



# Thailand's Eastern Seaboard Development

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**Office of the National Economic and Social Development Board**

# Outline :

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**2** Selection of Location

**3** Objectives

**4** Target Areas

**5** Roles of NESDB

**6** Impacts on Thai Economy

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# ESB Development : Background

## ① Serious Infrastructure Bottleneck in Bangkok

- overconcentration of economic activities in Bangkok
- severe traffic congestion
- increased dissatisfaction among investors



**Need to decentralize from BKK**

## ② Capacity Shortage of Existing Ports

- **Klong Toey Port** : river port, shallow water,
  - restriction for large container vessels
  - exceed capacity
  - high logistic cost
- **Sattahip Port**: naval port for security
  - not suitable for use as a commercial port



**Need to develop deep sea port**

## ③ Discovery of Natural Gas in the Gulf of Thailand

- the gas pipeline came on shore at Map Ta Phut area
- raw material for industries



**Opportunity to develop competitive economic base**

## ④ Depression of Thai Economy

- suffer imbalance payment
- international economy deteriorated



**Need to accelerate growth**

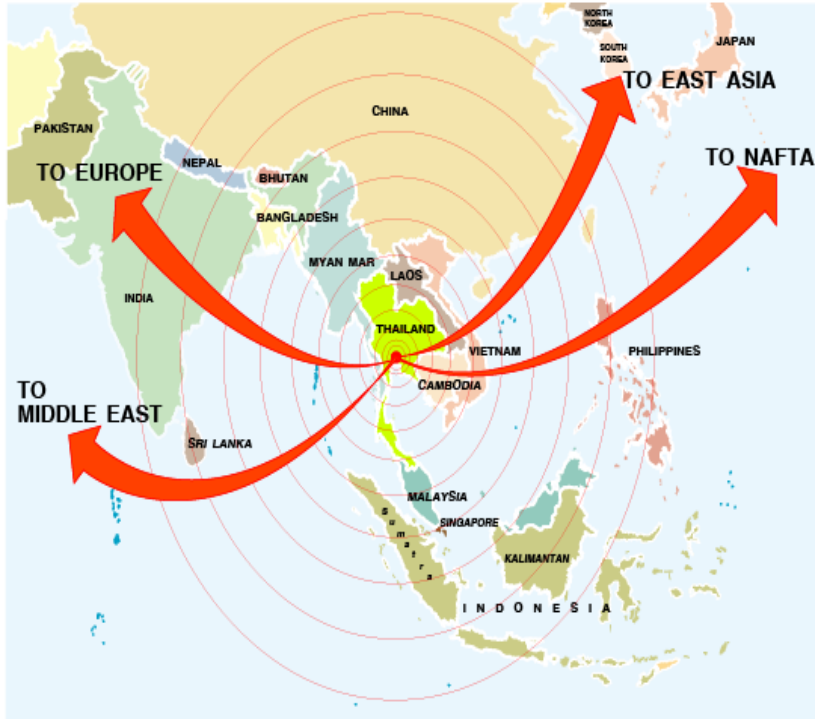
# ESB Development : Selection of Location

- **Natural gasfields were discovered in the Gulf of Thailand and the gas came on shore at Map Ta Phut area.**
- **Geographical advantages (suitable to develop deep sea ports)**
- **Proximity to Bangkok (BKK - LCB 130 km./ BKK - MTP 180 km.)**
- **Availability of hinterland for industrial development**



**Develop competitive industrial base using domestic resources with 2 deep sea ports as major infrastructure**

# ESB Development : Objectives



## ① Increase competitiveness in the world market.

- Open new gateway to connect with int'l sea transportation networks.
- Create new economic / industrial base.

## ② Distribute growth/economic activities from BKK.

- Create a more even growth distribution for the country.
- Provide alternative for investment.
- Create new labor market.

# ESB Development : Target Areas

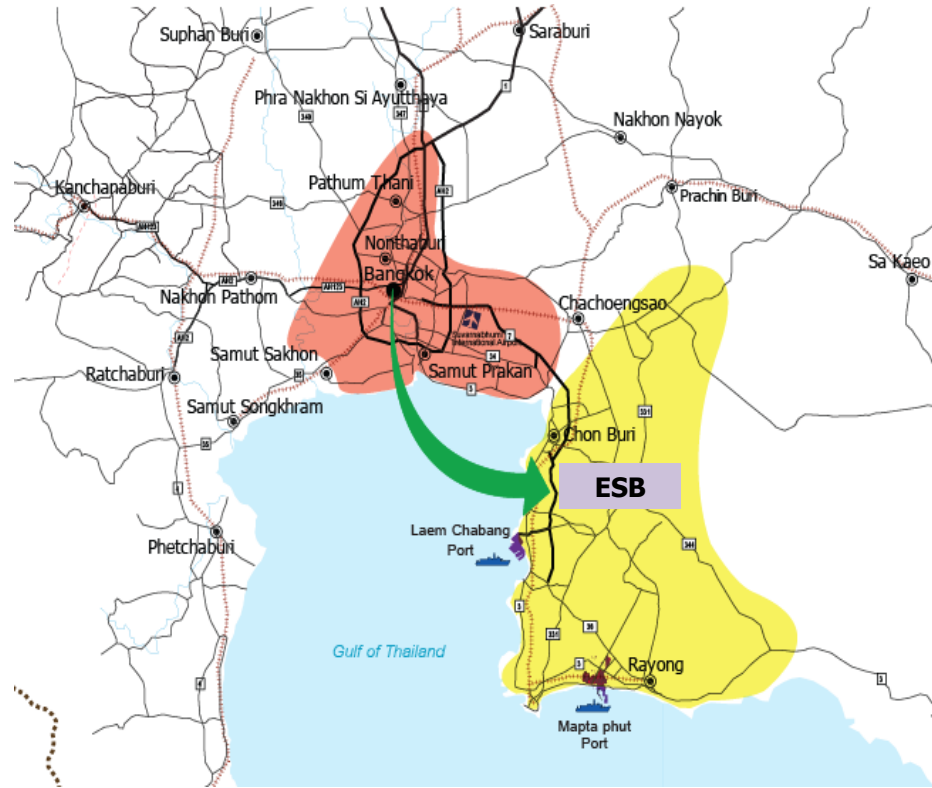
## (Chon Buri, Rayong, Chachoengsao)

### ① Laem Chabang (Chon Buri Province)

- LCB Industrial Estate (export oriented/ light industries)
- LCB Commercial Port

### ② Map Ta Phut (Rayong Province)

- MTP Industrial Estate (heavy industries, natural gas/petro chemical-based industries)
- MTP Industrial Port



# ESB Development : Target Areas

## *(Laem Chabang and Map Ta Phut)*

### 1 Laem Chabang: Chon Buri province, 130 km. from Bangkok

#### ▪ Port

- **Purpose:** commercial deep sea port (14 metres depth) for container, break bulk cargo.
- **Capacity:** starting from 50,000 DWT (2,000 TEU) to 80,000 DWT (4,000 TEU) vessels.
- **Present status:** 18 berths with total capacity of 11.1 million TEU/year.

#### ▪ Industrial Estate: export processing zone, general industrial estate. Back to back with LCB commercial deep sea port.

- **Area:** 568 ha.
- **Target industries:**
  - small scale, light, labour intensive
  - non polluting
  - export-oriented
- **Present status:** 338 factories.
  - automobile
  - electrical and electronic
  - laboratory instrument
  - rubber plastic and leather
  - engine machinery and spare parts
  - steel and metal product.



# ESB Development : Target Areas *(continued)*

## *(Laem Chabang and Map Ta Phut)*

### ② Map Ta Phut: Rayong province, 180 km. from Bangkok

#### ▪ Port

- **Purpose:** industrial port for liquids, general cargo, agricultural and mineral bulk (multi-purpose)
- **Capacity:** 60,000 DWT vessels



#### ▪ Industrial Estate

- **Area:** starting from 960 ha. to 2100 ha. (present), back to back with MTP industrial port
- **Target industries:**
  - gas-related, petrochemical based
  - heavy industries
  - capital and technology intensive
- **Present status:** 142 factories.
  - petrochemical and related products
  - chemical, fertilizer
  - paint, oil and energy
  - steel and metal product
  - rubber, plastic and leather



# ESB Development : Target Areas *(continued)*

## Major Components

### Infrastructure Development

- Deep-Sea Port/ Industrial Estate
- Road / Railway
- Reservoir/ Water pipeline/ Water Supply
- Electricity/ Telecommunications/ Community Housing etc.

### Industrial Development

- Gas Separation Plant
- Petrochemical industry/ Oil Refineries/ Chemical Products
- Electronics
- Automobile and Spare Parts etc.

### Community and Social Services

- Residence
- Education
- Health Care etc.

### Others

- Environmental Protection Measures
- Investment Promotion measures  
Tax incentives: for example
  - 3-8 years tax holidays,
  - reduce import duties/ business taxes
- etc.



# ESB Development : Roles of NESDB

## ① Set up decision making mechanism “Eastern Seaboard Development Committee (ESDC)”

- **Chaired by the Prime Minister**
- **Members** from relevant ministries, departments, provinces
- **Overall control of ESB development program** related to policy issues.
- **Conclusion of ESDC regarded as cabinet resolution.** empowered to rule on behalf of the Cabinet.
- **Consider and make decision on important agenda** resulting in achievement of project
- **Involve concerning agencies**, discuss issues openly.
- **Follow up implementation of ESB program**, projects, according to schedule, monitor critical path
- **Sub-committees to oversee specific aspects of the implementation program such as** Investment Promotion Sub-committee, Deep Sea Port Development Sub-committee, Petrochemical Development Sub-committee, Education and Social Planning Sub-committee.

**Ensure quick and efficient decision making and coordination among government executing agencies and investors.**

**Clear, reliable, trustworthy, reasonable, practical decision making process.**

# ESB Development : Roles of NESDB *(continued)*

## Decision Making Mechanism for ESB Development Program

### Authority and Responsibility of ESDC

- ❑ Propose policy guidelines and development plan.
- ❑ Approve plans and program of concerning agencies (including foreign loans, grants, or aid).
- ❑ Supervise, examine, monitor, and evaluate implementation of projects.

**CABINET**

**Eastern Seaboard Development Committee**  
Chaired by the Prime Minister

**Secretariat Office, NESDB**

**Policy & Decision Making**

**Petrochemical Complex Sub-Committee**

Deputy Minister of Industry

**Deep-Sea Port Development Sub-Committee**

Minister of Communication

**Social and Educational Development Sub-Committee**

Minister of Education

**Investment Promotion Sub-Committee**

Minister of Industry

**Management and Institutional Arrangement Sub-Committee**

Minister attached to Prime Minister Office

**Coordinating & Monitoring**

**Petroleum Authority of Thailand**

**Port Authority of Thailand**

**Office of the National Education Commission**

**Office of the Board of Investment**

**NESDB**

**Secretariat Office**

As of 1983

(Office of the National Economic and Social Development Board : NESDB)

# ESB Development : Roles of NESDB *(continued)*

## ② Set up “**Office of the Eastern Seaboard Development Committee (OESB)**” under NESDB as secretariat office of ESDC

- **Plan and Manage overall ESB program**, physically implemented by government executing agencies.
- **Integrate all projects including action plans** from various agencies.
- **Coordinate with concerning agencies** to prepare programs, projects, request TA and loans with government as guarantee.
- **Monitor progress of the project**, accelerate the implementation of project, ensure that timeline is followed.
- **Study, analyse, give comments and compile agenda for ESDC**
- **Convince, explain, disseminate information to the public**, opportunities/ possible risks, create understanding among Thai people (public, private sectors), foreign investors, international financial institutions, minimize conflict among different opinions.
- **Engage technical assistance**, request international specialists from various international sources to be NESDB’s consultants for major projects.
- **Build connection/ networking with concerning organizations** to implement cabinet resolution
- **Set a strong teamwork** equipped with adequate personnel & budget.

# ESB Development : Assistance from Japan



- **Technical Assistance from JICA** : Feasibility studies of the ESB projects, especially Map Ta Phut and Laem Chabang ports, industrial estates, water resources, water pipelines, roads, railways, were undertaken with support from the Japanese government through JICA.
- **Japanese experts** : advice and suggestions on engineering issues of port construction, operation, and management were very helpful and valuable.
- **Loans** : Japanese government provided 27 ODA loans through OECF (now JBIC) for the construction of 16 major projects of the ESB Development Program.



# ESB Development : Impacts on Thai Economy

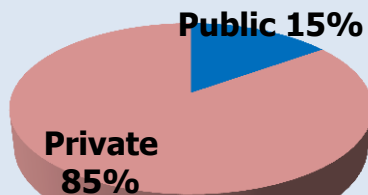
## Investment in ESB

**Public (1987-2016) : US\$ 8,388 million  
(0.30 trillion baht)**

- Mostly infrastructure development.
- Included JICA ODA loan.

**Private (Upto 2015) : US\$ 46,993 million  
(1.68 trillion baht)**

- Industries : Petrochemical/ Chemical, Electronics, Auto & Spare Parts etc.



1 US\$ = 35.75 BAHT

## Benefits of ESB Development

### ESB's Gross Regional Product in 2014

- US\$ 65,264 million (2.33 trillion baht)
- 18% of Thailand GDP

### ESB's Growth Rate from 1991-2014

- **Year 1991-1995\*:**
  - GPP Growth 74% (15% per year)
  - Manufacturing Sector Growth 137% (24% per year)
- **Year 1995-2014\*\*:**
  - GPP Growth 144.25% (5% per year)
  - Manufacturing Sector Growth 128.43% (4.76% per year)

### Create Industrial Base

- 39 Industrial Estates/ Parks
- Petrochemical/ Oil Refineries / Chemical Products
- Power Plants
- Rubber/ Plastics
- Electronics
- Automobile and Spare Parts

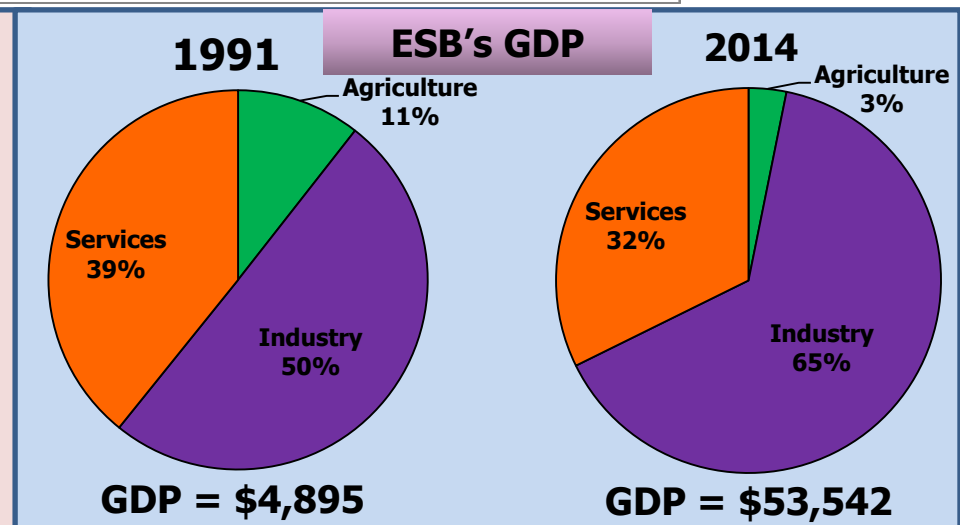
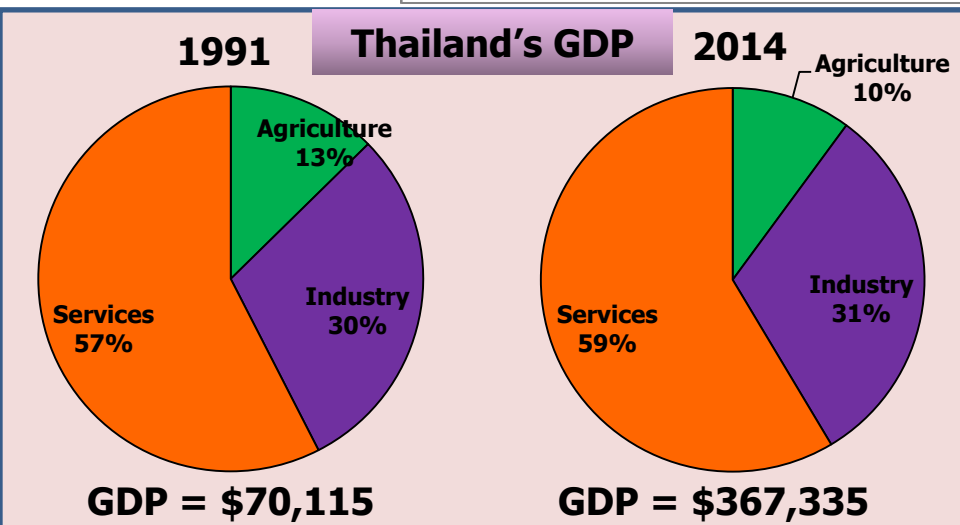
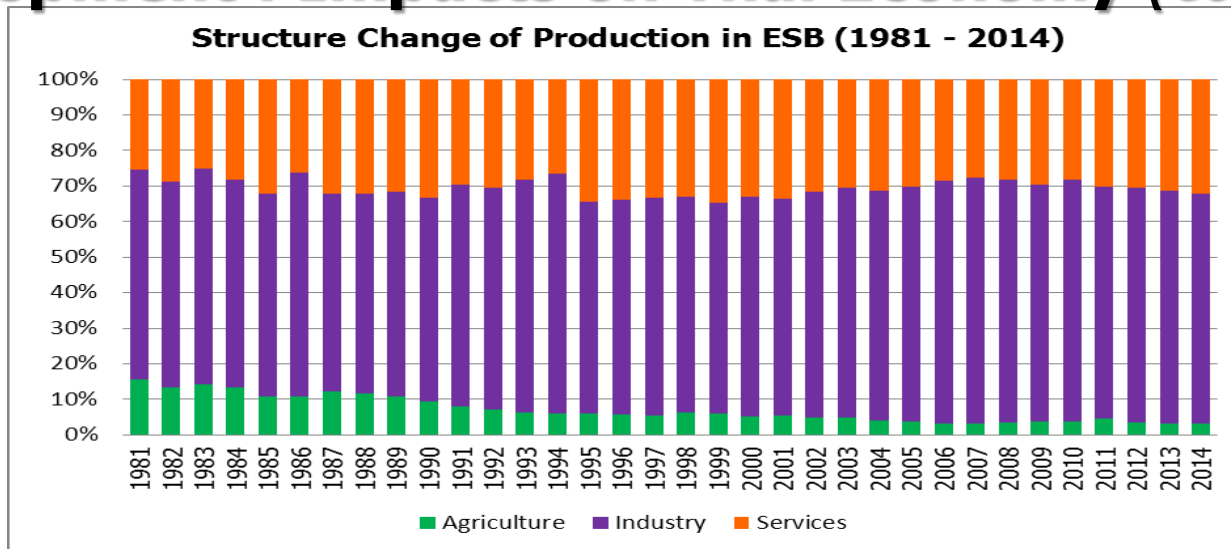
### ESB Share in Thailand's Industrial GDP in 2014\*\*

- US\$ 39,067 million (1.41 trillion baht)
- Approx. 1/3 (34%) of Thailand's Industrial GDP.

\* = current market price

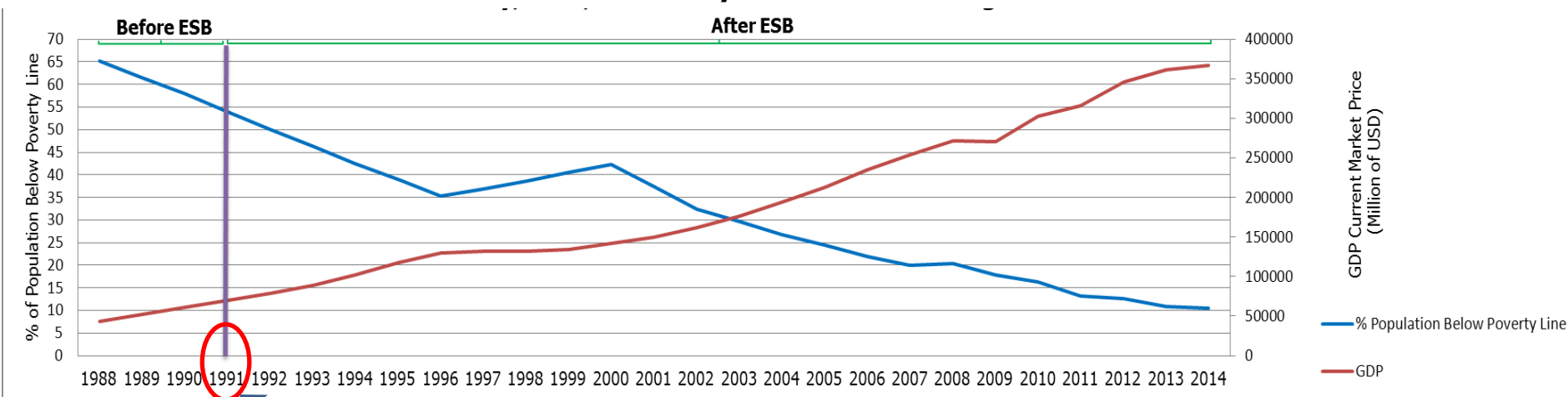
\*\* = CVMs (reference year 2002)

# ESB Development : Impacts on Thai Economy *(continued)*



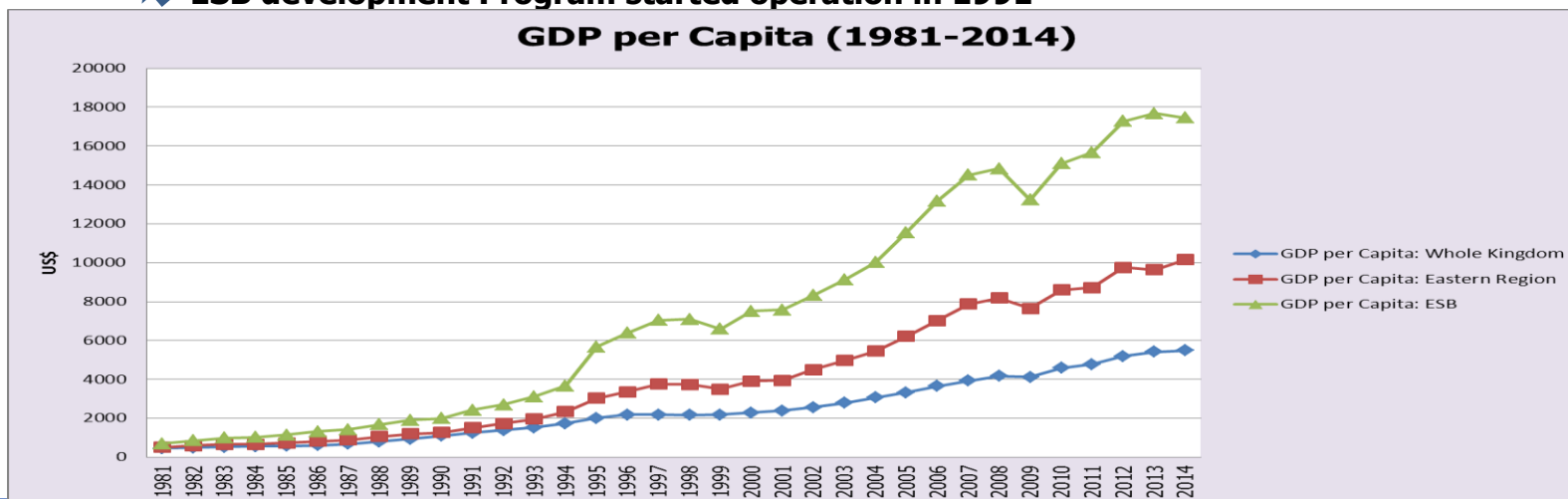
# ESB Development : Impacts on Thai Economy *(continued)*

## Thailand's Poverty and GDP before and after ESB



ESB development Program started operation in 1991

## GDP per Capita (1981-2014)





# ESB Development : NEXT STEP

## Towards Efficient and Sustainable Growth

### Guidelines

- Promote hi-tech and environment-friendly industries.
- Solve pollution and environment problems.
- Further develop infrastructure and social services.
- Distribute benefit to local people.



### Outcome

- ✓ Thailand's main production base.
- ✓ Better quality of life.
- ✓ People's acceptance.
- ✓ High quality logistics infrastructure.
- ✓ Social services and environmental management.

**Thank  
you**

[www.nesdb.go.th](http://www.nesdb.go.th)

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