

# THE ROTATOR

## Official Newsletter of The ABSC Incorporated



**February, 2020**  
 Editor - Dr Frank Alafaci  
 Co-editor - Mrs Sylvia Alafaci



### EDITORIAL

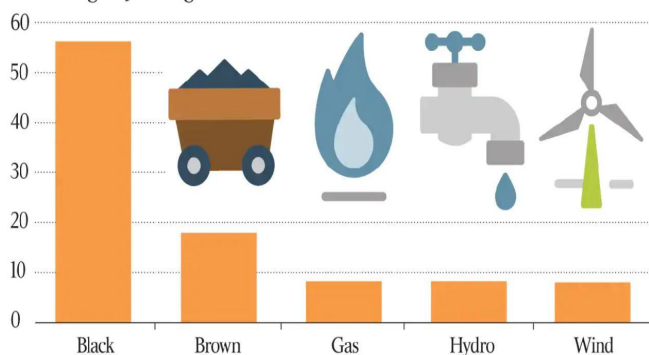
Welcome to the tenth edition of the ABSC Inc. Newsletter.

Energy forms an important business input cost that underpins the strong competitiveness of the Australian resources sector. Indeed, our domestic market enjoys relatively low energy expenses and milder tax revenue raising measures as compared to most industrialised countries. Undue anomalies in the national economic structure, however, impact unevenly on business expenditure down under owing to intrinsic differential production systems and practices.

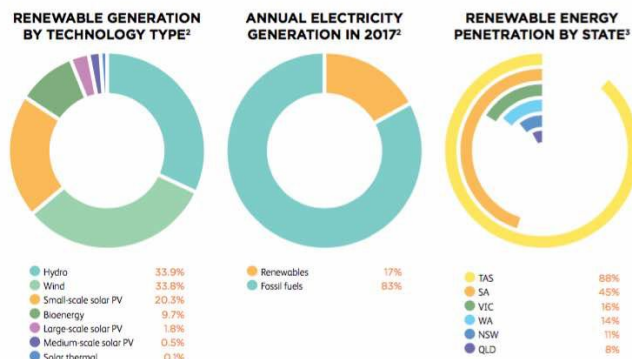
Distinct reforms that improve energy usage must provide cost savings for Australian businesses and facilitate greenhouse gas emission targets unburdened by onerous taxation policies. Beyond existing energy consumption programs, the federal and state governments need to encourage uptakes of energy efficient systems and mechanisms, including subsidised assistance for prime homegrown companies to embrace new technology diffusion and achieve considerable reductions in pollutants.

### Australia's energy mix

Percentage of total generation



Source: AER

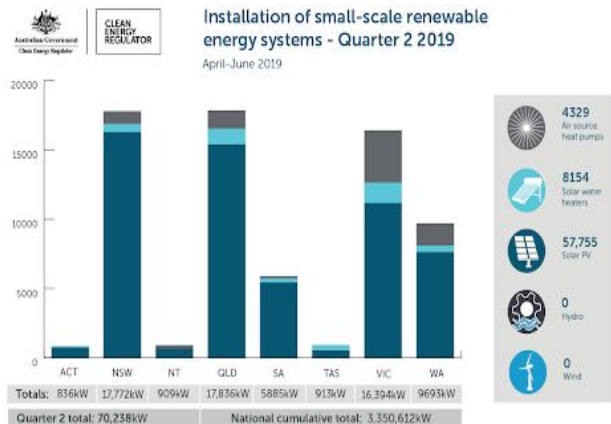


### RENEWABLE ENERGY PENETRATION BY STATE<sup>3</sup>

STATE	TOTAL GENERATION (GWh)	FOSSIL FUEL GENERATION (GWh)	TOTAL RENEWABLE GENERATION (GWh)	PENETRATION OF RENEWABLES
TAS	10,361	1,208	9,153	88%
SA	13,243	7,252	5,991	45%
VIC	49,610	41,622	7,988	16%
WA	19,095	16,371	2,724	14%
NSW	67,932	60,601	7,331	11%
QLD	64,840	59,856	4,984	8%
NATIONAL	225,082	186,910	38,172	17%

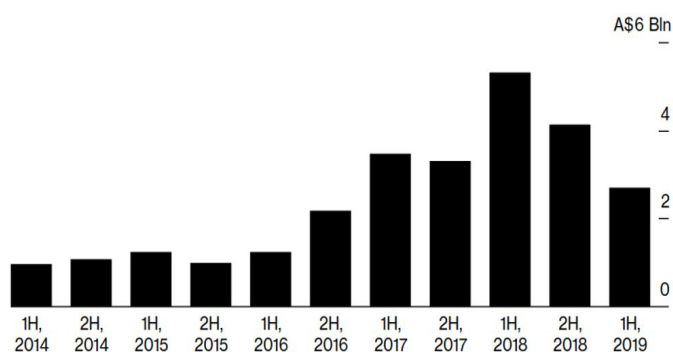
Business expenditure on alternative energy should attract larger tax-based concessions and non-taxable cash innovation rebates to permit Australian SMEs to capture the full

advantages of R & D. Under publicly funded federal or state by state competitive grants, domestic enterprises ineligible to qualify for taxation reductions would likewise be able to bolster R & D efforts into renewable forms of energy or procure supplementary government loans at reasonable interest rates.



Innovative energy technology portends huge benefits in higher per capita national production and material living standards. Accompanying future economic growth, indigenous R & D activities ought to be more directed towards promoting alternative energy sources in order to accomplish greater output per unit of consumption and reduce commodity prices, enhance Aussie international competitiveness and strengthen Australian export trade.

Australian renewables investment has cooled in 2019



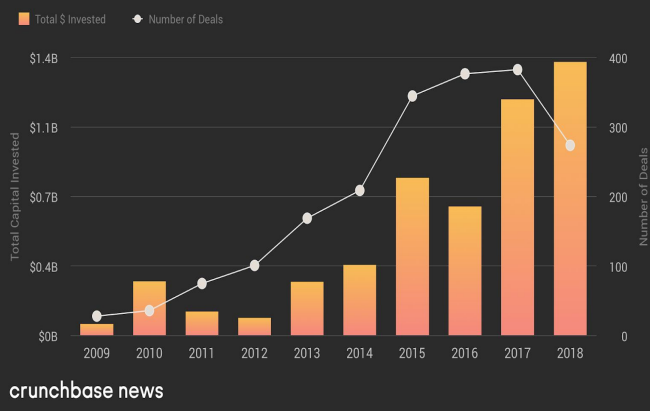
**Dr Frank Alafaci**  
President, ABSC Inc.

## Venture Capital – Where To From Here?

Venture Capital for SMEs down under relies upon the status of the Australian private equity market. SME financial needs impel effective measures to increase business expenditure on R & D and net capital inflows towards new technologies that support early phase domestic enterprises. Unwarrantedly, official government policies at the federal and state level to stimulate R & D involve complex, incoherent and overlapping features ill-attuned to market driven principles and beholden to ad hoc approaches to venture capital investment.

### Venture Capital Raised By Australia-based Startups Over Time

Australia startups, 2009-2018. Dollar volume based on deals of known size; round counts are for all deals. Data is current through early March 2019.

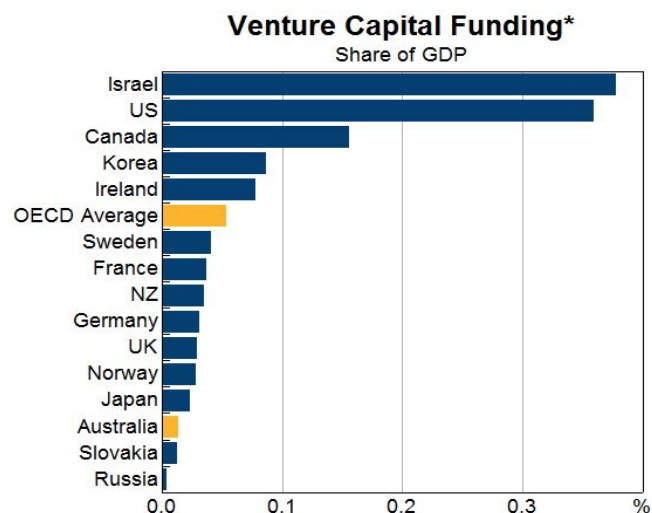


SME venture capital supply that emboldens homegrown businesses calls on our elected representatives to augment R & D promotion and mitigate real / or perceived investment risks, confusion and uncertainty through state and commonwealth-sponsored “seed” funding which progenerates entrepreneurial initiatives, management improvements and technology commercialisation. Broad-ranging taxation and regulatory provisions should be envisioned to optimise returns in venture capital finance, like re-evaluating the non-inflationary structures of

capital gains at the investors' marginal taxation rate so as to increase investment levels in the venture capital market.

## ABSC Inc. at CCCC Lunar New Year Dinner

Dr Frank Alafaci (President, ABSC Inc.) and Mrs Sylvia Alafaci (Secretary, ABSC Inc.) joined the Lunar New Year Dinner with VIP guest Ms Sneha Chatterjee, the NSW / ACT Regional Director in the Department of Home Affairs hosted by the Chinese Community Council of Australia at the Marigold Citymark Restaurant in Chinatown, Haymarket, Sydney on 3rd February 2020.



\* 2016 data or most recent available; venture capital definitions can vary across countries

Sources: OECD Entrepreneurship Financing Database; RBA

Sustained venture capital investments attract lucrative benefits from forward-thinking mobile and Internet startups with massive growth potential in software-driven tech disruptions, drawing on U.S. Silicon Valley knowledge and indigenous market experience in transformative technologies. Backing innovative SMEs would allow these companies to create / increase opportunities for themselves and venture capital investors through diverse investment portfolios in cumulative, successful innovation stages in both the domestic market and international economic environment in order to engender, retain and maximise competitive advantage over rival enterprises.



CCCA National President / past Chairman of the Ethnic Communities Council of New South Wales, Dr Anthony Pun (OAM, JP, PhD, FACBS) invited more than forty attendees to celebrate the notable achievements of Chinese Australians and advocate for multiculturalism, interracial tolerance and social cohesiveness in Australian society.

Ms Chatterjee received strong acclaim for her efforts to promote women's rights within the Australian Public Service as a former Chief Superintendent in the Australian Border Force and Chair of the DIBP Portfolio's Gender Equality Network. As an ABF senior executive officer in the Department of Immigration and Border Protection, Chatterjee oversaw the



management and execution of the Labour Agreement Program for Temporary Skilled Workers as well as the International Student Visa Program and regional coordination in Western Australia. Likewise, Chatterjee worked as an accomplished public servant for several years inside the Department of the Prime Minister and Cabinet (DPMC) in the federal government's National Ice Taskforce and at Austrade in assisting with concerted efforts to facilitate economic links between our nation and the international community.



## **ABSC Inc. at the Official Reception for the 72nd Independence Day of Sri Lanka**

Dr Frank Alafaci (President, ABSC Inc.) and Mrs Sylvia Alafaci (Secretary, ABSC Inc.) attended the Official Reception to celebrate the 72nd anniversary of the independence of the Democratic Socialist Republic of Sri Lanka at the Great Hall of the University of Sydney in Camperdown, NSW on 4th February 2020.

Over three hundred and fifty VIPs, guests and consular dignitaries partook in the lavish commemorative event organised by the Sri Lankan Consul General, His Excellency Mr M. H. M. Nimal Bandara, featuring the special presence of the Governor of New South Wales,

Her Excellency Hon. Mrs Margaret Beazley (AC QC) and NSW state parliamentarians, Hon. Mr Damien Tudehope MLC, Minister for Finance and Small Business in lieu of the NSW Premier, and Hon. Mr Scott Farlow MP, Parliamentary Secretary to the NSW Treasurer and Leader of the Legislative Council on behalf of the Acting Minister for Sport, Multiculturalism and Senior Citizens in the NSW government.



Consul General Bandara stressed the vibrant business ties and interests in sustainable development and security between Australia and Sri Lanka to address extremism and transnational crime, and promote a lasting rules-based international order as bulwarks of democracy, multiculturalism and human rights.

Sri Lanka boasts an ideal geo-economic location along the East-West shipping routes from China to the Middle East, adjacent to the southern tip of India in the Indian Ocean. As an island similar in size to Tasmania, it consists of 21.2 million people, with more than 2.3 million residents living in the capital city, Colombo, and

in several major economic centres, including Gampaha (2.2 million dwellers), Kurunegala (1.6 million inhabitants) and Kandy (1.3 million in population). Listed as seventy-sixth in the United Nations' Human Development Index in 2018, the country's economic status in the antecedent ten years recorded an average six percent per capita GDP growth and inflation below 7.5 percent, evolving from an agrarian society to an urbanised, upper middle income economic environment driven by investment in human capital and infrastructure.



Bilateral Sri Lankan-Australian trade in goods and services reached AUD \$1.6 billion in 2019 pursuant to the Australia-Sri Lanka Trade and Investment Framework (TIFA) agreement two years earlier which enhances cooperation by means of annual economic consultations to streamline market access and investment options. Australian exports to the Sri Lankan market, valued at AUD \$571 million in 2016, include dairy products, vegetables, wheat, rye, paperboard, and electrical appliances, while imports totaling AUD \$225 million feature apparel, clothing accessories, footwear, pottery and ceramics, tea, coconut products, palm kernel and fixed oils and fats. Moreover, Sri Lankan imports from down under, especially milk and cream, estimated at AUD \$80 million in 2018, as well as meslin, tanning or dyeing extracts, chickpeas, and premium food and

beverages contribute in large measure to the island's supermarket supply chain.

Sri Lanka's businesses invested over AUD \$200 million in the Australian economy in 2019, relative to Australian investment in the small Indian Ocean island amounting to AUD \$62 million. Tourism services, higher education (including VET and corporate engagement), smart infrastructure, energy, resources, and comparable "niche" sectors offer lucrative chances for Australian enterprises to increase engagement with the country as fiscal and domestic market consolidation places the Sri Lankan economy on an optimal foundation for sustainable development.

## **ABSC Inc. President meets Russian Consul General**

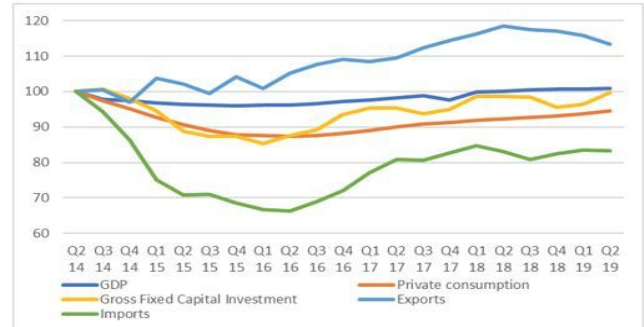
Dr Frank Alafaci (President, ABSC Inc.) and Mrs Sylvia Alafaci (Secretary, ABSC Inc.) visited the Consul General of Russia, His Excellency Mr Igor N. Arzhaev to discuss Australian-Russian business links at the Consulate General of the Russian Federation (RF) in Sydney on 14th February 2020.





approval in the Russian minerals exploration community for their high quality and optimum performance standards.

### Russian Economic Performance (Real GDP, index Q2 2014 = 100)



Source: Thomson Reuters, Raiffeisen RESEARCH

The ABSC Inc. president and secretary canvassed the potential avenues for the Australian Business Summit Council and Russian consular affairs' representatives to enhance trade and investment between our nation and the Russian Federation.



Contrariwise to economic sanctions placed on Russia since the Ukraine crisis, the Russian Federation likewise offers distinct choices for the Australian agricultural market. Russian imports from Australian businesses in 2018 included live animals (except seafood) totaling AUD \$70 million, hides and skins (barring fur skins) amounting to AUD \$17 million, meat (excluding beef) estimated at AUD \$10 million, and processed sugar, molasses and honey products. Nevertheless, our federal and state government bans on agricultural merchandise relating to the beef and dairy industries (particularly butter exports) contribute to make the Russian economy less appealing as an Australian export market.

Businesses down under are well-geared to increase exports of “niche” premium consumer goods and services, catering for Russia’s energy and resource sectors with innovative specialised equipment, industry skills training and cutting-edge technology to address the country’s infrastructure problems. Russia’s mining interests seek proactive collaboration with international companies so as to increase operational efficiency, augment production levels and strengthen safety practices in order to minimise adverse environmental impacts which enables Australian enterprises to provide an estimated AUD \$2.8 billion in mining and mineral extraction equipment per annum. Unsurprisingly, Australian mining hardware and technological capabilities enjoy considerable

### Russia value of economy, share of global economy



Interestingly, Australia and Russia feature as members of the G20 Group (the twenty most industrialised economies in the world) and the ASEAN Regional Forum, as well as the Asia Pacific Economic Cooperation grouping, and the East Asian Summit and the Asia Europe Meeting, which provides exclusive choices for ameliorating bilateral trade and investment through significant initiatives, including METS missions from Australia linked to Mining World Russia in late 2020 and Russian and CIS delegations to down under, and the Moscow Urban Forum in July 2020 and Austrade Education Missions to the Russian Federation.

## ABSC Inc. Tours the Homart Group

Dr Frank Alafaci (President, ABSC Inc.) and Mrs Sylvia Alafaci (Secretary, ABSC Inc.) arranged to visit the Homart Group (HG Pty Ltd.), an innovative pharmaceuticals business (est. in 1992) well-known for producing and marketing Australian-made health supplements and skin care accessories at the company's headquarters in Rydalmere, NSW on 24th February 2020.



HG Sales and Marketing Director, Ms Mary Tse welcomed the ABSC Inc. president and secretary, showcasing the Homart Group's abundant range of natural medicines drawn from its premier three brands (Spring Leaf, Health N Nature and Top Life), with fish oil capsules, daily vitamins, colostrum tablets, propolis toothpaste, and beauty, moisturizing and rejuvenation creams and lotions based on lanolin, placenta, nano-tech ingredients and herbal extracts.



Homart occupies the heritage-listed site of the former Upjohn Company (more than one hundred years in business), adjoining the Victorian garden-style residence (known as Upjohn House) erected in 1885, which still stands in its awesome splendour. Blending natural health with peerless innovation and speed-to-market, its pioneering vision mirrors the conglomerate's steadfast commitment to provide quality assurance and customer service as per stringent national GMP / TGA codes of conduct in order to nurture long-term business partnerships with mainstream domestic outlets (chemists, health stores and supermarkets) and expand into lucrative international markets, including Japan, Taiwan, South Korea and the People's Republic of China.



## ABSC Inc. President visits Pakistani Consul General

Dr Frank Alafaci (President, ABSC Inc.) and Mrs Sylvia Alafaci (Secretary, ABSC Inc.) were privileged to meet the newly-appointed Consul General / Trade Commissioner of Pakistan, His Excellency Mr Mohammad Ashraf at the Consulate General of the Islamic Republic of Pakistan in Sydney on 27th February 2020.

The ABSC Inc. directors and Consul General Ashraf discussed joint action to prepare efficient strategies that enhance Pakistan's image as an attractive trade and investment market with significant business forecasts for the Australian market.



H. E. served previously as the Joint Secretary and Director General for Trade in the Pakistani Ministry of Commerce and as a member of the Pakistan Horticulture Development and Export Board (PHDEB) before assuming charge of his nation's senior diplomatic representative post in New South Wales.



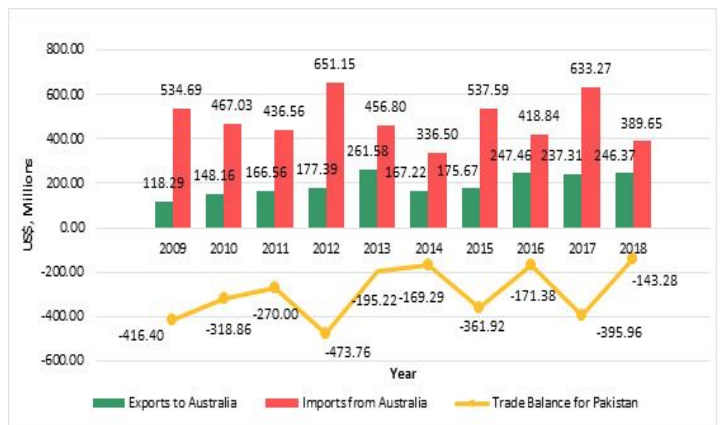
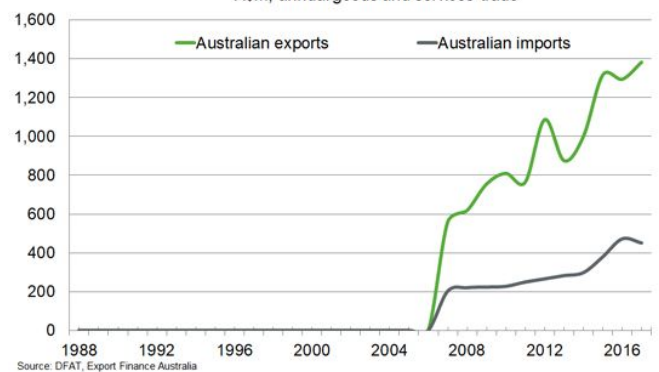
Pakistan (IRP) comprises the second-largest economy in southern Asia, after India, with extensive energy reserves, including coal deposits, natural gas, petroleum, and minerals, as well as agriculture which accounts for twenty percent of the country's substantial wealth. Manufacturing industries, valued at forty-two percent of exports to Australia per annum contribute twelve percent to its GDP, whereas services exports totaling AUD \$770 million in 2018, up from 12.7 percent in the previous year, represented an increase in Pakistani students attending Australian higher education institutions.

Overseas food chains / premium retailers in Pakistan provide new market entry prospects for Australian businesses to satiate rising middle-class demands for top level products. Pakistan's consumer goods (FMCG) sector, estimated at AUD \$3.1 billion annually, favours international brands and modern supermarket outlets, bolstering Australian exports (meat, seafood, packaged food and beverages), albeit subject to higher customs duties and tariffs on imported merchandise.



### Australia-Pakistan bilateral trade

A\$m, annual goods and services trade



Bilateral economic links with Pakistan benefit from PJTC (Pakistan-Australia Joint Trade Committee) efforts to negotiate a Free Trade Agreement between the two countries to improve trade and investment cooperation. Both Australia and Pakistan emphasize the need to reduce import duties and customs differences, and business visa restrictions through changes in reciprocal tariff preference

systems and Developing Country status for Pakistan on competitive goods and services with prime export interest to enable each market to exchange high quality necessities, maintaining leverage on prices / costs over businesses from rival economies.

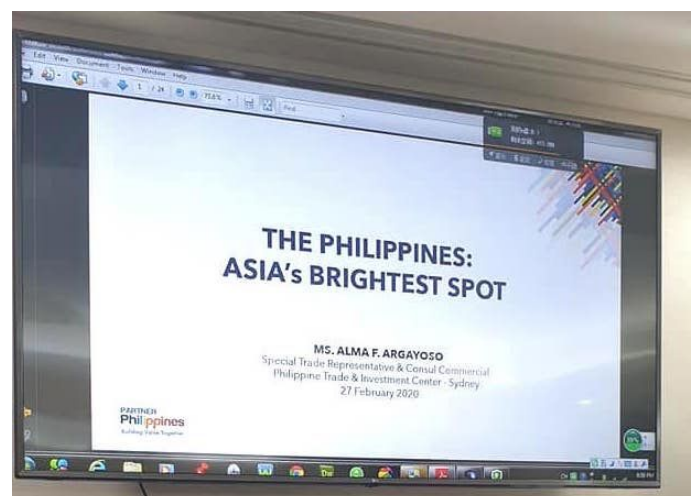
## ABSC Inc. / ACETCA Business Networking Event

The Australian Business Summit Council Inc. co-hosted the second elite business networking session with the Australia China Economics, Trade and Culture Association under the Memorandum of Understanding between the two organisations to strengthen economic relations with the People's Republic of China (PRC) at the ACETCA Building in Chinatown, Haymarket, Sydney on 27th February 2020.



Dr Frank Alafaci (President, ABSC Inc.) welcomed thirty business leaders, ABSC Inc. / ACETCA members, and keynote speaker, Ms Alma Ardayoso, the Consul for Commercial Relations in the Philippines Trade and Investment Centre (Consulate General of the Philippines).

As the special trade representative for the Philippines in New South Wales, Consul Argayoso addressed the VIPs and guests on the numerous trade and investment openings for Australian businesses in the Filipino market.



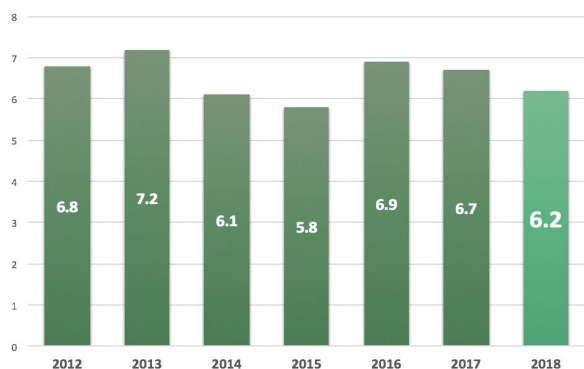
Ideally ensconced in the Association of South East Asian Nations (ASEAN), the Philippines constitutes an attractive destination to set up lucrative startup ventures, ahead of Indonesia, Malaysia and Singapore. Unlike other Asian markets, Filipino economic growth registered at 6.2 percent of GDP in 2018, whereas public expenditure on human capital and infrastructure remains positive. Total foreign direct investment (FDI) in principal Filipino sectors (steam, gas,

air-conditioning, real estate, and wholesale and retail trade) expanded by as much as two thirds (amounting to AUD \$16 billion), more than 21.4 percent higher than the 2017 figure, due in large measure to the continuous beneficial economic outlook. International companies that outsourced their back office services to the Philippines saved up to forty percent in business costs in 2019, with affordable and practical expenses for newly established companies, including space, utilities and compensation packages.

transportation and reduce the time / costs of setting up commercial enterprises. President Rodrigo Duterte's Build, Build, Build program likewise mobilises Filipino assets to enhance the Philippines' infrastructure in order to augment investment, bolster employment and increase incomes, with AUD \$280 billion over the next five years to roll out seventy five flagship projects, including airports, railways, roads, bridges, and seaports estimated at AUD \$65 billion in total investments. Non-Filipino businesses, moreover, receive benefits from the Tax Reform For Acceleration and Inclusion, and additional tax incentives as well as eligibility for tax reductions when passing the accreditation of the Philippines Economic Zone Authority (PEZA) which facilitates international companies and investors alike to secure an established presence in the Philippines.

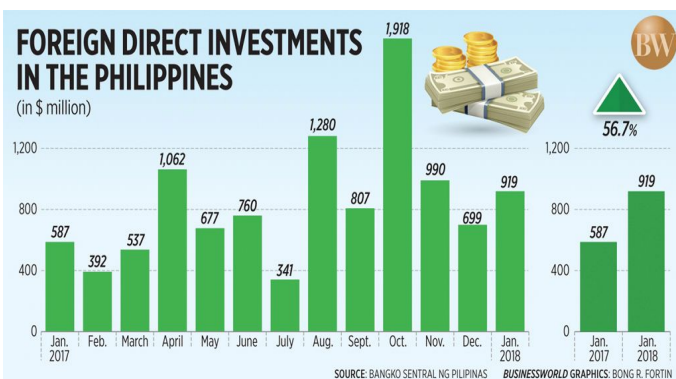


### PH Gross Domestic Product Growth



The Gross Domestic Product (GDP) grew by 6.1% in the fourth quarter of 2018, bringing the annual growth to 6.2% in 2018. #PHGDP

[www.marvingermo.com](http://www.marvingermo.com) @marvingermo



Filipino legislative policies aimed at economic development contribute to the Philippines' eminent business-friendly reputation. Apropos, the Philippines Innovation Act (PIA) directs government agencies to enhance its public



The Economist

Overall, the sustainability and limited exposure of the Filipino economy to global risks and uncertainties single out the Philippines for affirmative business relations. Startup ventures and multinational corporations itching to pour capital and resources into that economic environment would be heartened by the

encouraging assessment of its public and private sector initiatives from the International Monetary Fund (IMF) and the World Bank. Primed for business, economic development and foreign direct investment (FDI), the Philippines teems with boundless possibilities for Australian companies to expand abroad.

February 1965 as the Clube Portugues de Sydney in Paddington, within the heart of Sydney's historic eastern suburbs by a small number of Portuguese migrants. This ebullient community is now concentrated in Petersham and Marrickville which are known as the Portuguese neighbourhoods of Sydney.



## Spotlight on The Sydney Portugal Community Club

The Sydney Portugal Community Club is an iconic membership-based association located on four hectares of entertaining space and playing fields at Fraser Park, Marrickville, New South Wales. SPCC was established on 6th

February 1965 as the Clube Portugues de Sydney in Paddington, within the heart of Sydney's historic eastern suburbs by a small number of Portuguese migrants. This ebullient community is now concentrated in Petersham and Marrickville which are known as the Portuguese neighbourhoods of Sydney. SPCC promotes the culture and history of the Australian Portuguese community, assisted by its strong relationship with its partners in the inner west, including the Inner West Council and other community organisations. Under its current president, Mr Miguel Vairinhos, this Club supports an extensive diversification of audiences and participants in the Sydney metropolitan area through community-based initiatives devoted to building a peaceful, tolerant and harmonious multicultural Australian society.



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