

# EC

## September 2013

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## ***THE CONSERVATIVES WIN ELECTION BOTH IN AUSTRALIA AND NORWAY!***

This is very good news for anyone interested in creating growth and with that a healthy society. However both countries have suffered under long socialist rule and it will not be a turnaround over night.

***SHAME ON*** the **Independent** and **Financial Times** on their report on the Norwegian Progress Party, one of the parties making up the majority in the Norwegian election!

I am used to read shallow and tendentious articles in the tabloid press, but seeing newspapers that I have read for years and considered reliable coming up with such an uninformed bucket full of crap make me question the value of other comments from the same places. The party in question can be placed somewhere between the Republicans and the Democrats in the US and at best on the left in the Tories in the UK. It will certainly take a very long time before I read anything published from them again with confidence in fact I wonder if I will bother ever reading them at all!!

## ***NEW PARTNERS TO JOIN EC!***



**Mr. Yanis Giousef** is one of our exceptions! With his experience in the Film Industry he will be a valuable asset for us evaluating the many requests we have for funding movies.

Delegate Officer Producer for International Projects of Zip-Films and Blues Films (Spain)

and Director of Photography with 16+ years of experience gives him a wealth of experience.

Some years ago and while investigating alternative funding solutions for film productions, he finds himself attracted to the world of finance.

Very soon he began to study consultancy and finance. His learning capability and excellent communication skills enables him to act as a respectful consultant for project owners and investors, achieving some great results.

On 2012 he was invited to join JGCC (Jesus Garcia Country Club), a club with various members around the world, dedicated to financial services in various sectors.

Today he is personally involved in the funding process in various commercial projects and planning to run his first consultancy company soon.

Yanis Giousef graduated the Film Academy of Greece in 1997, where he studied Film Production and Direction of Photography.

He was born in Greece by a Greek mother and Egyptian father, and learned to know both cultures.



**Madrid**

He does not believe in limitations, he only believes that effort and preparation makes everything possible!

## ***LATIN OUTLOOK!***

In 2006, when I left Greece and moved to Spain, the World Financial Crisis was making its presence in our lives. Seven years later the situation is still headline on news and in newspapers all over Europe.

Both countries are suffering hard from economic recession followed by unemployment as the results of cut in public spending and changes of the economic situation.



**Syntagma Athens**

Almost all industries have been affected and medium sized companies went down or changed hands.

The need of efficient funding options is unquestionable. Due to lack of domestic funding resources a wide range of investment opportunities are available to international investors.

The renewable energy sector in Spain, even though it sees a 5.1% decrease during the last four years in domestic demand, keeps increasing its electricity export at 42.7% which is more than the last year's total export figures.

The Shipping Industry in Greece, one of the most powerful sectors in the country, is adapting themselves to the situation by relocating their ship yards to neighbouring countries. *"The shipping sector is not suffering. It's just another step to progress."* A legal representative from a shipping company said to me last December.

The strategic location of Spain and Greece will always keep them within the most interesting business locations, as they are characterized as a business cross road since years ago, an important factor that will always attract investors.



**Mr. Steve Foster** - was Capital advisory and introduction agent with varied funders, NSW ▪ March, 2009 – present with 20 years of Direct Sales experience, and furthermore eight years of creative experience in the area of print and online technical communication.

He has established and operated IT enabled BPO in Bangalore India servicing accounting public practice and also established and operated ATL advertising agency. Managing Director – Back Office Shared Services, Australia from May, 2004 – July, 2008, a company specialising in outsourcing knowledge processes (KPO) for the preparation of tax returns to lower tier accounting practises. He developed and published Management procedures to support the more than 30 accountants who prepare final tax returns and audits for public practice firms.

*"I started BOSS in July 2004 after a short period of negotiations alongside a strategic alliance partner in Bangalore India. The alliance had not developed as planned and a regrouping with local investors formed the current business". Back Office Shared Services Pty Ltd*

He runs his operations out of Brisbane and Sydney, Australia.

## **"AUSTRALIA IS UNDER NEW MANAGEMENT AND OPENS FOR BUSINESS"**

*"Australia is under new management and opens for business".* This statement issued by incoming Prime Minister elect Mr. Tony Abbott last weekend. For the last six years Australian businesses have suffered immensely through an inability to identify credible funding sources to help them grow their business or chart new opportunities that had been made available to them.



**Brisbane**

The flow of financial process has had a major impact on capital reserves and lending criteria from traditional institutional banking sources. Those heavily encumbered by institutions such as banks, were in a highly compromised position.

In Australia's, the property development sector was significantly targeted when a number of banks recalled their ledger demanding payment from well heeled and able entrepreneurs, corporations and businesses. Resulting in projects that were commenced or partly completed fall to the wayside as the borrowers were in no position to service the debt, let alone pay off the debt finding themselves in the position where they were compelled to liquidate their projects, and portfolio to minimize debt exposure.

Mr. Tony Abbot poignantly addressed the nation saying "we're open for business", the question remains, well, how can we get started? And where is that starting point taking into consideration the mammoth inflexibility of traditional institutions to facilitate the process? Certainly, funds must be made available to small to medium size businesses to reconcile the positions that they find themselves in.

Economic Consultants have appointed Steve Foster as the Australian Senior Partner, operating in this sector, to address this specific demand in the market.

Steve Foster is a serial entrepreneur who has "started-up" and flipped seven successful businesses over the last 25 years, through hard work and ingenuity.

Similarly many Australians echo similar success stories, commencing with nothing and building up a portfolio representing their success and having the good fortune to exit at an opportune time. However, others found themselves in a precarious position where the lenders advertently restated their position, and opposed progress.

For those looking for a solution, Steve Foster understands implicitly the needs of the market and what is essential for a business to become investor ready.

Foster says 99 Percent of 30 Funding applications this month hit the waste paper bin. Applications fail as the business plans do not provide a customized structure for the Application, in other words, end result is unrealistic and too remote.

Foster further says that in his experience, entrepreneurs that offer returns on capital employed for equity alone fail more than those who look for the winning alignment of interest. It is that winning alignment of interest that will help you achieve your application approved, Thereby to be Investor ready means, a business plan, customized to your business which explicitly accommodates for the needs of an investor or how to attract an investor specifically.

A sophisticated active investor buys a business to create a strategic alignment, and to augment or increase the value of their existing investment portfolio.

Laterally, the business plan satisfies the criteria if for example the investor is offered an equity position in your business by understanding how much funding you perceivably need and what the investor perceives the business to be worth. Foster says, no investor will put up hundred percent of the value of the business for a minority stake. In the case of a start up, that has not made any money, does not hold any assets apart from its Intellectual Property, then ordinarily to stimulate an investor in these circumstances requires a controlling interest this is extremely radical to our traditional mindset as you are no longer

going to carve up the equity like a neatly sliced custard pie, but giving the investor all of the equity, the whole pie, serving plate and the recipe!

However, this repugnant methodology will get you "Out of the Gate" quickly, provided you negotiate in advance as a predetermined element to your exit plan with an investor to sell you part of that business on performance by way of a managed Buyout (MBO) or a Leveraged Buyout (LBO) engaging a number of contracts. By embracing these systems and you understand things like PIPE and how they work, you have an extremely good chance to raise seed capital or early stage financing.



**Sidney**

If you are only looking at early stage investment this tactic is balanced and absolute because investors, do not want to take a risk, they are risk averse. Your proposal in mitigating risk to the ninth degree provides comfort to any proposed investor

The traditional offering of a minority interest in your business for a majority investment, are no longer a feasible reality for the foreseeable future. Understand the intrinsic value of your business,

and then you will quickly understand what must be achieved to attract investors to your offer.

Finally let me end by saying that any ongoing business with a strong balance sheet looking to expand is always welcome!

## ***SCAMMERS, THIEVES AND LIARS***

Every day we hear and read about people being cheated in the financial world. From Africa we are constantly receiving stories on the Bank Manger that died leaving a fortune they now want to share with you if you just provide information and after a while also pay a bit. A more constructive one is when they provide a scam using the name of quite high profiled people, but of course intentionally spell things a bit wrong and as always to obtain the transfer of tens of millions of dollars you must pay the fee of a few hundred Euros or whatever they come up with.

All these are fairly easy to see through and avoid. Its worse when funders or brokers come up asking for an upfront fee, which may be quite normal and absolutely rightfully to do but what they then in fact provide is a fake offer and never has had any intention of raising any money at all for you. We came across such a company in Malaysia – lot of sweet talk, got the payment and never delivered. Another much worse example was the American ABC, collecting 50K, kept sweet talking for a year, but never delivered a penny.

We have the dozen full of such examples. This obviously gives the industry a bad reputation and makes it difficult for those of us trying hard to deliver good solutions to our clients. And we also have examples of

how clients try to cheat the broker out of their commission and fairly recently we experienced a client that was very keen in getting our assistance and when he found out where to go he suddenly turned dead silent.

We have decided for now not to go public either with Scammers, thieves or liars, but will in the future consider to instantly issuing a press release naming them all.

However the difference from us when we reveal anything to the public it will be open and well founded, not like too many cowards spreading lies hiding themselves by using media allowing letting them appear anonymous – in itself a very unhealthy business that never should have been allowed.



So our advice as always quoting Alan Greenspan “**Any informed Borrower is Simply less Vulnerable to Fraud and Abuse!**”

## ***CURRENCY & INTEREST RATES***

**The Norwegian** Stock Exchange (25) has maintained a level above 460. Obviously cautious optimism after the conservative win in the election on September 9<sup>th</sup> has helped. Hover until a new government has been settled uncertainty as to how much influence the two small parties will be getting. Trouble now as for the former Socialist government is that in order to get a majority government they have to take in small parties often not representing more than 4 to 5 % of the votes – and these

parties have some wild ideas like stop looking for oil; leave the alliance with rest of the countries not being an EU member and so on. Such standpoints will not exactly help and where would the country have been without oil and gas. The NOK has kept its position towards the most important currencies which is good for exports and we so no reason for any change in the interest rate when the Central bank has its monthly meeting – it will stay unchanged at 1.5%.

**Denmark** continues its steady growth. The OMXC20CAP is up from 619 to 625 and we think this will continue into October.

**The Swedish** Stock Exchange is following the same trend as the Danish. With Mr. Borgs steady hand on the wheel Sweden will manage well.

**EUR/USD** has a steady flow in the corridor 1,334 to 1,336 and we predict it to stay that way in the next couple of months.

**The UK** Pound has strengthened its position towards USD and weekend against the Euro lately. The 100 index is creeping upwards and most likely showing signals that things are moving in the right direction in the European markets for Britain.

## ***NEW CONTRACTS FOR EC***

We are still experience a heavy demand for our services. So far this year we have issued funding offers through different partners for more than 2.5 Billion USD.

We foresee this development to continue. Our website will be improved showing more details on the clients we involve with, thus attracting more investors and publicity for each project. The companies below have also signed up binding funding offers.

In the next issue we will publish new F&S Agreements as soon as they have been signed.

-  **Blue Sky Brewery , Australia**
-  **Polish Restaurants Holdings, Poland**
-  **Eldoncorp Holdings, New Zealand**
-  **Remington Energy Group, USA**
-  **Alliance Aircraft, USA**
-  **Concordia Finance, USD**
-  **SoloPower, Korea**
-  **The Royal MT Center, Korea**
-  **Driva Asylum, Norway**

All projects open for investors. Contact us for more information on these highly interesting projects.

## ***CLOSED PROJECTS***

Ocean Pacifica Development is now closed for new investors. We have raised 13.5 M USD as a combination of debt and equity



We congratulate the founder and will follow up with a full report on the project later on!

**If you want to apply for equity or loan, please contact one of our Partners or go to our website for more information – and request for the EC CIS, - to get started!**

***LJ Myrtroen***  
***Senior Partner & Founder***