

Energy Development In ASEAN

Exploring Asia's energy sources and trade opportunities

Thailand CONNECT



The Thai government, in its quest for energy security, is looking to improve efficiency, reduce energy usage, diversify energy sources and transform Thailand into a hub of the energy trade within ASEAN.



Thailand's rapid economic growth has fueled demand for energy. Energy consumption has increased 6.2 percent per annum over the last 25 years. Thailand produces just 20 percent of the crude oil it consumes. For natural gas, the country generates 3,400 million cubic feet per day, meeting 82 percent of total consumption. The remainder is imported from Myanmar. Most of Thailand's gas supply is used for power generation. The second largest gas consumer is the petrochemical industry. Thailand's state-owned oil and gas company PTT dominates exploration, production and distribution.

Thailand's Ministry of Energy has Targeted

Energy Reduction 25% in 2030

Thailand's two major energy-intensive sectors, transportation and industry, account for 73 percent of total domestic energy demand. Meeting future demand has become a priority. The National Economic and Social Development Board of Thailand has placed energy policy high on the national agenda. The board's most recent development plan prioritizes energy efficiency and alternative sources. Thailand's Ministry of Energy has targeted a 25 percent reduction in energy intensity by 2030 (based on 2005 levels). This would mean a 20 percent reduction in final energy consumption in 2030. The ministry is also exploring a new energy architecture that is secure, sustainable and affordable. The opportunities for private sector participation in realizing these goals are varied and abundant.

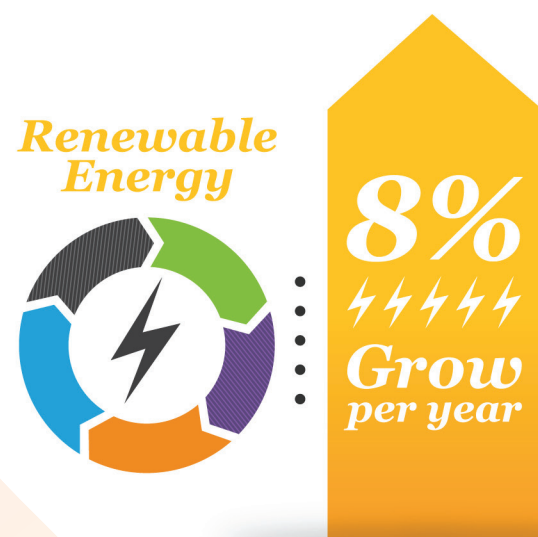
Renewable energy development is a key policy issue in Thailand. Renewables are forecast to grow 8 percent a year compared to just 2 for fossil fuels. Renewable energy development will reduce both the energy supply burden and the import of non-renewable energy. It is also favored for its reduced environmental impact. Solar, micro-hydropower, wind and biomass (agricultural waste and municipal waste) are promising sub-sectors which will allow Thailand to realize the potential value of its domestic energy resources. Biomass is the most pervasive source of alternative energy in Thailand-accounting for about 80 percent of alternate energy-due to the country's strong agricultural base and status as the world's top exporter of several agricultural commodities.





Opportunities in Thailand's energy sector include: ethanol production using Thailand's abundant raw agricultural inputs, the manufacture and export of solar cell modules and smaller-scale systems for residential and commercial use, solar energy development for domestic consumption,

especially in remote regions; biodiesel production from palm oil and other cash crops, and the provision of natural-gas powered vehicles which are already supported in the government's push for energy efficiency.



The technologies and know-how required to reduce energy consumption, such as energy-efficient equipment and better management of production processes, will present additional growth opportunities for investors.

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