



Asian Development Bank & Thailand

FACT SHEET

Table 1. Thailand: 2014 Approved Loans, Grants, and Technical Assistance (\$ million)

| Loans | | | | |
|-----------|--------------|------------|--------|-------|
| Sovereign | Nonsovereign | Technical | | Total |
| | | Assistance | Grants | |
| – | 53.00 | 0.73 | 2.00 | 55.73 |

– = nil.
Note: Grants and technical assistance include cofinancing.

Table 2. Thailand: Cumulative Lending, Grant, and Technical Assistance Approvals^{a, b}

| Sector | No. | Total Amount (\$ million) ^c | % ^c |
|---|------------|--|----------------|
| Agriculture, Natural Resources, and Rural Development | 43 | 420.99 | 6.44 |
| Education | 14 | 164.70 | 2.52 |
| Energy | 56 | 2,375.25 | 36.33 |
| Finance | 32 | 1,056.93 | 16.17 |
| Health | 5 | 502.45 | 7.69 |
| Industry and Trade | 9 | 91.63 | 1.40 |
| Multisector | 9 | 4.49 | 0.07 |
| Public Sector Management | 34 | 15.56 | 0.24 |
| Transport | 40 | 1,299.79 | 19.88 |
| Water and Other Urban Infrastructure and Services | 31 | 605.82 | 9.27 |
| Total | 273 | 6,537.62 | 100.00 |

^a Grants and technical assistance include cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Total may not add up because of rounding.

Table 3. Thailand: Cumulative Nonsovereign Financing by Product

| Number of Projects | Amount (\$ million) |
|--------------------|---------------------|
| Loans | 765.51 |
| Equity Investments | 77.07 |
| Guarantees | – |
| B Loans | 170.00 |
| Grants | 2.00 |
| Total | 1,014.58 |

– = nil.

With its strategic geopolitical position and significance as the second largest economy in the Association of Southeast Asian Nations (ASEAN), Thailand plays a major role in promoting regional cooperation and integration. Having attained upper middle-income status, the country aspires to reach higher-income status within the next 2 decades.

However, since the late 1990s, economic growth in Thailand has been impeded by global economic shocks, natural disasters, sociopolitical tensions, and relatively low investment. Other challenges to growth have included persistent inequality, environmental degradation, and an aging population.

The Asian Development Bank (ADB) has been supporting the Government of Thailand since 1966. Thailand has received \$6.5 billion for 273 loans, grants, and technical assistance projects, with the greatest share of funding going to the energy sector (36%), followed by transport and communications (20%); finance (16%); and water supply, sanitation, and waste management (9%). Out of the total, ADB has provided 3 grant projects worth \$7.0 million and 183 technical assistance projects worth \$71.0 million.

Cumulative disbursements to Thailand for lending and grants financed by ordinary capital resources, the Asian Development Fund, and other special funds amounted to \$5.14 billion.

ADB-Supported Projects and Programs

The ADB country partnership strategy (CPS), 2013–2016 for Thailand provides the flexibility to respond to the country's needs and priorities by blending sovereign and nonsovereign support.

While ADB public sector operations are mainly in the form of technical assistance, financial assistance can be provided for investment purposes and policy reform. Operations continue to focus on selective interventions—predominantly upstream policy advice, capacity building, and other knowledge support—in infrastructure development, finance sector reform, climate change, and regional cooperation. ADB approved a grant of \$2 million to support community-based flood risk management, which directly addresses the issue of managing disaster risks. Another technical assistance project in this area was designed to respond to the severe floods in Thailand during 2011, addressing the issue of environmental sustainability as well as disaster risk management. In the finance sector, support focuses on improving financial literacy among the Thai population, and on enhancing the financial transparency of state-owned financial institutions.

Meanwhile, ADB private sector operations in Thailand have increased rapidly. With a focus on clean energy, and high cofinancing leverage, private sector development is now ADB's main instrument of financial assistance in Thailand.

Table 4. Thailand: Project Success Rates

| Year | Success Rate (%) | No. of Independently Evaluated Projects and Programs |
|--------------|------------------|--|
| 2005 | - | 1 |
| Total | - | 1 |

- = nil.

Note: "Year" refers to the circulation year of the project completion report (PCR). Compared with the numbers in previous years' fact sheets, the success rates reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample size, the success rate does not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2014.

Table 5. Thailand: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2013–2014

| Number of Ongoing Loans (as of 31 Dec 2014) | 2013 (\$ million) | | 2014 (\$ million) | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2013 (\$ million) | 2014 (\$ million) | 2013 (\$ million) | 2014 (\$ million) |
| Contract Awards/Commitments ^{a,b} | 0.0 | - | - | - |
| Disbursements ^a | 3.5 | 28.5 | - | - |
| Number of Ongoing Grants (as of 31 Dec 2014) ^c | - | | - | |
| Contract Awards/Commitments ^{a,b} | 3.0 | - | - | - |
| Disbursements ^a | - | - | - | - |
| Actual Problem Projects (%) | - | | - | |

- = nil, 0.0 = less than \$50,000.

Note: Totals may not add up because of rounding.

^a Includes closed loans/grants that had contract awards or disbursements during the year.

^b Excludes policy-based lending/grants.

^c Includes only Asian Development Fund and other ADB special funds.

Reflecting a commitment to responsiveness in knowledge support and policy advice, ADB continually provides technical assistance to support public-private partnerships (PPPs) in Thailand. Three technical assistance projects aim to strengthen the capacity of relevant government agencies in preparing and transacting projects for PPPs. ADB's policy advice to support PPP implementation covers infrastructure and social sector projects.

Under the country operations business plan, 2015–2017 for Thailand, ADB also encourages the country's involvement in regional cooperation and integration through ASEAN and the Greater Mekong Subregion (GMS).

Nonsovereign Operations

As a catalyst for private investments, ADB provides direct financial assistance to nonsovereign public sector and private sector projects in the form of direct loans, equity investments, guarantees, B loans, and trade finance. Since its inception, ADB has approved \$1.01 billion in financing for 17 private sector projects in Thailand (including a \$2 million grant). Most nonsovereign operations in the recent year have been in the area of renewable energy. Outstanding balances and commitments of ADB's private sector transactions in the country as of 31 December 2014 was \$593 million, representing 7.47% of ADB's total nonsovereign portfolio.

ADB's Trade Finance Program (TFP) fills market gaps by providing guarantees and loans through partner banks in support of trade. The TFP has done over 10,300 transactions supporting over \$20.5 billion in trade and over

6,000 small and medium-sized enterprises since 2004. In 2014, the TFP supported \$3.8 billion in trade through over 1,900 transactions. The TFP works with 12 banks operating in Thailand and has supported 169 transactions—exports to developing member countries—valued at \$51 million.

Cofinancing

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations, to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, other concessional financing, and commercial financing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's TFP.

By the end of 2014, cumulative direct value-added (DVA) official cofinancing for Thailand amounted to \$521.7 million for 11 investment projects and \$13.2 million for 28 technical assistance projects. Cumulative DVA commercial cofinancing for Thailand amounted to \$2.3 billion for seven investment projects.

In 2014, the Clean Technology Fund provided loan cofinancing of \$30.0 million for the Subyai Wind Power, and the Government of Japan provided \$2.0 million grant cofinancing for the Community-Based Flood Risk Management and Disaster Response in the Chao Phraya Basin to Thailand.

Table 6. Thailand: Projects Cofinanced, 1 January 2010–31 December 2014

| Cofinancing | No. of Projects | Amount (\$ million) |
|-----------------------------|-----------------|---------------------|
| Projects ^a | 12 | 2,327.03 |
| Grants | 2 | 4.00 |
| Official loans | 4 | 84.00 |
| Commercial cofinancing | 6 | 2,239.03 |
| Technical Assistance Grants | 5 | 4.85 |

^a A project with more than one source of cofinancing is counted once.

A summary of projects with cofinancing from 1 January 2010 to 31 December 2014 is available at www.adb.org/countries/thailand/cofinancing

Partnerships

ADB established its Thailand Resident Mission in Bangkok in 2005. The resident mission has the dual role of managing the national ADB portfolio in Thailand and supporting regional cooperation and integration through the GMS program.

ADB's partnership with the Government of Thailand focuses on support for knowledge sharing and innovation, fostering private sector development, and promoting regional cooperation and integration. A large and growing part of ADB involvement concerns private sector operations, with the ADB nonsovereign loan portfolio in Thailand currently representing its largest commitment in Southeast Asia. The promotion of public-private partnerships is also a priority.

ADB coordinates its ongoing operations with other development partners, civil society organizations, and

the private sector to strengthen the effectiveness, quality, and sustainability of the assistance it provides. ADB is also partnering with the government to share Thailand's development experience and knowledge with neighboring countries.

Procurement

Share of ADB's Procurement Contracts

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries, and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts were awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

ADB's procurement contracts for goods, works, and related services under loan and grant operations totaled \$6.59 billion in 2013 and \$8.58 billion in 2014. Cumulative procurement, as of 31 December 2014, was \$135.21 billion.

ADB's procurement contracts for consulting services under loan, grant, and technical assistance operations totaled \$511.13 million in 2013 and \$555.30 million in 2014. Cumulative procurement, as of 31 December 2014, was \$9.98 billion.

Table 7. **Thailand's Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects**

| Item | 2013 | | 2014 | | Cumulative (as of 31 Dec 2014) | |
|---------------------------------------|------------------------|---------------|------------------------|---------------|-----------------------------------|---------------|
| | Amount (\$ million) | % of Total | Amount (\$ million) | % of Total | Amount (\$ million) | % of Total |
| Goods, Works, and Related Services | 7.07 | 0.11 | 0.53 | 0.01 | 2,543.51 | 1.88 |
| Consulting Services | 2.56 | 0.50 | 3.76 | 0.68 | 84.73 | 0.85 |
| Total Procurement | 9.64 | 0.14 | 4.29 | 0.05 | 2,628.24 | 1.81 |

Goods, Works, and Related Services

From 1 January 1966 to 31 December 2014, contractors and suppliers were involved in 194,667 contracts for goods, works, and related services under ADB loan and grant projects worth \$135.21 billion. During the same period, 3,653 contracts were awarded to contractors and suppliers from Thailand worth \$2.54 billion.

Table 8. **Top 5 Contractors/Suppliers from Thailand Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2010–31 December 2014**

| Contractor/Supplier | Sector | Contract Amount (\$ million) |
|---|--------|------------------------------------|
| KRC-Sky JV | TRA | 10.77 |
| Ch. Thavee Construction Company Limited | TRA | 9.92 |
| Christiani & Nielsen (Thai) Public Co., Ltd. | TRA | 9.79 |
| Thaiwat Engineering Company Limited | TRA | 9.64 |
| BCK-PNT JV | TRA | 9.32 |
| Others | | 329.41 |
| Total | | 378.85 |

TRA = Transport.

Consulting Services

From 1 January 1966 to 31 December 2014, consultants were involved in 45,584 contracts for consulting services under ADB loan, grant, and technical assistance projects worth \$9.98 billion. During the same period, 544 contracts were awarded to consultants from Thailand worth \$84.73 million.

Table 9. **Top 5 Consultants from Thailand Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2010–31 December 2014**

| Consultant | Sector | Contract Amount (\$ million) |
|--|--------|------------------------------------|
| International Institute for Energy Conservation | ENE | 7.79 |
| CDM Smith Thailand | TRA | 2.79 |
| Asian Institute of Technology | ENE | 2.31 |
| Asian Engineering Consultants Corp., Ltd. | TRA | 1.31 |
| DFDL Mekong (Thailand) Ltd. | ENE | 0.66 |
| Individual consultant/s | | 5.69 |
| Others | | 4.01 |
| Total | | 24.56 |

ENE = Energy, TRA = Transport.

Operational Challenges

The key operational challenge for ADB in Thailand is to effectively respond to the rapidly changing development needs and priorities of a dynamic upper-middle income country. This requires the strategic flexibility—which has been purposefully built into the CPS—to remain engaged through policy advice and knowledge support. ADB is well positioned to help formulate and implement the structural reform agenda needed for Thailand to address its key development challenges. Delivering timely knowledge support that is of high quality will continue to translate into development results, but this support needs to be accompanied by suitable financing products and the leveraging of private sector investment and financing.

ADB values Thailand as a strategic development partner, and as an important driver of greater regional integration and interregional cooperation. Thailand has much to offer in terms of its development experience and knowledge, and ADB is fully committed to facilitating the transfer of this knowledge throughout the region.

Future Directions

The Government of Thailand is particularly interested in ADB expertise to help catalyze knowledge sharing, leverage private sector finance, and promote regional cooperation and integration.

In the public sector, ADB will support transport infrastructure development, primarily through knowledge support. This will involve helping to address multimodal, national, and subregional links, as well as logistics infrastructure, to improve the efficient movement of goods, services, and people. ADB will also promote public-private partnership to expand and improve the delivery of economic and social infrastructure and other

public services. Development of the finance sector will be supported through expansion of the capital market and enhancing access to finance, while environmental sustainability and climate change mitigation remain key considerations. To support regional cooperation, ADB will collaborate with the government in its subregional economic cooperation programs. This includes backing Thailand's plans to expand its role as a development partner through the sharing of the country's experience and knowledge under South-South cooperation.

ADB private sector operations will add value by focusing on infrastructure and the finance sector. ADB will pursue climate-friendly investments, and seek to take an innovative role in Thailand's economy by engaging in areas that have traditionally been difficult targets for the private sector. ADB will also foster relationships with Thai companies looking to invest in the wider region.

About Thailand and ADB

ADB Membership

Joined 1966

Shareholding and Voting Power

| | |
|-------------------------------|--|
| Number of shares held: | 144,522 (1.368% of total shares) |
| Votes: | 183,952 (1.393% of total membership, 2.139% of total regional membership) |
| Overall capital subscription: | \$2.09 billion |
| Paid-in capital subscription: | \$104.69 million |

Contributions to Special Funds Resources

Thailand has contributed to the Asian Development Fund (ADF), which is ADB's window for concessional lending to its borrowing members, and to the Technical Assistance Special Fund (TASF), which provides grants to borrowing members to help prepare projects and undertake technical or policy studies.

| | |
|--|-----------------|
| Contributions to the ADF (committed): | \$17.11 million |
| Contributions to the TASF (committed): | \$0.88 million |

Maliarn bin Hamad is the Director and **Khin Khin Lwin** is the Alternate Director representing Thailand on the ADB Board of Directors.

Yasushi Negishi is the ADB Country Director for Thailand. The Thailand Resident Mission was opened in 2005, and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Thailand. The resident mission also supports Thailand's regional cooperation and integration activities in the Greater Mekong Subregion and beyond.

The Thailand government agency handling ADB affairs is the Ministry of Finance.

About the Asian Development Bank

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance (TA). In 2014, lending volume was \$12.92 billion (113 projects), with TA at \$158.88 million (256 projects) and grant-financed projects at \$405.34 million (17 projects). In addition, \$9.24 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2010 to 31 December 2014, ADB's annual lending volume averaged \$12.10 billion. In addition, investment grants and TA funded by ADB and special funds resources averaged \$697.97 million and \$156.69 million in TA over the same period. As of 31 December 2014, the cumulative totals excluding cofinancing were \$216.21 billion in loans for 2,729 projects in 44 countries, \$6.87 billion in 256 grants, and \$3.75 billion in TA grants, including regional TA grants.

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Useful ADB websites

Asian Development Bank
www.adb.org

Asian Development Outlook
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