

# PDMO's Roles to Support Country's Net Zero

by Mr. Pothirat Kijsriopak

Director of Government Bond Market Development

27 August 2024

# AGENDA

- Government's Funding Plan
- PDMO's Financing Activities to Support Roadmap for Country's Net Zero

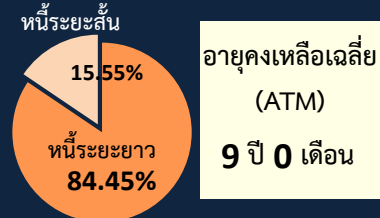
# Government's Funding Plan



หน่วย : ล้านบาท

องค์ประกอบของหนี้	พ.ค. 67	มิ.ย. 67	ก.ค. 67	สัดส่วน%	%GDP
1. รัฐบาลกู้โดยตรง	9,679,111.07	9,570,391.99	9,678,100.42	83.12	53.25
2. รัฐบาลกู้เพื่อชดใช้ความเสียหายของ FIDF	590,869.00	590,869.00	590,869.00	5.08	3.25
3. รัฐวิสาหกิจ	1,074,304.71	1,078,550.66	1,070,990.03	9.20	5.89
4. รัฐวิสาหกิจที่ทำธุรกิจในภาคการเงินฯ (รัฐบาลค้ำประกัน)	189,503.92	189,269.12	189,256.23	1.63	1.04
5. หน่วยงานของรัฐ	112,370.74	112,583.70	112,670.97	0.97	0.62
<b>รวม</b>	<b>11,646,159.44</b>	<b>11,541,664.47</b>	<b>11,641,886.65</b>		
<b>GDP</b>	<b>18,149,159.33</b>	<b>18,210,368.00</b>	<b>18,265,140.03</b>		
<b>DEBT/GDP</b>	<b>64.17%</b>	<b>63.38%</b>	<b>63.74%</b>		

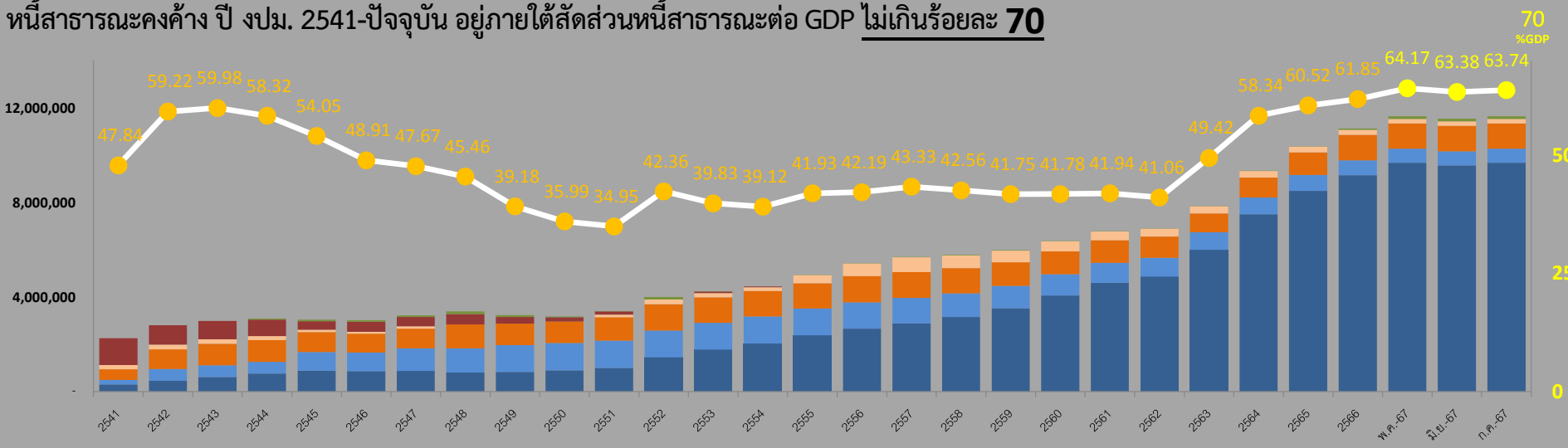
ตามอายุคงเหลือ



ตามสกุลเงินกู้

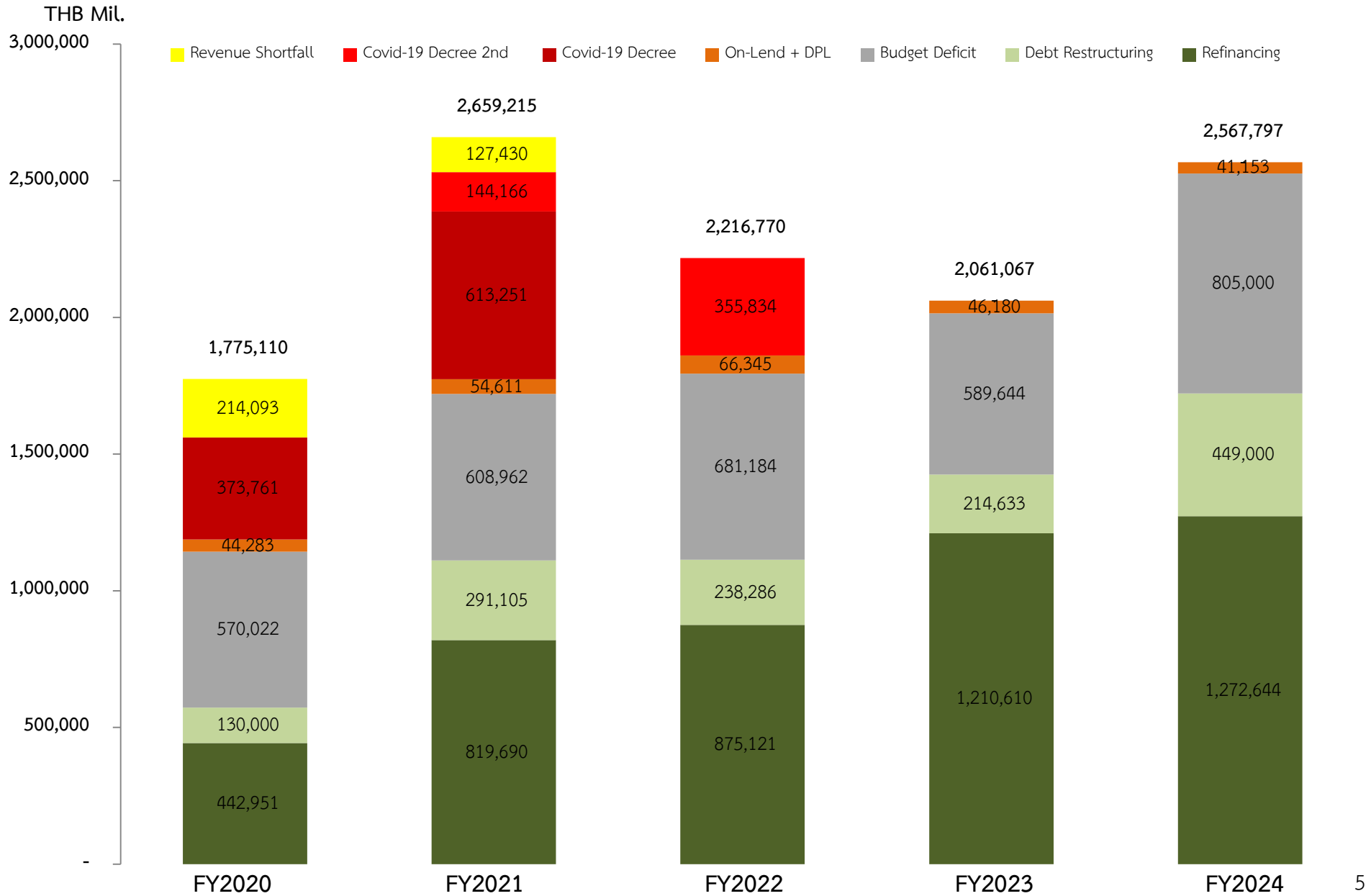


หนี้สาธารณะคงค้าง ปี งบประมาณ. 2541-ปัจจุบัน อยู่ภายใต้สัดส่วนหนี้สาธารณะต่อ GDP ไม่เกินร้อยละ 70



หมายเหตุ: สัดส่วนหนี้สาธารณะต่อ GDP สบน. คำนวณเป็นรายเดือนจากตัวเลข GDP ของสำนักงานสภาพัฒนาการเศรษฐกิจและสังคมแห่งชาติ ตามประกาศเมื่อวันที่ 19 สิงหาคม 2567

# Government Funding Needs FY2020 – 2024



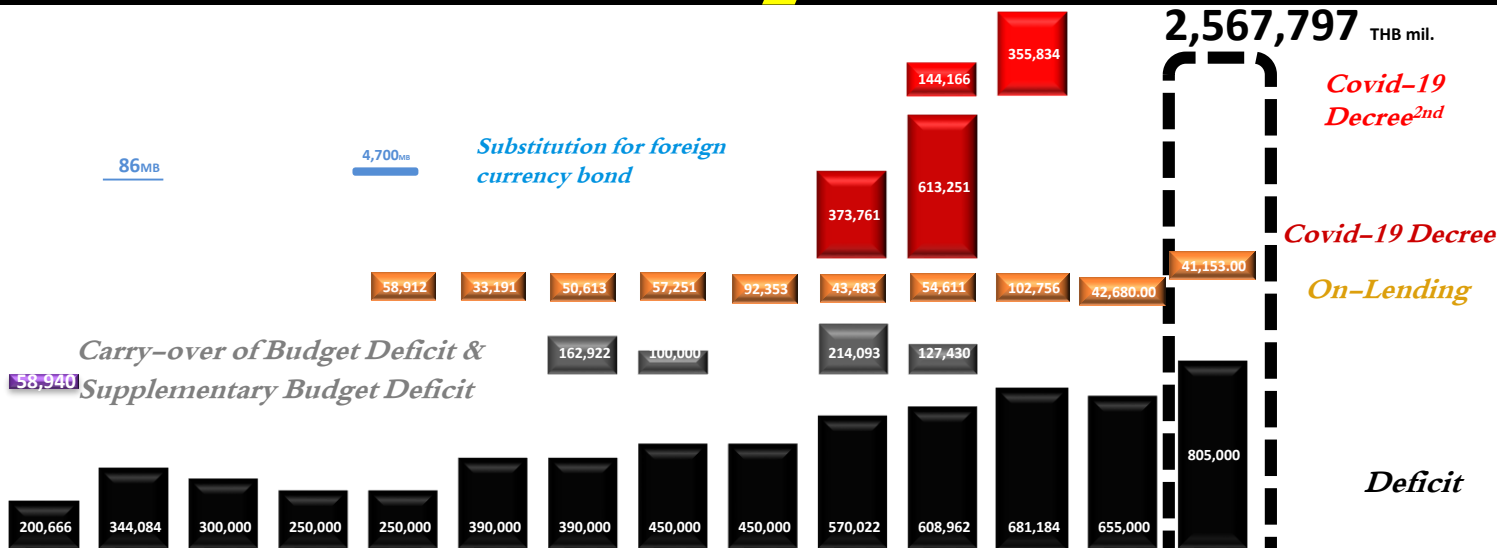
2021 - 2024

Government Funding Needs

1.00 – 2.66 THB Trillion per year

New Borrowing

690 – 1,548 THB Bil.  
Per year  
(2021-2024)

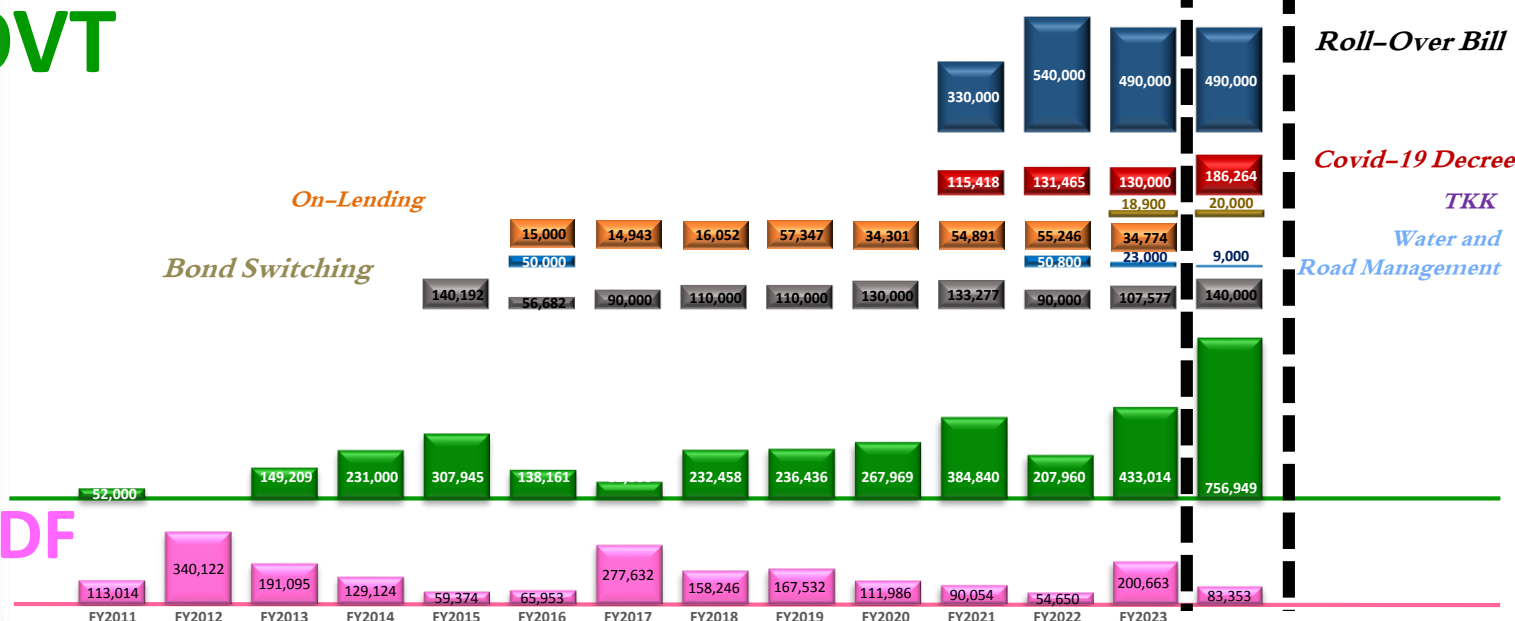


GOVT

Rollover

736 – 1,722 THB Bil.  
Per year  
(2021-2024)

FIDF



FY2024F

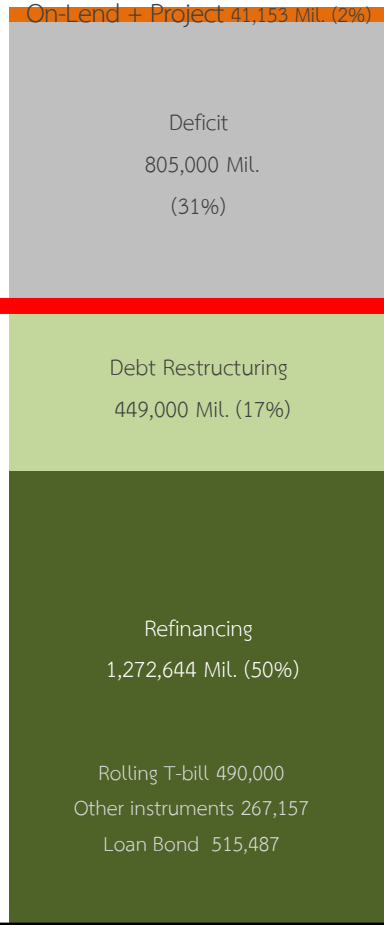
Remark : Exclude external borrowing of government and SOEs as well as borrowing for cash management purpose

# Government Funding Needs in FY2024



2,567,797 Mil

**New Borrowing**  
846,153 MB



**Roll Over**  
1,721,644 MB



Instrument	Description
<b>1. Benchmark Bond (Main Instrument)</b>	Build benchmark yield curve for SOEs and private sector and also create liquidity in secondary market
<b>2. Bond Switching</b>	To refinance and manage debt portfolio
<b>3. Treasury Bill</b>	Cooperation Between BOT and MOF to prevent Crowding out Effect
<b>4. Promissory Note / Term Loan</b>	For debt restructuring and short term financing
<b>5. Savings Bond</b>	Promote sustainable investment for Thai retail investors

## Funding Need

## Instrument

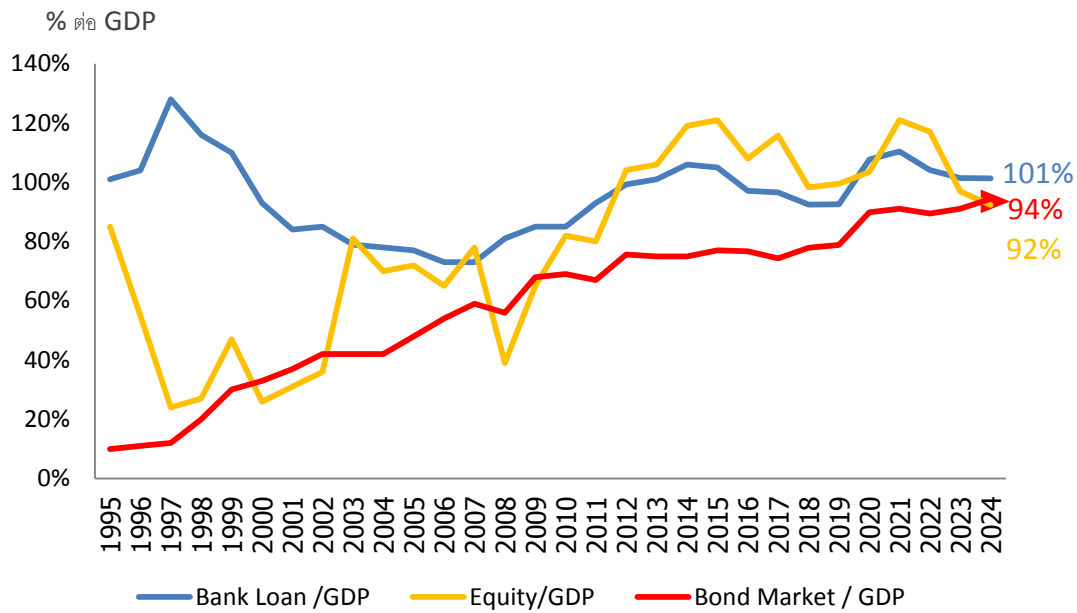
หมายเหตุ:

- การปรับโครงสร้างหนี้ที่ครบกำหนดในปี 2567 (Refinancing) หักลบวงเงินปรับโครงสร้างหนี้ล่วงหน้า (Prefunding) ที่ดำเนินการในปี 2566 วงเงิน 107,076 ลบ. และ E-Switching ใน Q4/2566 วงเงิน 20,000 ลบ.
- หักลบงบชำระหนี้เงิน วงเงินรวม 47,434.98 ลบ. และวงเงินกู้ภายใต้ พรก. โควิด 2 ที่ไม่ได้เบิกจ่ายรวม 15,000 ลบ.
- ไม่นับรวมวงเงินกู้เหลือปีเพื่อชดเชยการขาดดุลงบประมาณ พ.ศ. 2566 วงเงิน 40,000 ลบ.
- ไม่รวมวงเงินบริหารสภาพคล่อง 100,500 ลบ. และวงเงินกู้มาให้กรุงเทพมหานครฯ 6,387 ลบ.
- อ้างอิงตามแผนการบริหารหนี้สาธารณะฯ ครั้งที่ 3/2567

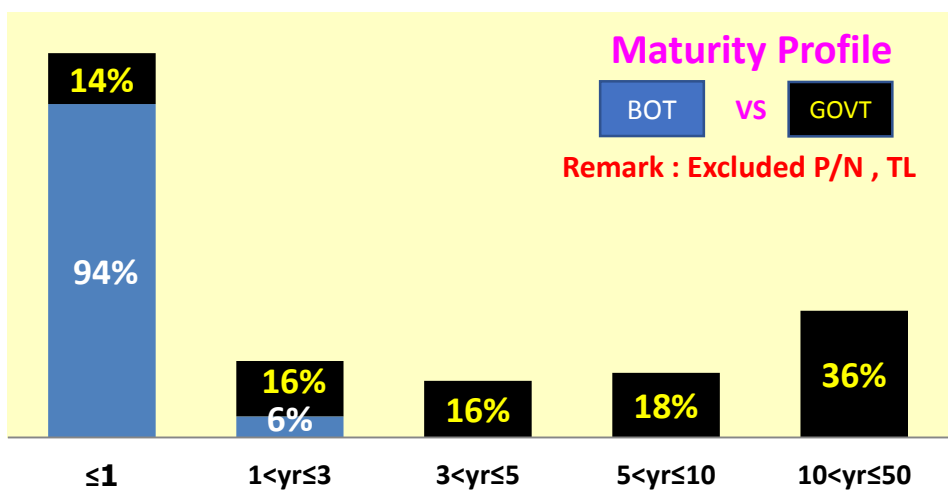


# Bond Market Cap.= 17.1 THB Trillion

# GOVT Bond = 9.1 THB Trillion

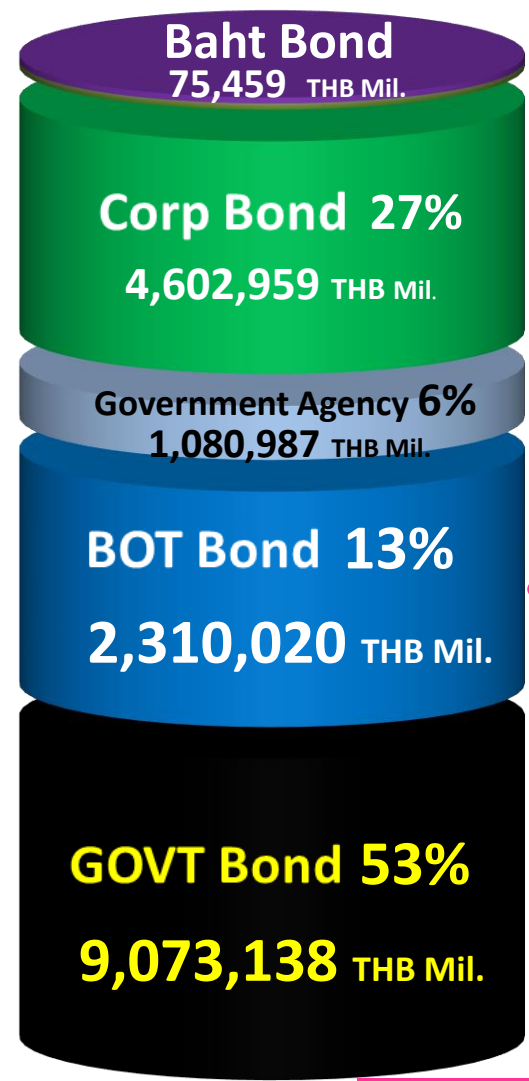


As of Aug, 2024



As of Aug, 2024

## Thai Bond Market Cap. = 17,142,563 THB Mil.



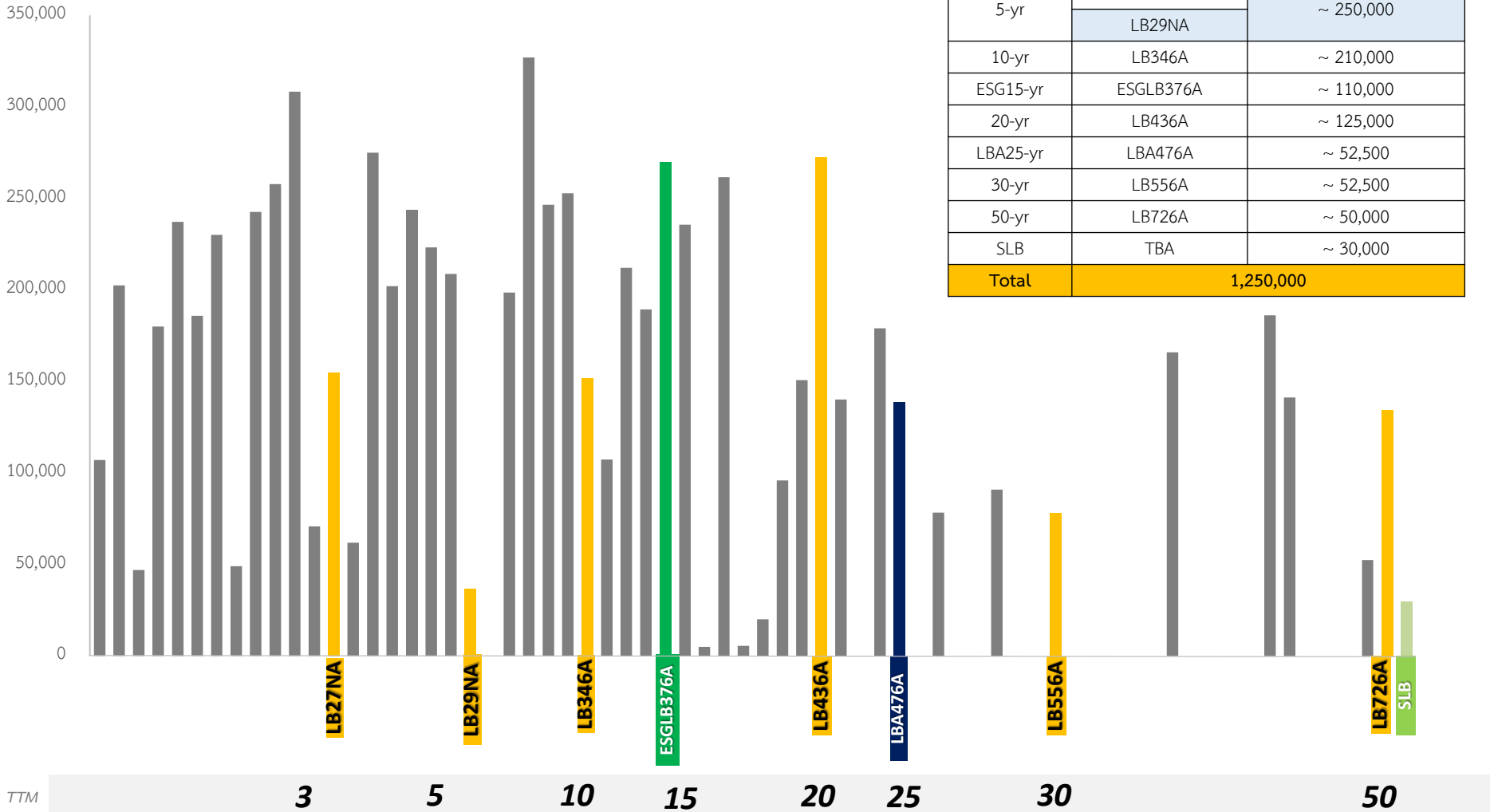
As of 23<sup>rd</sup> Aug, 2024



# Government bond issuance in FY2024



THB Mil.



TTM



## Debt management objectives

## Market / Macro

## Investor demand

- Meet Government Funding Needs
- Minimize Cost Subject to Risk
- Bond Market Development

- Yield curve: shift down and flattening
- Response to debt restructuring for fiscal stimulus during pandemic in medium term
- Risk scenarios

- Market Dialogue
- Tap various investor bases i.e ESG, Short term bond (T-Bill, 3Y)



**Review MTDS (5 Year Target Ratios) at Least Annually** : Currently review quarterly  
**Monitor Ratios Monthly**

**Scope of debt** : Government Debt + On-lending + Guaranteed SOEs Debt serviced by budget

RISKS	INDICATORS	MTDS FY 2024-2028* (5 Year Target Ratios)	Status as of June 2024
<b>Foreign Exchange Rate</b>	Unhedged external debt (% of total debt)	Reduce FX Exposure	<b>0.36</b>
<b>Interest Rate</b>	Fixed rate debt (% of Total)	≥ 80	<b>88.00</b>
	Debt refixing in 1yr (% of total)	20 - 30	<b>24.83</b>
<b>Refinancing risk</b>	Average time to maturity: ATM (years)	≤ 15	<b>9.84</b>
	Debt maturing in 1yr (% of total)	10 - 16	<b>15.33</b>
	Debt maturing in 3yr (% of total)	25 - 35	<b>35.46</b>
<b>Inflation-linked Bond (ILB) (% of total)</b>		≤ 5	<b>1.10</b>

\*Reviewed and approved by Public Debt Risk Management Sub Committee (on April 4, 2024)

- **High funding needs and higher refinancing risk** ▶ diversified instruments and lengthening duration
- **Prepare for high volatility** ▶ Review yield curve projection and MTDS (5 year target ratios) quarterly

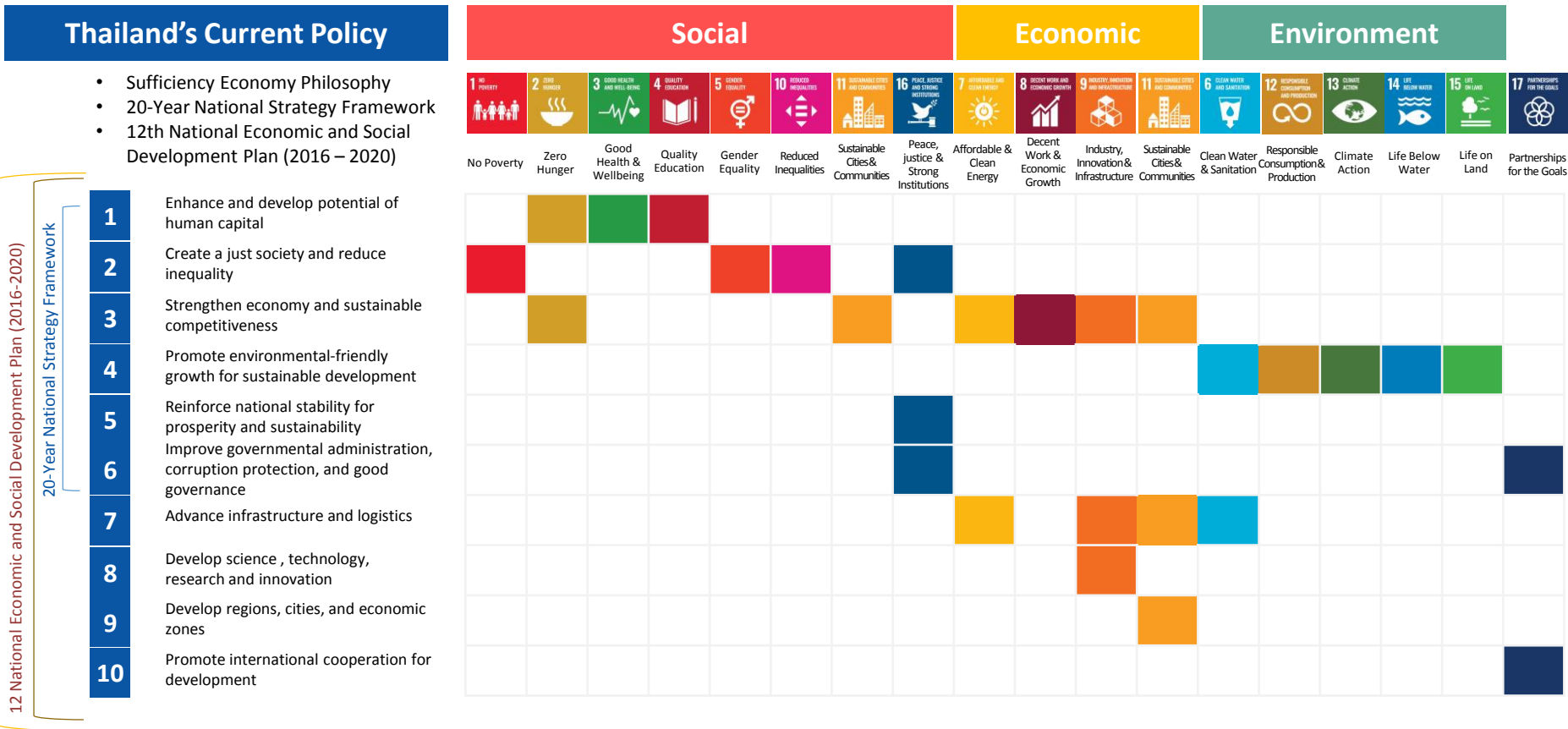
## PDMO's Financing Activities to Support Roadmap for Country's Net Zero



# Thailand is fully committed to the UN SDGs

The Kingdom of Thailand is committed to deal with climate change following the Paris Agreement and support the United Nations Sustainable Development Goals to combat with poverty, inequality, environmental degradation, health, and justice by 2030.

## The Kingdom of Thailand's contribution to the United Nations Sustainable Development Goals (UN SDGs)



Source:

Ministry of Foreign Affairs Website

<http://www.mfa.go.th/sep4sdgs/en/articles/70263-SEP-Publications-and-eBooks.html>

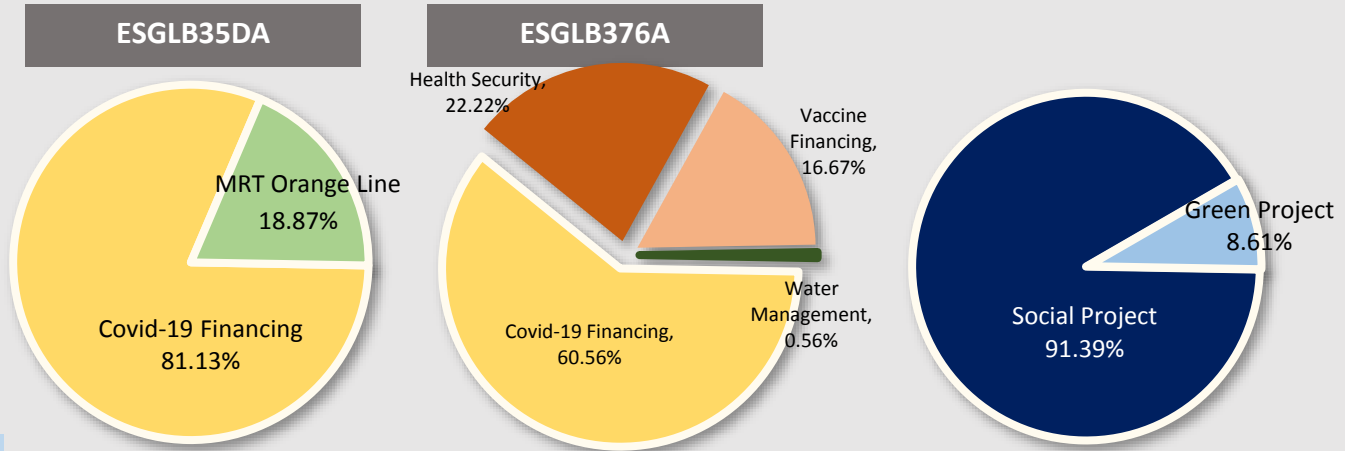
UN Sustainable Development Goals (UN SDGs)'s Website, Thailand's Voluntary National Review on the Implementation of the 2030 Agenda for Sustainable Development, June 2017

<https://sustainabledevelopment.un.org/content/documents/16147Thailand.pdf>



# Sustainability Bond's Allocation and Impact

## 1 Allocating Reporting



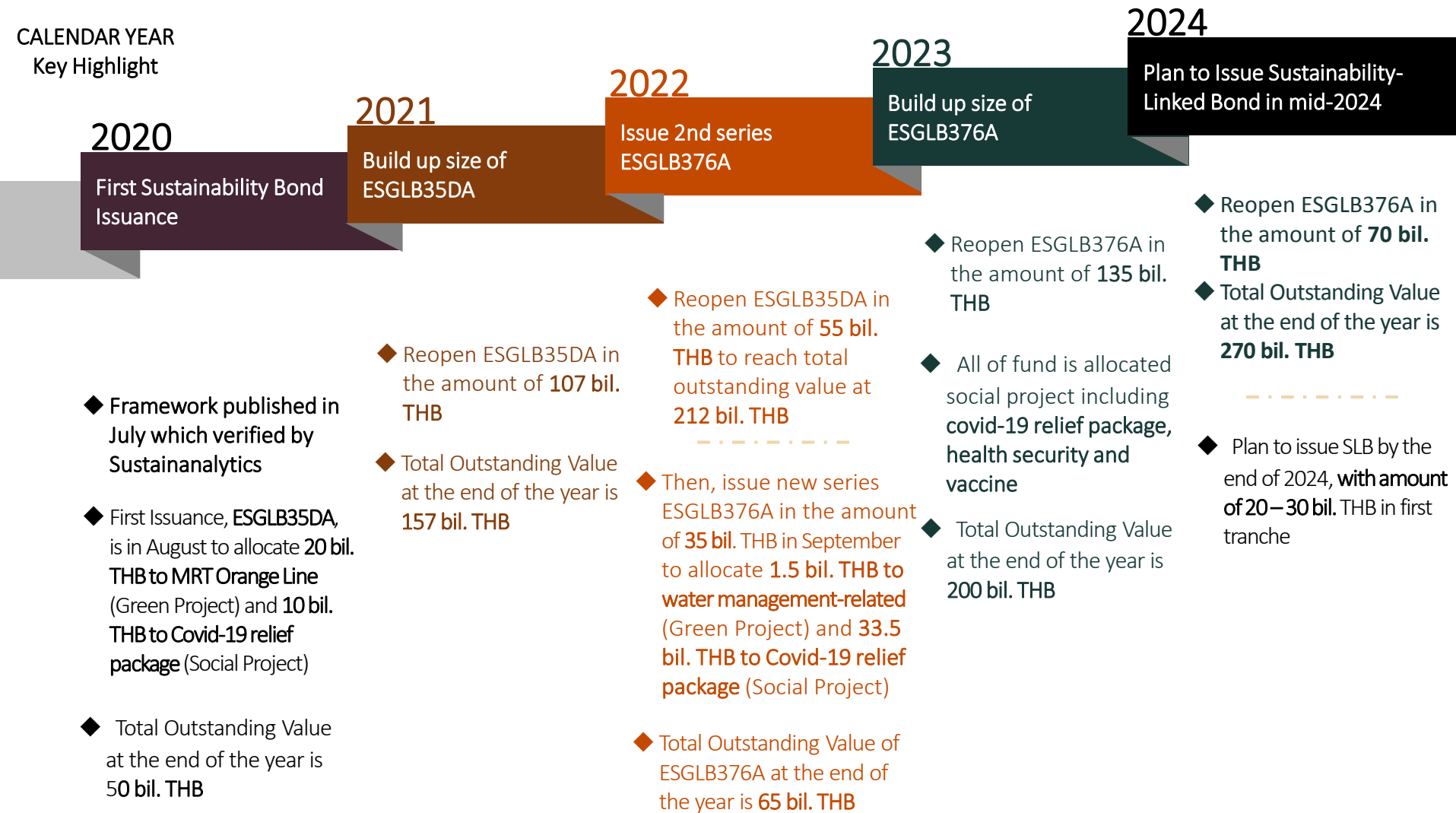
## 2 Impact Reporting

**Sustainability Bond Annual Report 2023**

The report(s) will be made available to investors on PDMO's website  
<https://www.pdmo.go.th/pdmomedia/documents/2023/Dec/Sustainability%20Bond%20Annual%20Report%202023.pdf>

Project	Outstanding (Mil. THB)	Project Amount (Mil. THB)	Disbursement proportion (%)	Eligible Categories	Process	Progress to date / Outcome
MRT Orange Line 	40,000	92,532	100	<b>Green</b> Clean Transportation	Completed	Construction has been completed. Current is in the process of selecting private company to sign PPP agreement. Expected on service in oct. 2026
Improvement and Development of Water Resource for Consumption and Agriculture 	1,500	1,810	100	<b>Green</b> Sustainable Water and Wastewater Management	Completed	# Water storage capacity: 62.07 mil. m3 # Beneficial household: 28,254 household # Agricultural area: 92,737 rai
Covid-19 Financing 	335,500	481,342	100	<b>Social</b> Employment Generation (Covid-19)	Completed	# Rao Mai Ting Kan: 15.27 mil. from 16 mil. people # Rao Cha Na: 33.20 mil from 33.5 mil. people # Rao Rak Kan: 8.10 mil from 8.14 mil. people
1 <sup>st</sup> 2 <sup>nd</sup> and 4 <sup>th</sup> Health Security	60,000	84,640	100	<b>Social</b> Healthcare (Covid-19)	Completed	#compensate 100% to hospital #satisfaction levels is 4.54 out of 5
Vaccine Financing	45,000	48,408	100	<b>Social</b> Healthcare (Covid-19)	Completed	#Pfizer 29,999,970 Dose      #Sinovac 12,000,000 Dose #AstraZeneca 10,468,100 Dose
<b>Total</b>	<b>482,000</b>	<b>708,732</b>				

# Summary of ESG Theme Bond Issuance





# Sustainability-Linked Bond is On Progress

## SLB : New Fundraising Tool

- PDMO plans to adopt SLB as one of fundraising tool.
- SLB is more flexible in allocation into diverse projects compared to project-based tools like Sustainability-Bond.

## First Tranche Tentative

- Book Building : In 2024
- Amount : TBA
- Tenor : 15 Years

## Tentative KPI/SPT

2 KPIs/SPTs

- KPI 1 : Total GHG Emission (excluding removal from LULUCF)
- SPT 1 : Achieve Total GHG Emissions (excluding removals from LULUCF) of 388,500 ktCO<sub>2</sub>e by 2030, which would represent a 30% reduction from the BAU scenario

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KPI/SPT 2 to be disclosed



THANK YOU