

# Thailand hoping to attract wealthier travellers

AFP, Bangkok  
It may have made its name as the ultimate backpacker destination but Thailand hopes to attract a more well-heeled kind of traveller in the future, its tourism minister said Friday, as the kingdom announced record arrivals for 2015.

The vital tourism industry remains one of the few economic brightspots following a year in which the junta-led government has struggled to kickstart the kingdom's stumbling economy.

By the end of the year Thailand will have received more than 29.6 million foreign visitors, Minister for Tourism and Sports Kobkarn Wattanavrangkul told reporters.

"Our goal is to focus on quality and how to make tourists stay longer and spend more money," Kobkarn said, adding officials would target women, luxury holiday makers and sports tourism.

This year's tourist arrivals are a significant jump from the 24.8 million who visited in 2014 -- when the country was wracked by months of debilitating street protests and a military coup -- and 26.5 million in 2013.

"Revenue from the tourism industry accounted for 14.5 percent of our GDP," Kobkarn said.

After years of largely impressive economic expansion during the 1990s and 2000s, Thailand's growth has significantly slowed, leading some to dub it the sick man of Southeast Asia.

Thailand's planning agency expects this year's growth to be between 2.7 and 3.2 percent, an improvement on last year's

negligible expansion but still one of the poorest performing economies in Southeast Asia.

Some independent economists have suggested growth could be as low as 2.5 percent.

Army chief Prayut Chan-O-cha seized power in May 2014, ousting a democratically elected government that he accused of being corrupt and running costly populist policies.

But his vow to kickstart growth has largely fallen flat.

The country's key agricultural sectors -- including rice and rubber -- have struggled with falling global prices, curbing the amount of crops produced and taking money out of Thais' pockets.

The country also remains one of Southeast Asia's most indebted economies, denting consumer confidence.

In a recent note to clients Capital Economics said Thailand's tourism industry had weathered a deadly bomb attack in Bangkok in August that appeared to target ethnic Chinese tourists.

"In 2015 we estimate that tourism will contribute 2 percentage points to GDP growth. Without this boost, the economy would hardly have expanded at all," Asia economist Krystal Tan wrote.

However Tan warned that there was "almost no chance" of 2016 matching this year's figures, citing capacity constraints -- particularly at Thailand's already hard-pressed airports.

Tourism minister Kobkarn said she hoped Thailand could attract 32 million visitors in 2016.



Rokia Afzal Rahman, chairman of MIDAS Financing, presides over the 20th annual general meeting of the company at MIDAS Centre in Dhanmondi, Dhaka on Tuesday. Shafique-ul-Azam, managing director, was also present.

# US jobless claims near 42-year low as labour market tightens

REUTERS, Washington  
The number of Americans filing for unemployment benefits fell more than expected last week, nearing a 42-year low as labor market conditions continued to tighten in a boost to the economy.

Initial claims for state unemployment benefits dropped 5,000 to a seasonally adjusted 267,000 for the week ended Dec. 19, not far from levels last seen in late 1973, the Labor Department said on Thursday.

Economists polled by Reuters had forecast claims dipping to 270,000 in the latest week. Claims have been below 300,000, a threshold associated with a buoyant labor market, for 42 consecutive weeks. That is the longest stretch since the early 1970s.

However, some of the decline last week could be attributed to difficulties adjusting the figures during the holidays.

Still, labor market strength is helping to underpin consumer spending, supporting the economy as it deals with the headwinds of a strong dollar, slowing global growth, spending cuts by energy firms and an inventory overhang.

The four-week moving average of claims, considered a better measure of labor market trends as it strips out week-to-week volatility, rose 1,750 to 272,500 last week.

Prices of longer-dated US government debt rose after the data, while the dollar pared some losses. US stock index futures were slightly higher.

A Labor Department analyst said there were no special factors influencing the data and that

no states had been estimated.

The claims report showed the number of people still receiving benefits after an initial week of aid declined 47,000 to 2.20 million in the week ended Dec 12. The four-week moving average of the so-called continuing claims rose 10,000 to 2.21 million.

The continuing claims data covered the period during which the government surveyed households for December's unemployment rate. Continuing claims rose 42,250 between the November and December survey periods, suggesting little change in the jobless rate, which was at a 7-1/2-year low of 5.0 percent last month.

The unemployment rate is in a range many Federal Reserve officials see as consistent with full employment. It has dropped seven-tenths of a percentage point this year.

## BANGLADESH CHAMBER OF INDUSTRIES (BCI) 29th Annual General Meeting

Date: 26 December, 2015  
Day: Saturday  
Time: 11:00 am  
Venue: BCI Board Room



AK Azad, president of Bangladesh Chamber of Industries, presides over the 29th annual general meeting of the chamber at its office in Dhaka yesterday.

# Japanese leaders urge higher wages, businesses give muted support

REUTERS, Tokyo  
Japan's prime minister and central bank governor on Thursday applied fresh pressure on companies to do their part in putting a sustained end to deflation by boosting wages and investment.

The head of Japan's biggest business lobby, however, offered only conditional support, underscoring the difficulty policymakers face in convincing risk-shy Japanese companies to divert more of their record profits to innovation and human resources.

At an annual meeting of the business lobby Keidanren, Abe voiced hope that companies raise wages next year at a faster pace than this year, saying that boosting salaries and capital expenditure was critical for Japan to exit deflation.

Bank of Japan Governor Haruhiko Kuroda also waded in, telling the same meeting that companies who invest now are the ones to be rewarded when the central bank's aggressive money printing succeeds in accelerating inflation to its 2 percent target.

"Fortune favours the bold," Kuroda said, citing a famous proverb and stressing that more companies needed to be spending further on new innovation and raising sala-

ries to lure talent in a tightening job market. Kuroda also said the BOJ remains "unwavering" in its determination to do whatever it takes to hit its 2 percent inflation target, suggesting his readiness to expand monetary stimulus if risks threaten a broad uptrend in prices.

Despite assurances by Kuroda that Japan's economic prospects are bright, many companies still sit on a huge pile of cash because of uncertainties over the external outlook and a shrinking domestic market as the country's population ages rapidly.

In the meeting, Keidanren chairman Sadayuki Sakakibara praised Abe's efforts to reflate growth and his pro-business policies such as a pledge to cut Japan's corporate tax rate.

But he said companies had the flexibility to decide to what degree and how employees should be compensated, signalling that smaller and less-profitable firms may opt to pay one-off bonuses rather than increase base salary.

"Each company faces a different business environment," Sakakibara said. "I'd like to urge companies to take measures that best suit their needs," he said, adding that companies did not necessarily need to persist in raising regular pay.

# Puerto Rico effectively in default: US Treasury

AFP, Washington  
Puerto Rico is "effectively in default" and urgently needs authority to be able to restructure its debt, US Treasury Secretary Jacob Lew said Thursday.

"Look, Puerto Rico has a terrible financial problem," Lew said in an interview on Fox Business News. "They're essentially insolvent."

"They have \$70 billion in debt. The debt needs to be restructured."

The US territory has "already been taking money out of pension funds to pay current bills" and "shifting money for one creditor to pay for another creditor," Lew said. "You don't have to wait until you miss a coupon payment to say you're in default."

Lew reiterated criticism of Congress for failing to pass legislation this month granting Puerto Rico restructuring authority.

Like US states, Puerto Rico is not allowed under current law to seek bankruptcy protection. Yet it was able for years to issue huge amounts of tax-free municipal bonds like cities, which are allowed to file for bankruptcy.

The island has sought bankruptcy protection that would force creditors to negotiate together to restructure the debt, which could eventually include a huge debt write down.

# Vietnam economy grows at highest rate in five years



People shop at a Fivimart supermarket in Hanoi. Vietnam reported that its economy grew 6.68 percent in 2015, the fastest pace in five years.

AFP, Hanoi  
Vietnam's economy in 2015 grew at its fastest pace in five years, official figures showed Saturday, shaking off regional economic worries with strong exports, record foreign investment and buoyant domestic consumption.

The communist nation recorded a GDP growth rate of 6.68 percent, easily surpassing the government's 6.2 percent target with a figure that looks set to be one of Southeast Asia's strongest showings for the year.

"This growth rate is very important for the Vietnamese economy in the coming years in the context of falling world oil prices and instabilities in the international financial markets," Nguyen Bich Lam, director of the General Statistics Office, told reporters in Hanoi.

Many Asian economies have been rattled by troubles in China, where

the world's second largest economy has suffered with its worst annual growth rates in a quarter of a century.

While regional neighbours like Thailand have suffered, Vietnam has proved resistant to the slowdown of its giant northern neighbour, partly through state intervention.

The State Bank of Vietnam weakened the dong three times this year to spur exports after China depreciated the yuan, dragging exchange rates lower across Asia.

Exports rose 8.1 percent in the 12 months through December while imports climbed 12 percent.

Much of the growth has been fuelled by a flurry of international interest with disbursed foreign investment surging 17.4 percent compared to last year with a record-high of \$14.5 billion.

The strong showing is a significant jump on the last two years.

In 2014 Vietnam's GDP growth

was just under six percent, while that of 2013 was only 5.42 percent.

Senior economist Le Dang Doanh told AFP that strong industrial growth also helped boost the economy as well as "lower oil prices in the world market which has greatly reduced the cost of imported raw materials for Vietnam".

On Wednesday, Vietnam released data showing an annual inflation rate of just 0.63 percent in 2015, the lowest in 14 years.

Vietnam is now party to the recently sealed Trans-Pacific Partnership, the world's largest free trade deal between 12 nations, including the US and Japan.

As the poorest of the TPP nations, the pact is something of a coup for the country's Communist rulers, who will meet in January for a major gathering of senior officials to choose new leaders and decide the country's five-year economic plan.

## ENVOY TEXTILES LIMITED 20TH ANNUAL GENERAL MEETING



Kutubuddin Ahmed, chairman of Envoy Textiles, presides over the 20th annual general meeting of the company at Samarai Convention Centre on Panthapath, Dhaka yesterday. Envoy declared 17 percent cash and 5 percent stock dividends for the year that ended on September 30, 2015. Abdus Salam Murshedy, managing director, was also present.

# Hong Kong apartment sells for record \$76.7m

AFP, Hong Kong  
A luxury apartment in Hong Kong sold for a record HK\$594.7 million (\$76.7 million), days before Christmas, making it the most expensive flat in the city and possibly in Asia, reports said Friday.

An unidentified buyer paid more than HK\$103,700 per-square-foot for the 5,732 square-foot (532 square-metre) unit at the luxury 39 Conduit Road apartment tower in the southern Chinese city's upmarket Mid-Levels residential area, The Apple Daily and The Standard reported.

The condominium, on the 46th floor with a view of the iconic Victoria Harbour and a 1,754 square-foot rooftop, had a list price of HK\$646.48 million on developer Henderson Land Properties' website.

The price beats the previous record HK\$470 million paid for a luxury unit which takes up the entire eighth floor of the Opus Hong Kong, a 12-storey residential building designed by Pritzker Prize-winning architect Frank Gehry, in 2012. Henderson Land was not available for comment Friday, a public holiday.

This comes as analysts said a US interest rate hike could put an end to the housing boom in the Chinese city which maintains a decades old peg with the US dollar.

Hong Kong-based brokerage CLSA warned the residential market was at a "turning point", with prices possibly dropping 17 percent by 2017, while other firms have tipped falls of up to 30 percent. Hong Kong's central bank last Thursday raised its base interest rate by 25 points to 0.75 percent.