

US factory activity hits two-year low

Concerns about economy's health are escalating despite labour market remaining strong

POST REPORTERS

As tropical storm Pabuk assails Thailand's southern provinces, authorities are evacuating tens of thousands, putting first responders on high alert as businesses and related authorities race against the clock to brace for the decade's worst storm.

ELECTRICITY READINESS

The Energy Ministry forecasts a temporary shut-down of offshore petroleum production in the Gulf of Thailand, with the expectation of resuming normal activity on Monday after Pabuk ends tomorrow.

The country's offshore petroleum production stopped on Wednesday, led by major gas resources in Erawan and Bongkot.

Kulit Sombatsiri, permanent secretary of energy, said gas output has dropped by 25% to 1,800 million standard cubic feet per day during the tropical storm from 2,400 MMSCFD under normal circumstances.

Crude oil production is down 27% from 100,000 barrels a day.

But there have been no reports of damage or injuries at offshore drilling platforms or gas pipelines during the storm, and no interruptions to petroleum supply and power transmission.

Some 2,635 offshore staff from nine oil and gas drilling companies have been evacuated from platforms, while 246 need to stay at storm-hit locations.

"It was fortunate that many companies did not run at full capacity, as the New Year period normally demands lower electricity than a normal working day," Mr Kulit said.

He said the full inventory of liquefied natural gas (LNG) run by PTT Plc will support power generation for five days after offshore gas production is suspended.

Diesel and bunker oil have yet to be used because of higher generation costs, so the tropical storm is unlikely to affect electricity tariffs for the next round from May to September.

The state-run Electricity Generating Authority of Thailand (Egat) is ready to use oil as a supply reserve to generate power once the gas supply is depleted.

Energy officials will not import additional power supply from Laos and Malaysia.

Egat's affiliated firm, Electricity Generating Plc (Egco), said Khanom Electricity Generating Co in Nakhon Si Thammarat has continuously followed up and collaborated with the government and relevant units regarding the situation.

The power plant has prepared plans to handle possible impacts.

Egco is operating normally while cooperating with PTT and Egat. PTT, the provider of natural gas for the power plant, confirms that it can provide gas uninterrupted.

"If PTT cannot provide gas as promised, the power plant has enough diesel in reserve to fuel full generation for 3½ days," said Egco president Jakgrich Pibulpaioj.

He said the power plant was designed and built for protection against wind, storms and floods. The plant's foundation is elevated to three metres above

sea level.

The landscape of the power plant is surrounded by two mountains that act as shields, protecting the power plant from storms.

"In the event of heavy downpours, Egco has prepared machines, equipment and staff members to drain flooding to the sea while waste disposal will be well managed," Mr Jakgrich said. "The power plant has an evacuation plan to relocate staff members from residential areas to the head office and cooperate with municipal migration units to help communities surrounding the power plant."

FERRY SERVICE HALTED

Raja Ferry Port is set to resume services once Pabuk moves past and the situation returns to normal, said Puttipong Wimolphan, deputy managing director of the company.

Ferry service at the Raja Ferry pier for Donsak-Koh Samui has been halted as strong winds and heavy rains persist in Surat Thani and many provinces in the South.

"We have monitored the situation closely, and if the situation return to normal and the holdup order is lifted, we may resume the service after 10am [today]," Mr Puttipong said.

Raja Ferry provides two ferry routes, from Donsak to Koh Samui and from Donsak to Koh Phangan.

FOOD SUPPLY RAMPED

Commerce Minister Sontirat Sontijirawong said he assigned ministry officials in the affected provinces to work closely with the Internal Trade Department and with leading product manufacturers and suppliers to accelerate raising inventory to ensure adequate supply for consumers who are hoarding consumer goods to cope with the storm.

The Commerce Ministry has also ordered all related units to speed up aid preparations to help affected victims once the storm ends.

Thanavath Phonvichai, vice-president for research at the University of the Thai Chamber of Commerce, said the storm is unlikely to affect overall tourism and economic growth in the southern region.

But he acknowledged that economic activity in the affected areas will have to stop for 3-5 days. Damage is estimated to reach 3-5 billion baht.

AID BUDGET PREPARED

The Comptroller-General's Department has provided advance payments worth 20 million baht to each province expected to be battered by Pabuk,



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SUTTIRAT RATTANACHOT
DIRECTOR-GENERAL,
COMPTROLLER-GENERAL'S DEPARTMENT

with further funds to be granted upon request and as deemed necessary, said director-general Suttirat Rattanachot.

"We have always prepared financial instruments to handle disasters," she said. "For Pabuk, the affected provinces can use advance money to help residents immediately. To be eligible to draw down the money,

provincial governors must declare their provinces disaster areas. In cases where initial funds are not sufficient, governors can request additional amounts and the department will respond in a timely manner."

The department has prepared relaxed measures for construction and procurement in these provinces because the storm thwarts timely completion, Ms Suttirat said, adding that these measures will be implemented after the disaster.

BANK BRANCHES CLOSED

The four largest banks — Bangkok Bank (BBL), Siam Commercial Bank (SCB), Kasikornbank (KBank) and Krungthai Bank (KTB) — temporarily closed more than 40 branches in provinces hit by the storm.

BBL closed 11 branches yesterday, most located in Nakhon Si Thammarat province and a handful in Songkhla and Surat Thani.

SCB temporarily shuttered 20 branches in Nakhon Si Thammarat, KBank closed eight branches, and KTB closed four.

Sarut Ruttanaporn, SCB's senior executive vice-president and head of the retail segment and branch network, said the bank would monitor the situation and close further branches as needed.

The bank's priority is the security of staff and customers, Mr Sarut said.

Thanachart Bank, the country's sixth-largest bank by assets, closed 12 branches in Nakhon Si Thammarat, Surat Thani and Songkhla.

Bank of Ayudhya closed four branches in Nakhon Si Thammarat, and CIMB Thai Bank closed two branches in Nakhon Si Thammarat and Surat Thani.

24-HOUR TELECOMS

The National Broadcasting and Telecommunications Commission (NBTC) yesterday ordered the top three major mobile operators to provide round-the-clock call centre services as an alternative to state emergency services to facilitate customers in areas affected by Pabuk.

The operators must also maintain capacity for networks and cell sites, including providing emergency teams for repairs until the crisis passes.

Takorn Tantasith, the NBTC's secretary-general, said the latest moves will ease congestion in the state emergency call centres.

Mobile operators will let customers call emergency numbers even if their credit runs out.

Adisak Prasongsup, chief of network operations at True Corporation Plc, said the company set up a war room to monitor the overall situation in real time in 16 provinces, especially in areas expected to be hit hard by Pabuk such as Bang Saphan district in Prachuap Khiri Khan; Chumphon; Surat Thani; Pak Phanang district in Nakhon Si Thammarat; Phatthalung; and Hat Yai in Songkhla.

Mr Adisak said True's 1242 call centre is open 24 hours to assist customers and provide service status reports, as requested by the NBTC.

Wilai Keangpradoo, head of the public relations office at Advanced Info Service, said AIS has been monitoring its mobile network and equipment. Staff are fully prepared for the storm and emergency assistance is at hand, she said.

PHOTO: AFP



Waves crashed into a pier in Surat Thani province yesterday as the decade's worst storm arrived.