



myview

with Graham Poon



PNG, Guam logical markets

ALTHOUGH tourism will always be a critical part of Cairns, it is recognised our economy needs to diversify.

The global financial crisis highlighted this point.

With tourism down, this glorious city went into a tailspin from which we are only now clawing out.

Many economic opportunities are waiting for us and engaging overseas markets is an important part of diversification.

I will mention two areas to consider.

The most obvious one is right on our doorstep and that is servicing Papua New Guinea.

The much-publicised LNG project has numbers attached that are mind-boggling.

The project, which will cost about \$12 billion, will double PNG's gross domestic product and the country's exports will triple.

Cairns is only a bit over an hour's flying time to Port Moresby and we are the logical supply centre for all kinds of services from our reservoir of tropical expertise.

We can provide tropical building design, engineering services in water and waste, health services, environmental management,

remote energy solutions and so the list goes on.

We also should not forget that PNG is a lot more than the LNG project.

For instance, there are numerous mining projects (you can check with the Cairns Chamber's Resource Task Force for the opportunities available) and PNG is the largest recipient of Australia's AusAID funding in the world.

AusAID assists in such areas as health, education, training, infrastructure, agriculture and the law.

It's a process but it's a very interesting way to engage with PNG.

The other logical market for Cairns is the island of Guam and its neighbours in Micronesia.

Again the figures are very large. About \$10 billion is projected to be spent in the next five to six years with the impending military build-up resulting from the relocation of about 8000 US troops and their families from Okinawa.

Many of the services mentioned above are applicable to Guam too.

Apart from a place to do business, Guam is also a great place to visit.

Feel like jumping on a plane to do business in these markets? It all sounds great but take the time

to do your export planning and research these important questions before you book your airfare.

First, do I have the capability and financial resources to develop business in a particular overseas market?

Nothing happens overnight, you have to develop relationships.

Second, am I confident of getting paid for my goods or services?

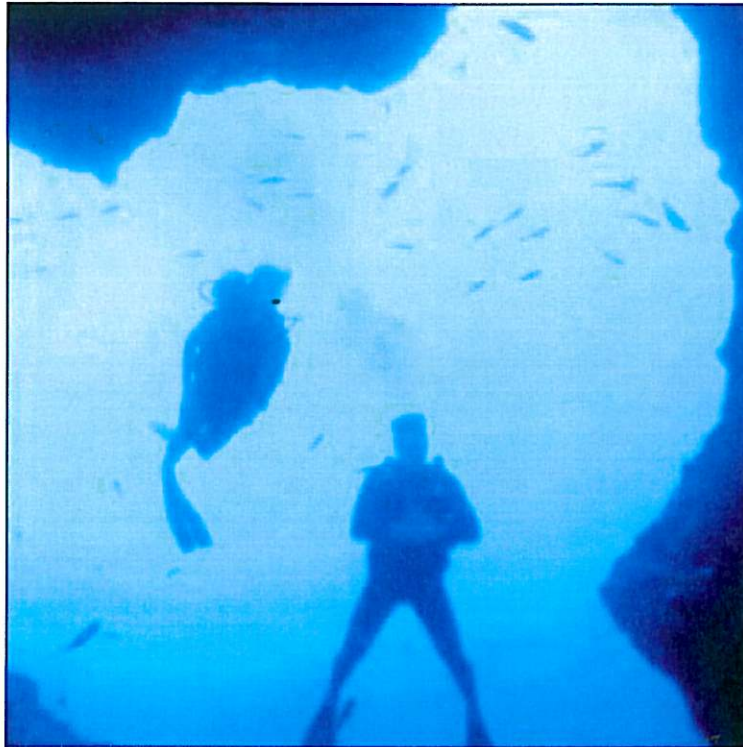
Third, do I want to do business in a different culture?

Cultural norms can be very diverse and though Australia has deep linkages to PNG, one needs great understanding about how business methods work there.

Fourth, am I willing to research an overseas buyer's needs and adapt my offering to what they want? In Guam, they are used to US standards and don't even try to talk millimetres, they want feet and inches.

I'm a great advocate of diversification of our economy through overseas engagement and it is so important for our future but always consider: are exports right for my business?

» Graham Poon is the chief executive of Trop-Links Inc and a member of the Cairns Chamber of Commerce management committee.



Taking the plunge: Guam may be beautiful but is it right for your business?