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U.S.-IRAN CRISIS SPURS OIL FEARS

By
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The government is moving to find ways to cushion the impact of the US-Iran conflict -- particularly rising oil prices -- if the tensions escalate into war, in the wake of the US assassination of Iranian top general Qassem Soleimani on Friday.

Energy Minister, Sontirat Sontijirawong, said on Sunday state agencies are closely monitoring the situation because an escalation will have a direct impact on oil prices. Today, the minister will call an urgent meeting to discuss the matter and he promised to provide the public with an update on the situation.

Soleimani was killed in a US drone strike on Friday near Baghdad International Airport in Iraq, shocking Iran. He was 62.

The air strike was ordered by President Donald Trump, who said the Iranian general had been planning an "imminent" attack on US diplomats and the roughly 5,200 American troops stationed in Baghdad.

Soleimani's assassination ratcheted up tensions between the arch-enemies and sparked fears of a new war in the Middle East. Iran's supreme leader, Ayatollah Ali Khamenei, vowed "severe revenge" and declared three days of national mourning.

But Mr Trump warned on Saturday that the US is targeting 52 cultural sites in Iran and would hit them "very fast and very hard" if Iran attacks American personnel or assets.

In a sabre-rattling tweet, Mr Trump said: "If they attack again, which I would strongly advise them not to do, we will hit them harder than they have ever been hit before!"

Mr Trump said the choice of 52 targets represented the number of Americans held hostage at the US embassy in Tehran for more than a year starting in late 1979.

The Commerce Ministry warned that tensions between the US and Iran will cause fluctuations in currency and stock markets values and lead to an immediate rise in gold and oil prices.

"The incident will have an impact on Thailand's macroeconomy," said Pimchanok Vonkorpon, director-general of the ministry's Trade Policy and Strategy Office.

Ms Pimchanok said oil prices soared by nearly 4% on Friday and are likely to rise further unless the situation is relieved.

"This will prompt investors to hold on to low-risk assets, sending the price of gold into overdrive," she said.

"It will negatively impact investors' confidence and affect the global economy."

According to her, if Iran chooses to close the Strait of Hormuz as a retaliatory measure, logistics and subsequently oil prices will be severely affected as about 20% of the world's marine oil shipments passes through the area.

That said, Ms Pimchanok said the global economy is expected to pick up some pace this year, due to a range of positive factors which include the progress in China-US trade talks and economic stimulus measures undertaken by many central banks.

Panitan Wattanayagorn, a political scientist at Chulalongkorn University and chairman of the security advisory committee for Prime Minister Prayut Chan-o-cha, said the US and Iran have been tangled in a conflict for a while, but the assassination of Soleimani has significantly escalated the tensions.

"In the short term, the incident may lead to the two sides launching attacks against each other in the Middle East, or even Europe," he said.

"Iran may resort to unconventional warfare in the medium run, taking direct aim at the US president, and US interests, by blowing up US planes or holding US citizens hostage.

"In the long term, it may press ahead with its nuclear programme and call for support from its allies, such as Russia and China."

Mr Panitan said Thailand should be in regular contact and share information with its neighbours, Malaysia, Indonesia, and the Philippines.

"Thailand will not be targeted because it is a friend of both the US and Iran, as we recently boosted our investment in Iran," he said.

"However, it will be best for the entire country to stay alert."

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