



# MOF NEWS

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## **Thailand Advances Low-Carbon Economy as Government, Private Sector and International Partners Join Forces to Strengthen Energy Security and Competitiveness**

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Dr. Ekniti Nitithanprapas, Deputy Prime Minister and Minister of Finance, and Mr. Ajay Banga, President of the World Bank Group, exchanged views on Thailand's transition toward a low-carbon economy under the theme **“Low Carbon Cities and Energy Security – Building System at Scale, Mobilizing Private Capital, Creating Jobs”** during the 2026 IMF–World Bank Group Annual Meetings at the Queen Sirikit National Convention Center. The discussion highlighted the role of financial and market mechanisms in supporting **green investment, mobilizing private capital, and strengthening Thailand's competitiveness.**

The Government of Thailand is committed to reducing greenhouse gas emissions in line with Thailand's commitments under the **United Nations Framework Convention on Climate Change (UNFCCC)** and the **Paris Agreement**, as well as the country's goals of achieving carbon neutrality and net-zero greenhouse gas emissions. By prioritizing public-private partnerships with the World Bank to mobilize financing and accelerate investment at scale in environmental initiatives, the Ministry of Finance supports carbon-credit transactions through the **Low Carbon Cities and Carbon Market Development Project (LCC)** as a mechanism to promote transparent and verifiable carbon-credit transactions in line with international standards.

Under the LCC Project, the World Bank is providing a **USD 200 million loan to the Export-Import Bank of Thailand (EXIM Thailand)**, backed by a sovereign guarantee from the Kingdom of Thailand through the Ministry of Finance. The financing will support Energy Service Companies (ESCOs) in investing in clean energy and improving energy efficiency in public-sector assets. This will help prepare both the public and private sectors for the transition toward a low-carbon economy and enable them to adapt to evolving technologies and international market standards.

At the same time, **Krung Thai Bank Public Company Limited (KTB)** will support mechanisms for the aggregation, verification, and monetization of greenhouse gas emission reductions, helping connect high-quality carbon credits with the market. This will support more transparent carbon-credit pricing and facilitate connections between buyers and sellers of carbon credits in both domestic and international markets.

The event also showcased progress in **3 key areas of cooperation** linking business transition, carbon-market development, and industrial investment:

**1. Cooperation between KTB and the Department of Climate Change and Environment (DCCE)** to explore financial and carbon-market mechanisms that can help businesses, particularly SMEs, adapt to new technologies and standards, while taking into account the implications for workers and affected industries and supporting a **just transition**.

**2. Cooperation to develop the carbon-credit market under the LCC Project**, with KTB supporting the aggregation of carbon credits and connections with potential buyers, while the **Stock Exchange of Thailand (SET)** is developing a transparent auction and price-discovery mechanism. **Grab, ACEIS Electric and Power Co., Ltd., DriverAI, and Thai Airways** have also expressed interest as prospective buyers, helping create market demand and support further clean-energy investment. Carbon credits must undergo the applicable validation and verification processes and be formally issued before they can be sold.

**3. Cooperation among PTT Public Company Limited, KTB and DCCE** to develop **blended-finance mechanisms** for the **I-SPARK** low-carbon industrial platform in the Map Ta Phut–Rayong area. The initiative aims to mobilize private capital for low-carbon energy, shared infrastructure, and specialty, bio-based and circular industries, while exploring linkages with the LCC Project to expand the use of carbon-finance mechanisms in support of investment.

These initiatives are consistent with the policy direction of using **financial mechanisms as a tool to support economic restructuring**. The public sector and international financial institutions can help address market constraints and establish the necessary financial infrastructure, while the private sector and capital markets can play a greater role as projects become more standardized, information becomes more reliable, and risks and returns can be assessed more clearly.

These financial mechanisms will help advance Thailand’s transition toward a low-carbon economy while creating greater economic value through lower energy costs, job creation, and new business opportunities. They will also contribute to the development of **new engines of growth for the Thai economy**, strengthen the country’s competitiveness, and support strong and sustainable economic growth over the long term.

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