

BUSINESS

sugar cane production falls to 27-year low in Guyana

Sugar output in Guyana is expected to fall by nearly a quarter from last year, as the Caribbean trade bloc's largest sugar-producing nation struggles with a decline in demand from the European Union.

State-run Guyana Sugar Corporation, known as Guysuco, said Sunday that the nearly 140,000 metric tons produced in 2017 is the lowest in 27 years.

The decline comes as Guysuco struggles with a debt load of more

than \$500 million and prepares to permanently shutter three of its six industry facilities and fire about 4,000 of its 15,000-member workforce by Dec 31.

Guysuco, which was run by Bookers Corp. in the United Kingdom before it was nationalized in 1976, said most of its sugar cane plants have already been harvested and production won't climb significantly higher during the last week of the year.

Sugar was once the country's

largest source of foreign exchange, with an average of around 300,000 tons produced yearly up to the early 1990s.

But the crop has been in steady decline over the last decade due to crippling labor strikes, manpower shortages, unseasonal weather and the massive decline in demand of the European Union.

Sugar output in Guyana last hit a low of 129,000 tons in 1990, largely due to weeks of labor strikes. (AP)

Thailand November tourist arrivals up 23.2 pct

Thailand welcomed 3 million foreign tourists in November, the tourism ministry said on Monday, 23.2 percent more than the same month a year earlier.

The kingdom saw a total of 31.85 million foreign tourist arrivals in the period from January to November, up 8.1 percent from the previous year, Pongpanu Svetarundra, permanent-secretary of the

tourism and sports ministry, said in a statement.

Pongpanu said Thailand expects a record 35.4 million visitors in total this year, up 9 percent from the previous year.

Around 10 million of those visitors are expected to be Chinese, he said.

Thailand's tourism industry is a major employer and accounts for 12 percent of

Southeast Asia's second-biggest economy.

In 2016, there were a record 32.6 million visitors.

The tourism sector has weathered more than a decade of political upheavals in Thailand including several rounds of anti and pro-government street demonstrations and two military coups.

Tourist arrivals are driven by visitors from China. (RTRS)

Mania for cryptocurrencies is outpacing regulators' ability to keep up

Ex-banker cheerleads his way to cryptocurrency riches

HONG KONG/NEW YORK/LONDON, Dec 25, (RTRS): Seventeen months ago, a former Wall Street investment banker who specialized in distressed assets took to Twitter to announce he had bought a cryptocurrency for 50 cents per coin. "At \$0.50, risk/return felt right," tweeted Barry Silbert, founder and chief executive of a private New York-based company called Digital Currency Group, or DCG.

It has turned out to be a great bet. The digital coin — ethereum classic — was trading this week at as much as \$47 — more than 90 times higher — before falling back. That's an even bigger rise than that of bitcoin, a far better known cryptocurrency, over the same period.

Silbert continues to be a big backer. In April, a DCG subsidiary launched a private investment fund that tracks ethereum classic's price and donates part of its fees to developing the technology behind the currency. He still posts bullish comments about the digital coin on social media, including a "pro tip" last month advising an investor to "close out" his short position before an "Ethereum Classic Summit" organized by DCG was held in Hong Kong.

On Dec 12, Silbert tweeted that three cryptocurrency funds the DCG subsidiary offers now had more than \$3 billion of assets under management — up from \$164 million at the start of the year.

Silbert's cheerleading for ethereum classic and other digital coins he or his company own has led some critics on Twitter to nickname him "Barry Shillbert." Silbert declined to comment on that barb.

The story of Silbert and his role in ethereum classic's rise illustrates the current hype over cryptocurrencies — strings of computer code that aren't backed by governments, face little regulation and have become magnets for speculators.

Social media platforms are now filled with predictions by cryptocurrency enthusiasts about the price of bitcoin and other digital coins, many of which have soared in value this year.

But two securities lawyers told Reuters they believed that some of Silbert's social media postings about the price of ethereum classic could draw the attention of US regulators. Although the digital coins are not considered securities, Silbert is chief executive of Grayscale, a DCG subsidiary that offers an ethereum-classic investment fund whose shares are securities, according to Grayscale's website.

The attorneys said his postings on price and the "pro tip" he gave to one investor could raise red flags with regulators who enforce federal securities and commodities laws and rules that prohibit price manipulation.

A spokeswoman for the US Securities and Exchange Commission declined to comment on Silbert.

In an interview with Reuters last month, Silbert said he was "highly, highly sensitive" to the rules that govern financial markets and that he and his company are "subject to anti-fraud provisions and insider trading and — all those types of things."

"I would never make a recommendation," he said. "I've never given price predictions."

Silbert later told Reuters that DCG, its subsidiaries and employees "take pride in our strict compliance policies and adherence to all applicable regulations, including company-wide rules and restrictions concerning the trading of digital assets."

Contracts

Regulators are grappling with how to deal with a new category of investment that this year has spurred billions of dollars worth of daily trades and seized Wall Street's imagination. This month, two major derivatives exchanges began offering bitcoin futures contracts. But the mania for cryptocurrencies is outpacing regulators' ability to keep up.

Outside cryptocurrency circles, the boyish-looking Silbert, 41, is hardly a household name. He aims to change that. He told Reuters he aspires to build DCG into a publicly traded conglomerate like Berkshire Hathaway Inc, run by legendary investor Warren Buffett.

After beginning his financial career at an investment bank, Silbert set up a marketplace for difficult-to-trade assets called SecondMarket, which he sold to a subsidiary of Nasdaq in 2015 for an undisclosed sum. He launched DCG that same year, devoting it to bitcoin and its underlying technology known as blockchain — a shared public database maintained by a network of computers. The company is backed by large corporations, including MasterCard, Western Union and Bain Capital Ventures.

Silbert was an early buyer of bitcoin. He said he made his first purchase in 2012, and bought about \$175,000 worth, paying about \$11 for each digital coin. He said he was initially a skeptic but came to believe it could provide a better way to transmit funds around the world.

"I started buying bitcoin, you know, at probably around seven bucks and my average price of bitcoin was \$11. So when it went from 11 to 13, I thought I was a genius. When it fell to 8, I thought I was not," he said. "But so far, so good." At one point this week, a single bitcoin was trading for more than \$19,600.

Silbert said he contributed most of his bitcoin holdings to DCG, which still holds "a significant amount" of his original digital coins. He said DCG now has investments in more than 100 companies in 30 countries, including 20 cryptocurrency trading exchanges. Besides the asset-management business Grayscale, DCG's subsidiaries include a cryptocurrency broker-dealer and CoinDesk, a leading cryptocurrency news website that reports on the industry and holds conferences.

Silbert decided to invest in ethereum classic, he said, in part because he believed it was undervalued.

On July 25, 2016, he announced on Twitter that he had bought the virtual currency. He has been enthusing about it ever since. Reuters reviewed more than 200 of Silbert's tweets and retweets about the virtual coin in the past 17 months that were captured by ExpertTweet, a Twitter analytics service.

On the same day Silbert announced on Twitter that he had bought ethereum classic, he made a prediction: there was a "25% chance" ethereum classic's value would increase fivefold "in next six months."

In April, Silbert's involvement with ethereum classic expanded into the more tangible world of securities. That month, his company launched the Ethereum Classic Investment Trust, which Silbert told Reuters was seeded by \$10 million from him, DCG and a DCG board member.

Grayscale's website says the fund's "shares are the first securities solely invested in and deriving value from the price of" ethereum classic. It says the private investment vehicle isn't registered with the SEC, in accordance with a regulatory exemption. The SEC has allowed the sale of such offerings, which are still subject to federal securities laws.

Grayscale manages three such funds, each investing in a different cryptocurrency: ethereum classic, bitcoin and Zcash. The funds offer an alternative for investors seeking to gain exposure to digital currencies without actually holding them.

The Ethereum Classic Investment Trust is open only to so-called "accredited investors" with more than \$200,000 of annual income or a net worth that exceeds \$1 million. Earlier this week, Grayscale's website said its shares had soared more than 800 percent in value since its inception. The fund's holdings this month surpassed \$140 million at one point. Silbert declined to say how much ethereum classic he personally owns.

Platform

Silbert recently began using another messaging platform, called Discord, that is popular with cryptocurrency enthusiasts. In a series of messages on Discord on Nov 7, Silbert texted a user who goes by the handle "Sinz" and asked if he would be attending an ethereum classic "summit" DCG was going to host in Hong Kong the following week.

"Sinz" replied that he had to attend a family funeral. Silbert responded: "oh man, sorry to hear my friend pro tip: close out your ETC short before the Summit ..." In a short position, an investor is betting the price will go down; Silbert appeared to be suggesting that ethereum classic's price might soon rise.

Another poster wrote in response on Discord: "Great tip"

Sinz later said he ignored Silbert's advice. Reuters could not determine whether the other poster or anyone else took any action.

Ethereum classic was trading at about \$14 on Nov 7, the day Silbert gave the "pro tip," according to CoinMarketCap.com, a website that provides cryptocurrency prices and other market data. The two-day "summit" was scheduled to begin in Hong Kong on Monday, Nov 13, and the digital coin surged during the weekend before, surpassing \$20 on Nov 12. Daily trading volume that day reached a record \$1 billion. Shares of Grayscale's Ethereum Classic Investment Trust also rose before the Hong Kong conference.

"We have a lot of financial accomplishments over the last 24 hours," Meltem Demirors, DCG's director of development, said on stage during the conference's opening day on Nov 13. "We had over one billion dollars of ETC traded for the first time ever. Wooo! Are we excited?"

The audience clapped. "That's pretty phenomenal," she said.

DCG's Grayscale subsidiary put out a press release on Nov 12 that it had begun the process to list shares of the Ethereum Classic Investment Trust on an over-the-counter trading venue. The shares rose to \$16.97 on Nov 14 from \$14.29 on Nov 10, according to Grayscale's website. Reuters could not determine if the announcement affected the share price.

On Nov 29, Silbert tweeted that he had been invited to appear that week on the CNBC business television show Squawk Box. "Looking forward to dropping some Ethereum Classic and Zcash knowledge this time around ..." he wrote, referencing two cryptocurrencies tracked by Grayscale investment funds.

On the show, Silbert was asked about the price of bitcoin. In responding, he

said he currently liked two other cryptocurrencies: "Ethereum classic and Zcash — You've got to move into the other digital assets."

Reuters asked several securities lawyers to review Silbert's postings about ethereum classic on social media.

"It is risky," said Trace Schmeltz, a partner at the Barnes & Thornburg law firm. "I think if I were advising Mr Silbert, I would suggest that he is better off as a cryptocurrency expert at large rather than making specific comments on one particular cryptocurrency in which he has a heavy concentration of holdings."

Referring to Silbert's message to the investor who was shorting ethereum classic, Schmeltz added: "If you have a fund that is issuing a security and the value of the security rises and falls with the price of a cryptocurrency and you are telling people to close their shorts in that cryptocurrency, that is a problem." He warned it could be "market manipulation."

On its website, the SEC defines manipulation as "intentional conduct designed to deceive investors by controlling or artificially affecting the market for a security."

Partner

Robert Long, a former senior attorney with the Securities and Exchange Commission who is now a partner with the Dallas law firm Bell Nunnally, noted that the US Commodity Futures Trading Commission (CFTC) views virtual currencies as commodities and can "police the virtual currency markets for manipulation and other misconduct." Long, who is also a former federal prosecutor, said the commission "could take an interest given the nature and timing of some of the statements."

Silbert said he and DCG take pride in adhering to all applicable regulations. The SEC and CFTC declined to comment.

Silbert has also tweeted about DCG's investments in cryptocurrency exchanges, which are used to buy, sell and store digital coins. Getting an exchange to list a cryptocurrency is considered a coup and can spark a price rise because a listing makes the currency easier to trade.

One of the companies DCG holds a stake in is BTCC, a Cayman Islands-registered cryptocurrency exchange company run by an American executive, Bobby Lee. On Nov 3, 2016, Silbert tweeted: "BTCC exchange hints it is planning to add Ethereum Classic."

BTCC eventually launched a digital currency exchange called BTCC DAX in June 2017, with a single trading pair: ethereum classic and bitcoin.

In an interview, a BTCC spokesman attributed the decision to list ethereum classic to the coin's popularity. He said that was measured by "market cap, how much trading volume the coin has, and whether or not our customers have demanded it." Lee conducted a poll on Twitter in May to determine which digital currencies BTCC should list. He later announced that ethereum classic had finished first.

BTCC did not reply to questions about the size of DCG's investment or whether that investment played a role in the decision to list ethereum classic. Silbert told Reuters that the exchange's decision was based on its Twitter poll and that he had no advance knowledge of it.

The price of ethereum classic spiked on the day it began trading on BTCC DAX, trading as high as \$23.86 from an earlier low of \$19.45, according to CoinMarketCap.com.

During the two-day Ethereum Classic Summit last month, Silbert addressed a private dinner attended by cryptocurrency investors, programmers and backers of the platform. He said he was bullish on the prospects for "this very important new technology, for this very important currency." He added: "I take such great pride in being a really, really small part of hopefully what was the catalyst to build something really special that's going to solve problems of the world."

Within the cryptocurrency development community, however, ethereum classic attracts mixed feelings. Fewer programmers are working with it compared to another blockchain known simply as ethereum. Two websites that track support for different cryptocurrencies — CoinGecko.com and CoinCheckUp.com — both rank ethereum classic behind ethereum. Support for a cryptocurrency project is critical: its success can largely depend on whether there's an active community both of software developers that work on its underlying code and programmers that build applications for it, such as for financial institutions.

Speaking of ethereum classic, Demirors, DCG's development director, said at the conference: "There aren't that many usable applications today that are popular within the cryptocurrency ecosystem."

Charles Hoskinson, one of the founders of the ethereum project who is now helping to develop ethereum classic, said his team has completely rewritten ethereum classic's software code and predicted many new applications will come out in 2018. But he added that the challenge will be funding future developments. If that isn't solved, he said, "then I can't see ETC (ethereum classic) as a viable currency and a viable competitor for the long term."



In this file photo, Bitcoin logos are displayed at the Inside Bitcoins conference and trade show in New York. A bitcoin sell-off that began at the beginning of the week is gaining momentum, with a quarter of its value evaporating in the past 24 hours. Just hours before US markets opened on Dec 22, bitcoin was trading at \$13,659.85, according to the tracking site CoinDesk. (AP)

No eurozone cryptocurrency in sight, says Bundesbank

Critics say digital currencies can easily be used for laundering

FRANKFURT, Dec 25, (RTRS): Bundesbank board member Carl-Ludwig Thiele has ruled out the introduction of official digital money for the euro zone and warned of losses from investments in cryptocurrencies such as bitcoin, according to a German newspaper.

"Digital central bank money analogous to cash is currently not in sight," Thiele told weekly Euro am Sonntag in an interview published on Saturday.

Digital currencies allow users to make online transactions across borders instantaneously and have surged in popularity this year because of their eye-watering price rises. Bitcoin, the best-known, has increased in price around twenty-fold since the start of the year.

But the cryptocurrency plunged by 30 percent to below \$12,000 on Friday as investors dumped it

after its sharp rise to a peak close to \$20,000 prompted warnings by experts of a bubble.

"We are seeing a rapid increase in value, which brings the risk of rapid losses," Thiele said.

Decentralised digital currencies like bitcoin are still not widely accepted. Critics say they can easily be used for money laundering and the fact that they are unregulated makes them risky to use — hence the idea of an "e-" version of a physical currency that still has a central controlling authority.

The Bank for International Settlements (BIS) said in September it was too soon to determine whether central banks should issue their own cryptocurrencies, as the risks could not yet be fully assessed and the technology underpinning them was still unproven.

Christoph Schmidt, head of Germany's panel of economic advisers — known as the wise men — warned that private investors' losses from bitcoin investments could have a ripple effect on financial markets if they were financed

with debt.

"If their losses affect others because they were financed with loans, then that would increase the risk of distortions on financial markets," he told the German daily Rheinische Post.

Some high profile individuals such as Nobel Prize-winning economist Joseph Stiglitz have said the cryptocurrency should be outlawed.

Schmidt said he did not favour making cryptocurrencies illegal but that potential investors must have detailed information on the risks of investments in bitcoin.

German financial watchdog BaFin president, Felix Hufeld, said that regulators must "stay on the ball" when it comes to cryptocurrencies but that they still had much to learn on the subject.

"We are all working on understanding the topic and building our know-how," he told the German daily Bild.

Facility to finance company's stake in Reem Mall

UPAC signs KD 50.1 mn loan agreement

KUWAIT CITY, Dec 25: United Projects for Aviation Services Company (UPAC), a leading commercial real estate and facilities management company, is pleased to announce the signing of a five-year KD 50.1 million (\$165 million) loan facility agreement with two of Kuwait's leading commercial banks, Gulf Bank Kuwait and Ahli Bank of Kuwait (ABK), to finance its investment in Abu Dhabi's Reem Mall.

Nadia Akil, UPAC Chief Executive Officer, said: "We are extremely proud to have signed this facility with Gulf Bank and ABK. This not only marks a key turning point in the progression of the project, bringing it a step closer to successful completion, but it also marks a key turning point for UPAC's growth strategy and diversification as one of the largest and first projects of its kind outside of Kuwait. UPAC's solid financial position and sound reputation no doubt facilitated the success and closure of this agreement, as it supports our future expansion plans in the commercial real estate market, to include Abu Dhabi's Reem Mall. I would like to extend my gratitude to Gulf Bank Kuwait and ABK for their trust in our capabilities and supporting our plans in Abu Dhabi."

Upon completion, Reem Mall will offer 2.9 million square feet of retail, leisure, dining and entertainment on Abu Dhabi's Reem Island. Comprising 450 stores housing local and international brands, 85 of which will be Food and Beverage outlets, as well as a range of family-focused entertainment and edutainment an-

chors, Reem Mall will be a unique addition to Abu Dhabi's family leisure attractions. The project is being developed by Al Farwaniya Property Developments, a partnership between Agility, UPAC, and National Real Estate Company (NREC).

Reem Mall is set to feature Majid Al Futtaim Ventures' range of world class entertainment offerings as part of landmark collaboration including Snow Park Abu Dhabi — the region's first standalone, themed indoor snowpark — the award-winning VOX Cinemas, including large-format IMAX screens, the exclusive fine dining experience of Theatre by Rhodes and the children-focused VOX Kids. VOX Cinemas will be fused with Magic Planet, the region's largest network of family entertainment centres.

"Leasing for Reem Mall is progressing well and negotiations are

underway with leading retail groups. We are proud to have executed agreements with prominent retailers that include Landmark, Dubai Holding Group, Majid Al Futtaim and others, bringing many of the top international and local brands including VOX Cinemas, Magic Planet, Carrefour, Centrepoint, Max, New Look, and Snow Park Abu Dhabi," added Akil.

In November, Agility, UPAC, and NREC, the consortium behind Reem Mall announced that financing for the \$1.2 billion project was completed through the signing a seven-year credit facility agreement for \$457 million with regional and international banks. In addition, last month, Reem Mall appointed Itinera Ghan-toot as lead contractor for the project. Itinera Ghan-toot is a joint venture between Itinera, one of Italy's largest construction companies, and Ghan-toot, one of the UAE's leading builders, which has extensive experience in Abu Dhabi and the United Arab Emirates.

Akil said: "At UPAC, we aim to diversify our portfolio further with our investment in Reem Mall, and in the future of Abu Dhabi as a strong and viable tourist destination. Abu Dhabi has grown to become a world-class tourist destination, offering a wide range of cultural events, exhibitions and museums."

For more information about the Reem Mall project, visit: <http://reemmall.ae/>. For more information about UPAC, visit: <http://www.upac.com.kw/>.



Nadia Akil, UPAC CEO