Green investment in Thailand and ASEAN: Opportunities and risks

24 May 2021
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Green Investments in ASEAN: Driving Forces

- Pressure from trading partners
  - Green supply chain (i.e. renewable energy, eco-packaging)
  - Green/sustainability certification
- Obligations under international agreements and SDGs
  - Regulatory framework change
  - Carbon-Neutrality Target
- Availability of technologies and innovation driving cost-effective implementation
- Capital market opportunities: Green finance
- Active role of large domestic companies paying attention to sustainability
- Growing domestic pressure/awareness
## INVESTMENT OPPORTUNITIES, JOB CREATION, AND GHG EMISSIONS REDUCTION BETWEEN 2020 AND 2030 IN 21 EMERGING MARKETS ACROSS KEY SECTORS FOR A GREEN RECOVERY

<table>
<thead>
<tr>
<th>GREEN RECOVERY ACROSS KEY SECTORS</th>
<th>EUROPE (RUSSIA, SERBIA, TURKEY, UKRAINE)</th>
<th>EAST ASIA AND THE PACIFIC (CHINA, INDONESIA, PHILIPPINES, VIETNAM)</th>
<th>SOUTH ASIA (BANGLADESH, INDIA)</th>
<th>LATIN AMERICA AND THE CARIBBEAN (ARGENTINA, BRAZIL, COLOMBIA, MEXICO)</th>
<th>MIDDLE EAST AND NORTH AFRICA (EGYPT, JORDAN, MOROCCO)</th>
<th>SUB-SAHARAN AFRICA (COTE D’IVOIRE, KENYA, NIGERIA, SOUTH AFRICA)</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>INVESTMENT OPPORTUNITY</td>
<td>$0.6 TRILLION</td>
<td>$5.1 TRILLION</td>
<td>$2.8 TRILLION</td>
<td>$1.3 TRILLION</td>
<td>$0.2 TRILLION</td>
<td>$0.3 TRILLION</td>
<td>$10.2 TRILLION</td>
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<tr>
<td>NEW DIRECT JOBS</td>
<td>16.8 MILLION</td>
<td>98.8 MILLION</td>
<td>53.2 MILLION</td>
<td>27.1 MILLION</td>
<td>4.2 MILLION</td>
<td>13.3 MILLION</td>
<td>213.4 MILLION</td>
</tr>
<tr>
<td>GHG EMISSIONS REDUCTION (CO₂)</td>
<td>324.7 MILLION TONS</td>
<td>2,010.7 MILLION TONS</td>
<td>861.6 MILLION TONS</td>
<td>351.5 MILLION TONS</td>
<td>111.7 MILLION TONS</td>
<td>153.8 MILLION TONS</td>
<td>4.0 BILLION TONS</td>
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**SOURCE:** IFC
SOME GREEN OPPORTUNITIES

- Renewable Energy
- Biomass/waste to energy
- Retrofit building for energy efficiency
- Green urban transport >> EV
- Bioenergy
- Biochemicals
- Climate-smart agriculture
- Waste management
BCG - Thailand’s National Agenda
Adopting BCG Model for Sustainable Development of Thailand

BCG Economy Model

B  Bioeconomy
C  Circular Economy
G  Green Economy

Adding USD 135 billion to Thailand GDP within 5 years on regarding environmental sustainability

Thailand’s 20-Year National Strategy

“To become a developed country with security, prosperity and sustainability in accordance with the Sufficiency Economy Philosophy”

Strategy 2: National Competitiveness, Economic Growth and Income Distribution + Strategy 5: Sustainability of National Biodiversity, Environmental Quality and Natural resources

Sustainable Development Goals

12 Responsible Consumption and Production
13 Climate Action
14 Life Below Water
15 Life on Land
17 Partnerships for the Goals
Incentivizing Investments in Greener Environment: Some examples in Thailand

1. The BOI is offering tax incentives to encourage...

   • Renewable energy production and utilization
     • Renewable energy production projects
     • Companies installing renewable energy production for internal use (i.e. rooftop solar installations)
   • Reduction of environmental impacts
     • Existing companies to achieve higher environmental standards
     • Achieving international sustainability standards i.e. FSC, PEFC

2. The BOI prohibits the use of certain substances causing global warming i.e. refrigerants having high global warming potentials
Thailand Moving Towards Green Economy

27th
On the Global Green Economy Index (GGEI)
2nd ranked in ASEAN following Singapore

Green Industry Certificate (Number of firms)

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<tbody>
<tr>
<td>Value</td>
<td>7,531</td>
<td>12,408</td>
<td>17,459</td>
<td>22,087</td>
<td>24,725</td>
<td>27,286</td>
<td>29,557</td>
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Alternative Energy Consumption (Ktoe)

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<tbody>
<tr>
<td>Value</td>
<td>8,232</td>
<td>9,025</td>
<td>10,077</td>
<td>11,051</td>
<td>11,731</td>
<td>12,725</td>
<td>14,370</td>
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</table>

Vision towards Green Growth

- Low carbon society
- Stability of economic growth without environmental damage
- High income & reducing disparity

Source: Dual Citizen, Department of Industrial Works and Department of Alternative Energy Development and Efficiency
Thailand’s Circular Plastic Economy

Objective: To reduce at least 50% of Thailand plastic marine debris by 2027 with Circular Economy

- Integrated waste collection & segregation infrastructure and system development
- Responsible consumers for waste management
- Development of recycle & upcycle business to create market demand and add value to plastic waste
- Responsible plastic industry, brand owners and retailers to manage plastic waste at source

Community Waste Management Model (Rayong)

- Waste Collecting
  - Municipality
  - Local Community
- Waste Segregation
  - Municipality
  - New Community Model
- Clean Plastic Waste → Plastic Recycle Business
- Contaminated Plastic Waste → Rayong Provincial Waste Segregation Center

Source: Why Circular Economy, Supot Katetopragarn and PPP Plastic
For More Information

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