



INDEPENDENT CONSUMER & COMPETITION COMMISSION

PUBLIC NOTICE

SUGAR INDUSTRY PRICING REVIEW ISSUES PAPER

The Independent Consumer & Competition Commission ("ICCC") wishes to inform all industry stakeholders, relevant government agencies, consumers and the general public about the commencement of the Sugar Industry Pricing Review (**Review**). The purpose of the Review is to re-examine the current pricing arrangements for sugar products in PNG. The current pricing arrangement was set in 2013 and will end in December, 2018.

Sugar is an important ingredient used in the manufacture of basic food items in PNG. Given the importance of this commodity, the ICCC is highlighting the various issues in this notice that will be considered over the course of this Review. The Review provides an opportunity for everyone to provide comments in relation to the various issues highlighted in this notice or any other issues which are considered relevant for the ICCC to consider as part of this Review.

1.0 PURPOSE OF THE REVIEW

The purpose of this Review is to decide whether to continue, amend or terminate the current regulatory arrangements of Price Monitoring of Sugar products. Some of the broader issues that will be considered as part of this Review will include but is not limited to the following;

- a) The structure, size and supply chain of the sugar industry in PNG which include the production, importation, distribution, wholesaling and retailing of sugar products;
- b) The degree of competition between Ramu Sugar products supplied by Ramu Agri Industries Limited (RAIL) and imported brands. This will include import competition and substitution available in the market;
- c) Barriers of entry into the industry faced by potential competitors and the countervailing power of consumers;
- d) The length of the regulatory period under which sugar products will be regulated under the new regulatory arrangement;
- e) The domestic transport costs of transporting sugar products in and around PNG and the need to explore the existing wholesale and retail margins for sugar products;
- f) The current price monitoring arrangement for Ramu Sugar products and the appropriate form of regulation that is required; and
- g) The possibility of amending the current regulatory framework of sugar products from price monitoring to price control.

Furthermore the ICCC would like to get comments from everyone in relation to:

- The ICCC's wider role in price regulation of basic goods consistent with Government Policy;
- Whether there should be continuation of regulation for monitoring the factory gate prices. Should regulation be needed, what other aspects of the importation, milling/production, distribution, wholesaling and retailing markets apart from factory gate prices should be subject to regulation for effective monitoring assessment by the ICCC; and
- All other issues pertinent to the industry that the ICCC should consider as part of the inquiry.

2.0 REVIEW DELIVERABLES AND TIMEFRAME

The deadline for the release of the Final Report is absolute because this is a Statutory timeline. Other dates may be altered by the ICCC as and when necessary. Comments from the public will be incorporated into the Draft Report and Final Report.

| Deliverables | Timeframe |
|--|----------------------------------|
| Public Notice on the Issues Paper | 27 th June, 2018 |
| Close of comments/submissions to the Public Notice | 27 th July, 2018 |
| Release of Draft Report | 27 th August, 2018 |
| Close of submissions/comments to the Draft Report | 27 th September, 2018 |
| Release of Final Report | 05 th October, 2018 |

3.0 SUBMISSION TO THE INQUIRY

All submissions in relation to the issues highlighted in this public notice should be delivered to the ICCC no later than 27th July, 2018, and addressed to:

Mr. Paulus Ain
Commissioner & Chief Executive Officer
Independent Consumer and Competition Commission
1st Floor, Garden City, Angau Drive, Boroko
P O Box 6394
BOROKO, 111
National Capital District

All submissions received will be treated as public information unless marked confidential. If you request confidentiality, please ensure to clearly indicate which information is to be kept confidential. The ICCC will assess your request for confidentiality and advise you of its position consistent with section 131 of the ICCC Act 2002. Enquiries on any aspects of this Review should be directed to Jack Timi, Executive Manager - Prices & Productivity Division or Junior G Hasu, Manager Prices on the telephone number 325 2144 or via emails on jtimi@iccc.gov.pg or jhasu@iccc.gov.pg, respectively .

Authorised by:

A handwritten signature in blue ink, consisting of several overlapping loops and horizontal strokes, positioned above a dotted line.

MR. PAULUS AIN

Commissioner/Chief Executive Officer

27th June, 2018

