



AUTONOMOUS BOUGAINVILLE GOVERNMENT

SORAKEN INTEGRATED ECONOMIC FUSION HUB

SPECIAL ECONOMIC ZONE – NEC SUBMISSION

A Proposal for the Establishment of a Special Economic Zone
at Soraken Plantation, North Bougainville, Papua New Guinea



Submitted to the National Executive Council
Independent State of Papua New Guinea
July 2026

SORAKEN INTEGRATED ECONOMIC FUSION HUB

SPECIAL ECONOMIC ZONE
NATIONAL EXECUTIVE COUNCIL SUBMISSION

Applicant / Developer:

Soraken Integrated Development Corporation Limited (SIDCL)

Sponsoring Authority:

Autonomous Bougainville Government
Department of Economic Development

Site:

Soraken Plantation, North Bougainville
Autonomous Region of Bougainville
Papua New Guinea

Submission Basis:

Special Economic Zone Authority Act 2019
Bougainville Executive Council Decision No. 42/2025

Submitted To:

The National Executive Council
Independent State of Papua New Guinea

Date:

July 2026

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ABBREVIATION

ABG	Autonomous Bougainville Government
AROB	Autonomous Region of Bougainville
BEC	Bougainville Economic Corridor
BEDC	Bougainville Economic Corridor Development Corporation Limited
BEZs Secretariat	Bougainville Special Economic Zones Secretariat
CSEZ	Comprehensive Special Economic Zone
DPI	Department of Primary Industries
ITCS	Infrastructure Tax Credit Scheme
K	Papua New Guinea Kina
MHR	Member of House of Representatives
MP	Member of Parliament
MTDP	Medium-Term Development Plan
MTDP IV	Medium-Term Development Plan IV
NEC	National Executive Council
NPV	Net Present Value
PNG	Papua New Guinea
PPP	Public-Private Partnership
SEIFH	Soraken Integrated Economic Fusion Hub
SEZ	Special Economic Zone
SEZA	Special Economic Zones Authority

I. EXECUTIVE SUMMARY

The Soraken Integrated Economic Fusion Hub (SEIFH) is respectfully submitted as the anchor project of the Bougainville Economic Corridor (BEC), and as Bougainville's proposed inaugural Comprehensive Special Economic Zone (CSEZ) under the Special Economic Zones Authority Act 2019 and the Papua New Guinea Special Economic Zones Foundation Policy 2025–2032.

The Bougainville Economic Corridor comprises seven strategically located economic nodes spanning the length of Bougainville Island – Bana, Karoola, Buka, Soraken, Loloho, Wakunai and Tonolei. Following a comprehensive readiness assessment against the SEZ minimum requirements (land title, physical planning approval, port potential, road access, power, water and sewerage, and communications infrastructure), Soraken is the only node that currently satisfies secured land title and has already obtained physical planning approval, placing it furthest advanced toward SEZ's NEC approval and subsequent licensing. On this basis, the Bougainville Executive Council and the Bougainville Economic Development Corporation Limited (BEDC) (*an ABG established macro business arm with a mandate to translate policy vision into real infrastructure, real industries, and real livelihoods across the Autonomous Region of Bougainville (AROB)*), recommend Soraken as the priority, or 'anchor', node for Bougainville's first Special Economic Zone licence.

Unlike a conventional industrial estate or an isolated piece of infrastructure, SEIFH has been deliberately designed as an integrated economic system – combining a deep-water port and logistics hub, industrial and commercial precincts, renewable energy generation, digital infrastructure, agriculture and blue-economy activities, and human-capital development – capable of establishing Bougainville as Papua New Guinea's northern trade, logistics, industrial and digital gateway to the Pacific and Asia.

Soraken has already secured land title, obtained formal physical planning approval (Gazette G1085/2025), incorporated its development vehicle (SIDCL), and completed engineering and master-plan design. What remains is the completion of power distribution, water supply and the balance of modern utilities. This submission therefore also enlighten the pathway for mandatory support to further improve the enabling infrastructure from the forty per cent of Bougainville's 0.5 per cent Infrastructure Tax Credit Scheme (ITCS) entitlement – legally established under NEC Decision 148/2025 – toward completing Soraken's enabling infrastructure. Once operational, Soraken is projected to mobilise approximately K3 billion in private investment by 2035, create around 8,000 direct and 20,000 indirect jobs, and generate an estimated K800 million in annual export value.

This submission requests that the National Executive Council, the Minister for International Trade and Investment, the Department of International Trade and Investment, and the Special Economic Zones Authority: (i) note the progress of the Bougainville Economic Corridor and the readiness of the Soraken node; (ii) approve in principle the designation of Soraken as a Special Economic Zone and as the national priority site for activation; (iii) approve the ITCS-funded enabling infrastructure programme and directs the Ministry of Works and Highways to oversee the technical oversight, compliances and roll out of all of SEIFH enabling infrastructure development; and (iv) commence formal evaluation of SIDCL's application for a Special Economic Zone Developer License for the Soraken Integrated Economic Fusion Hub.

The project aligns with:

- The Constitution of Papua New Guinea
- The Special Economic Zones Authority Act 2019
- The PNG Special Economic Zones Foundation Policy 2025–2032
- Papua New Guinea Vision 2050 and the Medium-Term Development Plan (MTDP IV)
- The National Trade Policy and Connect PNG programme
- The National Content Policy
- The Bougainville Integrated Strategic Development Plan
- The Bougainville Economic Corridor Strategy
- The Bougainville Blue & Green Policy

SEIFH is therefore submitted not merely as another proposed SEZ site, but as a national demonstration project for the practical implementation of Papua New Guinea's Special Economic Zones policy – and as the flagship node of Bougainville's wider Economic Corridor programme.



Hon. Peter L. Tsiamalili, MP
Regional Member of the
Autonomous Region of
Bougainville

Hon. Robin Wilson, MHR
Minister for Economic
Development,
Autonomous Bougainville
Government

Mr Lautu Atoi
Chairman, Bougainville Economic Corridor
On behalf of the Soraken Industrial
Development Corporation Limited
(SIDCL)

2. STRATEGIC VISION

The vision for SEIFH is:

To establish Papua New Guinea's premier Blue-Green Comprehensive Special Economic Zone, serving as the northern gateway between Papua New Guinea, the Pacific Islands and Asia, while driving Bougainville's long-term economic transformation.

The vision purposely seeks to establish Soraken as the Pacific's premier integrated economic fusion hub – a self-sustaining, globally connected special economic zone that demonstrates how post-conflict societies can achieve rapid, inclusive, and environmentally responsible economic transformation through strategic infrastructure investment, innovative governance, and community-centred development.

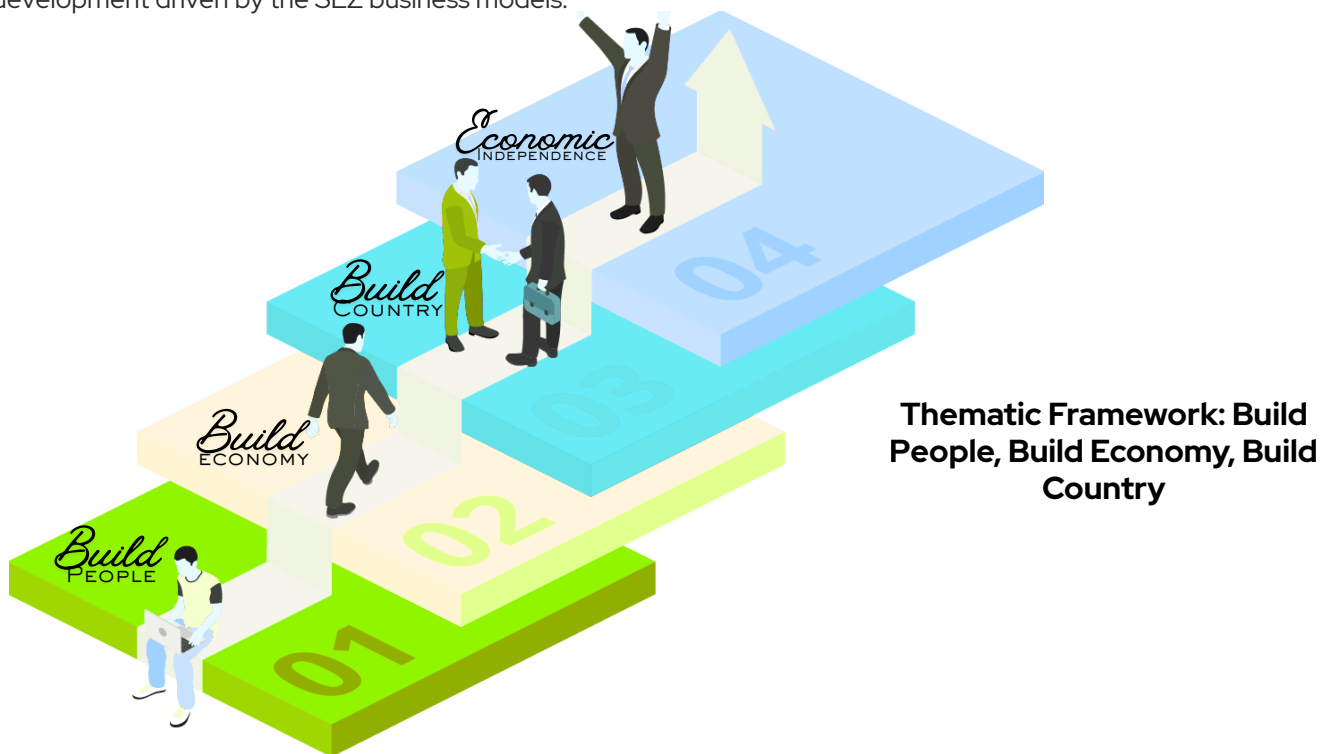
The mission to achieve this vision is delivered through the Soraken Economic Integrated Fusion Hub (SEIFH) framework, which links governance, infrastructure, energy, digital connectivity, agriculture and the blue economy, financing, policy, and human capital into a single coordinated economic engine – summarised under the framework's guiding theme of Build People, Build Economy, Build Country. Such a theme and focus will subsequently lead to economic independence, which is the greater and the ultimate aspiration.



Figure 1: SEIFH – Soraken Economic Integrated Fusion Hub framework, linking governance, infrastructure, energy, digital, agriculture, financing, policy and human-capital pillars around Bougainville's path to economic independence.

3. VISION & STRATEGIC OUTCOMES

The vision of establishing SEZ in Bougainville is unique in the sense that its aspiration in a post conflict environment and within the plight of economic independence focus on the basics that is empowering people to grow the economy. Whilst economic independence is the ultimate goal, the short to medium term outcome is to build people who would then be capable to build the economy, which will lead to building a vibrant country that is economically independent and strong. As such, community-centered development is primary to convert the vast human capital and the disengaged population into useful human resources and assets to drive the SEZ aspiration. Consequently, the community shall not only add value to the macro economic returns driven by SEZs, rather the people and the communities that are involved will directly becoming effective participants and beneficiaries of the economic development driven by the SEZ business models.



BUILD PEOPLE

- Human capital development through vocational training centres and tertiary partnerships
- Health and education infrastructure co-investment within the SEZ precinct
- Youth employment pathways with structured apprenticeship programs
- Gender equity targets: minimum 40% female workforce participation
- Cultural preservation and integration within economic activities

BUILD ECONOMY

- Export-oriented manufacturing and value-added processing
- Agricultural modernisation: cocoa, copra, vanilla, and marine products
- Digital economy infrastructure: submarine cable landing, data centre
- Financial services hub with offshore banking capabilities
- Tourism gateway leveraging Bougainville's natural and cultural assets

BUILD COUNTRY

- National revenue generation through SEZ taxation framework
- Intergovernmental fiscal transfer mechanisms
- Sovereign wealth fund contribution from SEZ revenues
- Regional infrastructure spillover benefits
- Demonstration effect for replication across PNG's economic corridors

4. THE BOUGAINVILLE ECONOMIC CORRIDOR — WHY SORAKEN

4.1 The Corridor Concept

The Bougainville Economic Corridor (BEC) is the Autonomous Bougainville Government's principal framework for driving economic transformation across the region through a network of seven strategically located Special Economic Zones. The Corridor draws on three internationally proven SEZ models, blended to suit Bougainville's circumstances:

4.1.1 Integrated Industrial Clusters

- Comprehensive industrial clusters combining manufacturing, logistics and services with advanced infrastructure and technology integration to lift productivity and innovation.

4.1.2 Green and Sustainable SEZs

- Zones that prioritise environmental sustainability through renewable energy, waste management, water conservation and eco-friendly infrastructure, aligned with global sustainable-development goals.

4.1.3 Digital and Innovation Hubs

- Technology-driven zones emphasising IT parks, innovation centres, smart infrastructure, start-ups, research and development, and digital-economy enterprises.

4.2 The Seven Nodes and Soraken's Readiness

The seven nodes of the Bougainville Economic Corridor are Bana (South Bougainville), Karoola (North Bougainville), Buka (North Bougainville), Soraken (North Bougainville), Loloho (Central Bougainville), Wakunai (Central Bougainville) and Tonolei (South Bougainville). Each node has been assessed against the same set of SEZ minimum requirements: secure land title, physical planning approval, port potential, road access, power access, water and sewerage, and communications and data infrastructure.

SEZ Node	Region	Land Title	Access Road	Water	Power	ICT	Wharf	Airport	PP Approval
Bana	South Bougainville	✗	✓	✗	✗	✓	✗	✗	✗
Karoola	North Bougainville	✗	✓	✗	✗	✓	✗	✓	✗
Buka	North Bougainville	✗	✓	✗	✓	✓	✓	✓	✗
Soraken	North Bougainville	✓	✓	✗	✗	✓	✓	✓	✓
Loloho	Central Bougainville	✗	✓	✗	✓	✓	✓	✓	✗
Wakunai	Central Bougainville	✗	✓	✗	✗	✓	✗	✗	✗
Tonolei	South Bougainville	✗	✓	✗	✗	✓	✗	✗	✗

Figure 2: Bougainville SEZ seven-node readiness matrix and corridor map. Soraken is the only node that currently satisfies secure land title and has obtained physical planning approval.

As the matrix demonstrates, Soraken is materially ahead of the other six nodes: it is the only location with clear land title, formal physical planning approval already obtained, an existing wharf, an existing airport nearby, and full communications coverage. This evidentiary readiness – not simply the presence of a private proponent – is the basis on which the Bougainville Executive Council and the Bougainville Economic Corridor have designated Soraken as the priority anchor node for Bougainville's first Special Economic Zone.

In practical terms, Soraken has already secured land title, obtained formal physical planning approval through Gazette G1085/2025, has an incorporated investment vehicle (SIDCL), completed engineering designs, submitted tax registrations, opened bank accounts and commenced investor engagement. The Soraken Township Subdivision Plan, endorsed by the ABG in April 2025, further confirms Soraken's role as a future urban centre requiring coordinated, sequenced infrastructure investment. What remains outstanding is the completion of power distribution, water supply and the full suite of modern utilities – the enabling infrastructure programme addressed in Part 9 of this submission.



Figure 3: Enabling infrastructure under construction at the Soraken site, including staff housing units fitted with solar power and water storage.

5. SITE DESCRIPTION AND LOCATION

The Soraken Integrated Economic Fusion Hub is located at Soraken Plantation, on the west coast of North Bougainville, within the Autonomous Region of Bougainville, Papua New Guinea. The site sits at the junction of Buka, Selau/Suir, Tinputz and Kunua, giving it direct access to the shipping lanes of the South Pacific Ocean and the Solomon Sea, and placing it within reach of the wider corridor network extending south to Wakanai, Loloho, Arawa, Bana, Buin and Tonolei.

The proposed Soraken Concept Urban Development Plan sets out a private Special Economic Zone footprint of approximately 950 hectares, structured around commercial, light-industrial, public/institutional, residential, solar-farm and sustainable-agriculture precincts, together with dedicated open space and mangrove and coastal buffer areas. An adjoining private SEZ corridor of approximately 40 square kilometres extends the zone's long-term development envelope.

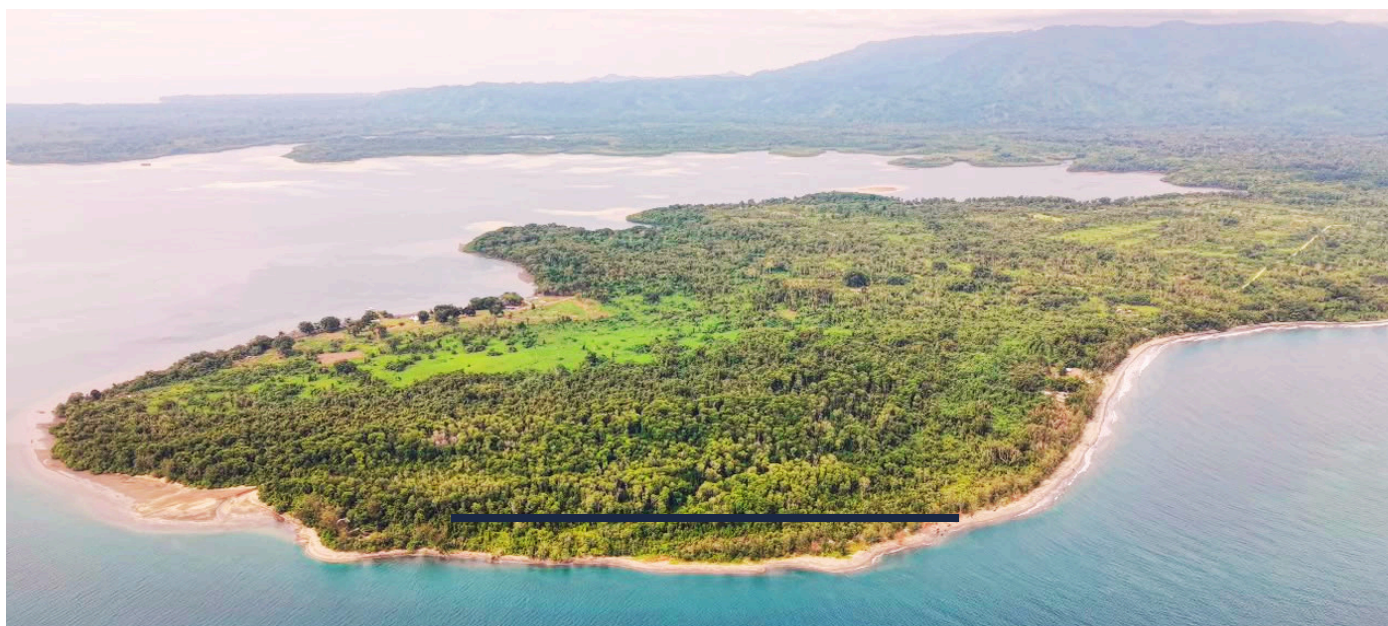


Figure 4: Soraken Plantation site - Area being selected for the Soraken SEZ site.

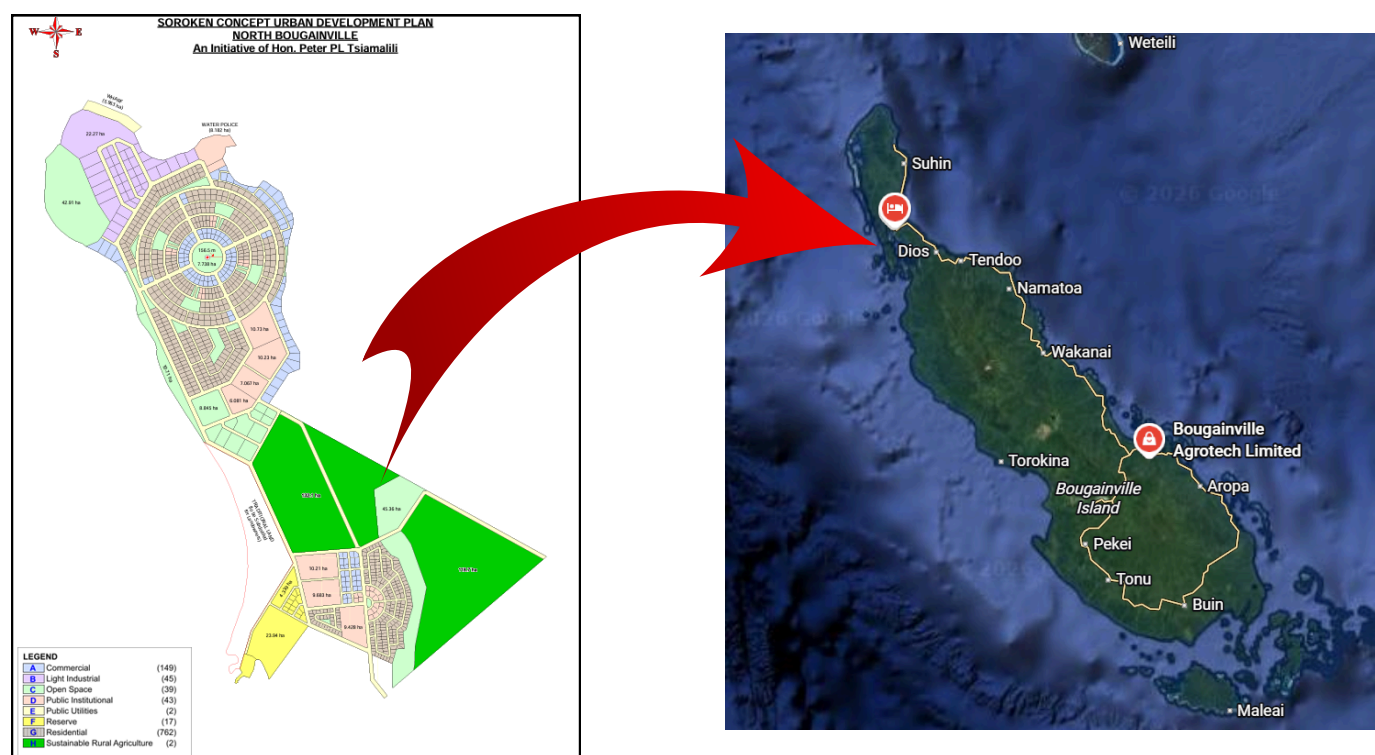


Figure 5: Soraken Concept Urban Development Plan (left) and the Soraken node within the Bougainville Economic Corridor, showing the port, airstrip and inter-node connections

The site benefits from existing road access, proximity to the national telecommunications network, and an existing jetty and nearby airport facilities. These assets provide a strong foundation for development; the project's infrastructure programme (Part 9) sets out the enhancement and staged upgrading required to bring this foundational infrastructure to full modern SEZ operating standard.

6. SORAKEN PORT — WHARF AND LOGISTICS CONCEPT



Figure 6: Existing boat-maintenance shed and slipway on the Soraken shoreline, part of the site's existing maritime and wharf infrastructure..

The Soraken Port is planned as the maritime gateway for the wider Fusion Hub, located in Zone B of the Soraken Township precinct. Its function is to support Soraken's economic and industrial zones as an integrated logistics hub serving both domestic distribution and export trade to the Pacific and Asia.

6.1 Planned facilities

- A multi-purpose wharf
- A container terminal
- A dedicated warehousing area

6.2 Capacity and supporting infrastructure

- Container-handling capability
- Bulk cargo operations
- Warehousing and logistics facilities
- Supporting port infrastructure and utilities



Figure 6: Soraken Port – planned wharf, container terminal and logistics precinct concept.

7. SORAKEN POLICY AND LEGAL BASE

The Bougainville Economic Corridor and the Soraken Special Economic Zone are grounded in the following national legislative and policy instruments:

- The Free Trade Zones Act 2000, which establishes the framework and mechanism for the creation, operation, administration and coordination of free trade zones in Papua New Guinea, and expressly lists Bougainville Province among the provinces to which the Act applies (Schedule 3).
- The Special Economic Zones Authority Act 2019 (as amended), which establishes the Special Economic Zones Authority and the statutory licensing framework for SEZ developers.
- The Papua New Guinea Special Economic Zones Foundation Policy 2025–2032, issued by the Ministry and Department of International Trade and Investment, which sets out the policy objectives, classifications and evaluation criteria against which SEZ proposals – including SEIFH – are assessed.
- The Physical Planning Act 1989, under which Soraken's physical planning approval (Gazette G1085/2025) was issued.
- NEC Decision 148/2025 and the associated 2026 National Budget amendments to the Income Tax Act, which legally establish Bougainville's entitlement to 0.5 per cent of the Infrastructure Tax Credit Scheme (ITCS) – the funding mechanism proposed in Part 9 of this submission to complete Soraken's enabling infrastructure.

Together, these instruments provide the foundation legislation and policy framework for the Bougainville Economic Corridor and for the Soraken licence application that follows in Part 11 of this submission.



Figure 7: Soraken integrated Economic Fusion Hub Officials with the prospective Investor

8. INSTITUTIONAL DECISIONS OF THE BOUGAINVILLE EXECUTIVE COUNCIL

The Bougainville Economic Corridor programme, and the Soraken node specifically, have been formally considered and endorsed through a series of Bougainville Executive Council (BEC) decisions:

8.1 BEC Decision No. 20 of 2022 (Special BEC Meeting No. 4 of 2022, 25 March 2022)

The Council approved the Bougainville Economic Corridor project proposal, recognised the developer arrangements for the corridor project, and directed the Minister for DPI, Forestry & Marine Resources to progress an application to the National Special Economic Zones Authority for a Special Economic Zone licence. The Council further authorised capital-raising arrangements to support project development, and instructed national agencies – including the Department of National Planning & Monitoring, the National Treasury Department, the National Finance Department, the National Procurement Commission and the Office of the State Solicitor – to support the Project Formulation Documents, funding, procurement and legal clearance processes required to advance the Corridor.

8.2 BEC Decision No. 52 of 2023 (Special BEC Meeting No. 13 of 2023, 14 July 2023)

The Council approved the establishment of the Bougainville Special Economic Zones (BEZs) Secretariat and its work plan; approved appropriation of K2,000,000.00 for the programme in the 2024 Budget (with a re-scoping of K200,000 from the 2023 development budget to meet feasibility-study and initial work); confirmed that the Department of Commerce, Trade, Industry and Economic Development is the lead coordinating agency for the Secretariat; and recommended the future establishment of a BEC Ministerial Committee on Special Economic Zones. Certified copies of both decisions are held on file with the Office of the Bougainville Executive Council and are available to the National Executive Council, the Special Economic Zones Authority and the Department of International Trade and Investment on request, in support of this submission.



Figure 8: SIDCL and Bougainville Economic Corridor representatives in project coordination discussions with development partners.

9. PROJECT DEVELOPMENT PATHWAY: FROM PRE-FEASIBILITY TO ACTIVATION



Figure 9: Project delegation reviewing facility design and master-planning renderings with an international industrial partner.

To demonstrate disciplined implementation and to show national decision-makers exactly how the Soraken Special Economic Zone moves from concept to operation, this Part sets out the logical sequence of studies, approvals and works that underpin this submission – and identifies where each stage has already been completed, and where it is funded.

9.1 The Implementation Sequence

Soraken's development has followed, and continues to follow, a disciplined project pathway consistent with international SEZ development practice and with the Bougainville Executive Council's own decisions:

Table 2: Soraken SEZ Implementation Sequence

Stage	Milestone	Description	Status
1	Concept & Corridor Approval	BEC Decision No. 20 of 2022 approved the Bougainville Economic Corridor project proposal and directed the formation of an SPV and the registration of Pre-Feasibility and Feasibility Studies Proposals for national budget support.	COMPLETE
2	Pre-Feasibility Study	Site screening across all seven Corridor nodes, concept validation and preliminary technical, market and risk assessment for Soraken. See Annex H.	COMPLETE
3	Feasibility & Financial Feasibility Study	Detailed technical feasibility, cash flow projection and cost-benefit analysis, part-funded through the K200,000 (2023) and K2,000,000 (2024 Budget) BEZ Secretariat feasibility-study appropriation approved under BEC Decision No. 52 of 2023. See Annex I.	COMPLETE
4	Statutory Planning Approval	Physical planning approval obtained (Gazette G1085/2025); Soraken Township Subdivision Plan endorsed by the ABG (April 2025).	COMPLETE

Stage	Milestone	Description	Status
5	Enabling Infrastructure Delivery	Roads, wharf, power, water, sewerage, telecommunications and digital backbone delivered through the ITCS-funded National Enabling Infrastructure Program (Part 9 of this submission).	IN PROGRESS – NEC APPROVAL SOUGHT
6	SEZ Developer Licensing	Formal SEZA evaluation of SIDCL's licence application against the requirements of the SEZA Act 2019 (Part 12 of this submission).	PENDING SEZA EVALUATION
7	Phased Development & Activation	Three-phase build-out – planning and enabling works; industrial activation and investment attraction; tourism, residential, innovation and international expansion – culminating in full operation by 2035.	PROGRAMMED 2026–2035

9.2 Why This Sequence Matters

This pathway shows the National Executive Council that Soraken's request for enabling-infrastructure funding (Part 9) and its application for an SEZ Developer Licence (Part 12) are not speculative asks – they sit at defined, later stages of a project that has already passed through disciplined pre-feasibility and financial feasibility gatekeeping, consistent with the Bougainville Executive Council's own 2022 and 2023 decisions.

The Pre-Feasibility Study Report (Annex H) and the Financial Feasibility Report (Annex I) – the latter including a ten-year cash flow projection and a formal cost-benefit analysis – are attached in full at the end of this submission and should be read as the technical and financial foundation for the requests made in Parts 9 and 19.



Figure 10: Preliminary Infrastructure development and Soraken SEZ support services.

10. NATIONAL ENABLING INFRASTRUCTURE PROGRAM AND ITCS FUNDING MECHANISM



Figure 11: SIDCL and Bougainville officials inspecting a scale model of integrated agro-industrial infrastructure, illustrative of the enabling infrastructure standard

This part of this submission focuses on National Enabling Infrastructure Program for the Bougainville Economic Corridor of which SEIFH as the Bougainville's Pilot Special Economic Zone anticipate benefiting from. As such, this submission not only seeks NEC approval of enlisting Soraken Economic Integration Fussion Hub (SEIFH) as an inaugural Bougainville SEZ, but also directs the Ministry and Department of Works and Highways to oversee all technical compliances, standards and development associated with national enabling infrastructure development at Soraken.

10.1 Purpose

The fundamental purpose for engaging the Ministry and Department of Works and Highways to ensure approval and proper utilization of (a) the allocation of forty per cent of Bougainville's 0.5 per cent Infrastructure Tax Credit Scheme (ITCS) entitlement toward critical enabling infrastructure at Soraken; and to ensure (b) the establishment of a dedicated multidisciplinary project team to prepare a complete engineering package for Soraken – covering roads, bridges, water supply, sewerage and wastewater systems, power distribution, telecommunications, fibre-optic networks, and all other enabling infrastructure required to activate Soraken as Bougainville's first operational Special Economic Zone.

10.2 Strategic and Policy Alignment

The programme directly advances Medium-Term Development Plan IV Strategic Priority Area 1 (Strategic Economic Investments), which emphasises economic diversification, regional development and employment creation, and Strategic Priority Area 12 (Strategic Partnerships), reflecting the coordinated engagement required between the National Government, the Autonomous Bougainville Government, the Special Economic Zones Authority and development partners. It also gives practical effect to Vision 2050's call for economic empowerment, regional equity and institutional coordination.

10.3 Scope of Enabling Works

The key enabling works identified for Soraken are:

- Upgrading the Soraken–Kesa–Arawa road corridor
- Strengthening and expanding the Soraken wharf
- Installing telecommunications towers and digital backbone infrastructure
- Upgrading power distribution systems, including integration with the 10MW Solar Park
- Improving airport access roads and logistics routes

These works will be sequenced according to an engineering master plan to be prepared by the Ministry of Works and Highways.

10.4 Delivery and Governance Model

Implementation will be led by the Ministry of Works and Highways, supported by ABG technical teams and contracted engineering firms, and delivered through a coordinated whole-of-government partnership. The Department of Treasury, Department of National Planning and Monitoring, and Department of Commerce will provide fiscal, planning and policy oversight, while the Special Economic Zones Authority and Investment Promotion Authority will guide regulatory compliance and investor mobilisation. PNG Power, Water PNG, the National Maritime Safety Authority, the National Airports Corporation and the Digital Transformation Agency will contribute sector-specific expertise across utilities, transport, digital infrastructure and safety standards. The governance model established under the ITCS arrangements – including a dedicated Infrastructure Account and an independently managed Project Management Unit – provides a ready-made platform for disciplined, multi-agency implementation.

10.5 Economic, Employment and Sustainability Implications

Once enabling infrastructure is completed and the zone is fully operational, Soraken is projected to mobilise approximately K3 billion in private investment by 2035, creating around 8,000 direct jobs and 20,000 indirect jobs, and generating an estimated K800 million in annual export value through downstream cocoa processing, fisheries, logistics, tourism and the emerging digital economy. The proposed allocation will also generate immediate employment through construction activity, and longer-term employment growth across fisheries, agro-processing, logistics, manufacturing and digital services. Directing ITCS funds toward Soraken strengthens Bougainville's economic autonomy, ensuring that infrastructure development is driven by Bougainvillean priorities and delivered through Bougainvillean institutions. All enabling works will comply with environmental safeguards; Soraken's development footprint sits within gazetted planning zones, and the inclusion of renewable energy systems and modern utilities is expected to have a net positive environmental impact.

10.6 Risk Assessment and Options

Three options are available to the National Executive Council:

Option 1 – Maintain the status quo

- Soraken would continue preparatory work without dedicated enabling-infrastructure investment, resulting in prolonged delays, continued investor uncertainty and an inability to meet national SEZ licensing requirements. This option carries the highest risk and is not recommended.

Option 2 – Defer enabling infrastructure to future budget cycles

- This would reduce immediate fiscal pressure but significantly delay Bougainville's SEZ rollout and undermine the momentum already established through ABG approvals, planning instruments and investor engagement. This option carries moderate to high risk.

Option 3 – Approve targeted enabling infrastructure for Soraken using the 0.5 per cent ITCS entitlement (Recommended)

- Directing forty per cent of Bougainville's legally established ITCS entitlement toward Soraken's enabling infrastructure provides a clear funding pathway, accelerates readiness for SEZ licensing, and strengthens investor confidence. This option carries the lowest risk and is recommended.

Failure to deliver enabling infrastructure in a timely manner will prevent Soraken from meeting national SEZ licensing requirements, weaken investor confidence in Bougainville's broader SEZ rollout, and risk private-sector partners and development financiers redirecting attention to other locations able to demonstrate clearer readiness and government commitment.

10.7 Implementation and Reporting

Implementation will be coordinated through the ABG Department of Infrastructure, the Bougainville ITCS Committee, with the macro support from the Bougainville Economic Development Corporation Limited (BEDC) along side the established State Negotiation Team (SNT) and all technical guide and oversight from the Ministry and the Department of Works and Highways dedicated Project Management Unit. Reporting will follow the National Executive Council's 30-day monitoring requirement under section 25 of the Prime Minister and National Executive Council Act 2002. All ongoing monitoring and evaluation will be in compliance to the National Monitoring and Evaluation requirements at all stages of implementing the progress on the SEIFH.



Figure 11: SIDCL and Bougainville officials inspecting a scale model of integrated agro-industrial infrastructure, illustrative of the enabling infrastructure standard

II. INTERGOVERNMENTAL COORDINATION

On 3 July 2026, the Hon. Robin Wilson, MHR, ABG Minister for Economic Development, wrote to the Hon. Richard Maru, MP, Minister for International Trade and Investment, to formally update the National Government on the progress of the Bougainville Economic Corridor and to propose a joint technical workshop between the Ministry, the PNG Special Economic Zones Authority and relevant national agencies.

That correspondence confirmed that, following comprehensive readiness assessments of all seven proposed SEZ locations, Soraken has emerged as the most investment-ready site, on account of its secure land tenure, existing road access, proximity to the national telecommunications network, and its strategic location adjacent to an existing jetty and airport. It also confirmed that the Soraken Industrial Development Corporation Limited (SIDCL) has been established to mobilise investment and coordinate project delivery, and that engineering design, investor engagement and commercial structuring activities are continuing to progress.

The proposed workshop is intended to:

- Present the Bougainville Economic Corridor Development Framework to national counterparts;
- Review progress achieved on the Soraken pilot Special Economic Zone;
- Confirm the remaining statutory and technical licensing requirements;
- Strengthen coordination between the National Government and the Autonomous Bougainville Government; and
- Work collaboratively towards the potential award of Bougainville's inaugural Special Economic Zone licence, subject to the statutory requirements and approval processes of the Special Economic Zones Authority.

This submission is presented as the technical and policy basis for that proposed workshop and for the National Government's formal consideration of the Soraken application.



Figure 12: SIDCL and the Autonomous Region of Bougainville to work with the Ministry and the Department of International Trade & Investment along with SEZA and all stakeholders to deliver Soraken SEZ as pilot SEZ in Bougainville.

12. STATEMENT OF COMPLIANCE WITH THE PNG SEZ FOUNDATION POLICY

SIDCL, as applicant and developer, confirms that the proposed Soraken Integrated Economic Fusion Hub complies with the objectives of the Papua New Guinea Special Economic Zones Foundation Policy 2025–2032 by:

- Driving industrialisation
- Creating employment
- Promoting downstream processing
- Attracting foreign direct investment
- Encouraging domestic investment
- Supporting import substitution
- Expanding exports
- Creating regional economic growth
- Establishing enabling infrastructure
- Supporting economic diversification
- Promoting sustainable development
- Strengthening regional trade

12.1 Policy Alignment Matrix

Policy Objective	Soraken Compliance
Economic Diversification	Fully Compliant
Industrialisation	Fully Compliant
Downstream Processing	Fully Compliant
Export Promotion	Fully Compliant
Job Creation	Fully Compliant
Foreign Investment	Fully Compliant
Domestic Investment	Fully Compliant
Import Replacement	Fully Compliant
Green Development	Fully Compliant
Regional Development	Fully Compliant



13.COMPLIANCE WITH SEZA LICENSING REQUIREMENTS



Figure 13: SIDCL and Bougainville officials meeting with international partners and the Prime Minister on the progress associated with Soraken SEZ on the preparation of NEC submission and the SEZ licensing due diligence.

The table below sets out SIDCL's compliance position against each of the core licensing requirements administered by the Special Economic Zones Authority.

#	Requirement	SEZA Standard	SIDCL Compliance Position	Status
1	Land	Clear legal tenure over the proposed site.	Freehold title secured; registered ownership; no outstanding customary land disputes.	COMPLIANT
2	Master Planning	An integrated master plan for the zone.	Master Plan completed, covering port, logistics, industrial, commercial, residential, government precinct, tourism, utilities and renewable energy precincts. Soraken Township Subdivision Plan endorsed by the ABG, April 2025.	COMPLIANT
3	Physical Planning	Formal planning approval.	National Physical Planning Board endorsement obtained; Gazette G1085/2025.	COMPLIANT
4	Enabling Infrastructure	Demonstrable infrastructure readiness.	Existing road access, jetty, telecommunications and nearby airport in place. Outstanding power, water, sewerage and digital-backbone works to be delivered through the ITCS-funded enabling infrastructure programme (Part 9).	COMPLIANT (phased)
5	Governance	A competent developer entity.	Soraken Industrial Development Corporation Limited (SIDCL), supported by a PPP structure, strategic investors, professional advisers and development partners.	COMPLIANT
6	Financial Readiness	A credible funding strategy.	PPP financing, institutional investors, commercial financing, strategic equity, international investment, and up to 40% of Bougainville's 0.5% Infrastructure Tax Credit Scheme entitlement (NEC Decision 148/2025) for enabling infrastructure.	COMPLIANT
7	Development Model	A staged, internationally recognised implementation model.	Three-phase delivery: (I) planning, licensing, utilities, port and roads; (II) industrial activation, logistics and investment attraction; (III) tourism, commercial, residential, innovation and international expansion.	COMPLIANT

14. COMPREHENSIVE SEZ CLASSIFICATION

The PNG Special Economic Zones Foundation Policy identifies more than twenty-six categories of Special Economic Zone. SEIFH integrates the following categories into a single coordinated development platform, positioning it as a Comprehensive Special Economic Zone (CSEZ):

- Agriculture Park
- Marine Industrial Zone
- Industrial Park
- Logistics Park
- Free Port Zone
- Free Trade Zone
- Renewable Energy Park
- Science & Technology Park
- Tourism Zone
- Residential Estate
- Government Services Precinct
- Financial Services Zone
- Digital Economy Zone

This multi-category integration is what distinguishes SEIFH from a conventional single-purpose industrial estate, and is central to its designation as a national demonstration project under the Foundation Policy.



Figure 14: Automated egg-grading and processing line at a partner facility, illustrative of the agro-industrial processing classification proposed for Soraken.



15. NATIONAL AND REGIONAL ECONOMIC CONTRIBUTION

By 2035, once enabling infrastructure is completed and the zone is fully operational, Soraken is projected to:

- Mobilise approximately K3 billion in private investment
- Create around 8,000 direct jobs and a further 20,000 indirect jobs
- Generate an estimated K800 million in annual export value through downstream cocoa processing, fisheries, logistics, tourism and the emerging digital economy.

More broadly, SIDCL projects that, over its phased development, SEIFH will contribute to:

- GDP growth
- Employment generation
- Export expansion
- Import substitution
- SME development
- Foreign direct investment
- Domestic investment
- Regional development across North Bougainville and the wider Corridor
- Fiscal revenue for both the Autonomous Bougainville Government and the National Government
- Innovation and technology transfer
- Climate resilience

These impacts strengthen Bougainville's productive base, reduce fiscal dependence, demonstrate the peace dividend of disciplined national investment, and support national economic diversification objectives.



Figure 15: Finished Bougainville-branded chocolate – an example of the value-added export products the Soraken SEZ is designed to enable.

16.BLUE-GREEN SUSTAINABILITY FRAMEWORK



Figure 16: Locally produced virgin coconut and cinnamon oils from Bougainville, reflecting the natural, sustainable produce base of the Blue-Green framework.

Consistent with the Bougainville Blue & Green Policy, SEIFH adopts a Blue-Green Development Framework that goes beyond conventional industrial-zone practice, incorporating:

- Renewable energy generation and storage
- Marine conservation measures
- Sustainable forestry practice
- Circular-economy principles
- Low-carbon development pathways
- Participation in carbon markets
- Climate resilience planning
- Environmental protection safeguards

This framework is intended to exceed the sustainability aspirations set out in the PNG SEZ Foundation Policy, and to position SEIFH as a reference model for environmentally responsible SEZ development in Papua New Guinea and the Pacific.



17. INVESTMENT READINESS STATUS



Figure 17: SIDCL representatives meeting with prospective investors at a partner cocoa products facility

SEIFH has progressed beyond concept stage. The following milestones have been completed or are in active progress:

- Land title secured
- Formal physical planning approval obtained (Gazette G1085/2025)
- Soraken Township Subdivision Plan endorsed by the ABG (April 2025)
- SIDCL incorporated as the project development and investment vehicle
- Tax registrations submitted and bank accounts opened
- Pre-Feasibility Study completed (Annex H)
- Financial Feasibility Study completed, including a ten-year cash flow projection and cost-benefit analysis (Annex I)
- Master Plan completed
- Engineering concept design completed
- Strategic partnerships initiated
- International investor engagement commenced
- Cooperative strategic engagement with regional development partners progressing
- Governance framework under development
- Development Prospectus completed
- Financial modelling initiated

The remaining gap to full activation is the completion of power distribution, water supply and the balance of modern utilities – addressed through the ITCS-funded National Enabling Infrastructure Program set out in Part 9 of this submission.



18. ALIGNMENT WITH NATIONAL DEVELOPMENT PRIORITIES

The Soraken Integrated Economic Fusion Hub (SEIFH) directly aligns with Papua New Guinea's core socio-economic and strategic frameworks to drive regional development and post-conflict recovery. Key Areas of Policy Alignment are as follows:

- **PNG Vision 2050:**
 - Delivers economic empowerment,
 - Promotes regional equity,
 - Fosters institutional coordination,
- **MTDP IV :**
 - Strategic Priority Area 1: Focuses on strategic economic investments,
 - Drives economic diversification,
 - Supports job creation,
 - MTDP IV Strategic Priority Area 12: Enhances strategic partnerships,
 - Coordinates national and sub-national governments.
- **National Infrastructure & Trade:**
 - Connects via the Connect PNG programme,
 - Aligns with the National Trade Policy.
- **Industrial Growth:**
 - Complies with the National Content Policy,
 - Advances the National Manufacturing Policy,
 - Supports the National Agriculture Sector Plan.
- **Socio-Political Impact:**
 - Demonstrates tangible post-conflict recovery progress,
 - Delivers a measurable peace dividend,
 - Strengthens long-term economic resilience.

SEIFH directly contributes to the following national and regional strategic frameworks:

- Papua New Guinea Vision 2050
- Medium-Term Development Plan IV (MTDP IV) – Strategic Priority Area 1 (Strategic Economic Investments) and Strategic Priority Area 12 (Strategic Partnerships)
- The National Trade Policy
- Connect PNG
- The National Content Policy
- The National Manufacturing Policy
- The National Agriculture Sector Plan
- The Bougainville Integrated Strategic Development Plan
- The Bougainville Economic Corridor
- The Bougainville Blue & Green Policy
- The Bougainville Independence Readiness Framework

Soraken also carries clear national strategic importance beyond these frameworks: it will demonstrate tangible progress in post-conflict economic recovery, deliver a measurable peace dividend, and establish Papua New Guinea's first operational Special Economic Zone in Bougainville – strengthening long-term economic resilience and stability regardless of future political outcomes, including the National Parliament's forthcoming deliberation on the 2019 Referendum on Bougainville's political status.

19.WHY SORAKEN SHOULD RECEIVE AN SEZ LICENCE



Figure 18: A sample range of Bougainville-produced spices, oils and specialty goods, demonstrating existing local industry ready to scale under SEZ status.

The PNG SEZ Foundation Policy provides that licenses should be issued to projects that demonstrate development readiness, enabling infrastructure, credible governance, investment potential and alignment with national priorities. Soraken is uniquely positioned to receive Bougainville's inaugural Special Economic Zone (SEZ) Licence because it is the only node that satisfies the strict readiness and legal requirements set by the Special Economic Zones Authority (SEZA). SEIFH satisfies these requirements through:

- Secure land tenure over the proposed site
- A comprehensive, integrated master plan
- A phased infrastructure-delivery strategy
- Institutional governance through SIDCL
- A public-private partnership implementation model
- Strong alignment with national and Bougainville development strategies
- Significant domestic and international investment potential
- Integration of multiple SEZ categories within a single development platform
- A demonstrated commitment to environmental sustainability through the Blue-Green development model
- Formal endorsement by the Bougainville Executive Council and active intergovernmental coordination with the National Government
- A clear, legally established funding pathway for the remaining enabling infrastructure through Bougainville's 0.5% Infrastructure Tax Credit Scheme entitlement

SEIFH is therefore not simply an infrastructure proposal. It is a policy-compliant, investment-ready, nationally significant economic platform, formally endorsed at the sub-national level, designed to accelerate industrialisation, regional development and international trade for both Bougainville and Papua New Guinea.



20. RECOMMENDATION AND REQUEST FOR ACTION

The Autonomous Bougainville Government, through the Bougainville Economic Corridor, and SIDCL as applicant, respectfully submit that the Soraken Integrated Economic Fusion Hub satisfies the intent and substantive requirements of the Special Economic Zones Authority Act 2019 and the Papua New Guinea Special Economic Zones Foundation Policy 2025–2032.

It is respectfully requested that the National Executive Council:

- Note that timely delivery of enabling infrastructure is essential to maintain investor confidence, support Bougainville's economic transition, and ensure disciplined implementation of the Bougainville Economic Corridor;
- Approve **Soraken Economic Integration Fusion Hub** (SEIFH) as the national priority SEZ site for activation under the Bougainville Economic Corridor, based on its advanced stage of readiness and its capacity to progress through the national SEZ licensing pathway once enabling infrastructure is delivered;
- directs the Ministry and Department of Works and Highways to establish a dedicated multidisciplinary project team to prepare the complete engineering package and produce a government-endorsed master plan for Soraken and lead the preparation and delivery of Soraken's enabling infrastructure – including roads, bridges, water supply, sewerage and wastewater systems, power distribution, telecommunications and fibre-optic networks, and all other utilities required to support an integrated Special Economic Zone;
- Endorse the principle that up to forty per cent of Bougainville's 0.5% Infrastructure Tax Credit Scheme entitlement be prioritised for enabling infrastructure within the pilot Special Economic Zone at Soraken, subject to engineering certification and implementation planning;
- Direct the Ministry and Department of International Trade and Investment to establish a State Negotiation Team (SNT) to work along side ABG Department of Infrastructure, the Bougainville ITCS Committee, Bougainville Economic Development Corporation Limited (BEDC), Soraken Economic Integration Fusion Hub, Department of Works and Highways and other key stakeholders to ensure SEIFH progresses from NEC approval to SEZ licensing and fully operational.
- Support the proposed joint technical workshop between the Ministry for International Trade and Investment, the Department of International Trade and Investment, the Special Economic Zones Authority and the Autonomous Bougainville Government, and
- Direct the Special Economic Zones Authority to commence formal evaluation of SIDCL's application and, upon satisfaction of statutory due-diligence requirements, grant a Special Economic Zone Developer Licence for the establishment of the Soraken Integrated Economic Fusion Hub.

The Bougainville Executive Council and the Bougainville Economic Corridor Chairman, Mr Lauti Atoi and the ABG Minister for Economic Development, the Hon. Robin Wilson, MHR, and Regional Member of the Autonomous Region of Bougainville Hon. Peter L. Tsiamalili, MP, stand ready to brief the National Executive Council, the Minister for International Trade and Investment, and the Special Economic Zones Authority in person, and to provide any further information or supporting documentation required to progress this application.

21. SUPPORTING DOCUMENTATION

The following documents are held on file and available on request in support of this submission:

- **Annex A** – Bougainville Executive Council Decision No. 20 of 2022 (Special BEC Meeting No. 4 of 2022, 25 March 2022): Policy submission and approval of the Bougainville Economic Corridor project proposal.
- **Annex B** – Bougainville Executive Council Decision No. 52 of 2023 (Special BEC Meeting No. 13 of 2023, 14 July 2023): Establishment of the Bougainville Special Economic Zones Secretariat.
- **Annex C** – Letter from the Hon. Robin Wilson, MHR, ABG Minister for Economic Development, to the Hon. Richard Maru, MP, Minister for International Trade and Investment, dated 3 July 2026: Update on the Bougainville Economic Corridor and Special Economic Zone Program.
- **Annex D** – Bougainville SEZ Seven-Node Readiness Matrix and Soraken Concept Urban Development Plan (Bougainville Economic Corridor Ministerial Briefing Deck).
- **Annex E** – Supporting Legislative Framework - Free Trade Zones Act 2000, Special Economic Zones Authority Act 2019 (as amended), and Physical Planning Act 1989.
- **Annex F** – Papua New Guinea Special Economic Zones Foundation Policy 2025–2032.
- **Annex G** – Approved and Gazette Land area for Soraken as the Pilot Special Economic Zone
- **Annex H** – Soraken SEZ Pre-Feasibility Study Report (attached in full following this Part).
- **Annex I** – Soraken SEZ Financial Feasibility Report, including a ten-year Cash Flow Projection and a Cost-Benefit Analysis (attached in full following Annex H).

ANNEX A

Bougainville Executive Council Decision No. 20 of 2022 (Special BEC Meeting No. 4 of 2022, 25 March 2022): Policy submission and approval of the Bougainville Economic Corridor project proposal.



**DEPARTMENT OF PRESIDENT'S BOUGAINVILLE EXECUTIVE
COUNCIL**

OFFICE OF THE BOUGAINVILLE EXECUTIVE COUNCIL

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Address: P.O. Box 322, BUKA, Autonomous Region of Bougainville

P.O.Box 322

BUKA

Autonomous Region of Bougainville

Special BEC Meeting No.4 of 2022

Decision No.20 of 2022

Date: 25.03.2022

**SUBJECT: POLICY SUBMISSION SEEKING BEC APPROVAL FOR THE
BOUGAINVILLE ECONOMIC CORRIDOR PROJECT PROPOSAL
AGORA.**

On the 23/03/2022, the Bougainville Executive Council
made the following Decision:

(A) The BEC approved:

- 1) The Ministerial Decision dated in May 2021 by the Minister for DPI, Forestry & Marine Resources has approved the whcp of secentic Corridor Project Proposal and assigned thes Bogainville Eorestry Projærs Limited Inc. (using on the two previous BEC Decisions No 19 2021 and No.16 of 2021) to be the developer and operator of the Bougainville Economic Corridor Projectl. →l
- 2) The request by the Minister for DPI, Forestry & Marine Resources to National Minister Raintonb for a Special Economic ZonesLicene under the national Special Economic Zones Act to develop and operate the project. - →l
- 3) Any Capital Raising Proposals by the BBLIF in assisting in making a Private Placement Offer to ABG or GoPNG or other genuine investors for the acquisition of shares in a nominated SPV company. It is through the capital raising program which will enable the SPPV

ANNEX A

Bougainville Executive Council Decision No. 20 of 2022 (Special BEC Meeting No. 4 of 2022, 25 March 2022): Policy submission and approval of the Bougainville Economic Corridor project proposal. (Continue)

Company to fund the Project from the seed stage to growth stage or from Feasibility Stage to the Implementation Stage.

- (4) The formation of a SPV Company by the BBNF to undertake the Pre-Feasibility/Feasibility Studies and to assist in arranging seed or start-up capital relating to the Project.
- (5) Any Pre-Feasibility & Feasibility Studies Proposals relating to the Project and any Project Formulation Documents ("PFDs") originating from the BBNF to be registered, approved, and subjected to the budgetary process for funding support under the national Development Budget.
- (6) The establishment of a national Project Steering Committee shall be a the secretary for Project to oversee the Implementation, compliance, accountability, and continuity of the Project. This Committee consist of the relevant national government agencies, authorities and State Enterprises including nominees from the respective Offices of President & SEC and Office of the Regional Member for ABG. The Secretary for Primary Industry, Forestry & Marine Resources.

(2). The BEC instructed that:

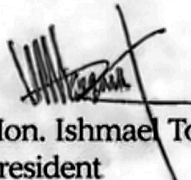
- (1) The Department of National Planning & Monitoring ("DNPaM") that ensure the corporate plan of the Bougainville Entity Helpline Foundation is in alignment with the MTDP 2018-2022, MTDP III, DSP 2010-2030, and the Vision 2050.
- (2) The BBNF send or receive all Project Formulation Documents (PFDs) originating from the Sub-Co or the SPV Company relating to the Project along with those that are registered, approved and subjected them to the budgetary process for funding support under the national DIBB
- (3) The office national Treasury Department and national Finance Department to Issue, Warrant Authorities (WA) and Cash Fund Certificate (CFC) to the Department of Primary Industry, Forestry & Marine Resources to administer the disbursement for the Pre-Feasibility/Feasibility Studies of the Project.
- (4) The national Treasury Department and national Finance Department shall issue Warrant Authority (WA) and Cash Fund Certificate (CFC) to the Department of Primary Industry, Forestry & Marine Resources to administer the disbursement for the Pre-Feasibility/Feasibility Studies of the Project.

ANNEX A

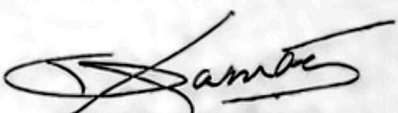
Bougainville Executive Council Decision No. 20 of 2022 (Special BEC Meeting No. 4 of 2022, 25 March 2022): Policy submission and approval of the Bougainville Economic Corridor project proposal. (Continue)

- 5) The national Finance Department, in consultation with the Department of Primary, Forestry & Marine Resources, to facilitate the establishment of a Trust Account for all the purposes and intent of the Project.
- 6) The DNPFM, national Treasury Department and the Department of Primary Industry, Forestry & Marine Resources, in consultation with the Office of the State Solicitor to assist the National Procurement Commission (NPC) in facilitating the procurement of any Pre-Feasibility and Feasibility Studies of the Project.
- 7) The national Finance Department, in consultation with the DNPFM and Treasury Department, to facilitate the issuance of the **Authority to Pre-Contract ("APC")** for the procurement of the Project.
- 8) The Pre-Feasibility and/or Feasibility Studies of the Project and send the APC to NPC for awarding of a contract to the EDHP's or its nominated SPV Company.
- 9) The Office of the State Solicitor to give any legal clearances for any purported MOUs or Agreements between the State and the SPV Company relating to the funding and development of the Project.
- 10) All the relevant State Agencies, State Authorities and State Enterprises on behalf of ABG, Go-PNG and the Department of Primary Industry, Forestry & Marine Resources shall assist in facilitating the issue
- 11) The Department of Primary Industry, Forestry & Marine Resources, in consultation with the DNPM, shall prepare the **Terms of Reference** for the Project Steering Committee which will oversee the implementation, compliance, accountability of the Project.

I certify the above as the true and correct record of decisions reached by the Bougainville Executive Council.


Hon. Ishmael Toroama
President

Confidential


Timothy Gonomoto
Acting Secretary

3/25/2022

ANNEX B

Bougainville Executive Council Decision No. 52 of 2023 (Special BEC Meeting No. 13 of 2023, 14 July 2023): Establishment of the Bougainville Special Economic Zones Secretariat.



DEPARTMENT OF PRESIDENT & BOUGAINVILLE EXECUTIVE
COUNCIL

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Special BEC Meeting No.13 of 2023

Decision No.52 of 2023

Date: 14.07.2023

**SUBJECT: ESTABLISHMENT OF BOUGAINVILLE SPECIAL ECONOMIC
ZONES (BEZs) SECRETARIAT**

On the 14/07/2023, the Bougainville Executive Council;

1. Noted the content of the Policy Submission;
2. Approved the establishment of the Bougainville SEZ Secretariat and its work plan;
3. Approved the request for K2 ,000,000 to be appropriated for this program in the 2024 Budget, with re-scoping of K200,000 budget from the development budget in 2023 to meet feasibility study and initial work;
4. Noted that the Department of Commerce Trade, Industry and Economic Development be the lead coordinator of this secretariat;
5. Recommended that a BEC Ministerial Committee on the SEZ be established in the future.

I certify the above as the true and correct record of decisions reached by the Bougainville Executive Council.

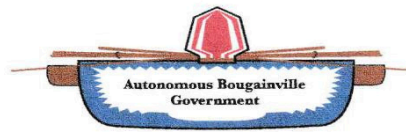

HON. ISHMAEL TOROAMA
President

Confidential


TIMOTHY GAEMATE
Secretary

ANNEX C

Letter from the Hon. Robin Wilson, MHR, ABG Minister for Economic Development, to the Hon. Richard Maru, MP, Minister for International Trade and Investment, dated 3 July 2026: Update on the Bougainville Economic Corridor and Special Economic Zone Program.

**MINISTRY OF ECONOMIC DEVELOPMENT****Office of the Minister***File Ref:03072026*

3 July 2026

HON. RICHARD MARU, MP

Minister for International Trade and Investment

Independent State of Papua New Guinea

Dear Minister Maru,

RE: UPDATE ON THE BOUGAINVILLE ECONOMIC CORRIDOR AND SPECIAL ECONOMIC ZONE PROGRAM

I write to provide you with an update on the progress being made by the Autonomous Bougainville Government in advancing the Bougainville Economic Corridor and Special Economic Zone (SEZ) Program, and to keep your Office informed as we progress this important national initiative.

The Bougainville Economic Corridor has been developed as the principal framework to drive economic transformation across Bougainville through seven strategically located Special Economic Zones. The initiative is designed to diversify the economy, attract domestic and international investment, promote downstream processing and industrialisation, generate employment, expand exports, and strengthen Bougainville's long-term economic sustainability.

Following comprehensive readiness assessments of all proposed SEZ locations, Soraken has emerged as the most investment-ready location due to its secure land tenure, existing road access, proximity to the national telecommunications network, and its strategic location adjacent to an existing jetty and airport facilities.

Soraken benefits from the presence of key foundational infrastructure, including road access, proximity to the existing telecommunications network, and an existing jetty. While these assets provide a strong platform for development, minimal enabling infrastructure

C/- Department of Commerce, Trade,
Industry & Economic Development
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Autonomous Region of Bougainville

ANNEX C

Letter from the Hon. Robin Wilson, MHR, ABG Minister for Economic Development, to the Hon. Richard Maru, MP, Minister for International Trade and Investment, dated 3 July 2026: Update on the Bougainville Economic Corridor and Special Economic Zone Program Continue.

requires enhancement and upgrading to meet the operational and investment standards of a modern Special Economic Zone. This includes upgrading the existing road network to SEZ standards, expanding the current jetty into a modern multi-purpose port and logistics facility, and progressively improving supporting utilities and services necessary to facilitate large-scale industrial, commercial and export-oriented investment.

Development planning for Soraken incorporates a modern integrated industrial model, including a port and logistics hub, renewable energy generation, advanced telecommunications infrastructure, and the establishment of the Soraken Economic Integrated Fusion Hub (SEIFH), which will integrate agriculture, fisheries, manufacturing, logistics, renewable energy, digital infrastructure and human capital development into a single investment platform.

Significant progress has also been achieved in establishing the institutional and commercial framework to support implementation. The Soraken Industrial Development Corporation Limited (SIDCL) has been established to mobilise investment and coordinate project delivery, while engineering design, investor engagement and commercial structuring activities continue to progress.

Recognising your leadership of the national Special Economic Zone framework, I believe the time is appropriate for our two Governments to work collaboratively in progressing Bougainville's first Special Economic Zone.

To this end, the Chairman of the Bougainville Economic Corridor, Mr. Lautu Atoi, and I will liaise with your Office to identify a suitable date for a technical workshop involving your Ministry, the PNG Special Economic Zone Authority and relevant national agencies.

The proposed workshop will provide an opportunity to:

- Present the Bougainville Economic Corridor Development Framework;
- Review the progress achieved on the Soraken Pilot Special Economic Zone;
- Confirm the remaining statutory and technical licensing requirements;
- Strengthen coordination between the National Government and the Autonomous Bougainville Government; and
- Work collaboratively towards the potential award of Bougainville's inaugural Special Economic Zone Licence during, or in conjunction with, the proposed workshop, subject to the statutory requirements and approval processes of the PNG Special Economic Zone Authority.

C/- Department of Commerce, Trade,
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Autonomous Region of Bougainville

ANNEX C

Letter from the Hon. Robin Wilson, MHR, ABG Minister for Economic Development, to the Hon. Richard Maru, MP, Minister for International Trade and Investment, dated 3 July 2026: Update on the Bougainville Economic Corridor and Special Economic Zone Program Continue.

We are confident that this collaborative engagement will further strengthen the partnership between the National Government and the Autonomous Bougainville Government in advancing strategic investment, industrial development and trade opportunities that will contribute significantly to the economic future of Bougainville and Papua New Guinea.

I look forward to working closely with you and your Ministry as we progress this important initiative and appreciate your continued support towards the successful establishment of Bougainville's first Special Economic Zone.

Please accept, Honourable Minister, the assurances of my highest consideration.

Yours sincerely,



HON. ROBIN WILSON, MHR

Minister for Economic Development
Autonomous Bougainville Government

CC:

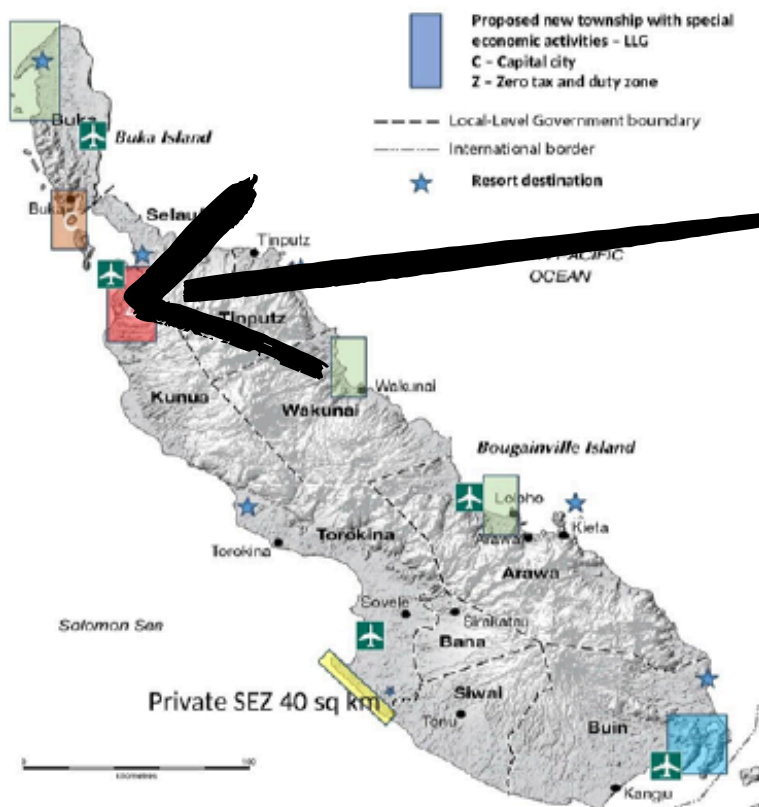
1. **Hon. Peter Tsiamalili, OBE**
Regional Member and Minister for Works & Highways and Acting ICT Minister
2. **Hon. Patrick Nisira**
ABG Minister for Infrastructure and Utilities
3. **Mr Lautu Atoi**
Bougainville Chairman for Eastern Economic Corridor

C/- Department of Commerce, Trade,
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Autonomous Region of Bougainville

ANNEX D Bougainville SEZ Seven-Node Readiness Matrix and Soraken Concept Urban Development Plan (Bougainville Economic Corridor Ministerial Briefing Deck).

BOUGAINVILLE SEZ 7 NODES

NODES	SEZ KEY REQUIREMENTS MET							
	Land Title	Access Road	Water	Power	ICT	Wharf	Airport	PP Approval
Bana (South Bougainville)	×	✓	×	×	✓	×	×	×
Karoola (North Bougainville)	×	✓	×	×	✓	×	✓	×
Buka (North Bougainville)	×	✓	×	✓	✓	✓	✓	×
Soraken (North Bougainville)	✓	✓	×	×	✓	✓	✓	✓
Loloho (Central Bougainville)	×	✓	×	✓	✓	✓	✓	×
Wakunai (Central Bougainville)	×	✓	×	×	✓	×	×	×
Tonolei (South Bougainville)	×	✓	×	×	✓	×	×	×



Out of the 7 Bougainville SEZ proposed sites as seen the table above, Soraken in North Bougainville is SEZ ready as it met all the critical basic requirements for the SEZ establishments.

SEIFH is therefore chosen to be the anchor project of Bougainville Economic Corridor as Bougainville's inaugural SEZ in compliance to SEZA Act 2019 to be established under the framework of the SEZ Foundatin Policy 2025 - 2032.

ANNEX E

Free Trade Zones Act 2000, Special Economic Zones Authority Act 2019 (as amended), and Physical Planning Act 1989.

Free Trade Zones

SCHEDULE 3.

S.3

Gulf Province
Bougainville Province
West Sepik Province
Western Province

I hereby certify that the above is a fair print of the *Free Trade Zones Act 2000* which has been made by the National Parliament.

Clerk of the National Parliament.

I hereby certify that the *Free Trade Zones Act 2000* was made by the National Parliament on 26 July 2000 by an absolute majority in accordance with the *Constitution*.

Speaker of the National Parliament.

ANNEX E

Free Trade Zones Act 2000, Special Economic Zones Authority Act 2019 (as amended), and Physical Planning Act 1989 (Continue)

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 2000.

AN ACT

entitled

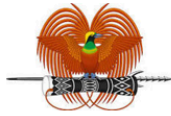
Free Trade Zones Act 2000,

Being an Act -

- (a) to establish the framework and mechanism for the creation, operation, administration and co-ordination of free trade zones in Papua New Guinea; and
 - (b) to make provision for the creation and establishment of Authorities in respect of such free trade zones and for the conferral upon such Authorities of statutory powers and functions relating to the management, control and regulation of such free trade zones,
- and for related purposes,

MADE by the National Parliament to come into operation in accordance with a notice in the National Gazette by the Head of State, acting with, and in accordance with, the advice of the Minister.

ANNEX E Free Trade Zones Act 2000, Special Economic Zones Authority Act 2019 (as amended), and Physical Planning Act 1989 (Continue)



SPECIAL ECONOMIC ZONES AUTHORITY ACT 2019

Independent State of Papua New Guinea—No. 19 of 2019

IMPORTANT NOTE ON THIS DOCUMENT

This document contains the full table of contents (all Parts and Sections) of the Act, and the complete text of Part I — Preliminary (Sections 1 to 3), which were the only portions retrievable through available search and web-fetch tools. The official PDF of the Act, published by the PNG National Parliament, blocks automated retrieval (robots.txt), and other online sources only provide a partial free preview of the remainder of the Act (Parts II–XVIII).

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PART I — PRELIMINARY

1. Compliance with Constitutional requirements.
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PART I — PRELIMINARY

1. Compliance with Constitutional requirements.

(1) This Act, to the extent that it regulates or restricts the exercise of a right or freedom referred to in Subdivision III.3.C (qualified rights) of the Constitution, namely —

- (a) the right to freedom from arbitrary search and entry conferred by Section 44; and
- (b) the right to freedom of expression and publication conferred by Section 46; and
- (c) the right to freedom of choice of employment in any calling for which a person has the qualifications (if any) lawfully required conferred by Section 48; and
- (d) the right to reasonable privacy conferred by Section 49; and
- (e) the right to reasonable access to official documents conferred by section 51; and
- (f) the right of freedom of movement conferred by Section 52, of the Constitution,

is a law made (pursuant to section 38 of the Constitution), taking account of the National Goals and Directive Principles and the Basic Social Obligations, in particular the National Goals and directive principles entitled —

- (i) national sovereignty and self-reliance; and
- (ii) national resources and environment,

for the purpose of giving effect to the public interest, public order and public welfare.

(2) For the avoidance of doubt, and for the purposes of Section 41(2) of the Organic Law on Provincial Governments and Local-level Government, it is declared that this Act relates to matters of national interest.

2. Purpose of this Act

The purposes of this Act are —

- (a) to establish a single national framework for the coordinated establishment, development and operation of multi-use Special Economic Zones in Papua New Guinea; and

25. Chairman and Deputy Chairman.
26. Termination of Membership.
27. Vacancy not to affect powers or functions.
28. Meetings and procedure of the Board.
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- (b) to establish the Special Economic Zones Authority as the single national developer and regulator for Special Economic Zones in Papua New Guinea; and
- (c) to provide for the Special Economic Zones Authority to be the facilitator for the creation, establishment, development, operation, maintenance and promotion of Special Economic Zones; and
- (d) to provide for streamlined, effective, efficient and timely government services to businesses in Special Economic Zones; and
- (e) to strengthen the economy by creating a business environment that will encourage domestic and foreign investment in Papua New Guinea, including linkages between businesses inside and outside Special Economic Zones whilst protecting the environment, water supply, natural resources, biological diversity, labour resources, and public health, safety, and welfare consistent with national laws and commitments under international conventions; and
- (f) to promote employment growth and the development of skills and expertise in the citizen labour force; and
- (g) to promote transfer and development of new technology within the Special Economic Zones; and
- (h) to promote the development and improvement of infrastructure in Special Economic Zones; and
- (i) to encourage private sector and sustainable development; and
- (j) to encourage SME to SME and cottage industries growth around Special Economic Zones; and
- (k) to encourage industrialisation via manufacturing and downstream processing to meet domestic needs and to increase exports.

3. Interpretation.

In this Act, unless the context otherwise requires —

"applicant" means any Enterprise that applies for a license to establish, develop, operate, maintain, or promote a Special Economic Zone;

"asset" means all public and private property rights and interests relating to a Special Economic Zone in Papua New Guinea, whether movable or immovable, tangible or intangible, including, but not limited to, Special Economic Zone Lands, buildings, structures, easements, plant and equipment, machinery, furniture, vehicles, infrastructure, improvements, intellectual property rights, other installations, contracts, and any other asset prescribed in this Act;

"authorised economic activity" means any lawful economic activity that a Special Economic Zone Enterprise is authorized to carry out in a Special Economic Zone that (a) does not contravene any law concerning public morality or order, public safety or security, or public hygiene or health; (b) does not endanger human or animal health or life; and (c) does not violate any vested intellectual property rights;

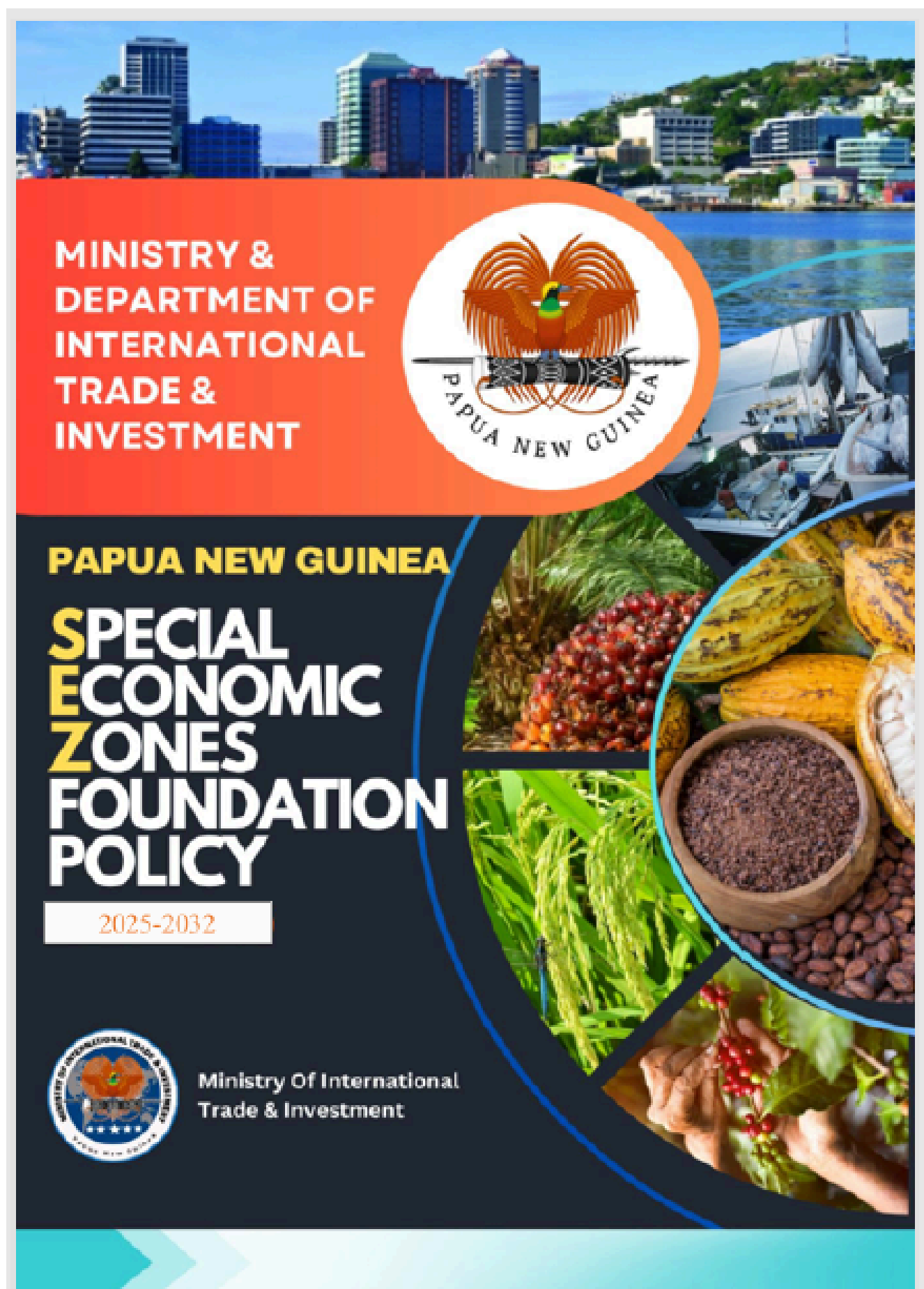
"Authority" means the Special Economic Zones Authority established under Section 6;

"Authorised Officer" means a person employed by or authorized to do a certain act consistent with this Act by the Authority and includes a member of the Board, Committee, agent or representative;

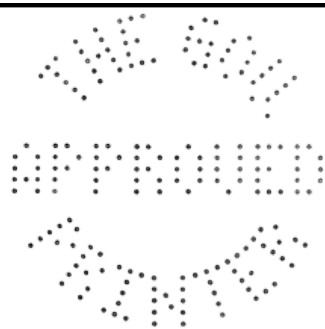
"Board" means the Board of Directors of the Authority. [Remainder of Section 3 definitions not available from retrievable sources — see note above.]

[Parts II through XVIII of the Act — covering the Authority's institutional arrangements, functions and powers, Board governance, the One-Stop-Shop, establishment and licensing of Special Economic Zones, land, users, taxation, customs, environment/employment/immigration, investor rights, dispute settlement, enforcement, and miscellaneous/repeal provisions — are listed in the Table of Contents above but their full text could not be retrieved from available sources. Please see the note at the top of this document.]

ANNEX F Papua New Guinea Special Economic Zones Foundation Policy 2025–2032.



ANNEX G **Approved and Gazette Land area for Soraken as the Pilot Special Economic Zone**



National Gazette

PUBLISHED BY AUTHORITY

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No. G1085] PORT MORESBY, TUESDAY, 28th OCTOBER [2025

Physical Planning Act 1989

NOTIFICATION OF ZONING OF PHYSICAL PLANNING AREAS

The National Capital District Physical Planning Board, by virtue of the powers conferred by Section 71 of the *Physical Planning Act 1989* hereby gives notice of the zoning of physical planning areas specified in the Schedule hereto.

The Zoning is specified in Column 2 of the Schedule, within the Physical Planning Area specified in Column 1, as depicted in plans specified in Column 3.

Plans specified in this notice are available for inspection at the Office of the Chief Physical Planner, Department of Lands & Physical Planning, Waigani and at the Office(s) specified in Column 4.

SCHEDULE

Column 1 Physical Planning Areas	Column 2 Zones	Column 3 Plans, Survey Plans, description	Column 4 Office(s) where Plans are available	Column 5 Gazetted Zoning Plan Index No.
Soroken	Master Plan of Soroken, Soroken, Zoned to Mixed Uses (Residential, Commercial, Public Institutional, Public Utilities, Industrial & Open Space), Autonomous Region of Bougainville	Town of Soroken, Milinch Milinch of Peto, Fumnill of North Bougainville, Autonomous Region of Bougainville	OCPP, DLPP, Eda Tano Haus, Waigani	GZP - 20-30-000 (TRP 216/2)

Dated this 17th day of October, 2025 at Meeting No. 08/2025 of the Special National Physical Planning Board.

M. GIDEON,
Acting Chairman,
National Physical Planning Board.

Printed and Published by C. Lenturut, Government Printer,
Port Moresby.—1085.

ANNEX H Soraken SEZ Pre-Feasibility Study Report (Overview)

Prepared in accordance with BEC Decision No. 20 of 2022, which directed the registration of Pre-Feasibility and Feasibility Studies Proposals for the Bougainville Economic Corridor. This report summarises the pre-feasibility work undertaken to validate Soraken as the priority node for Bougainville's first Special Economic Zone.

H.1 Purpose and Scope

The purpose of this Pre-Feasibility Study is to test, at a preliminary level, the technical, locational, market and risk basis for developing Soraken as a Comprehensive Special Economic Zone, and to determine whether the concept warrants progression to a full Feasibility and Financial Feasibility Study. The study covers all seven Bougainville Economic Corridor nodes at a comparative level, and Soraken in greater depth as the emerging priority site.

H.2 Site Screening and Node Comparison

Each of the seven Corridor nodes – Bana, Karoola, Buka, Soraken, Loloho, Wakunai and Tonolei – was screened against eight minimum SEZ criteria: land title, physical planning approval, port potential, road access, power, water and sewerage, and communications and data infrastructure (see Part 3, Figure 2). Soraken was the only node satisfying both secure land title and physical planning approval at the time of screening, and additionally offered an existing wharf, proximity to an operating airport, and full communications coverage. On this basis, Soraken was carried forward for detailed pre-feasibility assessment.

H.3 Preliminary Technical Assessment

- **Land:** approximately 950 hectares under the Soraken Concept Urban Development Plan, plus an adjoining 40 sq km private SEZ corridor, with clear ownership and no outstanding customary disputes identified.
- **Access:** existing road connection to the Soraken–Kesa–Arawa corridor, an existing jetty suitable for staged upgrade to a multi-purpose wharf, and proximity to an existing airstrip.
- **Utilities:** partial telecommunications coverage in place; power, water and sewerage identified as requiring new or upgraded provision – the basis for the enabling infrastructure programme at Part 9.
- **Topography and environment:** site sits within gazetted planning zones, with mangrove and coastal buffer areas identified and preserved in the concept master plan.

H.4 Preliminary Market and Sector Scan

Preliminary market screening identified five sectors with credible near-to-medium-term investment interest at Soraken: downstream cocoa processing, fisheries and marine products, logistics and distribution serving the wider Bougainville Economic Corridor, tourism linked to nearby resort destinations, and an emerging digital economy and business-services segment supported by planned subsea cable and data-centre infrastructure. These sectors informed the indicative revenue assumptions carried into the Financial Feasibility Study at Annex I.

H.5 Preliminary Risk Screening

- **Infrastructure risk:** the principal risk identified is the pace of enabling-infrastructure delivery (power, water, sewerage); mitigated through the ITCS-funded programme at Part 9.
- **Market risk:** investor commitments are typically contingent on demonstrated government delivery; mitigated through phased activation and staged investor engagement.
- **Institutional risk:** coordination across ABG, National Government and statutory authorities; mitigated through the governance and delivery model at Part 9.5 and the intergovernmental coordination process at Part 10.
- **Environmental risk:** assessed as manageable within gazetted planning zones, subject to standard environmental safeguards (Part 15).

H.6 Pre-Feasibility Conclusion and Recommendation

This Pre-Feasibility Study concludes that Soraken presents a credible, comparatively advantaged site for Bougainville's pilot Special Economic Zone, with no fatal technical, market or environmental flaws identified. It is recommended that the project proceed to full Feasibility and Financial Feasibility assessment, the results of which are presented at Annex I.

ANNEX I

Soraken SEZ Financial Feasibility Report, including a ten-year Cash Flow Projection and a Cost-Benefit Analysis

Prepared pursuant to BEC Decision No. 52 of 2023, which appropriated K200,000 (2023) and K2,000,000 (2024 Budget) toward Bougainville Special Economic Zones Secretariat feasibility-study and initial works. This report sets out the financial feasibility of the Soraken Integrated Economic Fusion Hub, including a ten-year cash flow projection and a cost-benefit analysis.

I.1 Basis of Estimate and Key Assumptions

Figures in this report are indicative, planning-level estimates prepared to support this submission's request for enabling-infrastructure funding and SEZ licensing. They are consistent with the order-of-magnitude 2035 targets referenced elsewhere in this submission (approximately K3 billion in private investment, 8,000 direct and 20,000 indirect jobs, and K800 million in annual export value) and are presented at an accuracy consistent with feasibility-stage estimates (indicatively $\pm 30\text{--}40\%$). They are subject to refinement through detailed engineering costing, independent financial due diligence and market validation prior to financial close, and should not be relied upon as audited or bankable figures without further verification.

- Analysis horizon: 2026–2035 (10 years), aligned to the three-phase development model at Part 12 (Development Model).
- Currency: Papua New Guinea Kina (K), nominal terms unless otherwise stated.
- Discount rate applied for indicative NPV: 8 per cent, consistent with typical public infrastructure appraisal practice in Papua New Guinea.
- Public capital expenditure reflects the ITCS-funded enabling infrastructure programme at Part 9; private capital expenditure reflects PPP, commercial financing, strategic equity and international investment referenced in Part 12 (Financial Readiness).

I.2 Cash Flow Projection (2026–2035)

The table below sets out the indicative ten-year cash flow projection for the Soraken Integrated Economic Fusion Hub, combining public enabling-infrastructure investment, private capital expenditure, and operating revenue as the zone activates and matures.

Table I.1: Indicative cash flow projection, 2026–2035 (K'000). Figures in parentheses denote net cash outflow. Totals may not sum exactly due to rounding.

Year	Public Enabling Infrastructure Capex (K'000)	Private Sector Capex (K'000)	Operating Revenue / Export Value (K'000)	Net Project Cash Flow (K'000)	Cumulative Cash Flow (K'000)
2026	60,000	0	0	(60,000)	(60,000)
2027	70,000	50,000	0	(120,000)	(180,000)
2028	20,000	150,000	20,000	(150,000)	(330,000)
2029	0	300,000	80,000	(220,000)	(550,000)
2030	0	450,000	180,000	(270,000)	(820,000)
2031	0	550,000	320,000	(230,000)	(1,050,000)
2032	0	550,000	480,000	(70,000)	(1,120,000)
2033	0	450,000	620,000	170,000	(950,000)
2034	0	300,000	720,000	420,000	(530,000)
2035	0	200,000	800,000	600,000	70,000
10-Year Total	150,000	3,000,000	3,220,000	70,000	–

ANNEX I

Soraken SEZ Financial Feasibility Report, including a ten-year Cash Flow Projection and a Cost-Benefit Analysis (Continue)

The projection shows an expected net cash investment phase from 2026 to 2032, driven by enabling-infrastructure delivery and front-loaded private capital expenditure, followed by a return to positive annual cash flow from 2033 as downstream processing, logistics, tourism and digital-economy revenues mature. On these indicative assumptions, the project's cumulative cash position is expected to turn positive within the ten-year horizon, around 2035.

I.3 Cost-Benefit Analysis

The cost-benefit analysis below sets out, on the same ten-year horizon, the principal quantifiable costs and benefits associated with activating Soraken as Bougainville's pilot Special Economic Zone.

Table I.2: Indicative ten-year cost-benefit summary (K'000 unless otherwise stated). Benefit categories include direct, indirect and induced effects and should be read as indicative regional economic-impact estimates rather than a strict incremental cash-flow benefit measure.

Category	Indicative 10-Year Value (K'000)
Costs	
Public enabling infrastructure capital expenditure (ITCS + co-funding)	150,000
Private sector capital expenditure	3,000,000
Indicative operations & maintenance (roads, wharf, utilities)	150,000
Total Costs	3,300,000
Benefits	
Cumulative export revenue (cocoa processing, fisheries, logistics, tourism, digital economy)	3,220,000
Indicative direct and indirect wage income (8,000 direct / 20,000 indirect jobs, ramping to 2035)	2,500,000
Indicative government tax, fee and lease revenue	480,000
Indicative import-substitution savings	200,000
Total Benefits	6,400,000
Indicative Benefit-Cost Ratio (BCR)	≈ 1.9 – 2.1:1
Indicative Net Present Value at 8% discount rate (10-year horizon)	≈ 900,000
Indicative payback period (from first ITCS disbursement)	≈ 9–10 years

On these indicative assumptions, the Soraken Integrated Economic Fusion Hub shows a positive benefit-cost ratio of approximately 1.9–2.1:1 and a positive indicative net present value over the ten-year horizon, supporting the case for proceeding with enabling-infrastructure investment and SEZ licensing. As with all pre-financial-close estimates, these figures should be refined through detailed engineering costing and independent financial due diligence as the project progresses through licensing and into detailed design.

I.4 Sensitivity Considerations

- Delay risk: a delay in enabling-infrastructure delivery of 12–24 months would defer the private-investment ramp-up and revenue maturity shown in Table I.1, extending the indicative payback period.
- Market uptake risk: slower-than-assumed investor uptake in downstream processing or logistics would reduce indicative export revenue and wage-income benefits in Table I.2.
- Cost escalation risk: enabling-infrastructure costs are indicative and may vary once detailed engineering designs are finalised under the programme at Part 9.

ANNEX I

Soraken SEZ Financial Feasibility Report, including a ten-year Cash Flow Projection and a Cost-Benefit Analysis (Continue)

I.5 Financial Feasibility Conclusion

This Financial Feasibility Study concludes that the Soraken Integrated Economic Fusion Hub is financially viable on an indicative basis, with quantifiable benefits exceeding quantifiable costs over a ten-year horizon, and supports the recommendation at Part 19 that the National Executive Council approve enabling-infrastructure funding and direct the Special Economic Zones Authority to commence formal licence evaluation.

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SORAKEN INTEGRATED ECONOMIC FUSION HUB

Special Economic Zone
NEC Submission

Soraken Integrated Development Corporation Limited
Autonomous Bougainville Government
Bougainville Economic Corridor