



Asian Development Bank & Thailand

FACT SHEET

Table 1. Thailand: 2011 Loan, Technical Assistance, and Grant Approvals (\$ million)

Loans				
Sovereign	Nonsovereign	Technical Assistance	Grants	Total
–	170.00	1.55	3.00	174.55

– = nil.

Table 2. Thailand: Cumulative ADB Lending by Sector as of 31 December 2011^a

Sector	Loans (no.)	Amount (\$ million)	% ^b
Agriculture and Natural Resources	9	409.21	6.67
Education	5	160.72	2.62
Energy	31	2,046.61	33.34
Finance	12	1,044.50	17.01
Health and Social Protection	1	500.00	8.14
Industry and Trade	3	90.46	1.47
Transport and ICT	18	1,291.60	21.04
Water Supply and Other Municipal Infrastructure and Services	9	595.00	9.69
Multisector	1	1.38	0.02
Total	89	6,139.48	100.00

Total Disbursements \$4,526.80 million

ICT = information and communication technology.

^a Includes sovereign and nonsovereign loans.

^b Total may not add up because of rounding.

Table 3. Thailand: Cumulative Nonsovereign Financing by Product

Number of Projects	12
	Amount (\$ million)
Loans	445.76
Equity Investments	77.07
Guarantees	–
B Loans	170.00
Grants	2.00
Total	694.83

– = nil.

Partnerships

The Asian Development Bank (ADB) has partnered with the Government of Thailand since it joined ADB as a founding member in 1966. The government encourages development partners in Thailand to coordinate their assistance, and ADB collaborates with the Agence Française de Développement, the Japan International Cooperation Agency, the Japan Bank for International Cooperation, United Nations agencies, and the World Bank in areas that are consistent with Thailand's country partnership strategy (CPS). Such collaboration focuses on institutional capacity building to support Thailand's national development agenda and its growing role as a regional development partner, infrastructure development in the Greater Mekong Subregion (GMS), and clean and efficient energy technology.

In addition, ADB cooperates with civil society organizations to strengthen the effectiveness, quality, and sustainability of the services it provides. The relationship with civil society organizations in Thailand has primarily been focused on knowledge sharing that will contribute to a better understanding of each party's respective activities.

Operational Challenges

Thailand's goal to progress beyond its current upper-middle income status calls for a more effective and dynamic partnership with ADB. At the national level, core challenges center on the need for private sector participation and investment in infrastructure development, and for increasing the size, depth, and liquidity of Thailand's capital market. In infrastructure, attracting private sector inputs requires a more conducive environment for public–private partnerships (PPPs), and greater clarity and transparency on issues related to service standards, cost sharing, tariff setting, revenue allocation, procurement and contracting, and operations and maintenance responsibilities. To boost capital market development, the government needs to modify the taxation system to remove distortions, rationalize the regulatory environment, improve cross-agency communications, enhance enforcement, and encourage product innovation.

Institutional strengthening is a prerequisite for enhancing Thailand's role and capacity as a subregional development partner. To strengthen Thailand's role as project financier, capacity building assistance is needed to identify, finance, and implement complex investment projects.

Future Directions

ADB's operations in Thailand will continue in line with the CPS, which is essential for enhancing the competitiveness of Thailand's economy. Railway modernization and motorway expansion will reduce transport logistics and operating costs. Mainstreaming PPPs will help the government maximize opportunities for private sector participation in infrastructure, reduce its financial burden, foster technologically advanced designs and systems, ensure timely construction, and achieve operational efficiencies. In this regard, ADB will promote private sector involvement in public sector activities. Capital market development will be bolstered with a focus on implementing a capital market development master plan in Thailand. ADB will support economic and social reforms, such as microfinance, for inclusive growth to further access to social and economic opportunities. Lastly, innovative approaches and technologies will improve environmental management and energy efficiency, including support for private sector-led solar and wind power activities, as well as energy-efficient municipalities.

Thailand is also striving to increase its own role, capacity, and effectiveness as a regional and global development partner. ADB adds considerable value to the partnership through its extensive experience and expertise in supporting subregional cooperation programs and regional economic integration. At the regional level, Thailand and ADB will work together to cofinance development projects and develop knowledge-sharing programs in areas of subregional trade and investment in neighboring countries, and to contribute to the development of more efficient and liquid bond markets in Asia.

ADB's future operations will be defined in a new CPS, 2012–2016, aligned with the 11th National Economic and Social Development Plan, 2012–2016. Strengthening economic resilience and knowledge management would be new potential partnership areas.

Context

Thailand is now classified as an upper middle-income country with a gross national income per capita of \$4,210 in 2010. Since joining ADB, Thailand has received \$6.14 billion for 89 loans. The greatest share of the loans went to the energy sector (33.34%); followed by transport and ICT (21.04%); finance (17.01%); and water supply, sanitation, and waste management (9.69%). The remaining loans have supported projects in health, education, agriculture and natural resources, and industry and trade. In recent years, technical assistance and knowledge sharing played a major role in Thailand's engagement with ADB. In 2011, ADB approved \$4.55 million in technical assistance and grants.

Thailand's economy rebounded strongly from the global financial crisis of 2009 but was badly affected by the floods of 2011. Thailand needs to maintain growth to build on the progress it has made toward the Millennium Development Goals, while taking urgent steps to enhance resilience to internal and external risks.

ADB-Supported Projects and Programs

The establishment of ADB's Thailand Resident Mission in January 2005 marked the beginning of a new phase of cooperation

Table 4. Thailand: Development Indicators

Non-MDG	
Population in millions	67.60 [2011]
Annual population growth rate (%)	0.5 [2009–2011]
Adult literacy rate (%)	93.5 [2005]
Population in urban areas (%)	34.0 [2010]
MDG	
Population living on less than \$1.25 (PPP) a day (%)	0.4 [2009]
Population living below the national poverty line (%)	7.8 [2010]
Under-5 mortality rate per 1,000 live births	13 [2010]
Population using an improved drinking water source (%)	96 [2010]

MDG = Millennium Development Goal, PPP = purchasing power parity.

Sources: ADB. 2012. *Basic Statistics 2012*. Manila; United Nations Educational, Scientific and Cultural Organization (UNESCO). 2012. Institute for Statistics Data Centre; World Bank. 2012. World Development Indicators Online.

Table 5. Thailand: Economic Indicators, 2007–2011

Economic Indicator	2007	2008	2009	2010	2011
Per capita GNI, Atlas method (\$)	3,200	3,640	3,720	4,150	...
GDP growth (% change per year)	5.0	2.5	(2.3)	7.8	0.1
CPI (% change per year)	2.2	5.4	(0.9)	3.3	3.8
Unemployment rate (%)	1.4	1.4	1.5	1.0	0.7
Fiscal balance (% of GDP)	(0.9)	(1.3)	(4.8)	(2.0)	(1.5)
Export growth (% change per year)	18.2	15.9	(13.9)	28.4	16.4
Import growth (% change per year)	9.1	26.7	(25.1)	37.0	24.7
Current account balance (% of GDP)	6.3	0.5	8.3	4.2	3.4
External debt (% of GNI)	34.3	30.7	29.4	35.1	...

... = data not available, CPI = consumer price index, GDP = gross domestic product, GNI = gross national income.

Sources: ADB. 2012. *Asian Development Outlook 2012*. Manila; ADB staff estimates; World Bank. 2012. World Development Indicators Online.

Table 6. Thailand: Project Success Rates

Sector	% ^a	No. of Rated Projects/Programs
Agriculture and Natural Resources	57.14	7
Education	100.00	4
Energy	100.00	21
Finance	87.50	8
Health and Social Protection	–	1
Industry and Trade	100.00	2
Transport and ICT	93.33	15
Water Supply and Other Municipal Infrastructure and Services	66.67	6
Total	87.50	64
Year of Approval		
1960s	100.00	1
1970s	87.50	24
1980s	85.71	14
1990s	88.00	25

– = nil, ICT = information and communication technology.

^a Based on aggregate results of project/program completion reports (PCRs), PCR validation reports (PCRVRs), and project/program performance evaluation reports (PPERs) using PCRVR or PPER ratings in all cases where PCR and PCRVR/PPER ratings are available.

Sources: PCRs, PCRVRs, and PPERs containing a rating circulated as of 31 December 2011.

Table 7. Thailand: Portfolio Performance Quality Indicators for Sovereign Lending, 2010–2011

	Number of Ongoing Loans (as of 31 Dec 2011)	
	2010 (\$ million)	2011 (\$ million)
Contract Awards/Commitments ^{a,b}	–	–
Disbursements ^a	–	100.0
Number of Ongoing Grants (as of 31 Dec 2011) ^c	1	
	2010 (\$ million)	2011 (\$ million)
Contract Awards/Commitments ^{a,b}	–	–
Disbursements ^a	–	–
Project at Risk (%)	50.0	

– = nil.

Note: Totals may not add up because of rounding.

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

^b Excludes policy-based lending/grants.

^c Includes only ADF and other ADB Special Funds.

between Thailand and ADB. The CPS, 2007–2011, between the government and ADB was approved in 2007, and the government resumed borrowing from ADB in 2009, after a 9-year hiatus.

Recognizing Thailand's emergence as an upper middle-income country, ADB supports Thailand's efforts to enhance its competitiveness and resilience in the global economy and to promote higher levels of private sector investment. At the regional level, the partnership focuses on increasing Thailand's role, capacity, and effectiveness as a development partner by cofinancing projects in neighboring countries, promoting subregional trade and investment, and further developing Asian bond markets.

Expansion of the partnership between Thailand and ADB builds upon the successful implementation of technical assistance to improve the environment for PPPs, with streamlined processes and guidelines; strengthened capacity; and improved sector, legal, and regulatory frameworks. ADB has provided Thailand with loan and technical assistance to broaden and deepen its capital markets, and to develop and operate infrastructure projects. Quick disbursement of grant assistance totaling \$3 million from the Asia Pacific Disaster Response Fund was provided to Thailand in November 2011 to support immediate expenses for flood relief efforts.

Cofinancing

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

By the end of 2011, cumulative direct value-added official cofinancing for Thailand amounted to \$435.7 million for six investment projects and \$10.3 million for 27 technical assistance projects.

A summary of projects with cofinancing from 1 January 2007 to 31 December 2011 is available at www.adb.org/countries/thailand/cofinancing

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 a total of \$694.8 million in nonsovereign financing, all of which were for 12 private sector projects in Thailand. Total outstanding balances and commitments of ADB's private sector transactions in the country as of 31 December 2011 totaled \$393.5 million, representing 7.3% of ADB's total nonsovereign portfolio.

Procurement

From 1 January 1968 to 31 December 2011, contractors and suppliers were involved in 197,338 contracts for ADB loan projects worth \$109.78 billion. During the same period,

Table 8. Thailand: Projects Cofinanced, 1 January 2007–31 December 31 2011

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	1	1,033.22
Grants	1	2.00
Commercial Cofinancing	1	1,031.22
Technical Assistance Grants	6	3.82

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

Table 9. Thailand: Share of Procurement Contracts

Item	2010		2011		Cumulative (as of 31 Dec 2011)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods and Works	0.19	0.00	102.79	1.44	2,270.64	2.07
Consulting Services	3.08	0.74	7.20	1.69	81.72	1.00

0.00 = less than 0.01%.

Table 10. Thailand: Contractors/Suppliers Involved in ADB Loan Projects, 1 January 2007–31 December 2011

Contractor/Supplier	Sector	Contract Amount (\$ million)
Phelps Dodge Thailand Ltd.	Energy	11.63
Gunkul Engineering Public Co.	Energy	1.06
Chase Enterprise (Siam) Co. Ltd.	Industry and Trade	0.29
Sripatum University	Agriculture and Natural Resources	0.25
Asian Institute of Technology	Education	0.16
Thammasat University Bookstore	Education	0.12
International Continuing Education Center	Public Sector Management	0.06
International Center for Development	Agriculture and Natural Resources	0.05
Scalar Technology Co. Ltd.	Transport and ICT	0.04
Soil and Fertilizer Promotion Dev. (DOAE)	Agriculture and Natural Resources	0.01

ICT = information and communication technology

Table 11. Thailand: Top Consultants (Individual Consultants and Consulting Firms) Involved in ADB Loan Projects, 1 January 2007–31 December 2011

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Wilbur Smith Associates, Inc.	4	9.66
International Institute for Energy Conservation	1	1.50
Individual consultants	5	0.18

Table 12. Thailand: Top Consultants (Individual Consultants and Consulting Firms) Involved in ADB Technical Assistance Projects, 1 January 2007–31 December 2011

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Intl. Institute for Energy Conservation	4	7.51
Asian Disaster Preparedness Center (ADPC)	2	0.95
Team Consulting Engineering & Management Co., Ltd.	1	0.44
Constellation for AIDS Competence	1	0.40
KPMG Phoomchai Business Advisory Ltd.	1	0.27
Asian Institute of Technology	1	0.20
Pricewaterhousecoopers (THA)	2	0.19
Intl. Organization for Migration (THA)	2	0.13
CIAP (Conference Interpreters Asia Pacific) Co., Ltd.	1	0.05
Planned Parenthood Association of Thailand	1	0.09
Individual consultants	96	2.25

contractors and suppliers from Thailand were involved in 4,337 contracts for ADB loan projects worth \$2,270.64 million.

From 1 January 1968 to 31 December 2011, consultants were involved in 12,179 contracts for ADB loan projects worth \$4.81 billion. During the same period, consultants from Thailand were involved in 56 contracts for ADB loan projects worth \$36.73 million.

From 1 January 1968 to 31 December 2011, consultants were involved in 24,484 contracts for ADB technical assistance projects worth \$3.42 billion. During the same period, consultants from Thailand were involved in 389 contracts for ADB technical assistance projects worth \$44.98 million.

Table 13. **ADB Assistance to Developing Member Countries, 2010–2011^a**

	2010 (\$ million)	2011 (\$ million)	Change (%)
Lending	11,444.53	12,605.46	10.14
ADF, Sovereign	2,212.57	1,954.85	(11.65)
OCR, Sovereign	8,196.96	9,050.61	10.41
OCR, Nonsovereign	1,035.00	1,600.00	54.59
Public Sector	–	600.00	
Private Sector	1,035.00	1,000.00	(3.38)
Equity Investments	235.00	239.00	1.70
Grants ^b	1,052.86	844.14	(19.82)
Technical Assistance Grants	325.00	359.39	10.58

– = nil, () = negative, ADF = Asian Development Fund, OCR = ordinary capital resources.

^a Excludes terminated loans, equity investments, technical assistance, and grants.

^b Excludes grant cofinancing not administered by ADB.

About Thailand and ADB

ADB Membership

Joined 1966

Shareholding and Voting Power

Number of shares held: 144,522 (1.37% of total shares)
 Votes: 184,012 (1.39% of total membership,
 2.14% of total regional membership)

Overall capital subscription: \$2.22 billion
 Paid-in capital subscription: \$110.97 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): \$13.44 million
 Contributions to the TASF (committed): \$0.49 million

Chaiyuth Sudthitanakorn is the Executive Director and **Govinda Bahadur Thapa** is the Alternate Executive Director representing Thailand on the ADB Board of Directors.

Mr. Craig Steffensen is the ADB Country Director for Thailand. The Thailand Resident Mission (TRM) was opened in 2005 and provides the primary operational link between ADB and the government, private sector, development partners, and civil society stakeholders in its activities. TRM engages in policy dialogue and acts as a knowledge base on development issues in Thailand.

The Thai 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 2011, lending volume was \$12.61 billion (104 projects), with TA at \$148 million (212 projects) and grant-financed projects at \$614 million (23 projects). In addition, \$7.7 billion was generated in direct value-added cofinancing in the form of official loans and grants and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2007 to 31 December 2011, ADB's annual lending volume averaged \$11.34 billion. In addition, TA and investment grants funded by ADB and special funds resources averaged \$755.3 million and \$175.0 million in TA over the same period. As of 31 December 2011, the cumulative totals excluding cofinancing were \$179.7 billion in loans for 2,423 projects in 42 countries, \$5.0 billion in 186 grants, and \$3.3 billion in TA grants, including regional TA grants.

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Useful ADB websites

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www.adb.org

Asian Development Outlook
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Annual Report
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Depository Libraries
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