

# Thai coup dims tourism

AFP, Bangkok

**T**HAILAND'S once-booming tourism industry is scrambling to arrest a slump in foreign visitor numbers after a military coup and a night-time curfew tarnished its reputation as the "Land of Smiles". While most tourists in the Southeast Asian nation barely noticed when the generals suddenly seized power on May 22 in a bloodless coup, the impact is starting to be felt with many hotel rooms in the capital unoccupied. "Hotels were dramatically hit," said a manager at a luxury hotel in Bangkok whose occupancy rates have fallen below 30 percent, compared with above 70 percent a year ago.

Foreign visitor numbers nationwide slumped 10.6 percent in May compared with a year earlier, to roughly 1.74 million people, the tourism and sports ministry reported on Friday.

Bookings had already suffered because of months of political unrest, and the government has lowered its forecast for tourist arrivals this year to 25.9 million, down from an initial target of 28 million.

Asian tourists have been particularly spooked, with visitors from Hong Kong, Japan and Taiwan quick to cancel.

"Hong Kong people treat safety very importantly because travelling is part of their daily life," said Steve Huen, executive director of EGL Tours, which has stopped promoting package trips to Thailand due to an industry advisory.

The Hong Kong government has issued a "red" travel alert, urging citizens to avoid non-essential travel.

Drawn by its sun-soaked beaches and hedonistic nightlife, the kingdom welcomed a record 26.5 million foreign visitors in 2013.

But months of street protests and political bloodshed have taken their toll on the key sector, particularly in the capital Bangkok.

On Khao San road, renowned as one of the busiest hubs for backpackers in Southeast Asia, local businesses are suffering.

"After the coup, I have only earned a little. Things are harder than before," said stallholder Phongsathorn Wongchuen.

The junta and tourist officials have now launched a campaign to try to reassure tourists that it is safe to visit.

Army commander-in-chief Prayut Chan-O-Cha said in a weekly address to the nation Friday that foreigners were welcome -- but only if they behave.

"They shouldn't come to Thailand to do anything illegal," he said, criticising foreign films for portraying the kingdom in a sleazy light.

"They came for drugs and for bad things," he said. "I feel embarrassed. Aren't you embarrassed when they put it in their foreign films?"

In an attempt to lure back tourists, the curfew has



AFP

**A Thai foundation worker carries a police shield from recent political rallies during a clean-up outside Government House in Bangkok on Friday. Months of bloody political unrest have dealt a heavy blow to the key tourism industry in the "Land of Smiles", which welcomed a record 26.5 million foreign visitors in 2013.**

now been lifted in most major beach resorts including Pattaya, Koh Samui, Phuket and Krabi.

Ravers will also be able to dance until dawn at the notorious full moon party on Koh Phangan after the junta granted a curfew exemption for June 9-13.

Since deposing an elected government, the ruling generals have curtailed civil liberties by banning public protests, censoring media and temporarily detaining hundreds of critics for questioning.

But international flights are still in operation, with those travelling to and from airports among the few exempt from the curfew.

"We feel that it is safer than in France. Even if there were some riots, they were covered a lot on TV, we feel really safe and we haven't seen anything out of the ordinary," said Yoann Vella from France.

One issue is travel insurance which may not cover holidaymakers during periods of unrest, particularly if their government has warned against non-essential travel.

On the day after the coup, airlines saw roughly 5,000 cancellations for flights to Thailand, compared with roughly 28,000 inbound bookings on May 19, according

to figures from travel data firm ForwardKeys.

Daily bookings have since begun to rebound but remained about 50 percent lower at the end of May year-on-year.

European tourists are often less quick to cancel than their Asian counterparts, with French and German tour operators reporting only a small impact on demand.

Thailand's popularity has endured several episodes of civil strife in the past, including in late 2008 when hordes of frustrated travellers were stranded after protesters staged a nine-day blockade of Bangkok's two airports.

"Thai people actually are such a great nationality and great ambassadors that people always come back," said Deepak Ohri, chief executive of Lebua Hotels and Resorts.

In the days after the coup, the five-star Lebua hotel saw hundreds of cancellations and bookings dropped nearly 70 percent.

But since the curfew was relaxed the hotel says business is returning to normal.

"Whether there is a tsunami, whether there are floods or whether it is a political issue, guests always come back," said Ohri.

## Twitter in talks to buy online music firm SoundCloud

REUTERS

**M**ICROBLOGGING platform Twitter Inc has been in talks with Berlin-based audio sharing website SoundCloud in its efforts to add a music service to its offering, the Financial Times reported citing people familiar with the matter.

Twitter has weighed up deals worth billions of dollars and has also considered buying music-streaming service Spotify and internet-radio provider Pandora Media Inc, the newspaper.

SoundCloud is a platform that enables people to upload, record, promote and share their music and other audio files. The company has aggressively expanded its capabilities to carry multimedia content. Last year, it acquired "We Are Hunted," a three-person music streaming-startup from Australia.

SoundCloud declined to comment on the deal while Twitter did not immediately respond to an email seeking comment outside regular U.S. business hours.

Twitter's renewed interest in music-streaming companies comes after Apple Inc acquired Beats, the headphones and music-streaming firm founded by Jimmy Iovine and Dr. Dre, for \$3 billion.

The Beats deal was seen as Apple's effort to jumpstart an uneven attempt to make headway in music streaming, the fastest-growing segment of the market, as iTunes sales decline.

## Apple to make 3-5m smartwatches monthly, sales begin in Oct

REUTERS, San Francisco

**A**PPL Inc is preparing to sell its first wearable device this October, aiming to produce 3 million to 5 million smartwatches a month in its initial run, the Nikkei reported on Friday, citing an unidentified parts supplier and sources familiar with the matter.

Specifications are still being finalized, but the devices are likely to sport curved OLED (organic light-emitting diode) displays and sensors that collect health data from blood glucose and calorie consumption to sleep activity, the Japanese news service cited industry sources as saying.

The industry has long expected Apple to unveil some sort of smartwatch, following the release of Samsung Electronics' Galaxy Gear watches.

Wall Street is hoping to see a new Apple product this year to galvanize the former stock market darling's share price and end a years-long drought of groundbreaking devices. CEO Tim Cook has promised "new product categories" in 2014.



REUTERS

**Rob Walton, Walmart chairman of the Board of Directors, poses with Walmart eCommerce employees at the company's annual shareholders meeting in Fayetteville, Arkansas on Friday.**

# Internet giants to face tougher EU data law

*The European Commission has not yet finalised the law to be applied on all companies operating in the EU*

AFP, Luxembourg

**F**OREIGN firms operating in the EU, including those that dominate the internet, will be subject to a new data protection law which is still being finalised, the EU Commission said Friday.

Personal data protection has become a hugely sensitive issue after revelations of massive snooping by US and other intelligence services, including through networks belonging to major telecoms and internet giants.

"Data protection will apply to all companies operating in the European Union," said Viviane Reding, European Justice Commissioner after talks with EU ministers, "You might think this is self-evi-

dent, but let me tell you -- far from it. It was one of the most contentious points when I presented the data protection reform in January 2012," Reding said.

Europeans have been alarmed by information on US snooping leaked by ex-security contractor Edward Snowden and the 28 EU member states are locked in marathon negotiations to agree a data protection policy that would apply bloc-wide.

Reding said a deal on all aspects of the bill was possible by the end of the year.

With the Snowden revelations especially damaging to telecommunications and tech companies, some of the biggest names -- such as Microsoft, Facebook and Yahoo -- have warned their image could suffer

if the US did not scale back spying.

In a report Friday, British telecommunications giant Vodafone admitted government agency tapping into its network is widespread in some of the 29 countries in which it operates.

Vodafone admitted that as a global business it faced "constant tension" while enforcing the laws of different countries and the "expectations" of governments.

Reding slammed the new revelation.

"One year after the Snowden revelations, this shows again the scale of collection by governments of data being held by private companies," she said.

Government spying by private companies, if ever necessary, should take place "not with a Hoover but with tweezers," she said.

## Saudi prepares to launch first sovereign wealth fund

AFP, Riyadh

Saudi Arabia is preparing to launch its first sovereign wealth fund to manage budget surpluses from a rise in crude prices estimated at hundreds of billions of dollars, state media reported Saturday.

The central bank has managed investment of the kingdom's foreign currency reserves until now, much of it in US Treasury bonds.

The consultative Shura Council is due to discuss a draft law for the National Reserve Fund in meetings Monday and Tuesday in Riyadh, state news agency SPA reported.

The report gave no indication of whether any change in investment strategy was envisioned.

The fund will be tasked with investing state reserves to "assure the kingdom's financial stability," Shura Council financial affairs committee Saad Mareq told Saudi daily Asharq Al-Awsat.

The newspaper said the fund will start with capital representing 30 percent of budgetary surpluses accumulated over the years in the kingdom, the world's largest exporter of crude oil.

Riyadh has built up significant foreign currency reserves because of rises in the price of crude oil on the international market.

There are no official figures available, but financial experts estimate its combined assets at around \$700 billion (515 billion euros).

In the past three years alone, the kingdom has announced budget surpluses totalling some \$232 billion.



AFP

**A now hiring sign is posted in the window of a clothing store in San Francisco, California. The US Labour Department says the hiring pace remained strong for the fourth straight month with employers adding 217,000 jobs in May.**

## US jobs gains solid in May

AFP, Washington

**U**S employers created more than 200,000 jobs for the fourth straight month in May, showing the country can still muster solid growth despite the weakness in Europe and other regions.

The US economy added a net 217,000 positions last month, nearly all from private companies, the Labor Department reported Friday.

It took the total number of working Americans to a new high, surmounting for the first time all of the 8.7 million jobs lost during the Great Recession of 2008-2009.

But there was still no progress in reducing the very low 62.8 percent rate of participation in the workforce, demonstrating that the economy still has far to go to reach full employment. The participation rate was 66 percent on the eve of the recession.

And the unemployment rate stood unchanged at 6.3 percent, after having fallen sharply from 6.7 percent in April mainly due to data showing a large number of people leaving the workforce.

Some 9.8 million people remained on the jobless rolls, slightly up from April, though 1.9 million fewer than a year ago.

Even so, economists said the May numbers were strong enough to suggest that the economy is picking up speed after the 1.0 percent contraction of the first quarter of the year.

Some predicted even stronger job

creation numbers in the second half of the year.

"This is a solid report, marking four straight gains over 200,000; that hasn't happened for more than 14 years," said Ian Shepherdson of Pantheon Macroeconomics.

The report "continues to show a mostly positive picture of the labor market with the economy adding jobs at a considerably more rapid pace than it had earlier in the recovery," said Dean Baker, co-director of the Center for Economic and Policy Research in Washington.

Encouraging was a fall in the number of people forced to work part-time because they could not find full-time jobs, and a slight uptick in wages during the month.

Almost all of the May gains were in the private sector, with governments at all levels adding only a net 1,000 workers.

The biggest chunk of new jobs came in the health care and social assistance sector, where almost 55 million positions were added.

The leisure and hospitality sector picked up 39,000 jobs, suggesting Americans are beginning to loosen their pocketbooks and spend on dining, entertainment and holidays.

The trade and transport sectors also added about 39,000 payrolls, another sign of a general pickup in economic activity.

But the construction sector, which economists have hoped would carry the economy forward, remained relatively weak, adding just 6,000 jobs.