

## **Thailand Biweekly Report January 28, 2005**

### **Travel Status**

#### **Terrorism**

There is no current evidence that transnational terrorist groups or other extremist organizations with a presence in the region such as al Qaeda and Jema'ah Islamiyah have plans to stage attacks in Thailand.

Islamic extremist violence has increased slightly in the extreme southern provinces of Narathiwat, Pattani, Yala, and Songkhla. This trend will likely continue over the next 10 days as national elections approach on February 6. Some officials believe that election violence – a common feature of national polls – will spike in the southern provinces as local political thugs carry out attacks against political opponents. Such attacks are often explained away as insurgent violence.

#### **Election Violence**

A number of shootings have already occurred in the north, northeast, central, eastern, and southern portions of Thailand where local candidates, district officials, and political party workers have been attacked by political opponents. Prime Minister Thaksin Shinawatra and other officials have publicly stated their opposition to the violence and promised to take harsh measures against it. These statements are more lip service than substantive and will likely have little effect on pre- or post-poll violence.

We urge clients to avoid public polling places, political rallies, parades, and other events of a political nature over the next 14 days. Some violence is likely to occur after polling, when losing candidates could attempt to seize ballot boxes or seek retribution against people who failed to deliver votes after accepting cash payments.

### **Southwest Thailand - Tsunami Aftermath**

#### **Avoid Travel To The Area**

Government and non-governmental organization (NGO) relief efforts are still underway in southwest Thailand along the Andaman Sea coast. Travel to and within the area is difficult. Disposal of corpses and the agonizing process of body identification will likely continue for some time: over 400 corpses remain to be identified and 4,317 persons have been registered as missing.

Unfortunately, some tourist organizations, hotel operators and others have publicly stated travel to the area is fine and that tourism facilities are operating as normal. These statements send mixed signals to foreign tourists and tour operators and are designed to salvage what is left of the high tourist season.

PSA urges clients to avoid travel to the area, as do most Western governments. Transportation, emergency services, law enforcement, other infrastructure problems, and to some extent the risk of disease, make travel to the area inadvisable. People hoping to assist in recovery efforts should not travel to disaster areas unless they have made specific prior arrangements with an organization operating in the area.

### **South Thailand - Terrorism**

Militant attacks have decreased slightly over the past seven days, though it is likely only a brief respite. Militants continue to target police, military and government officials. Three recent incidents are noteworthy and of particular concern.

The first incident occurred on January 15 in Muang district, Yala province. Two men entered a popular, crowded noodle restaurant during the afternoon lunch hour and placed a briefcase on a table before leaving. As the men left, the restaurant owner became suspicious and approached the briefcase to inspect it. The militants remotely detonated a bomb in the briefcase, killing the restaurant owner and injuring 59 patrons. Two police officers were in the restaurant at the time and might have been the intended targets. Police confiscated a security video that recorded the entrance and exit of the suspects but could not make a positive identification.

The second incident occurred on January 18, when two men on a motorcycle attacked a bus carrying 24 school children. The attack occurred in Muang district, Yala province at approximately 5:00PM. Two young men riding a motorcycle pulled along side of the bus. The pillion ride opened fire with a pistol, injuring two children. Fortunately, there were no deaths. This incident enraged many Thais and prompted calls by many officials for a crackdown.

Local Islamic leaders, sensing the building community outrage, condemned the attack. Waedueramae Mamingji, Chief of the Pattani Islamic Committee, Surapong Rajmukda, President of the Muslim Association of Pattani, and Nimuktar Vaba, President of the Association of Private School Operators in Pattani said in a joint statement: "The act is cruel as it targeted innocent students. We would like Thais to condemn the attackers and wish them doomed (sic)."

The third incident occurred on January 24 at 11:00 AM in Ra Ngae district, Narathiwat province. Two gunmen attacked an on-duty police sergeant who was on routine patrol. The officer was assigned to a community outreach program and was well known in the area. He was riding alone at the time of the attack, an exception in south Thailand where police officers now patrol in

pairs, wear bulletproof vests, and carry assault rifles. Community outreach officers exhibit a less aggressive public profile.

After shooting the officer three times, causing him to fall from his motorcycle, the attackers stopped, calmly walked back to the victim and shot him an additional time in the head.

The incidents display an increasing callousness among some militants. The bombing of a crowded restaurant was almost surely intended to inflict a high number of casualties. The cold-blooded execution of a police officer popular among the local population and the targeting of innocent school children display a ruthlessness not observed to date in south Thailand violence.

### **The End of Hearts and Minds**

General Sirichai Tunyasiri is the Deputy Supreme Commander of the Royal Thai Armed Forces. He is also the current point man for Prime Minister Thaksin's efforts to stem south Thailand violence. The general heads the awkwardly titled Southern Border Province Peace-Building Command (SBPPC), a joint military-police unit to coordinate efforts to stem the violence. As with most joint military-police activities, the unit's effectiveness was stymied by mistrust, turf battles, and bureaucratic intransigence.

More fundamentally, there was a sharp philosophical difference between the army and the police on how to tackle the problem. Most police officials, whose ranks have borne the brunt of the casualties, favored a program that stressed community outreach to work against providing sanctuary for continued militant attacks. Assistant National Police Chief Lieutenant General Wongkot Maneerin, deputy to General Sirichai, favored this approach.

Army officers, on the other hand, have urged a more forceful response to militant violence. Indeed, during the past year, the army was involved in two significant incidents – the April 28 Kru Se Mosque killings and the October 25 Tak Bai riots and custodial deaths – that killed 200 south Thai Muslims.

SBPPC Commander, General Sirichai, is representative of the Army leadership, which calls for more force and less hearts and minds in the south. In mid- January, Prime Minister Thaksin, at General Sirichai's request, removed General Wongkot from his post. General Sirichai was due to retire at some point after the February 6 elections, which are still widely expected to re-elect Thaksin. Regardless of the personal dynamics of Wongkot's removal, the decision is yet another sign that the next Thaksin administration, frustrated over lack of progress in stemming south Thailand violence, will inch closer to using sticks over carrots to exert control over the area.

### **Politics**

National polls for 500 parliament seats will take place on Sunday, February 6. Political campaigns, including full array of tasteless political stunts, are in full swing. Prime Minister Thaksin and his Thai Rak Thai (TRT) party are

expected to achieve a decisive victory at the poll, returning him to office for another four-year term.

Aside from the foregone conclusion that the PM will be back for another round, voters have been entertained with a variety of eye-catching campaign posters and scandal mongering by opposition political parties.

First up was a tempest in a teapot scandal that found Democrat Party leaders charging TRT Deputy Minister Newin Chidchob with offering money to south Thai voters to vote for TRT parliamentary candidates. South Thailand is a traditional political stronghold for Democrats. Democrat party candidate Nipit Intarasombat produced an audiotape purporting to be a recording of Deputy Minister Chidchob offering cash for votes. Naturally, Chidchob denied the charges and, in time-honored tradition, said the tape was doctored. Taking the controversy to a new low-water mark, Nipit and several Democrat cohorts made a pilgrimage to Bangkok's Emerald Buddha, swearing the veracity of the tape and challenging Chidchob to do the same. Invoking divine support is an accepted practice in the local political context.

Equally frivolous, Orathai Thanjaro, a TRT candidate for parliament from Bangkok's Bang Rak constituency, distributed posters depicting photos of herself with US President George W. Bush, Japanese Prime Minister Junichiro Koizumi, and Chinese Premier Wen Jiabao. TRT officials quickly ordered Orathai to remove the posters, noting the hubris of invoking global star power to support her bid for local office. Orathai's political judgement was also cast into doubt for associating herself with US President Bush, who remains largely unpopular with Thai voters.

### **A Predicted TRT Victory**

Thaksin's TRT party is expected to perform well in its traditional strongholds in North and Northeast Thailand. Thaksin is a Chiang Mai native and TRT will do well in the northern cities of Chiang Mai and Chiang Rai.

Northeast Thailand, the vote-rich though economically disadvantaged region referred to as Isaan, will also likely support TRT in coming elections. Former Chart Pattana leader Suwat Liptaphunlop, who "defected" to the TRT last year, is expected to deliver at least 16 seats from his home constituency in Nakorn Ratchasima (Korat) to TRT. TRT will also do relatively well in central Thailand, including Bangkok. While Bangkok has historically voted in support of the opposition Democrat Party, a lack of charismatic candidates and continued party infighting and factionalism have decreased its effectiveness and chances in the upcoming polls.

Another interesting sideshow is playing out in Bangkok's Don Muang district, where Janista Liuwchalaermwong is running for parliament under the Chart Thai banner. Janista is young, well-spoken, and attractive, and her mentor is aging Chart Thai party leader Banharn Silapaharcha. Controversy has swirled about the pair, who the local media speculates are romantically linked.

Thaksin made some political inroads into southwest Thailand due to his unselfish performance in responding to the recent tsunami. His quick action and decisive manner played well with many local residents, particularly in Phuket, Phang Nga, and Ranong, causing them to falter in their traditional support of the Democrat Party.

## **Crime and Security**

### **Boat Rides and Raves**

At approximately 5:20 AM on Tuesday, January 25, a speedboat capsized near the tourist island of Koh Samui. The boat was overloaded, carrying at least 42 passengers in a craft designed to hold a maximum of 32. Ten people died and 12 are missing.

The boat was returning from an all-night Full Moon "rave" party on a nearby beach. Most of the occupants were young. The driver, now under arrest, might have been drinking and/or under the influence of drugs. There were no life preservers on the boat, a violation of law. The boat had been illegally modified to allow a third outboard engine to increase forward thrust.

While there are many reputable tourist operators in Thailand, there are also a large number of small, illegal, operators who offer boat rides, parasailing, jet skis and windsurfing gear and instruction. Many operators are uninsured, unregulated and simply show up at public beaches to offer services. Enforcement of regulations governing these activities is lax to nonexistent.

We strongly urge clients to ask potential vendors to display licenses, insurance information, and other certifications to support their commercial legitimacy.

### **Chiang Mai - Another Wave of Night Bazaar Thefts**

A rash of purse snatchings and assaults has occurred in the northern city of Chiang Mai, mainly in the central Night Bazaar area.

The latest incident occurred on January 25. One US citizen, along with four companions, was walking through the Night Bazaar when two young men approached them on a motorcycle and snatched her bag. After driving a short distance, the men passed the bag to a second pair of men riding a motorcycle in a different direction. The US citizen was not injured, although in previous incidents some victims have been assaulted, one of them stabbed in the face. Chiang Mai police arrested a suspect but have not recovered the bag.

PSA urges clients visiting Chiang Mai and elsewhere to avoid venturing out wearing expensive jewelry or carrying large amounts of cash. ATM withdrawals should be made from inside banks during business hours if possible. Some victims are initially targeted after using outdoor ATM machines in tourist areas.

## Economic and Commercial News

### Bird Flu Returns

In 2004, avian flu wreaked havoc on Thailand's large, commercial poultry export sector. To this day, thousands of tons of frozen chickens are slowly deteriorating in cold storage.

In mid January, public health officials identified additional cases of bird flu in poultry stocks in Pitsanalouk, Petchaburi, Ranong, and Nakom Pathom provinces. The outbreak is not widespread, but the disease is highly contagious among poultry and very difficult to control. Unlike neighboring Vietnam, there have been no reported human cases of bird flu in Thailand.

The government's current quandary is over vaccinating poultry stocks, a practice it currently bans. Local farmers have illegally begun vaccinating flocks, giving rise to an underground market for the vaccine. Public health officials note that vaccinations by farmers, motivated by selfish, short-term economic interest, could give rise to new, more lethal strains of the disease.

### Subway Accident



On Monday, January 17, the driver of an empty underground subway train released a handbrake that caused his train to slide backwards into a station, colliding with a train crowded with rush-hour passengers.

Chaos ensued as hysterical passengers were unable to use locked emergency doors. Further problems surfaced as subway officials attempted to respond. Over 200 persons were injured, some seriously. Finger-pointing began immediately as officials attempted to cover up incompetence and poor training that contributed to the

incident. The government closed the subway pending an investigation, causing a traffic nightmare that lasted for more than a week.

Bangkok Metro Company Ltd. (BMCL) owns and operates the concession. They had been planning a public listing to raise money to obtain future

concessions and to expand the system. The Thai government had been trying to take over the operation as a public transit enterprise.

The unfortunate incident allowed government officials to close the subway, inflict heavy short-term operational losses and to pressure metro officials into considering a government takeover. Company officials said they have delayed their plans to debut on the stock market during the second quarter as a result.

### **Stock Exchange of Thailand (SET) Trends**



SET officials continue to predict good news for the Thai market, despite the ominous clouds of post-tsunami recovery costs and reappearance of bird flu. Adding to the burden will be the lifting of diesel fuel supports after national elections on February 6.

Thai shares closed 0.9% lower on Friday, January 21, weighed by weakness on Wall Street and regional markets. Banking shares led losses on profit taking after the release of 2004 earnings.

Krung Thai Bank closed down 3.9% at THB9.90. Investors have concerns of a possible rise in nonperforming loans after one of Krung Thai Bank's clients, property developer Natural Park, failed to strike a share deal with City Realty to secure new funding.

### **Quote of the Week:**

"It's frightening because when the school bus stopped to let me out, the men on the motorcycle pointed at me before shooting at the bus. After shooting, they laughed."

- **Monthatip Roongchai**, a teenage student in south Thailand's Yala province

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