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PAGE 4

Judge sentences man to death

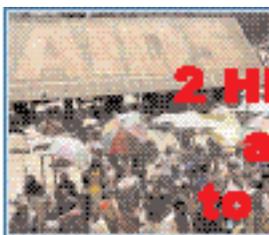
PAGE 3

**WHP
apologises
to Somare, Polye**



PAGE 5

**2 HIV/AIDS patients
admitted daily
to Hagen hospital**



Island-style welcome for NEC

PRIME Minister Sir Michael Somare (pictured left inspecting a guard of honour) was given a traditional Tolai welcome when he arrived in East New Britain yesterday for the National Executive Council meeting.

Traditional Tolai Dukduks and Tumbuans from Karavia village near Kokopo gave Sir Michael the traditional welcome when he flew in on the Kumul.

Sir Michael was accompanied by Minister for Petroleum Moi Ave, Minister for Trade and Industry Paul Tiens-tein and Mining Minister Sam Akoitai.

They were met by East New Britain members of Parliament, provincial government officials and NEC members who had arrived in Kokopo earlier.

Sir Michael inspected a police and CIS guard of honour at the airport and later proceeded to Queen Emma's Lodge in Kokopo under police escort.

He was showered with flowers on

the way by students from nearby schools who lined the streets to greet and welcome him to the province.

The NEC team was later treated to yet another warm welcome by students of Rabaul and Vunapope International schools who showered them with flowers when they made their way to the Vunapope Catholic Church grounds for the ceremony.

Father Julius Lak, of the Catholic Church, conducted the opening prayer service with the help of students from Our Lady of the Sacred Heart High School and the Vuvu Secondary School brass band.

Kokopo MP and Minister for Foreign Affairs, Sir Rabbie Namaliu, on behalf of the ENB Provincial Government, told the visiting leaders that the province was appreciative of them holding and NEC meeting in Kokopo.

**MORE ON THE NEC MEETING
ON PAGE 2.**

Sale 'bad move'

Confidential report urges review of partial sale of Telikom

A CONFIDENTIAL government brief on the proposed partial sale of Telikom PNG Ltd to Econet Wireless International has described the deal as not in Papua New Guinea's "best interest".

The brief, a copy of which was obtained by *Post-Courier*, has recommended the Government undertake an urgent independent review into the proposed sale of 51 per cent of Telikom to Econet for K150 million, of which K100 million would be paid to the Independent Public Business Corporation (IPBC) and K50 million invested in Telikom to help fund future capital expenditure.

In addition, assets and a dividend

By ALEX RHEENEY

to the value of approximately K45 million would be distributed from Telikom to IPBC before the transaction occurred.

The report, put together by the Treasury Department and former government consultant Paul Baker and addressed to Chief Secretary Joshua Kalinoe, also warned the Government to be wary of a looming lawsuit by Telikom bidder ATH Consortium seeking K279 million in damages from the State if the Government did not sell.

The ATH Consortium is made up of ATH (Fiji) 37.5 per cent, Steamships Trading/Datec 37.5 per cent with the remaining 25 per cent stake

made up of NASFUND, POSF, Defence Retirement Benefits Fund and the Telikom Staff Trust Account.

Addressing issues dealing with Telikom's sale to Econet, its monopoly, community service obligations, its track record and capacity to become the majority shareholder in the country's only telecommunications provider, the report dated August 15 recommended an independent review be instituted to cover all legal, financial and policy aspects of the sale agreement.

"The proposed sale to Econet on the face of it provides a better price than the former proposed sale to the ATH/Steamships/Datec Consortium (ATH) but at a heavy cost of a 10-year continued monopoly (instead of five years) and the State having to

wear the cost of community service obligations, which under the ATH deal was going to be borne by the company," the report stated.

"By extending the monopoly period to 10 years, IPBC are clearly giving the highest priority to securing the highest apparent profitability and up-front sale price for Telikom.

"This in itself is flawed and not in PNG's best interests.

"The priority should be to seek the most efficient and effective means of developing a modern telecommunications network, extending right out into the rural areas, for data voice."

The report questioned Econet's announcement that it would enter into a joint venture with South Afri-

can Telco Altech to take over Telikom.

The Altech board reportedly has major concerns about Econet's credibility and capacity and is yet to finalise the proposal.

Excerpts of reports by IPBC-commissioned consultants Ernst and Young and KPMG were also referred to with the latter concluding Econet lacked the financial capacity to fund the Telikom deal.

"It has always been recognised that the transaction between Econet and Altech would need to proceed to ensure that Econet was sufficiently capitalised to complete the acquisition," the report stated, quoting from Ernst and Young's findings.



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