



DOUGHERTY
RISK CONSULTANCY

Thailand

Dec 28, 2013 – Jan 3, 2014

DRC Weekly Report

LEAD REPORT

- **No political will to resolve the deadlock, dire situation looms - DRC VIEW**

THE RISKS WE FACE

- **Preparation for “Bangkok Closure”**
- **Gun battle again shows violent tendencies**
- **Southern Violence – Anticipate violence outside the deep South; Weekly Statistics**

OTHER INDOCHINA NEWS

UPCOMING THAI CALENDAR

Dougherty Risk Consultancy Ltd.
5 Sithivorakit Building, 7th Floor, Room 737, Soi Pipat, Silom Road, Bangrak, Bangkok 10500, Thailand
Tel : (66)2 636 7992-4 E-mail : brian.d@doughertyrisk.com

Top five risks facing Thailand in 2014

1. Facing failed state status - insurrection
2. Expanding southern insurgency
3. Unsteady economy (due to political discord)
4. Increased levels of crime (due to distracted police)
5. National debt exposed - extremely high losses

LEAD REPORT

No political will to resolve the deadlock, dire situation looms – DRC VIEW

Rehearsals completed

To date, the anti-government protestors have practiced for the looming "Bangkok Closure" *a la* the December 22 mass, multiple site rallies, and for the direct confrontation with the police to prevent the election from taking place as we have seen on December 26. The police too have shown how they deal with a resisting force, also on December 26. Shots fired at the homes of protest leaders in Trang (two) and Ayudhya strongly suggest sanctioning from someone. One of the homes was that of former Prime Minister Chuan Leekpai who, though he has participated in the protest marches, cannot be considered a belligerent.

Police

Last Sunday (December 29), scores of police officers rallied against the lack of leadership from their commanders. They are somewhat demoralized by this, as they have taken the brunt of the violent protests with limited opportunity to respond. When they see their comrades hurt (and killed), they want revenge or at least a leveling of the situation. Thousands have been deployed into Bangkok from around the country, and they have been here for weeks on end. They are tired and now a potentially even bigger event is in front of them.

The head of the National Security Council (NSC), also a police officer, wants the government to issue an Emergency Decree, which would give the authorities broader powers. This is in conflict with the Army commander who suggests that there is still time to work with the existing Internal Security Act (ISA), though the police have mostly abandoned the additional authority of the ISA and allowed the protestors to do pretty much what they want.

Military (Army)

The Army commander has taken the lead on the military's response. This is NOT unexpected. He has urged caution and a non-violent approach by the security forces. He has seen to a direct meeting between the prime minister and anti-government leader Suthep Thaugsuban, but only once. He is against issuing an Emergency Decree and having his troops take a lead role primarily because of this administration's ó as well as the Red Shirts' ó condemnation over the handling of the May 2010 crackdown against the Red Shirts in Bangkok. A number of court cases have come out against the Army's role and soldiers, not by name, have been accused of a number of killings.

The NSC has suggested that because the Army Chief appears less willing to provide support than they had hoped, perhaps the Supreme Commander would be asked to direct the Army's role. If so, there is NO guarantee that the Army would adhere to the supreme commander's orders; such is the level of control the Army Commander has always had. That said, **DRC sees a coup as extremely unlikely for the reasons cited above. However, it is possible the military will be used to end a violent confrontation if such occurs.** The Army is prepared to play a supporting role in the overall security plans of this government IF the situation turns violent but is equally prepared to negotiate a peace.

Red Shirts

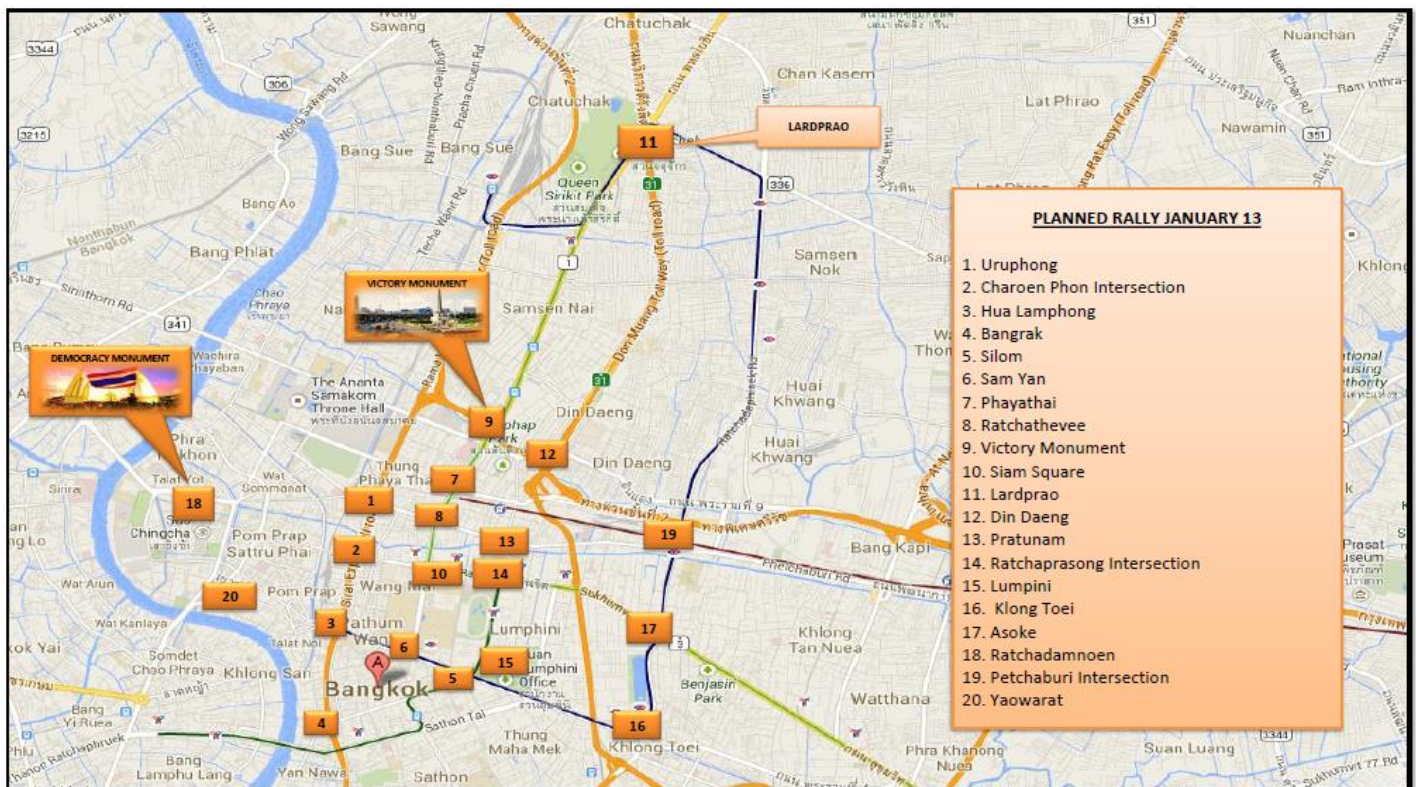
The pro-Thaksin Red Shirts have been mostly silent of late. However, Suthep's threat to close Bangkok has changed that. Two top red shirt leaders have announced that the Reds would stage their own opening of Bangkok should the anti-government protestors go ahead with their plans.

DRC believes they are missing the bigger picture: by doing so, civil unrest will be clear and visible, and the Election Commission would have their evidence that the February 2 general election is untenable and should be postponed. On a more ominous note, direct clashes with the anti-government protestors will move the nation one step closer to civil war, a possibility that we have approached several times already. **Should the police allow the Red Shirts to enter the capital and violently confront Suthep's groups directly, the army WILL intervene.**

Anti-government protestors

Based on the already announced plan, beginning January 5, Suthep will have rallies at select locations across the city to test the strength of his support. This will last until January 8. Although the locations of these dress rehearsals have not been announced, one should expect the previously well-used locations: Silom, Asoke/Sukhumvit, Soi Ari, Ratchaprasong, and others.

On January 13, the idea is to set up 20 staging areas, subject to change, that will act as road blocks across Bangkok (see map), bringing routine surface movement (aside from public transport) to a standstill. Despite promises to leave lanes open near hospital, etc, this is not the way backed-up traffic works. (See below for anticipated problems).



DRC sees that there is still time for a settlement. We believe that Suthep too is hoping for a resolution of some capitulation from the prime minister - before closing the capital, as he cannot be sure of the level of support he will receive. He also knows how quickly the situation can turn into something deadly.

Preparation for “Bangkok Closure”

How the “Bangkok Closure” will pan out is anyone’s guess. The National Security Council is strongly considering issuing an Emergency Decree, which, theoretically, gives the government greater powers than the clearly toothless Internal Security Act, which has been in affect the past few months. The intent of the protestors is to make the government look so powerless that the authorities will simply resign. Unfortunately, strangling traffic flow may have greater impact than the protestors suspect. It may be simple to think of the inconvenience to students trying to go to school or of the problems for ambulances trying to ferry patients to the hospital. Although the demonstration leaders claim they will leave open a lane for the hospitals, they won’t leave a lane open where the patients are, because that could be anywhere.

Other potential difficulties include:

1. firefighting services;
2. increased numbers of break-ins and robberies
3. routine medical care (not all of the doctors and nurses take public transportation);
4. re-stocking/supplying ATMs, supermarkets, pharmacies, convenience stores, gas stations;
5. safe movement of employees/students;
6. domestic help arriving on time;
7. courier service deliveries and pick-ups; local mail;
8. trash/refuse services;
9. water deliveries to commercial buildings and residences;
10. repair services;
11. access to hotels;
12. overburdening of internet/cell phone systems

To deal with these, DRC suggests (corresponding with above numbers):

1. review fire escape plans at home/office; ensure fire extinguishers are in good working order;
2. ensure valuables and premises are secured;
3. accelerate appointments or delay them if possible;
4. ensure sufficient cash, water, consumables, daily medicine, gasoline on hand to last ten days; restock daily if possible;
5. have supervisors/administrators review locations of employees/students and likelihood of disruption of movement; establish key personnel list and who can/cannot work (homework) from home; liberal leave policy
6. if necessary, temporarily have them reside with you (this may not be possible as they may have commitments at home as well); do without;
7. accelerate required mailing;
8. be conservative with trash; clean containers to avoid bad smells;
9. accelerate deliveries ó take two weeks service now;
10. accelerate repairs if possible; if not, be prepared to do without;
11. if part of your escape route planning, select a hotel that would be easy to reach;
12. test wi-fi “hot points” for best service available

Gun battle again shows violent tendencies in society

The New Year's Day shootings at the Mor Chit Bus Terminal, some caught on CCTV, show the growing tendency of a society prone to use guns to achieve an objective. Arguments between groups of young thugs led to six dead and three others wounded. Vocational school students have had battles on the streets of the capital (and elsewhere) for decades. Vocational school students now form the core of toughs for the anti-government Student Network and have been directly involved in most of the confrontations with the police. Many cab drivers can and do carry weapons; motorcycle taxi drivers are fine until angered.

Easy access to firearms mixed with drunkenness and widespread use of methamphetamines (*ya ba*) are a combination that equals trouble. DRC has warned readers previously to avoid confrontation with strangers, and this latest incident has caused us to repeat our message.

Southern Violence

Anticipate violent incidents outside the deep South

Tomorrow, January 4, marks the 10th anniversary of the beginning of this latest and most violent campaign by rebels against the state. A well-connected source told DRC that he blames the military's intransigence and unwillingness to negotiate honestly with the *Barisan Revolusi Nasional* (BRN) as the primary reason for, what he sees, as an expanding level of violence. The BRN to government talks have stalled and it is unclear when they can begin anew. This same source told DRC that his contacts among the BRN believe that 2014 will be a more audacious year for the separatists.

While this may be true, DRC sees a distracted or even apathetic government (and this administration is NOT the first) as a big part of why there has been no progress. As a consequence, this year, **DRC expects to see several aggressive actions outside the normal four southern provinces.** The December incident in Phuket demonstrated that they can deliver an explosive device there and, still, there has been no positive response from the administration. Perhaps the insurgents need to go a step further and actually detonate a device to get attention. **Phuket, Hat Yai, Koh Samui, and even Bangkok CANNOT be ruled out as potential targets at this point.**

Weekly statistics

During the past week, there were at least ten incidents of violence, two bombs and one case of arson, across the South in Yala (6), Narathiwat (3), and Pattani (1) that led to seven deaths with another five injuries, the majority of whom were private citizens. At least two militants or militant suspects were apprehended in Narathiwat.

Other Indochina News

Cambodia

Following days of sustained street protests by supporters of the opposition Cambodian National Rescue Party (CNRP), representatives of the ruling Cambodian People's Party (CPP) and the CNRP were set to meet today to discuss the ongoing political divide. However, a violent crackdown by military policemen on garment worker protestors and Buddhist monks supporting the workers has resulted in the meetings being canceled. The CNRP is trying to broaden its support base by siding with the garment workers.

Street protests in Phnom Penh, especially in the garment industry, have been an ongoing problem for years. Violent incidents too often accompanied these demonstrations. Today's most recent clash truly clarifies the point. Now, a major teachers union has too threatened to come out onto the streets of Phnom Penh because of wage disputes. The Minister of the Interior threatened to ban the union if the union leader went ahead with such a rally.

Laos

Nothing to report.

Myanmar

The ruling party has submitted more than 90 suggested revisions to the constitution, including one that would allow rival Aung San Suu Kyi to run for president in 2015. Although there are many naysayers about the dominance of the military (and ex-military) in government, there are moves afoot to improve the political scene. This latest move comes about while the country continues to wrestle with unemployment, religious feuds, cross border smuggling and a growing crime problem.

Vietnam

The Vietnamese are preparing for the annual *Tet* (lunar new year) migration, when millions will return to their ancestral homes. *Tet* runs from January 30 to February 5 (some say February 3), during which time the entire country is essentially on holiday. Hotels and airlines are likely already booked solid as are internal transportation systems. Airports will be extremely crowded from about mid-January through the week after the holiday ends. Expect higher consumer prices during this period and continued **higher levels of street crime**.

Upcoming Thai Calendar

January 4 to 10th anniversary of beginning of current Islamic insurgency

January 5 to Anti-government demonstrators begin operations to shut down Bangkok by January 13

January 11 to Children's Day; military camps will be open to visitation, so expect to see the movement of military vehicles.

COPYRIGHT

© 2014 Dougherty Risk Consultancy Ltd. All rights reserved. Neither this publication nor any part of it may be reproduced, photocopied, stored in a retrieval system, or transmitted without the expressed prior consent of Dougherty Risk Consultancy Ltd.