



HUMAN DEVELOPMENT FORUM FOUNDATION

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The HDFH Team wishes all of our readers a happy new year!

Summary

This week in Thai politics saw the stunning development of a Democrat MP accused of murder, debates about when to hold a referendum for amending Thailand's 2007 constitution, and the Foreign Minister Surapong Tavichakchaikul's visits to Cambodia and India. In economic news, Thailand's Finance Ministry revised expected growth for 2011 downward and the Thai baht dropped to a 15-month low as investors reduced assets within Thailand. Representatives from northeastern Thailand are cooperating in an effort at establishing a regional zone of economic cooperation between eight provinces in Thailand, Laos, and Cambodia. A ministerial delegation went to Cambodia to revive talks on joint exploration and development of the energy reserves in the Gulf of Thailand. On the security front, ahead of this year's New Year's celebrations the police and military are beefing up security in key places nationwide. In Southern Thailand, residents are evacuating areas pounded by 4-meter waves as forecasts predict more large waves; in Phuket, police raided a warehouse of smuggled pirated goods; and in Chonburi a new maritime traffic control and security center opened.

Politics

Will the House of Representatives lift immunity of a Democrat Party MP suspected of murder or will they protect him from just punishment? These questions concerned many as news emerged of Democrat MP Khanchit Thapsuwan being suspected of killing the president of the Samut Sakhon Provincial Administration Organisation, Udon Kraiwatnussorn, last Sunday, December 25th. Udon, a political rival of Khanchit, was found shot in the head eight times at a petrol station with a .40 pistol. Following the issuance of a warrant for his arrest, Khanchit turned himself in to police two days later. He maintains he is innocent. Though reports indicate Khanchit is in possession of a gun of the same caliber, he has yet to surrender his .40 pistol for examination, ignoring a police request to do so. According to Pol Col Jamraeng, only seven people in Samut Sakhon are registered to be in possession of a pistol of that caliber. Udon's brother Udom Kraiwatnussorn, a former Pheu Thai lawmaker, filed a request with the Deputy House Speaker Wisut Chainarun to oppose legal immunity for Khanchit. Deputy Prime Minister Chalerm Yubamrung informed the House of the arrest warrant, adding that the evidence was clear-cut, as the murder happened in broad daylight with multiple witnesses. Furthermore, surveillance cameras show Khanchit entering the petrol station shortly before Udon was shot dead. Khanchit's

father, Anek Thapsuwan, a former Democrat Party MP and Minister, said he believes in his son's innocence and was not aware of any rivalry between the families. He also denied rumors of an alleged affair Khanchit had with an ex-wife of Udon. (The Nation) (Bangkok Post)

Representatives in parliament are considering whether a referendum on amending the 2007 constitution should be held before or after the draft amendments are produced. While Election Commissioner Sodsri Sattayatham was arguing for a referendum to be held beforehand, red-shirt co-leader Natthawut Saikua stated his support to set up a drafting assembly and hold the referendum afterwards on the actual bill up for proposal. He added that, "Pheu Thai has no policy to amend Article 112 of the Criminal Code related to offending the monarchy." Prime Minister Yingluck Shinawatra showed support to set up a drafting assembly saying, "I only want to make sure that members of the charter drafting panel are really representatives of people of all groups." Critics still fear that Pheu Thai's real intention in amending the charter would be to nullify section 309, thus exonerating former PM Thaksin Shinawatra. (Bangkok Post) (The Nation)

Foreign Minister Surapong Tovichakchaikul visited India in preparation for PM Yingluck's upcoming visit this January 24-26, where she will be chief guest at India's Republic Day celebrations. During the PM's visit, Yingluck is expected to sign a protocol for framework agreement on free trade, action programmes for cooperation on science, technology, and culture, as well as a memorandum of understanding on security cooperation. Surapong hinted towards improving air connectivity with India as well as connecting Indian ports with Myanmar's Dawei Port and Pak Bara in Thailand. Furthermore, Thailand and India agreed on future negotiations to cooperate on transfers of sentenced persons and an extradition treaty. (The Hindu) (Bangkok Post)

Following his trip to India, hopes were high that Foreign Minister Surapong Tovichakchaikul would be able to secure a royal pardon on his official visit to Phnom Penh for Veera Somkhwamkid and his secretary Ratre Pipattanapaibul, Thai yellow shirt activists imprisoned in Cambodia for espionage. Cambodia refused to release the activists, insisting they would have to serve parts of their sentences to be eligible for a royal pardon. Cambodian officials nonetheless hinted towards a possible prisoner swap for Cambodians jailed in Thailand. As this would be the first prisoner swap with another ASEAN country, Foreign minister Surapong commented, "We have to study the Thai law thoroughly and have to consult with related agencies [on] whether we can do it." (Bangkok Post) (The Nation)

Short-term as well as long-term measures to mitigate future flooding are slowly taking shape. The cabinet this week approved a master plan for integrated water management which includes reforestation, the building of water retention areas such as dams and ponds, adapted town-planning and improving preparedness for future natural disasters. The long-term plan, budgeted to cost around 350 billion baht, also includes a compensation law for farmers and villagers whose farmland would be used for ad-hoc catchment and floodway projects on both sides of the Chao Phraya River. Commerce Minister Kittirat Na-Ranong, who is also chairman of the Strategic Formulation Committee for Water Resources Management (SCWRM), insisted that measures would not solely focus on Bangkok but benefit other provinces as well. Short-term measures, budgeted at 16.5 billion baht, focused mostly on improved dam management, floodways and improving existing sluice gates. Additionally, a single water

management command body would be set up to minimize existing intertwining responsibilities. Thai Government officials and local authorities agreed that climate change will lead to an increase in extreme weather events such as floods. Therefore it was inevitable to invest into mitigation measures now despite the huge costs with Bangkok Governor Sukhumbhand Paribatra stating, "It will cost a lot of money. But I don't think there is any other way unless we change our conceptual approach and allow some areas to be flooded during the flood season." Surajit Chirawate, member of the senate environment committee, criticized the government for their use of flood walls as they would only increase the water level. As for Bangkok, Surajit would like to see it being downsized with government buildings moved to higher ground. (The Guardian) (Mcot) (The Nation)(Bangkok Post)

In related news a report by the German news agency dpa uncovered that the tsunami warning system in Thailand is non-functioning. Meteorologist Smith Dharmasaroja stated, "There was a regional tsunami warning system in place six years ago but now it doesn't work." PM Yingluck acknowledged that the system needs to be improved. December 26 marked the seventh anniversary of the tsunami disaster that killed more than 5000 persons. (Bangkok Post) (Pattaya Today)

Economics

Thailand's Finance Ministry has again revised expected growth figures, predicting just 1.1% GDP growth for the year 2011. This comes as a deep disappointment to many since previous worse-case flood scenarios, as recent as three weeks ago, had still suggested growth of 1.7%. However, the Fiscal Policy Office (FPO), which calculated these figures, expects Thailand to recover by next year and achieve 5% growth. Other analysts are not as sanguine, citing the financial crisis in Europe and declining US demand. (Bangkok Post) (MCOT)(The Star)

This week Thailand's currency weakened .04 percent to 31.56 per dollar, reaching its lowest level since August 2010. This came after global investors sold more local shares than they bought, reducing their assets in Thailand and triggering five days of consecutive decline for the Thai baht. Analysts say there is weak investor interest in the Thai baht at present, and imports of machinery and raw materials will further weaken the Thai currency as flood-hit manufacturers prepare to resume production. But the Thai baht's downward trend is expected to turn around next year when recovery picks up along with capital inflow from parent companies overseas. Suchada Kirakul, the deputy governor of the Thai Central Bank, predicted that Thailand may see net capital flows in balance next year, with a smaller trade and current account surplus due to global economic uncertainty, machinery imports, and the delayed effect of floods on the domestic economy. (The Star) (Bloomberg) (The Nation)

The Thai cabinet approved funding for flood recovery and prevention projects. A fund of 350 billion baht will be created by issuing bonds for long-term infrastructure development for water management, as proposed by the Strategic Formation Committee for Reconciliation and Future Development. An additional 50 billion baht insurance fund will be created from the government's fiscal budget to inspire confidence among industries and insurance companies. A legal amendment was made to allow the Bank of Thailand to make soft loans up to 300 billion baht through state-run and

commercial banks to flood-hit businesses. Additionally, the cabinet approved funding of 16.5 billion baht for short-term projects and 283.5 million for flood-hit provinces to re-hire workers and rehabilitate communities. (Bangkok Post)

Representatives from Thailand, Laos, and Vietnam met at a conference in Kon Tum, Vietnam, this week to begin a process that will establish an axis of economic cooperation between eight contiguous provinces in all three countries. The zone will be comprised of areas in central Vietnam, southern Laos, and northeastern Thailand. The agreement involves pledged cooperation in an array of economic activities, such as producing and refining industrial crops, investing in energy projects and infrastructure, joint mining exploration, and developing tourism. The cooperative documents are expected to be signed at a second conference in Thailand in 2012. (Bernama)

Thailand sent a ministerial delegation to Cambodia to restart talks on a joint development of offshore energy reserves in the Gulf of Thailand. The 27,000-sq-km area of concern falls within territorial claims of both countries and is thought to be rich in oil and gas deposits. The two countries had been close to an agreement on joint exploration in 2006, but this was abandoned following the coup of Thaksin Shinawatra and a deterioration of diplomatic relations thereafter. Now, declared the Thai Energy Minister Pichai Nariphaphan, Thailand will seek parliamentary approval to restore a decades-old Memorandum of Understanding between the two countries. (Reuters)

Security

In preparation for the New Year's celebrations, the police and military have cooperated to step up security in a number of crowded and important areas nationwide. One particular area of concern in Bangkok is the Ratchaprasong intersection by Central World, where police have cleared out potential objects that could be used to hide a bomb. Pol Lt Gen Winai Thongsong, commissioner of the Metropolitan Police Bureau, said bomb squads and sniffing dogs will check Central World carefully before the countdown takes place. Afterward, the area will be sealed off and guarded by a 1,000-man security force of police and soldiers. Ten security checkpoints will screen visitors before entering the area, and an additional 250 security checkpoints will be set up across Bangkok. In the South, the PM has ordered increased security in Yala, Pattani, and Narathiwat to obviate any insurgent attacks during New Year's celebrations. (People's Daily) (Bernama) (Bangkok Post)

Southern provinces along Thailand's east coast have been hit by 2-4 meter waves, strong winds, and heavy rains, prompting evacuations and causing serious damage. In the South, eight provinces have been declared disaster zones, and the deputy governor of Prachuap Kiri Khan has declared Hua Hin, Sam Roi Yot, Kui Buri and Thap Sakae districts disaster areas. So far, the extreme weather in the South has killed 10, affected 147,092 households with 472,227 people. More than 100,000 rai of agricultural areas were damaged. In Khuan Khanun district of Phattalung province, 500 homes have been flooded up to 50-60cm deep. The PM has since commented that the disaster warning system is "inefficient". Meanwhile, local residents along the coast struggle to build barriers where massive erosion has already taken place, and the National Disaster Warning Center predicts more big waves and strong winds will hit the east coast again within days. (Bernama) (Bangkok Post)(WKYC)(MCOT)

Following the trail of an illegal importing network, police confiscated 15 million baht worth of pirated goods in a warehouse in Phuket. Seized were imitation brand-name items such as clothing, luggage, and glasses. Despite the large catch, the smugglers were tipped off before police arrived, and therefore no arrests were made. Prayut Maneechote, director of the Customs Bureau regional head office in Haad Yai, who helped authorities find the warehouse, said the gang involved is part of a large operation smuggling pirated goods into southern Thailand. In light of these events, he has ordered security at border checkpoints to be especially strict in the new year. (Phuket Gazette)

The Vessel Traffic Control and Maritime Security Center (VTS) opened in Thung Sukhla Sriracha of Chonburi province. It will be responsible for the supervision of traffic and security of cargo ships entering and exiting Laem Chabang, Sriracha and Mapaput harbors. The center will provide services to ships all year long and in addition, the harbor departments have collaborated with the Navy to share information by connecting the vessels' monitoring system along the entire coast of the country. (Pattaya Mail)