

# THE ROTATOR

## Official Newsletter of The ABSC Incorporated



April, 2019

Editor - Dr Frank Alafaci

Co-editor - Mrs Sylvia Alafaci



### EDITORIAL

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

Business is the artful *tour de force* of wealth creation

and prosperity. Much encouragement ought to be given to incentives to succeed and capital accumulation in order that the entrepreneurial interests on which our nation will be relying to provide sustainable economic growth into the future are able to bloom, proliferate and search out lucrative markets.

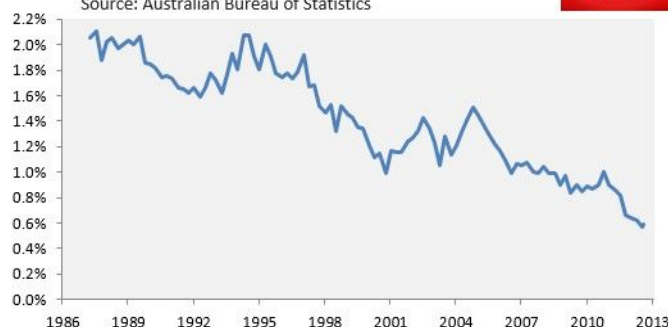
Incisive strategies are needed to promote domestic investment in broad infrastructure, technology and resource development to match the prime investment attractiveness of other countries. Our productivity problem is most noticeable in the manufacturing sector, which is an important supplier of goods and services to our economy and to our trading counterparts. Boosting investment in our manufactured exports, or achieving a significant import replacement, cannot succeed unless we can consistently produce new, superior or similar products as efficiently as our overseas competitors.

To guarantee that our manufactured outputs are competitive in international markets, we must increase the focus on skilled labour

utilisation in electronics, communications, mechanics, and other high technology sectors, as well as support investment in new opportunities to nurture innovative businesses in those home grown industries with traditional comparative advantages (mining and agriculture) which are often being lost to foreign entrepreneurial conglomerates owing to our lower level of competitiveness in manufacturing and offshore commercialisation of our national technological advancements.

### Manufacturing Capex as a % of GDP

Source: Australian Bureau of Statistics



[www.macrobusiness.com.au](http://www.macrobusiness.com.au)



Australia's current indirect taxation system is likewise hindering economic growth through anti-business taxes and levies (payroll tax, wholesale tax, and fuel excise) which place additional costs on our exporting businesses which find themselves competing against international markets which do not impose embedded, burdensome levying measures on export production.

Broadly speaking, we must increase the competitiveness of manufacturing exports from our resource-based industries and ameliorate our inefficient revenue raising policies that are to a large degree responsible for undermining the Australian export market and employment prospects in domestic export industries. In the longer term, our economic measures must address the need to bolster trade in capital goods and commodities (especially machinery and transport equipment) and reduce our dependence on imports of producers' materials in order to avoid the recurrence of current account deficits, foreign debt problems and boom-bust episodes.

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

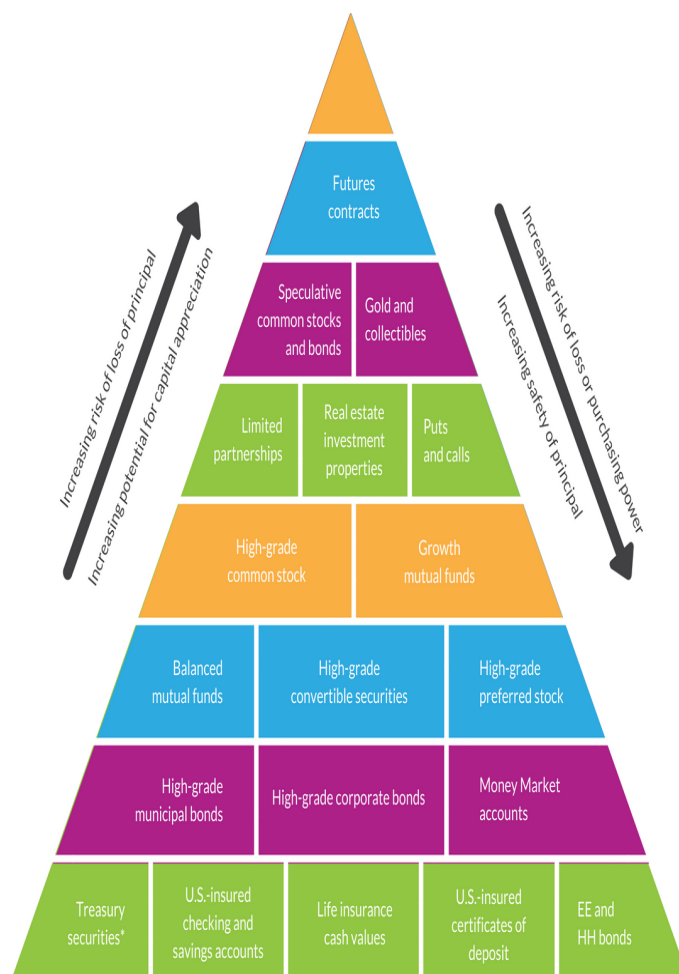
## Asian Stocks – A Viewpoint

The opportunities on the Stock Market are one advantageous means for investors to tap into Asia's staggering economic growth in recent times. Asian businesses that have their primary listing on the ASX are known to trade on low price earnings ratios, with high dividend yields and excellent growth prospects.

To be sure, there is risk in buying Asian or other foreign stocks of which little is understood as some overseas companies have reportedly utilised foreign investment funds to engage in aggressive stock market speculation, instead of managing such monies to augment their businesses. Nonetheless, Asian stocks must warrant attention from investors looking for sustained growth and high-level performance.

Much less fraught with risk is to penetrate into the Asian market through the shares of large Australian companies doing profitable business on the continent, like QBE Insurance Group. Investors looking for large profits could turn

their attention to resource stocks in the mining and drilling companies as well as in agriculture which is sometimes overlooked by the financial markets.



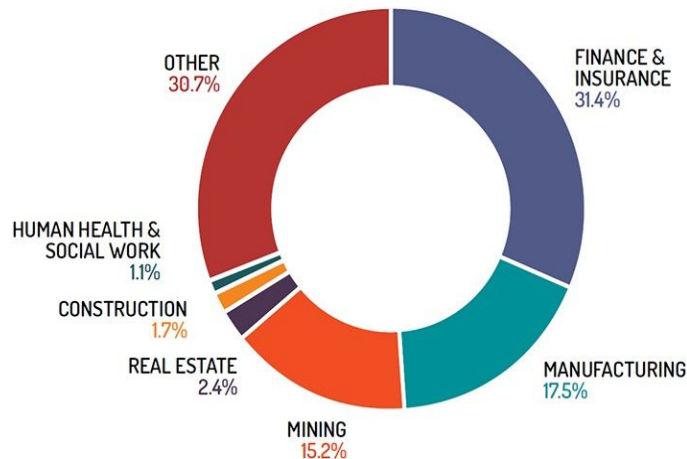
\*If held to maturity. Otherwise, they are subject to volatility due to interest rate risk as with any other type of bond.

Boasting among the most efficient rural sectors in the world, there are lucrative gains to be made when there is high production and strong demand for our nation's agricultural products. Unsurprisingly, the most substantial long-term reliance on this sector comes from China with twenty-one percent of the world's population but only seven percent of arable land. Already a significant supplier to China, Australia is well placed to increase its sales of foodstuffs to our principal Asian trading partner as its economy continues to grow stronger.

## FDI for Australian Business

Our nation's experience in investment overseas reveals that businesses which source inputs from the domestic market for foreign operations have augmented the Australian export trade.

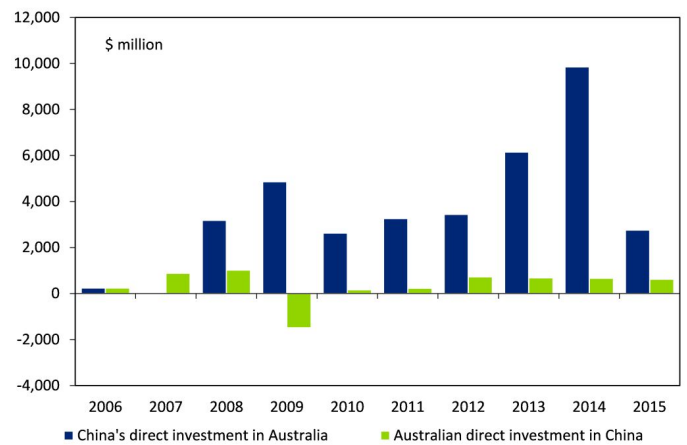
Since Asia takes a major share of exports from Australian businesses, an increasing number of manufacturing firms are present in the developing Asian economies, motivated by the internationalisation of their activities in cheaper, offshore labour markets, especially China, Vietnam, Thailand and Indonesia.



Mining companies and infrastructure providers like Transfield that are investing in Asia are not merely profitable, but have achieved substantial profitability within a few years after expanding into those destinations.

Offshore investing enterprises are often the most lucrative and have the highest growth in employment. Admittedly, some manufacturing ventures as well as large portions of the services sector that invests abroad (as it noticeably provides services that cannot be exported) have outsourced Australian jobs, but these enterprises maintain their domestic operations while acquiring or establishing new businesses in overseas markets which have

substantial backward linkages to Australian products and services.



To avoid costly failures in foreign direct investment, Australian businesses with their relative resource limitations and noticeable absence of major large vertically-integrated, multi-faceted structures must learn to network and collaborate effectively, including by such means as allying themselves to overseas multinational conglomerates which, in turn, serve as notable repositories of commercial information and opportunities.

## The Australian Young Entrepreneurs Association Cocktail Event

Dr Frank Alafaci (President, ABSC Inc.) and Mrs Sylvia Alafaci (Secretary, ABSC Inc.) attended the Australian Young Entrepreneurs Association Cocktail Event at Doltone House Hyde Park in Sydney on 10th April 2019. This networking session included an expert panel of finance gurus who shared their opinions about the principal topic for discussion – How to Capitalise on Opportunities in Economic Uncertainty. Mr Pierre Leung, Associate Director (Asian Business), BT Private Wealth at the Westpac Banking Group was joined by Ms Daisy Lam, Director at All Gifts online.com.au

(and former Director, Vincona Pty Ltd) and Mr Raymond Chan, Head of the Asian Desk at Morgans Holdings (Australia) Limited to offer strategic advice in relation to long-term business planning, management of funds, investment opportunities and the property market as the nation prepares for a federal election.



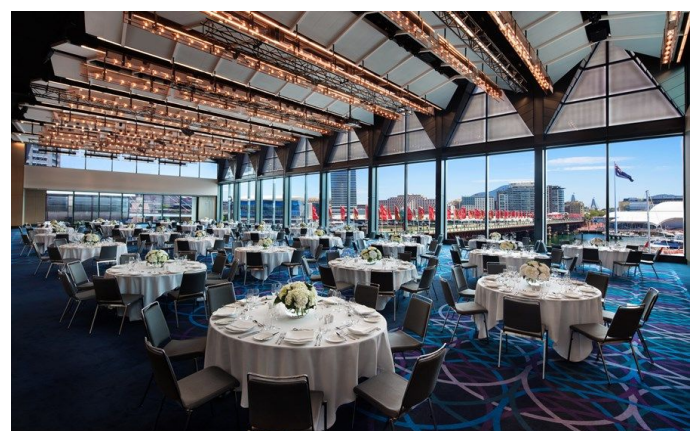
(Top to bottom left to right) Mr Pierre Leung, Mr Raymond Chan, Ms Daisy Lam, Dr Frank Alafaci, Mr Warren Lam, and Mr Richard Gao.

## MOU with Our New Recruit – Hyatt Regency Sydney

Dr Frank Alafaci (President, ABSC Inc.) signed a Memorandum of Understanding on 18th April 2019 with Mr Matthew Talbot (Director of Sales and Marketing, Hyatt Regency Sydney) to promote an amicable rapport between the Australian Business Summit Council Inc. and the Hyatt Regency Sydney that recognises the principle of equality and mutual benefit to both organisations.



One of the largest five-star hotels in Australia, the Hyatt Regency Sydney is a haven of relaxation for business or leisure travellers. Its location is adjacent to Darling Harbour in Sydney's CBD where the retreat provides eight hundred and ninety two guestrooms, numerous dining experiences and three thousand seven hundred square metres of meeting and events facilities.



For more information on the Hyatt Regency Sydney, please visit the website at [www.sydney.regency.hyatt.com](http://www.sydney.regency.hyatt.com)

## The ACFEA – Official Sponsor of the Australian Business Summit Council Inc.

The Australia China Friendship and Exchange Association is a private, non-profit organisation established in Sydney in 2005. Its mission is to actively promote people-to-people contacts between Australia and China by supporting initiatives to encourage Australian values and culture within the Chinese Australian community and understanding of Chinese culture in Australia in order to achieve a harmonious relationship between the two nations.



澳中友好交流协会  
AUSTRALIA CHINA FRIENDSHIP  
AND EXCHANGE ASSOCIATION

Dr Chau Chak Wing, the ACFEA Co-Patron (with Major General the Hon. Michael Jeffery AC, AO (Mil), CVO, MC, twenty-fourth Governor General of Australia), is the founder and Chairman of the Kingold Group with extensive business interests in real estate, property development, hospitality, the media, pharmaceuticals and consulting services in China and Australia.



(Left to right) Dr Chau Chak Wing and Major General the Hon. Michael Jeffery.

As a pivotal link between China and Australia, Dr Chau Chak Wing has been engaged in giving back to communities in both nations, including donating a Business School building to the University of Technology Sydney, donating twenty million dollars for the construction of a new museum at the University of Sydney and ongoing funding for the Soils for Life program which aims to facilitate positive and sustainable changes in Australian landscape management.



Under the aegis of the Dr Chau Chak Wing Foundation, this eminent philanthropist donated fifty thousand dollars to Legacy Australia's Kokoda Challenge on 17th April 2019 to sponsor junior legatees between 18-25 years of age who will be undertaking the ninety-six kilometre journey alongside their ADF mentors through tropical rainforests, rugged mountain terrain and unspoiled villages along the legendary Kokoda Track in 2020.



Legacy Australia Chairman Mr Rick Cranna OAM noted at the formal donation ceremony with Dr Chau Chak Wing that this kind bestowal will greatly assist the lives of our young people who have experienced adversity in their lives through the death or incapacitation of a parent during their operational service in the Australian Defence Force.

## Spotlight on Our VIP Corporate Members

Swan Wine Group took part for the seventh consecutive year in the 100th Chengdu Wine Fair (Sichuan province), the largest wine Expo in China from 17th to 23rd March 2019. With three large stalls for the entire duration of the spectacle, Swan Wine Group attracted a record number of potential buyers as well as claiming eleven important awards, which include the “Top 10 Wine Importer”, “Best Valued Brand”, and “Best Growing Brand” categories.

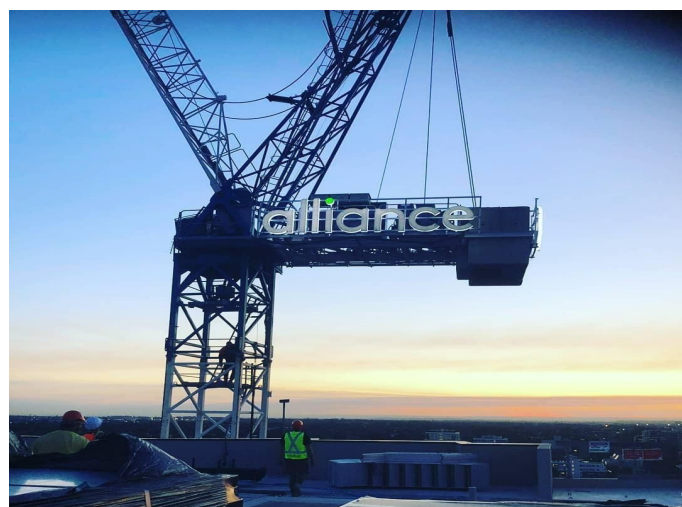


At the WBA regional title competition (China versus Japan) on 30th March 2019 sponsored by Swan Wine Group, the Chinese boxer Wulan Tuolehazi (11-3-1, 5 KOs) acquired the vacant international flyweight belt, defeating the previously unbeaten Japanese ex-amateur fighter Ryota Yamauchi (4-1, 4 KOs) by a unanimous decision (115-112, 117-109 twice)

over twelve hard-fought rounds in Shanghai, China.



Alliance Project Group joined with the West Sydney Wolves Basketball Association in early April 2019 to set up the Alliance Wolves, an engagement program for children with special needs that utilizes sport as a means to motivate involvement in physical activities, focusing on important skills like agility and hand-eye coordination.



Mr Rouad El Ayoubi (Founding Director, APG) and Mr Danny Mikati, the construction firm's community manager, enjoyed supporting the children of the Hills School, Northmead in the inaugural Alliance Wolves Program. WSWBA Chairman, Mr Bob Turner (former Sydney Kings coach) assisted by Mr Ronnie Khalil (CEO, WSWBA) are leading the development of this program across special purpose schools throughout New South Wales in collaboration with Alliance Project Group.



Malaysia Airlines is offering a flexible travel management program called MHenterprise through cost-saving innovations, fare discounts, and various benefits customised to traveller preferences.

SME travellers will be entitled to up to ten percent reductions on all eligible airfares upon successful application plus free date changes and simplified booking processes as well as complimentary lounge access, cabin upgrades, free flight tickets and more.



Optimising frequent flyer travel, MHenterprise places an intense focus on Malaysia Airlines' advanced duty of care and seamless policy-compliant operations which allow its customers to expedite their business travelling arrangements.



## MHenterprise

Revolutionizing your corporate travels

Geared up for the revolution yet? Let us help you with the integration of all your business travels as you venture through the internet economy. Manage your travel experiences and enjoy cost-saving innovations for your business. Designed for small and medium-sized enterprises, MHenterprise can meet your needs and demands to keep your business flying high.



**PREFERENTIAL FARES**  
Get up to 10% discount on eligible airfares instantly.



**FREE SIGN UP**  
No registration or subscription fee.



**LOW MINIMUM SPEND**  
From as low as MYR50,000 per annum.\*



**SIMPLIFIED BOOKING & TRACKING**  
Self-manage your bookings and travel expenses.



**EXCLUSIVE SUPPORT**  
Enjoy a dedicated after-sales support team.



**FREE FLIGHT CHANGE**  
Seamless flexibility with no penalty charge and processing fee.\*\*



**GREAT REWARDS**  
Enrich Fast Track, complimentary flight tickets and more.



For more information, feel free to call our Global Customer Contact Centre 1-300-88-3000 (toll free for calls within Malaysia only) or +603.7843.3000 (for calls from outside Malaysia - long distance call charges apply) or email us at [mhenterprise@malaysiaairlines.com](mailto:mhenterprise@malaysiaairlines.com)

Terms and conditions apply. \*Minimum travel expense may vary subject to country of registration. \*\*Changes must be performed at least 24 hours before departure time





# Contact Us

**Address :**

Suite 908, Level 9/250 Pitt St Sydney NSW 2000 Australia

**Phone :**

+61 2 80035053

**Email :**

secretary@absc.online

**Website :**

[www.absc.online](http://www.absc.online)