

THE ROTATOR

Official Newsletter of The ABSC Incorporated



September, 2019

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EDITORIAL



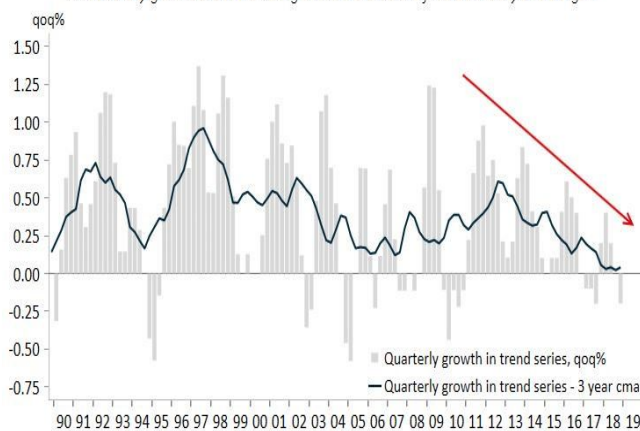
Welcome to the seventh edition of the ABSC Inc. Newsletter.

The competitiveness of the Australian economy rests on sustaining local businesses that utilise capital, skilled labour and natural resources to a notable degree. Adding to the GDP, Australian resource-based industries contribute to both the domestic market and to export trade, pitching especially to the South East Asian regional economies with an intense demand for minerals and energy products.

Our nation's economic status, however, has been undergoing a net reduction in productive capital as business investment is insufficient to meet national growth targets or ameliorate the unemployment situation. Hence, it is essential to increase productivity through investment attraction and facilitation into new technology to make Australian industries more capital intensive and efficient in resources-based development so as to achieve preponderant import substitution of traded goods from our international competitors.

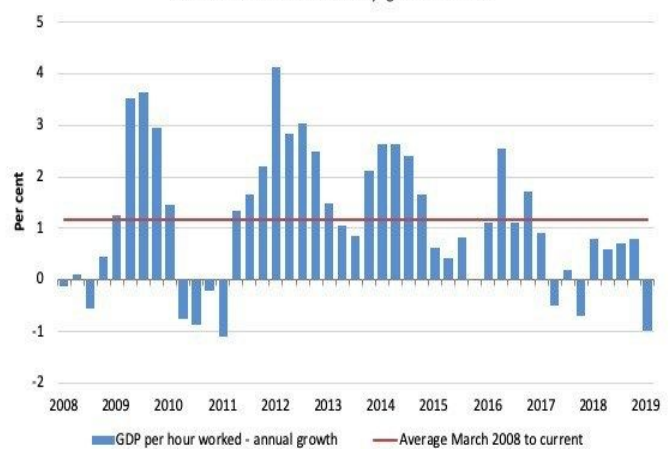
Australian quarterly productivity growth (GDP per hours worked)

Productivity growth is decelerating to the detriment of the economy and wages



Source: IFM Investors, ABS

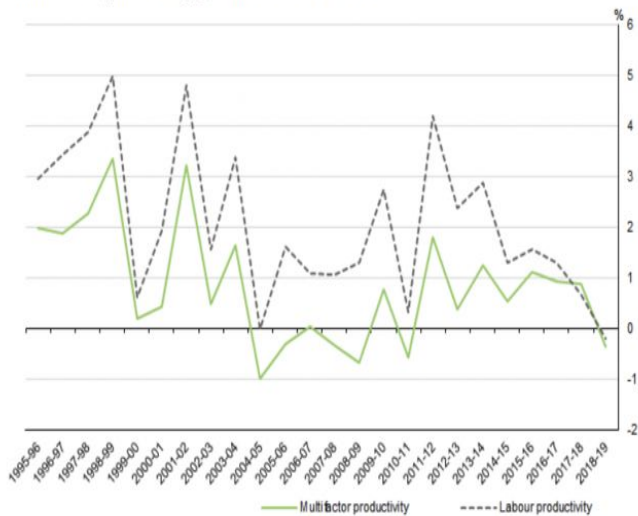
Australia - Labour Productivity growth - annual



Prime manufacturing businesses must resolve to engage long-term skilled labour and high quality technologies to produce unparalleled forms and quantities of energy (especially renewable, solar, electric sources), ceramics,

biologically processed mineral ores, agri-foods, organic substances, and more cost effective industrial chemicals that would enhance our country's reputation as a principal supplier of safe and environmentally clean products.

Market sector, productivity growth: hours worked basis



Henceforth, our indigenous resources-based companies would become less vulnerable to import competition and more equipped to counteract the abatement in domestic export trade performance, leveling off unwelcome external liabilities to aggrandise Australian international competitiveness.

Dr Frank Alafaci
President, ABSC Inc.

Investing in Shares – A Guide

Share investments are known to offer unique income and capital growth, with tax benefits over extensive time periods. Indeed, shares comprise the best long-term performing asset on an after-taxation basis, outstripping real estate (and other related investment assets) due to property's lower liquidity, excessive costs of entry / management, and exorbitant maintenance charges.

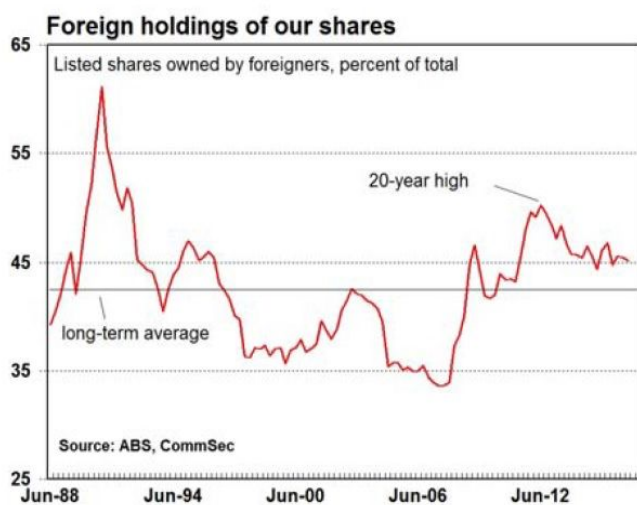


Investors can obtain some tax advantages from ownership of shares in certain Australian tax paying companies through franking credits available in dividend yields and discounts (fifty percent) allowed on capital gains tax payable without indexing to inflation and no averaging if the shares are sold at a profit not less than twelve months from their acquisition, provided that these growth assets were purchased after 1999. Under the Australian imputation system, a company or companies in which there is shares ownership pays / pay thirty percent in tax on profits on behalf of investors who are not required to assume the payment of that taxation cost themselves.



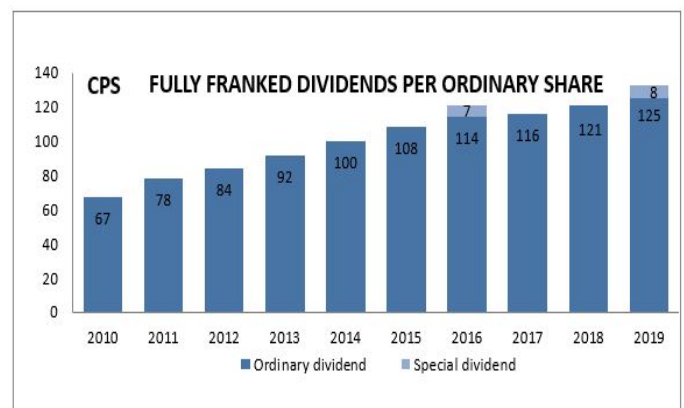
Investment in shares may be as straightforward as purchasing company stock directly or, alternatively, via equity trusts that pool the funds contributed by individual investors to purchase shares on their behalf in different

businesses. Equity trusts provide a manifold, contributive and relatively economical share market investment, with lower commissions paid to stockbrokers than small investments because such trusts deal with larger amounts and subdivide the cost of commission rates evenly among investors. Since these trusts are simple and judiciously administered, investors are relatively untroubled by fretting over their investments, but likewise abandon any hopes of becoming affluent in the short-term via speculative engagements with “high-rolling” operators.



Hardened investors attuned to high profits through local shares would purchase prime resource stocks on elevated price earning ratios that generally have inferior dividend yields prone to enormous price increases amidst a commodities boom pursuant to the Australian economy’s huge mineral riches. Trading in resource stocks, including the well established ones, attracts substantial amounts of speculative money, so that determining the appropriate shares from the resource stock hopefuls necessitates extensive knowledge and perspicacious awareness of Australian natural resources, with dependable connections and relationships in the mining and brokerage professions.

Investment in foreign equities provides lucrative long-term returns and multi-faceted share portfolios without the tax effective franking privileges down under. Non-homegrown shares reveal more volatility than their Australian counterparts, since prices are susceptible to periodic movements in exchange rates and unforeseeable circumstances in international economic environments with which domestic investors cannot always keep up to date. Multinational enterprises (particularly from South East Asia) with primary listing on the Australian Securities Exchange (under ASX policies which encourage Australian listing) occasionally trade on small price earnings ratios and high dividend yields which render such businesses attractive to more circumspect investors.



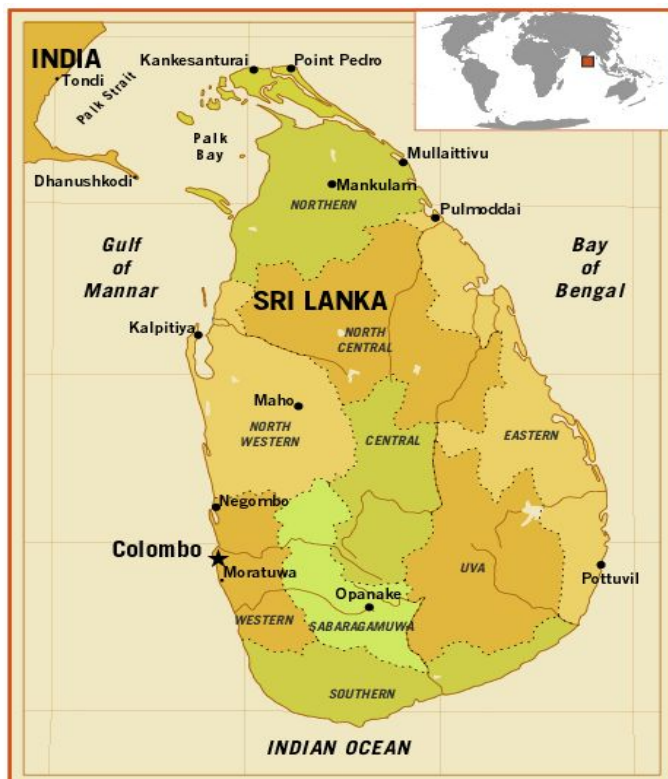
Broadly speaking, share investments comprise an essential means for preserving savings against inflation in unsustainable economic times. Dividend reinvestment regimes allow long-term investors to reinvest dividends in alternative shares (at discounted prices) to increase their portfolio baggage in order to lessen earnings volatility by mitigating the impingement of asset losses on their overall investments from potential company failures. Unfortunately, it is difficult to purchase shares before appreciation and / or to relinquish them before price diminutions because all relevant information is already on the Stock Exchange,

including sudden changes in company stock value prices which average investors have no time or little opportunity to exploit. Prospective investors should assess the price earnings ratios and dividend yields relating to these company stocks whose future outlook can sometimes be adequately deduced from the movements of share prices in the commodities market.

ABSC Inc. at Sri Lankan Business Breakfast

Dr Frank Alafaci (President, ABSC Inc.) and Mrs Sylvia Alafaci (Secretary, ABSC Inc.) joined more than thirty VIPs and guests at an elite business breakfast networking session with a visiting trade delegation of coconut producers and exporters from Sri Lanka hosted by the Consulate General of Sri Lanka and the Sri Lanka Coconut Development Authority at the Castlereagh Boutique Hotel, Sydney on 10th September 2019.

Sri Lanka produces 2,500-3,000 million fresh coconuts and processed outcomes per year within the private sector that accounts for almost three quarters of coconut holdings in the country, operating under strict government rules administered by the Coconut Development Authority as well as the Coconut Research Board and the Coconut Cultivation Board. This coconut production represents an important feature of the Sri Lankan economy, which meets the demand for both local consumption (at about 1,750-2,000 million fresh produce annually) and the international market through both kernel and non-kernel-based coconut manufactures (coconut oil, desiccated coconuts and substitute oils), contributing significantly to the country's GDP.



Officially, Sri Lanka aims to increase coconut production, boosting yields to some 3.600 million fresh coconuts and manufactured coconut products per annum through efficient operational and management policies, including climate change mitigation efforts, soil fertility improvements, reducing land fragmentation, replanting senile plantations in accelerated programs, controlling pests and diseases and lessening wastage in coconut household usage, and planting coconuts throughout bare lands and non-traditional cultivation areas in the country's northern, eastern and southern provinces.



ABSC Inc. signs MOU with ACETCA at Official Ceremony

The Australian Business Summit Council Inc. co-hosted an exclusive private reception and ceremony to mark the Official Signing of the Memorandum of Understanding between the ABSC Inc. and the Australia Economics, Trade and Culture Association at the ACETCA Building in Chinatown, Haymarket, Sydney, on 19th September 2019.



Alongside new coconut production strategies, Sri Lanka's coconut producers and exporters would benefit from more equitable and break-even, farm-gate prices and standards, and affordable market conditions designed to enhance their basic livelihoods, long-term employment opportunities and income from domestic coconut production and untapped international export markets.

Over forty VIPs and guests, including consular officials in the Consulates General of the People's Republic of China, Sri Lanka, Pakistan and Turkey, high profile business leaders and community leaders and media representatives from the Australian multicultural press filled the conference room of the ACETCA clubhouse to bear witness to the momentous occasion.



Dr Ven Tan (Executive Chairman, ACETCA) welcomed the ABSC Inc. Board of Directors and dignitaries *par excellence*, outlining the ACETCA's mission to promote economic, trade and cultural links and exchanges between Australia and the People's Republic of China since the establishment of the association in 2011 as a government registered, non-profit community organisation by the prominent Chinese Australian entrepreneur, Fai Yuen Lam, with several branch offices in Beijing, Guangzhou, Hong Kong and Macau.



ABSC Inc. President, Dr Frank Alafaci commented on the People's Republic of China as a lucrative export market for the Australian economy, underscoring its importance as the biggest importer of our agricultural goods and the third largest purchaser of manufactured products from down under. Likewise, the People's Republic of China represents an increasingly profitable destination for our homegrown services sector, which generates almost AUD \$6 billion in overall annual export earnings.



Australian businesses export AUD \$30 billion more to the People's Republic of China than the next principal customer, Japan, almost three times greater than domestic exports to the United States and India combined, as well as importing about AUD \$46 billion worth of products and services annually from the Chinese mainland, such as computers, IT telecommunications equipment, furniture, and clothing items, which produce substantial benefits for Australian consumer households. Moreover, Chinese SMEs (and multinational enterprises) have been emboldened to invest on an appreciative scale in the Australian market (contributing in no small measure to taxation revenue and job creation) as a consequence of our economy's strong and resilient financial, regulatory and commercial infrastructure.



multilateral trade and investment issues as well as exchanges of expertise, resources, projects and incentives; (ii) strong promotion of formal delegation missions to enhance trade and investment agreements; (iii) optimum trade and investment collaborative ventures to jointly encourage favourable business conditions with all necessary assistance for companies and investors from Australia and the People's Republic of China represented by the parties; (iv) active participation in international trade fairs, exhibitions, seminars, conferences and other relevant activities as agreed by the parties, and; (v) managing regular business events to provide a platform for intensive networking between the Australian and Chinese business communities.



Pursuant to the clauses stipulated in this Memorandum of understanding (MOU), the Australian Business Summit Council Inc. and the Australia China Economics, Trade and Culture Association commit themselves to nurturing opportunities for Chinese-Australian businesses to promote long-term, reciprocal, advantageous commercial activities throughout the Australian market and the expanding, diversified, gargantuan Chinese economy. Australian and Chinese companies alike are disposed towards improving two-way import and export trade performance, foreign direct investment and broader financial connections between the two prosperous economic environments.

Bilateral Chinese-Australian economic relations will receive invaluable stimulus from the Memorandum of Understanding approved by the Australian Business Summit Council Inc. and the Australia China Economics, Trade and Culture Association which have promised to cooperate with one another in facilitating trade and industry, finance, investment and other sectors (as agreed thereto) between our country and the People's Republic of China through: (i) official meetings on bilateral and

ABSC Inc. at the Official Reception for the 89th National Day of the Kingdom of Saudi Arabia


Dr Frank Alafaci (President, ABSC Inc.), and Mrs Sylvia Alafaci (Secretary, ABSC Inc.) attended the Official Consular Reception to commemorate the 89th National Day of the establishment of the Kingdom of Saudi Arabia at the Museum of Contemporary Art (MCA), Sydney on 25th September 2019.

More than one hundred VIPs (consular officials) and special guests convened for the significant occasion at the invitation of His Excellency Mr Salman Almotairi, Consul General of the Royal Consulate General of Saudi Arabia, featuring the Consuls General of Japan, Lebanon, Egypt and South Korea, and the Consul and Vice Consul of Sri Lanka and the United States of America, as well as dignitaries from the New South Wales government and Government House (including Colonel Michael Miller, Official Secretary to the Governor of New South Wales, Her Excellency. Margaret Beazley AO QC).

Saudi Arabia comprises an important economic partner for Australia, founded on our shared membership of the Group 20 and engagement with the Gulf Corporation Council (GCC) and the Organisation of Petroleum Exporting Countries (OPEC).

Saudi-Australia
relations supported by:

- Shared membership in G-20
- Well-established cooperation in countering terrorism
- The Australia-Saudi Business Council established in 2013



Trade: The two-way merchandise trade totalled \$2.0 billion and trade in services for \$363 million. Passenger motor vehicles were Australia's largest commodity export to Saudi Arabia, worth \$796.8 million in 2016.

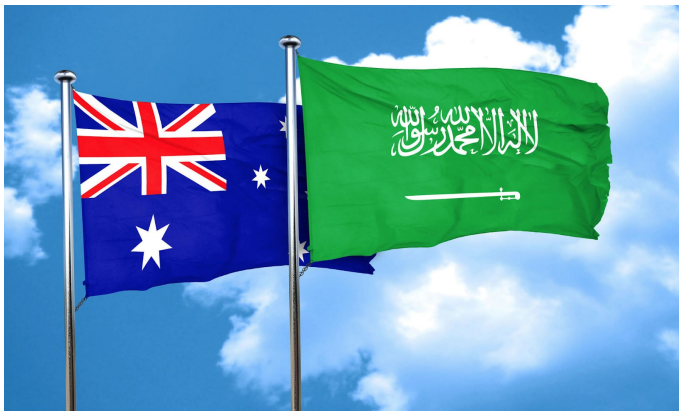
Education: As of 2016, more than 8,100 Saudi enrolments in Australian educational institutions, with students representing the largest contingent from the Middle East

المفوضية الثقافية السعودية في أستراليا
Saudi Arabian Cultural Mission

Bilateral relations between Australia and Saudi Arabia envelop lucrative trade and investment partnerships in agriculture, mining services and construction management. Listed as seventh in the world rankings of countries from which the kingdom mainly imports goods and services, Australia's exports to Saudi Arabia totaled AUD \$3.2 billion in 2018, including beef, sheep meat, dairy products, fresh vegetables, processed foodstuffs, cosmetics, pharmaceuticals, and information and communications technology equipment. Refined metals, vehicle parts and accessories, barley and sugar (AUD \$244 million), and cheese (AUD \$113 million) represent seventy nine percent of Australian exports to Saudi Arabia.



Overall, Saudi Arabia’s exports to Australia totaled AUD \$668 million in 2018, including its most profitable natural resource – oil (crude petroleum at AUD \$802 million and refined petroleum at AUD \$351 million), which is equivalent to more than twenty five percent of the world’s known conventional petroleum reserves (one hundred and sixty nine billion barrels), and other similar related products (petrochemicals, fertilisers and liquid propane gas).



Dubbed “Vision 2030”, Saudi Arabia’s long-term program of economic reform and diversification, involves large, ambitious structural measures to improve the country’s banking system and financial infrastructure, promote deregulation and streamline investment rules / regimes, as well as encouraging western-style business practices which foster increased opportunities for Australian businesses within the different sectors of the kingdom’s economy.

Investing about AUD \$3.9 million worth of assets in the Australian economy, Saudi Arabia’s economic outlook reveals significant potential for commercial relations to grow in mutually advantageous industries with needs well-suited to Australian promotion of trade liberalisation and foreign direct investment, underscored by low Australian import duties and barriers.



	<p>The Royal Consulate of Saudi Arabia</p> <p>On the occasion of The 89th National Day of the Kingdom of Saudi Arabia</p> <p>H. E. Mr. Salman Hazza ALMOTAIRI The Consul General</p> <p>Requests the pleasure of the company of</p> <p>Dr Frank Alafaci and partner</p> <p>At a Reception On Wednesday 25 September 2019, From 17:30 to 19:30</p> <p>Venue: Museum of Contemporary Art (MCA) 140 George St, The Rocks, NSW, 2000</p> <p>RSVP: By Friday 13 September 2019 Email: saudicon.syd@gmail.com</p> <p>Dress: Lounge Suit Please present this card on arrival</p>
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