



IPA Haus
Level 1
Munidubu Street
(Corner of Lawes Rd & Champion Pde)
Konedobu, Port Moresby
P.O. Box 5053, Boroko 111,
NCD, Papua New Guinea

Telephone: (675) 308 4444
(675) 321 7311
(675) 321 3900

Facsimile:
Ext Mgt (675) 321 2819

Email: ipa@ipa.gov.pg
Website: www.ipa.gov.pg

MOMASE Regional Office:
P.O. Box 1074
Lae, Morobe Province
Papua New Guinea

Telephone: (675) 479 2001
Facsimile: (675) 479 2001
Email: ipalae@ipa.gov.pg

Bougainville Regional Office:
P.O. Box 782 Buka, AROB
Papua New Guinea

Telephone: (675) 973 9344
Facsimile: (675) 973 9344
Email: ipa_buka@ipa.gov.pg

Highlands Regional Office:
P.O. Box 1834
Mt. Hagen,
Western Highlands Province
Papua New Guinea

Telephone: (675) 542 0399
Facsimile: (675) 542 0599
Email: ipahagen@ipa.gov.pg

Islands Regional Office:
P.O. Box 870, Kokopo
East New Britain Province
Papua New Guinea

Telephone: (675) 982 9460
Facsimile: (675) 982 9460
Email: iparabaul@ipa.gov.pg

INVESTMENT PROMOTION AUTHORITY

Office of the Managing Director

22nd August, 2025

Mr. Paulus Ain
Commissioner and Chief Executive Officer
Independent Consumer & Competition Commission
2nd Floor, Post Office Building, Nita Street, Boroko
PO Box 6394
BOROKO
National Capital District

Dear Mr. Ain,

**RE: CLEARANCE APPLICATION ON PROPOSED
ACQUISITION OF SMIT LAMNALCO PROJECTS PTE
LTD (PNG BRANCH) AND SMIT LAMNALCO TOWAGE
PNG LIMITED BY BT LUXEMBOURD II, S.A R.L.**

We acknowledge receipt of your letter dated 13th August, 2025 seeking our views and comments regarding the probable impact that may eventuate as a result of the above acquisition if clearance is granted.

At the outset, we would like to point out that this submission is made in the context of PNG's broader investment promotion strategy, which seeks to attract high-quality foreign investment while safeguarding competitive neutrality, inclusive growth, and national development priorities.

With regards to the proposed acquisition, notwithstanding other interested parties' more technical views on the subject matter, we are of the view that the transaction presents both opportunities and risks from an investment promotion standpoint.

Our accompanying submission outlines key considerations to ensure the acquisition supports PNG's strategic objectives of attracting quality foreign investment, fostering competitive markets, and safeguarding long-term national interests.

We are also mindful of the economy's potential to attract Foreign Direct Investment and the interest by BT LUXEMBOURD II, S.A R.L. to undertake this acquisition is a sign of investor confidence in the economy. This decision, although on a micro scale, will have the likely effect of encouraging other investors to consider PNG as an investment destination.

"Papua New Guinea. One People, One Nation, One Country"

On a separate but related matter, we also recall that in August last year (2024), your office requested the IPA to provide our views regarding the clearance application by BOSKALIS WESTMINISTER DREDGING LIMITED on the proposed acquisition of Smit Lamnalco Projects Pty Ltd (SLP) and Smit Lamnalco Towage PNG Limited (SLT). We note the similarity between the entities being purchased under last year's proposed acquisition and the current proposed acquisition by BT LUXEMBOURD II, S.A R.L. and would therefore like to seek clarification from your office as to how these similar entities (i.e. SLP and SLT) have been courted for purchase by two different international companies involved in the marine terminal services sector.

In addition to our above comments, the attached document provides our analysis of the proposed acquisition.

For further information, contact **Mr. Daroa Peter**, Director Investor Servicing and Promotion Division on email daroop@ipa.gov.pg or **Mr. Kamis Yalakun**, Manager-Investment Promotion, on email: kyalakun@ipa.gov.pg or telephone: 308 4413.

Yours sincerely,



CLARENCE M. HOOT
Managing Director

CLEARANCE APPLICATION ON PROPOSED ACQUISITION OF SMIT LAMNALCO PROJECTS PTE LTD (PNG BRANCH) AND SMIT LAMNALCO TOWAGE PNG LIMITED BY BT LUXEMBOURG II, S.A R.L.

Overview

- BT Luxembourg II, S.A R.L. is a global marine terminal services provider with no current operations in PNG.
- The acquisition involves two PNG-registered entities delivering towage and terminal services to the PNG LNG Project.
- Post-acquisition, both entities will be wholly owned by BT Luxembourg II, S.A R.L., consolidating service delivery and asset ownership under a single foreign entity.

Investment Promotion Considerations

Positive Investment Signals

Global Expertise and Capital Inflow	The entry of a globally recognized operator may enhance PNG's reputation as a viable destination for specialized infrastructure investment
Operational Efficiency and Safety Standards	BT Luxembourg II's international experience could elevate service delivery standards, aligning with PNG's goals for world-class infrastructure support
Asset Expansion	The acquisition includes a fleet of 40 vessels, with several deployed in PNG, potentially improving maritime logistics and reliability

Risks to Competitive Neutrality and Market Access

Vertical Integration Risks	Consolidating both service provision and tugboat assets under one ownership may limit third-party access and reduce competitive neutrality in future tenders
Market Entrenchment	Exclusive long-term contracts inherited through the acquisition could entrench market dominance, discouraging new entrants and innovation
Reduced Local Participation	Without safeguards, the transaction may marginalize domestic operators and reduce opportunities for local capacity building

Recommendations

To ensure the acquisition aligns with PNG's investment promotion objectives, the following measures are recommended:

	Recommendation	Purpose
1	Impose transparency conditions on future tendering	Ensure fair competition and inclusive participation
2	Require periodic performance reviews	Align service delivery with national infrastructure standards
3	Encourage local subcontracting and workforce development	Promote domestic capacity building and inclusive growth
4	Monitor vertical integration impacts	Safeguard against anti-competitive conduct and market foreclosure

Conclusion

The proposed acquisition presents a strategic opportunity to attract quality foreign investment into PNG's maritime services sector. However, it must be accompanied by regulatory safeguards to preserve market contestability, promote domestic participation, and ensure alignment with PNG's long-term development goals. The ICCC's oversight will be critical in balancing investor confidence with national interest.