



Alam Maritim In The News

Media: The STAR

Date: Wednesday September 3, 2008

Malaysian firms unfazed by uncertainty in Thailand

By FINTAN NG and YVONNE TAN

PETALING JAYA: Malaysian companies with operations in Thailand are unfazed by the political uncertainty that has rocked Bangkok in recent weeks, culminating in a bloody protest early yesterday morning that left one dead and over 40 injured.

Thai Prime Minister Samak Sundaravej declared a state of emergency following the bloody street protests, thereby reversing a soft and gentle approach.

Malaysian companies with a presence in the country include several service providers to the oil and gas industry, such as Uzma Bhd and Alam Maritim Resources Bhd.

According to Uzma chief executive officer and managing director Datuk Kamarul Muhamed, it was business as usual for Uzma Thailand, which has an office in Bangkok providing upstream oil and gas services.

Alam Maritim chief operating officer and group executive director Shaharuddin Ahmad said while the company was looking to expand its operations in Thailand, it was constrained by the lack of vessels.

The company operates offshore support vessels and has a presence in the Joint Development Area at the Gulf of Thailand servicing Carigali Hess Operating Co Sdn Bhd, a 50:50 joint venture between Hess Corp and Petronas Carigali Sdn Bhd.

%We are still looking for opportunities there but we are constrained by the lack of vessels and, political uncertainty aside, it is not very lucrative in Thailand because the guidelines set by the government make it less attractive,+Shaharuddin told StarBiz yesterday.

Auto parts manufacturer EP Manufacturing Bhd said its plans to supply equipment to two Thai original equipment manufacturers (OEMs) were on track.+Business development director Zulkefly Baharuddin said production for the Thai customers should start by year-end.

%So far, we don't see any negative impact on business,+he said, adding that the company expected delivery to start by early next year to one Thai OEM while delivery to the second one would start in 2010.

Another Malaysian firm, Chemical Co of Malaysia Bhd, thinks it is premature to start worrying.

%We don't think there will be any negative impact or long-term repercussions on our business and hope that it (political instability) will be resolved soon,+finance director Ahmad Mustaffa Manaf said.

The company, which has an office in Thailand selling pharmaceutical and chemical products, was looking to grow its business there via mergers and acquisitions, he said.

Meanwhile, Standard & Poor's Rating Services said events in Thailand in the past two weeks had raised the probability of a negative action on its sovereign credit ratings.

Credit analyst Kim Eng Tan said although the country's external and fiscal credit strengths currently supported its BBB+/A-2 foreign currency rating and stable outlook, an outbreak of widespread violence would significantly increase political and policy risks and could trigger a negative rating action.

It could cause a sharper deterioration of credit factors, he said, adding: %Political risks will escalate to worsen the policy environment further.+