



# Thailand P3 Market Snapshot

In December 2017, the Royal Thai Government issued the 2018 – 2022 Public Private Partnership Master Plan, under the 2013 Public-Private Partnership (P3) Act. The Master Plan serves as a policy guidance for the Government agencies to determine which state undertaking should be chosen and receive P3 promotion.

## The need for speed to take advantage of Thailand's P3 projects

The government of Thailand has made it clear that it intends to fully utilize public-private partnerships (P3s) in order to implement the country's upcoming infrastructure development goals. The adoption of the Private Investment in State Undertakings Act B.E. 2556 (2013) (PISUA) and the announcement of the Strategic Plan on Private Investment in State Undertakings in 2015 demonstrate the specific policy objectives the government intends to achieve through using P3s.

A public-private partnership enables the state sector to outsource public services to the foreign and domestic private sector and private companies to invest and engage in public infrastructure and energy projects. The economic benefit of public-private partnerships for the public welfare is disputed, but they can create an attractive business opportunity for foreign enterprises.

Under Thailand's legislation, a P3 is defined as "public sector's investment with the private sector in any form or allowing private sector

investment by issuing a permit, granting of a concession or of any form of right". It is the declared objective of the legislation to promote P3 investments by standardization, facilitation, and transparency.

Thailand is currently in a rush to successfully realize P3 projects of various scope and size. This opens a particular window of opportunities for foreign investors in Thailand's infrastructure and energy, but also other industries.

According to the Master Plan, P3 projects consist of two sub-sectors:

1. Those requiring private sector investment (Opt-out), such as mass transit system and cargo ports, and;
2. Those encouraging participation and investment from the private sector (Opt-in), such as telecommunication networks, irrigation systems, science and technology infrastructure, and infrastructure related to digital economy.

The Government aims to attract local and foreign companies to become the main investors in projects related to sub-sector 1, and to promote private sector participation in sub-sector 2 to help the Government invest in those projects more quickly and cost-effectively.



## Target Areas and Status

The biggest and most prominent P3 framework is the development of the Eastern Economic Corridor (EEC), a special economic zone located in 3 Eastern provinces: Chachoengsao, Chonburi, and Rayong. The goal of EEC development is to facilitate and attract investment in 10 innovative target industries in order to drive the country with 'New Engine of Growth' under the Thailand 4.0 model.

The EEC Policy Committee has identified 5 EEC Projects related to transport infrastructure, which will receive special P3 promotion (P3 EEC Track), namely:

1. the development of U-Tapao Airport as an Aerotropolis,
2. High Speed Rail Link of 3 Airports Project,
3. 3rd Phase of Map Ta Phut Industrial Port,
4. 3rd Phase of Laem Chabang Deep Sea Port, and
5. 2nd Phase of U-Tapao Maintenance, Repair and Overhaul (MRO) Facilities.

Currently, there are three P3 projects that have undergone the market sounding process, and are awaiting pre-tender announcements and/or tender openings, including;

1. Operation and Maintenance (O&M) of Bang Pa-in - Nakhon Ratchasima Intercity Motorway (M6): This project is under the supervision of the Department of Highways (DOH), Ministry of Transport, and has been approved by the Cabinet resolution on August 22, 2017 for PPP Gross Cost investment scheme.

2. Operation and Maintenance (O&M) of Bang Yai - Kanchanaburi Intercity Motorway (M81): This is another DOH's project, approved by the Cabinet resolution for PPP Gross Cost investment scheme. The pre-tender announcement was made on January 31, 2018.
3. High Speed Rail Link of 3 Airports (Don Muang - Suvarnabhumi - U-Tapao): This project, presented by the Eastern Economic Corridor (EEC) Office, Ministry of Industry, and the State Railway of Thailand, completed its market sounding session on March 21, 2018, and tender on August 2018.

*Thailand is committed to improving its infrastructure in various areas and is willing to see more Canadian companies developing these projects. The decision is yours!*

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