



THAILAND INFRASTRUCTURE OUTLOOK

Infrastructure Strategy Division (ISD)

Office of the National Economic and Social Development Council (NESDC)



Suthinan Puangchaiya

Plan and Policy Analyst



“A central agency responsible for strategy formulation towards balanced and sustainable development while upholding national interests and dealing with unexpected changes with high efficiency.”

Roles



Drive

Thailand's 20-year Strategy into effective implementation.



Analyze

National and international economy that may impact the well-being of Thai citizens.



Consider and Provide

opinions on project joint venture prior to cabinet approval.

Formulate and Implement

the 5-year economic and social development plan.



Provide

advice on economic and social development issues to the cabinet for its decision making.



Analyze

state enterprise budget and structuring the annual state enterprise budget.



Vision

“Driving the investment in infrastructure to enhance the quality of life and increase the competitiveness of the country.”

Mission

- Driving infrastructure development strategy and being investment advisors.
- Analyzing annual budget of state enterprise
- Analyzing government plans and projects
- Developing knowledge and database of infrastructures and state enterprises

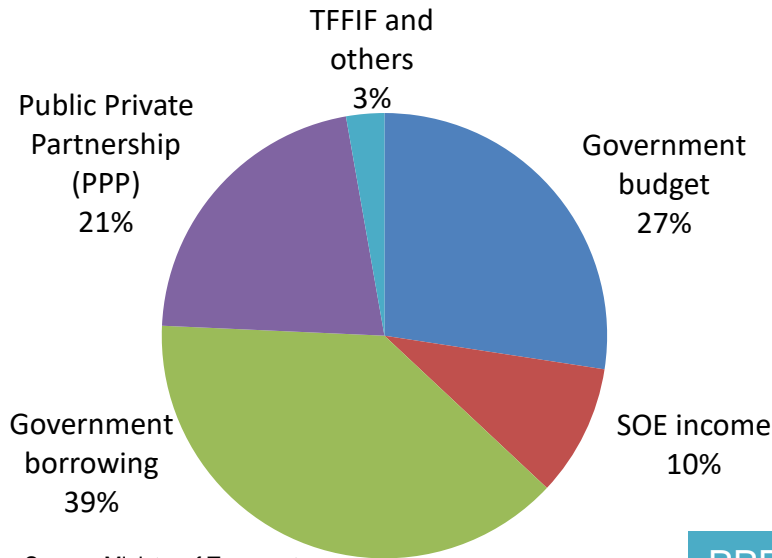
Public Private Partnership (PPP) in Thailand

Infrastructure Financing in Thailand

Source	Limitations
Government Budget	Government's annual regular expenses increase every year, as the result, the annual budget allocated to capital expenditure is limited to 20% of annual budget or THB 500,000 Million annually.
State Enterprise' Retained Income	State enterprises' annual cash flow is not sufficient to meet its rapid demand of infrastructure investment, thus, it requires time to collect cash for its capital expenditure.
Borrowing or Government and SOE Bonds	The public debt level should not exceed the fiscal sustainability level at 60% of GDP to ensure stability and credibility of the country. Currently, the debt raising ability before reaching the fiscal sustainability level is approximately 18% of GDP or THB 2.6 Trillion.
State Enterprises' Public Offering in Stock Exchange of Thailand	State enterprise require a mature industry structure in order to ensure that state powers are remained with fully owned government agencies. In addition, the state enterprises' share offering in the SET needs high level of public understanding and consensus.
PPP	Currently, PPP is a preferred alternative source of infrastructure investment, however, using PPP may be restricted in certain subsectors that the government allows private sectors to participate via a PPP contract.
Infrastructure Fund (IFF)	An infrastructure fund is a new source of fund for infrastructure investment by securitizing cash flows of one project, which can be either brownfield or greenfield project, and using the proceed from the fund raising to finance new infrastructure projects. Despite the fact that IFF is not accounted as national debt, the IFF is regarded as a financing source with higher cost of capital and more complexity compared to the traditional state's financing.

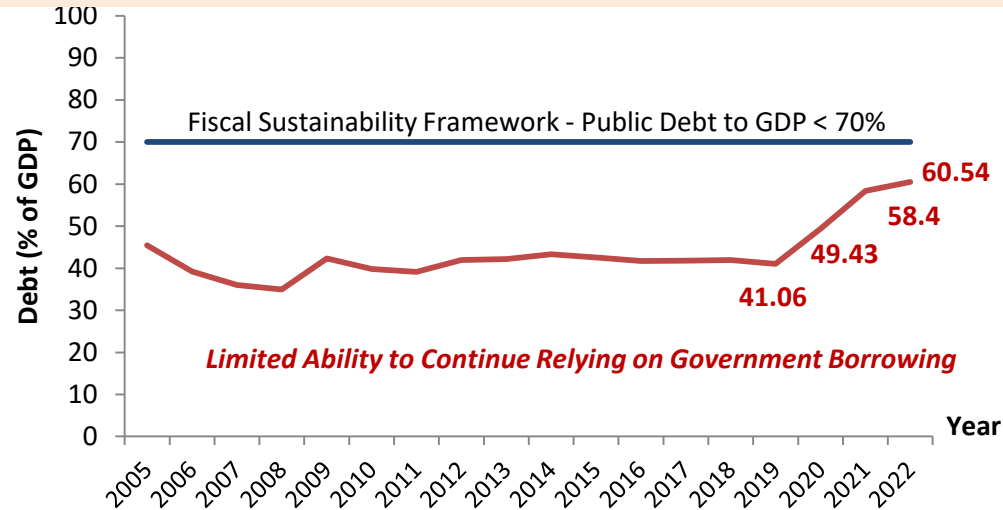
Alternatives to Finance Thailand's Important Infrastructure Projects

The Transportation Action Plan 2023 – 2027 consists of 387 projects with a total investment budget of THB 1,632.84 billion.



Source: Ministry of Transport

Mode	Budget (billion)
Road	551.39
Railway	927.17
Water	72.65
Air	78.63
Others	2.99
Sum	1,632.84



Source: Public Debt Management Office, Ministry of Finance

PPP advantages

Transfer of risks to the private party

More transparency in the economy

Transfer of new technologies from the private party

Save the government budget for conducting other public investments

1992

PPPSU Act 1992

Private Participation in State Undertaking Act 1992 (PPSU Act)

Key Principles : Public Interest Protection & Anti-corruption

2013

PISU Act 2013

Private Investment in State Undertaking Act 2013 (PISU Act)

Additional Key Principles : Promote the PPP Investment

Standardization

- PPP Strategic Plan
- PPP Committees (Chaired by PM) and PPP Unit
- Standard Contracts
- Guideline for Small Projects

Facilitation

- Streamlined procedure
- Precise timeframe for project consideration and bidding processes
- Project Development Fund

Transparency

- Prohibitions for Related person to serve private counterparties
- Disqualification Criteria for Advisors and Bidders

2019

PPP Act 2019

Public Private Partnership Act 2019 (PPP Act)

Addition Key Principles:

- More Private Participation
- Private's Innovations and Knowhow Transfer
- More Supporting Measures

Facilitation

Facilitate both domestic and international investors in Public Private Partnership process

Alignment

Align with International PPP Concepts

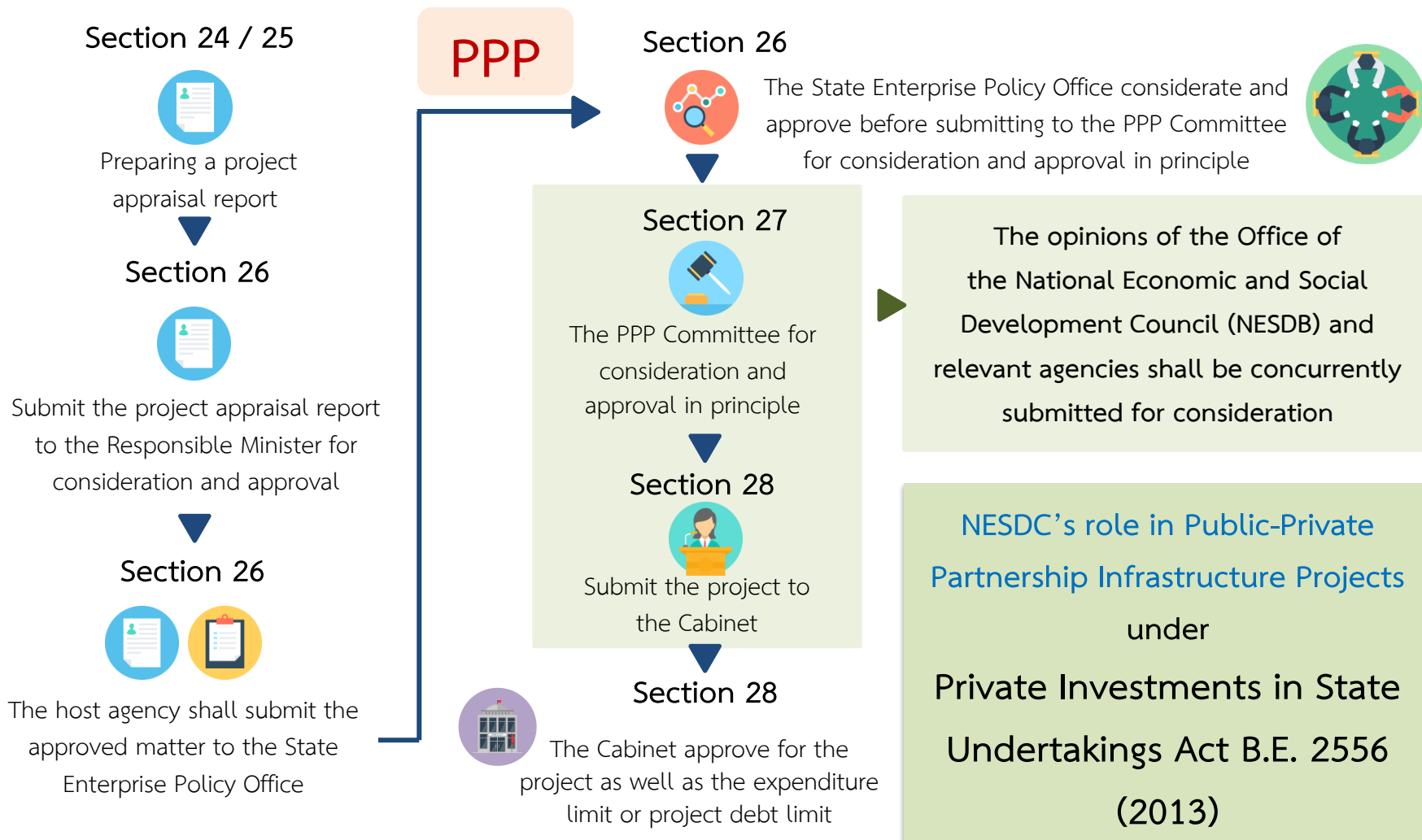
Streamline

Short and explicit PPP process and cooperation between government agencies

Transparency

Information disclosure and investigable

Government's role & Regulatory mechanism on Infrastructure Investment



The PPP Project Delivery Plan 2020 – 2027 consists of 127 projects with a total investment budget of THB 1,166.79 billion.



Intercity Toll Roads and facilities

22 projects (327,760 MTHB)



Urban Mass Transit System

16 projects (579,958 MTHB)



Airport Service

26 projects (47,048 MTHB)



Logistics port

10 projects (21,679 MTHB)



Water/Wastewater Treatment

24 projects (165,279 MTHB)



Electricity Service

2 projects (393 MTHB)



Telecommunication

1 projects (650 MTHB)



Healthcare

4 projects (10,462 MTHB)



Education

4 projects (12,690 MTHB)



Accommodation

16 projects (854 MTHB)



Government Service

2 projects (11 MTHB)

Bang Pa In – Nakhon Ratchasima Intercity Motorway

Project Owner : Department of Highways – Ministry of Transport

Bang Pa In – Nakhon Ratchasima Intercity Motorway is one of the PPP fast-track projects that will support transportation between Bangkok and metropolitan areas and Thailand's Northeastern provinces by reducing traffic on highway No.1 (Phahon Yothin Road) and highway No.2 (Mittraphap Road) that currently have heavy traffic especially on weekends. This project will also improve transportation system in Thailand in terms of safety, efficiency, and logistics integration.



Project Development



2016

Construction Starts



2017

PPP
Feasibility
Study



2021

Private Entity
Selection



2025

Operation Starts

PPP Scheme: PPP is in **gross cost** scheme (availability payment model). The public sector will be responsible for land ownership and civil work, and the private sector will be responsible for system work, operation and maintenance of the project.

Concession duration is 30 years.



Total Investment Cost
76,600 MTHB

