

Agribusiness companies may gain on flu concerns

Thai agribusiness and food production may benefit from changes in consumer behaviour triggered by the H1N1 influenza outbreak as imported pork from North America is banned in 12 countries despite no risk from eating pork.

The listed companies such as Thai Union Frozen Products, GFPT and Charoen Pokphand Foods may gain from rising concern about food safety and hygiene caused by the outbreak. The food export companies such as TUF, GFPT and CPF adhere to rigorous international food safety standards, which contrast sharply with the safety practices of smaller producers selling largely at traditional open markets

H1N1 flu is likely to cut pork consumption. The chicken is forecasted to benefit from the outbreak more than seafood as tuna and pork taste quite different. TUF would benefit directly from any consumer shift away from pork while CPF stands to gain less. CPF, part of the CP Group, is a major producer of pork as well as chicken and shrimp.

The medical services sector is unlikely to gain significantly from the new flu as no victims in Thailand to date but tourism and aviation will be hit by the scare as travelers will put off travel plans over health concerns.

Source: Bangkok Post