



How Extractive Industry is enabling their Cluster in Thailand



PTTEP: How Extractive Industry is enabling their Cluster in Thailand

During 2018, Expert Aspect International has been studying the shared value opportunity with PTT Exploration and Production Public Company Limited or PTTEP, who is a national petroleum exploration and production company dedicating to provide a sustainable petroleum supply to Thailand and the countries.

PTTEP has a business approach **to building energy security with the promotion of social and environmental values in every area of operation**, both on-shore and off-shored. It is involved in a range of community stakeholders in a variety of field projects. In Songkhla Province, it is one of the support bases for the development of petroleum. PTTEP is locating in the area of Singha Nakhorn.

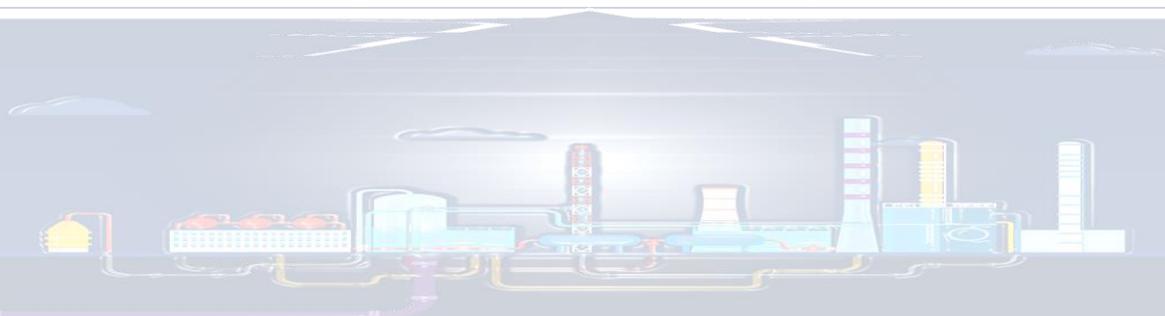


These members of the traditional fishing savings group composed of fishers who occupied the crab catch, with two hundred anglers, 60%, are in Singha Nakhorn district, in the seaside area of Songkhla, and are common or associated with PTTEP's exploration, drilling, and production operations. The distance is about 20-25 miles from the coastline, midway between PTTEP's petroleum platform and the coast. This group of fishermen has had conflicts over fishing grounds at sea with commercial fishing vessels (local boats) which make crabs and fish in the sea are left to catch less. Together with NGOs, the movement appealed to the government. Commercial fishing boat operators, including PTTEP, compensate for damage to their livelihoods due to the decline of crabs in the sea.

PTTEP as the project sponsor from the beginning. Therefore, it is appropriate to develop the knowledge of hatchery as a system and standards. The company's expertise in the field of hatching can be further improved. Apply alternative energy technology to the learning center. It also supports the network of learning crab hatchery in other provinces in the south of Thailand. It also promotes dissemination activities for children and youth in the area.

Crab hatching and release of crabs into the sea of crab hatchery learning center is a result of the integration of skills, knowledge, and experience from NICA research, real-life experiences, observations, and experiments of fishermen members. Hence, PTT's technical support has resulted in more and more coastal crabs. The average daily catch of crabs is about 300 kilograms per day per vessel, which is 600 kilograms per day per vessel (up 100%).

The success of this crab hatchery is of interest to seek support for a similar project in the neighborhood in Songkhla. The total of 24 communities (networks) is used to study the work of conservators, students, academics, and the general public. Approximately 10,000 people each year, including the "Asian Coastal Resources Institute": CORIN - ASIA) is used as a case study of knowledge transfer to improve the quality of life of coastal people in ASEAN countries. Meanwhile, PTTEP has a project to build a hatchery where is a restaurant. Moreover, accommodation to meet the needs of other communities. Also interested in developing this new project into a social enterprise project.



SHARED VALUE INITIATIVE: Enabling Local Cluster Development

The implementation of the CSR activities and projects is an initiative to create shared value between the communities and the operations of PTTEP, as well as the joint development of the local economy (enabling local cluster development).



SOCIAL IMPACT

The development of CSR activities is a business-making business as well as the development in crab hatchery and fishing careers by these following essential points.

(1) Increasing of crab population due to the release of crabs which make more productive for fishermen. As a result, the earnings from operations increased in the preliminary around 8 million per month per ship from 4 million per month per vessel. By a boat, there are about 6 workers (or 6 households involved in crab fishing) participated in this preliminary figure. It will be calculated to be related to 66 crew members (66 households) as the amount of 11 fishing boats. The revenue is about 270,000 baht per day or 8,100,000 baht per month. The total of 11 fisher boats will be the economic amount of 89,100,000 million baht.

(2) There is an averagely 10,000-person visiting learning center, and with 10,000 attendees will lead to relevant minorities. The income will increase as a continuous cycle, such as snacks, lunches, buses, accommodation/hotels, and so on. These are all due to the continuation of the crab hatchery project. It is a result of a collaboration by P.Sab-Anant (Fishermen community) and PTTEP, as partner organizations.

(3) At the same time, there are more sea crabs to catch for more fishers as a result of the implementation of the crab hatchery. It also creates security or collateral in the raw materials of restaurants, hotels, restaurants as well as trading activities of crab-fishing boats.



BUSINESS IMPACT

The success of the community can be attributed to the expansion of the role of the demonstration center of crab hatchery project. The community work of the villagers can be transformed into a career and an income. This project will build a positive and trusting relationship between the community and PTTEP in its operational areas which is very important. By operating this project has reduced the misunderstanding and conflict between local fishers community and PTTEP. The project provides the opportunity in preventing and restore shared public pier, which can decline the risk of loss at the cost in delivering the equipment to the offshore platform. In summarization, Crab Hatchery project is considering as a strategic in redefining productivity in Value Chain to secure supply and also to be enabling with the local cluster in operation area.