella companies. They are Kananam, Rempi and Baiteta.

The inland areas of Rempi are being considered for this project mainly for the resources their land will provide for the project such as water supply for reticulation and for hydroelectricity.

The MOU is being drawn up to determine how the Impact area people will have the opportunity to participate in the first part of the project which is valued at US\$90m.

The MOU will define who the parties are: the Ministry of Trade, Commerce and Industry, the Madang Provincial Government, the developer – Shenyang International Economic and Technical Cooperation Corporation Ltd, and the umbrella

companies of
Kananam, Rempi and Baiteta.



ORGANISE TO BENEFIT

The participation of the villages will be by spinoff businesses, to supply primary materials for construction, and to supply intermediate and final goods and services such as equipment and labor hire, catering, transport and security escort services. Another way that villagers can participate in the phase 1 of the project is to register their own companies as ILGs and they can then offer their expertise, services or resources to the project.

Most of the local inhabitants recognize and accept that the PMIZ project land has long been alienated and now belongs to the government of PNG.

The inhabitants generally accept the government's policy to recognize them as 'impact area people', but how wide the recognition should extend is still an issue for the people. Kananam protests: We are landowners not impact groups. But even "landowner" seriously changes the meaning of *Papa graun*.



6. THE “NO PMIZ” PROTEST

PNG is now a major source of tuna for the world. Europe said they would limit buying catches from Thailand and Taiwan, which would force them to come to Madang to the Marine Park. This will provide investment and employment.

Leaders of Rempi, Kananam and Baitata were given a K300, 000 trip to General Santos, Mindanao to see a SEZ opening there. They were impressed with the cleanliness of the water at the site.

Kapris stated that the Marine Park is expected to bring in K6bn every year as an industrial city. The terms of the first loan agreement provide for 25,000 jobs. 70% of these must go to Chinese nationals, and also K20m of the profits. It appears there will be many dormitory enclaves for the single Chinese.



THE PETITION

In May 2015 under the guidance of Ken Fairweather, there was a petition “Stop PMIZ – a ‘Fishy Deal’” . They claimed to have 20,000 signatures in a short while and presented their petition to Governor, Jim Kas.

Prime Minister Peter O’Neil , member Nixon Duban and Jim Kas made statements that the government supported the PMIZ.



THE VILLAGERS UNDER THE MANGO TREE

The dice seem loaded unfairly against the villagers, but under the present state of affairs the leaders are prepared to go ahead in the hope of development. The first important task for the Rempi community is that all decisions have to be made “under this mango tree” next to the Village Councillor’s house, because the community cannot be holding many meetings which divide the people when they need to be united.

On 12th June 2015 the villagers of Rempi killed a pig (with the help of the Philippine sailors of RD) gave it to the Secretaries of Finance and of Planning, and said, “Now you have eaten our pig. Give us some results on the development of the PMIZ within three weeks.” The PNG way.

