# Notable Development on Oil and Gas in *Thailand*

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# Highlights of Recent Changes in Demand and Supply on Oil and Gas in Thailand

Energy Policy and Planning Office
MINISTRY OF ENERGY

# Production, Consumption and Import (Net) of Primary Commercial Energy in Thailand

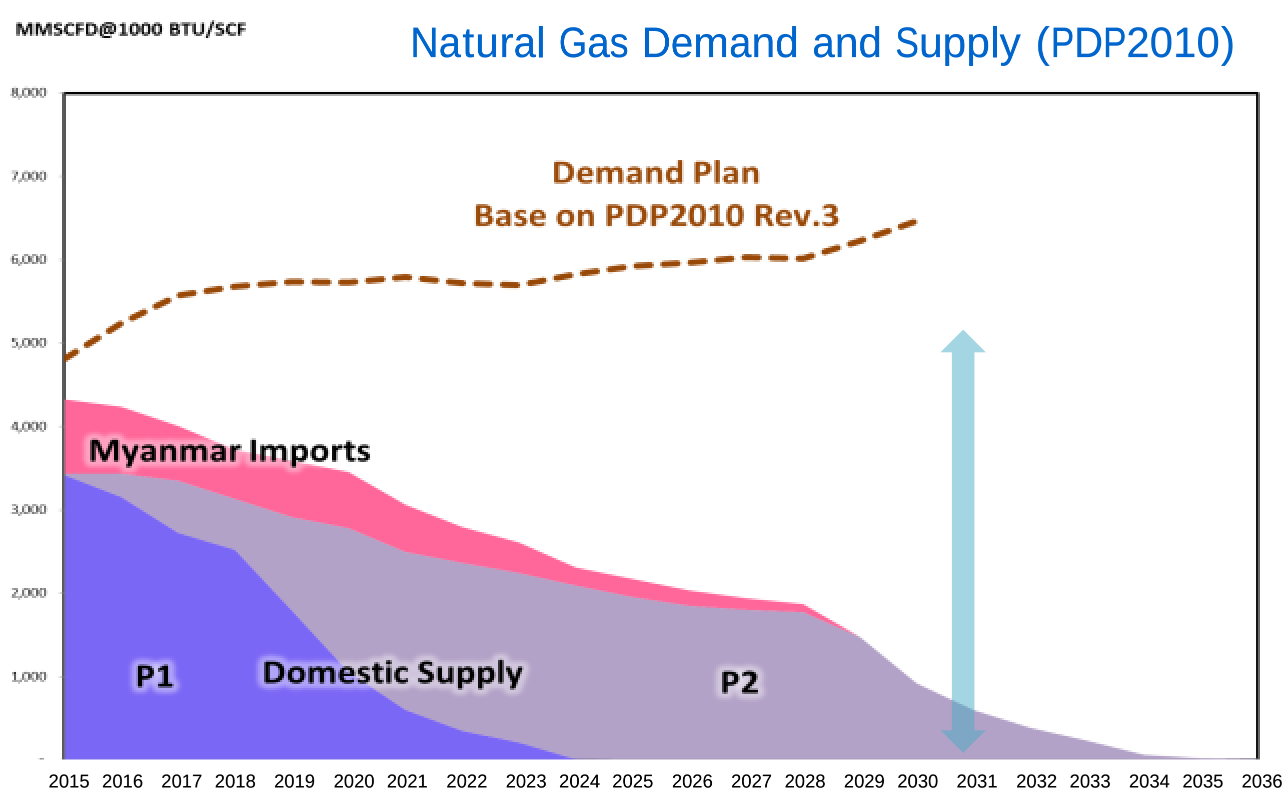
| | 2013 | 2014 | 2015 | 2016 | 2017* |
|---|---|---|---|---|---|
| **Consumption** | 1,994 | 2,038 | 2,069 | 2,096 | 2,132 |
| **Production** | 1,063 | 1,058 | 1,015 | 1,018 | 973 |
| **Import (Net)** | 1,130 | 1,171 | 1,251 | 1,275 | 1,359 |
| **Import/Consumption (%)** | 57 | 57 | 60 | 61 | 64 |
| **Growth Rate (%)** | | | | | |
| **Consumption** | 1.7 | 2.2 | 1.5 | 1.3 | 1.6 |
| **Production** | 0.4 | -0.5 | -4.0 | 0.3 | -4.7 |
| **Import (Net)** | 4.2 | 3.6 | 6.8 | 1.9 | 6.0 |
| **GDP (%)** | 2.8 | 0.9 | 2.8 | 3.2 | 3.8** |

**Unit: KBD crude oil equivalent**

- Jan-Nov
- ** Jan - Sep

# Recent notable developments in policies of oil and gas in Thailand.

# Principles behind Gas Plan 2015




## Trends

- Domestic production will start to decline in 2017
- GSP can only take less than 50% of their capacity intake by 2029
- Import will increase 19.9%/year
- Dependence on 100% of LNG import in 2034
- LNG import will reach 5,500 MMsfd or 40 million tons/year by 2030

Gas plan, therefore, aims to manage Thailand's natural gas demand and supply by 4 strategies as follows;

**1) Slow down the demand for natural gas**

**2) Prolong domestic natural gas production**

**3) Procure and manage LNG**

**4) Develop infrastructure for LNG import**

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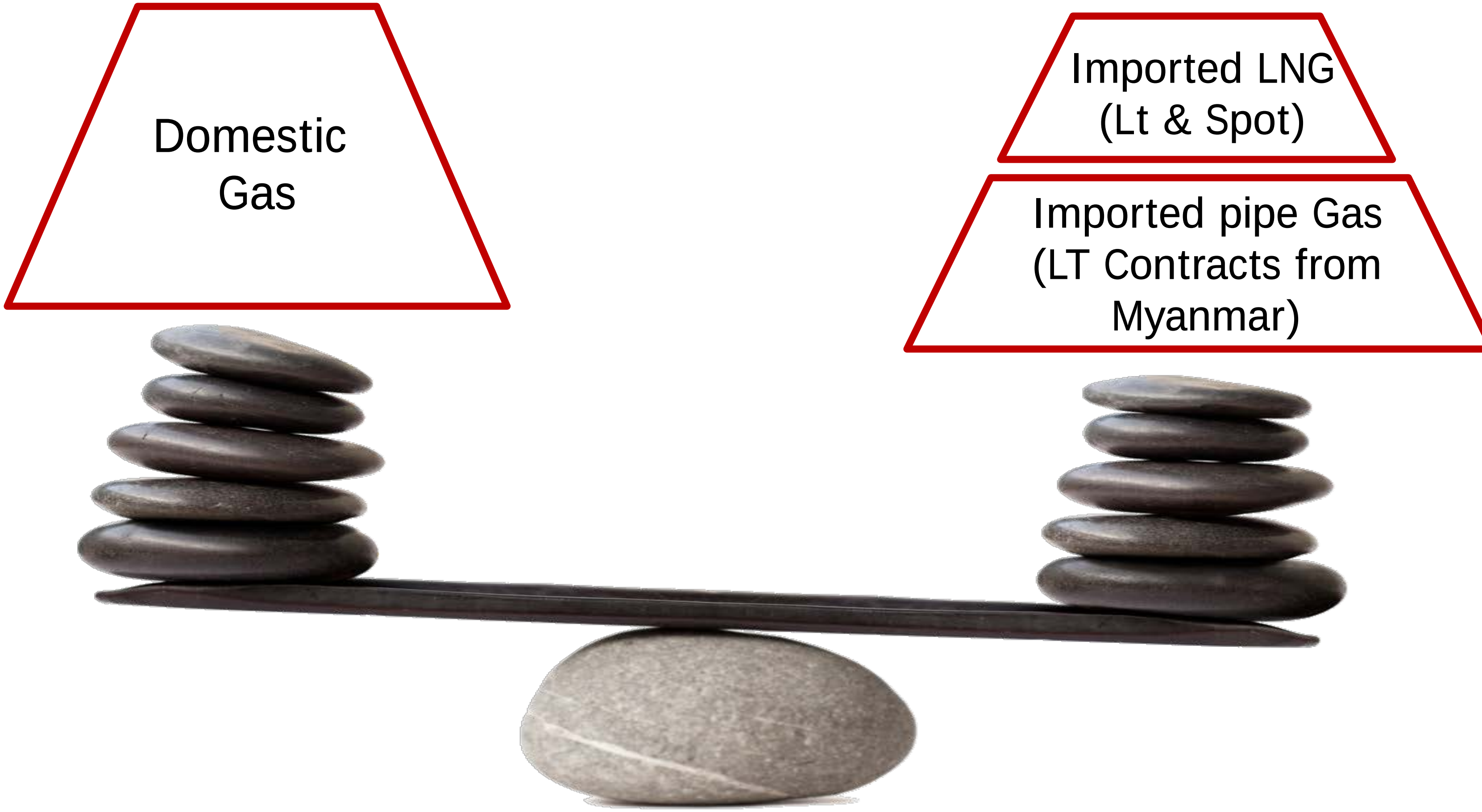
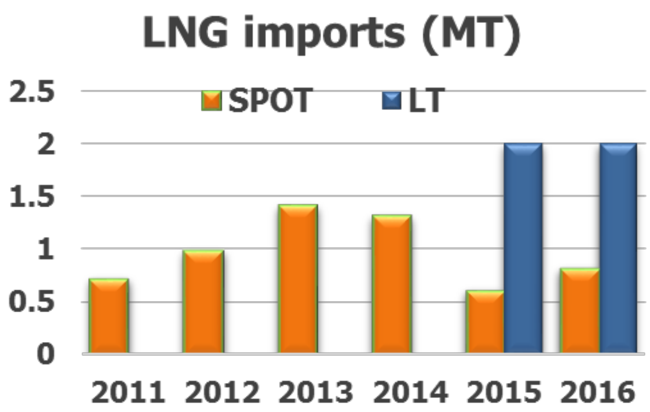
# Management on Gas Supply




On Supply –Side, management under Gas Plan aims to balance between supply produced from Domestic Fields and supply imported from Outside; via pipeline from Myanmar and in the form of LNG.

# Thailand LNG Import



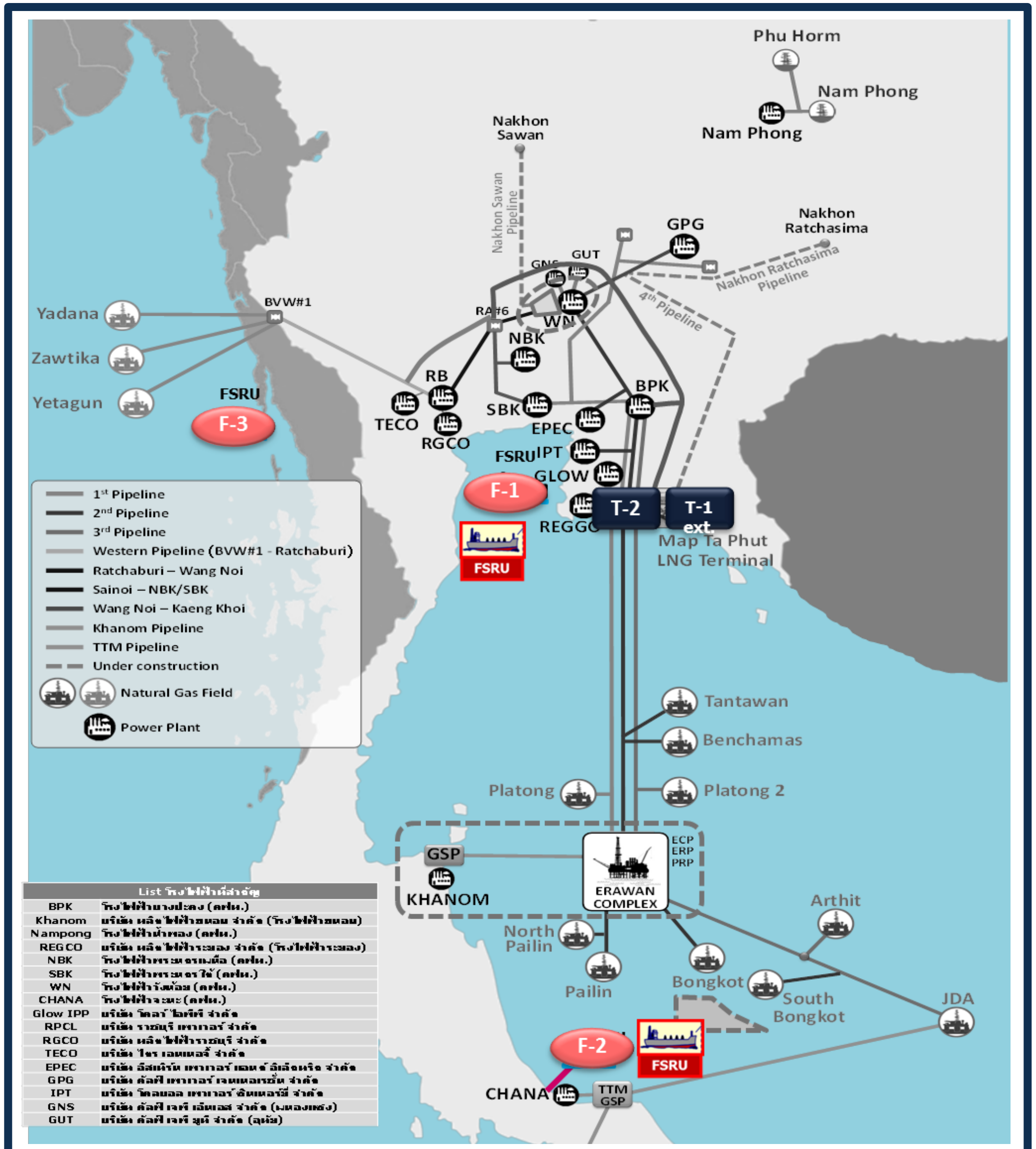


As of 20 June 2017

Proportion in 2016


- Thailand's LNG demand is expected to reach 3.6 MTPA in 2017 increasing from 2.9 MTPA from last year
- We expect more than 75% of total import this year will be procured under long term contracts to ensure security of supply in our country.

# Natural Gas Infrastructure




**FSRU**

**F1**

**F2**

**F3**

**LNG Terminal**

**T1**

**T2**

# LNG Receiving Terminals in Thailand

| | Existing Capacity (MTPA) | New Approval Capacity (MTPA) | Operator | Status |
|---|---|---|---|---|
| MTP Terminal Phase 1 | 5 | 10.0 + 1.5 | PTT Group | Operating since 2011 |
| MTP Terminal Phase 2 | 5 | | PTT Group | Under Construction |
| Second LNG Terminal | | 5.0-7.5 | PTT Group | Approved |
| FSRU at upper part of Gulf of Thailand | | 5.0 | 3rd Party | Feasibility Study |

# Principles behind Oil Plan 2015

**Oil Plan**

**EEP** **AEDP**

## Objective

1. Energy Security
2. Economic Efficiency
3. Environmental Protection

**1** Support EEP measures on fuel saving in transportation sector

**2** Manage types of transportation fuels

**3** Restructure fuel prices

**4** Promote the use of biofuel

**5** Support investment in infrastructure system

# Notable Development on Oil and Gas in Thailand

## Notable development in industry

- **Latest notable developments on oil and gas in Thailand. Update of existing, new, and future developments.**
  - In 2015, the Energy Regulatory Commission issued third-party access codes for the gas transmission pipelines and LNG regas terminal. Currently, while PTT is still the only company utilising the country's regas facility with its capacity of 10 mmtpa, while EGAT – Thailand's biggest power company – has secured 1.5 mmtpa regas capacity at the terminal from 2019 onwards.
- **Can these developments categorized into policy, infrastructure, business and industry, GDP improvement and etc.?**
  - This has been categorized as the development in policy in market liberalization for third party access

# Notable Development on Oil and Gas in Thailand

**Impacts to economy**

- **What are the expected outcomes and the impacts of these developments for Thailand?**
  - The third party access will promote competition in the market which will ultimately benefit the consumers

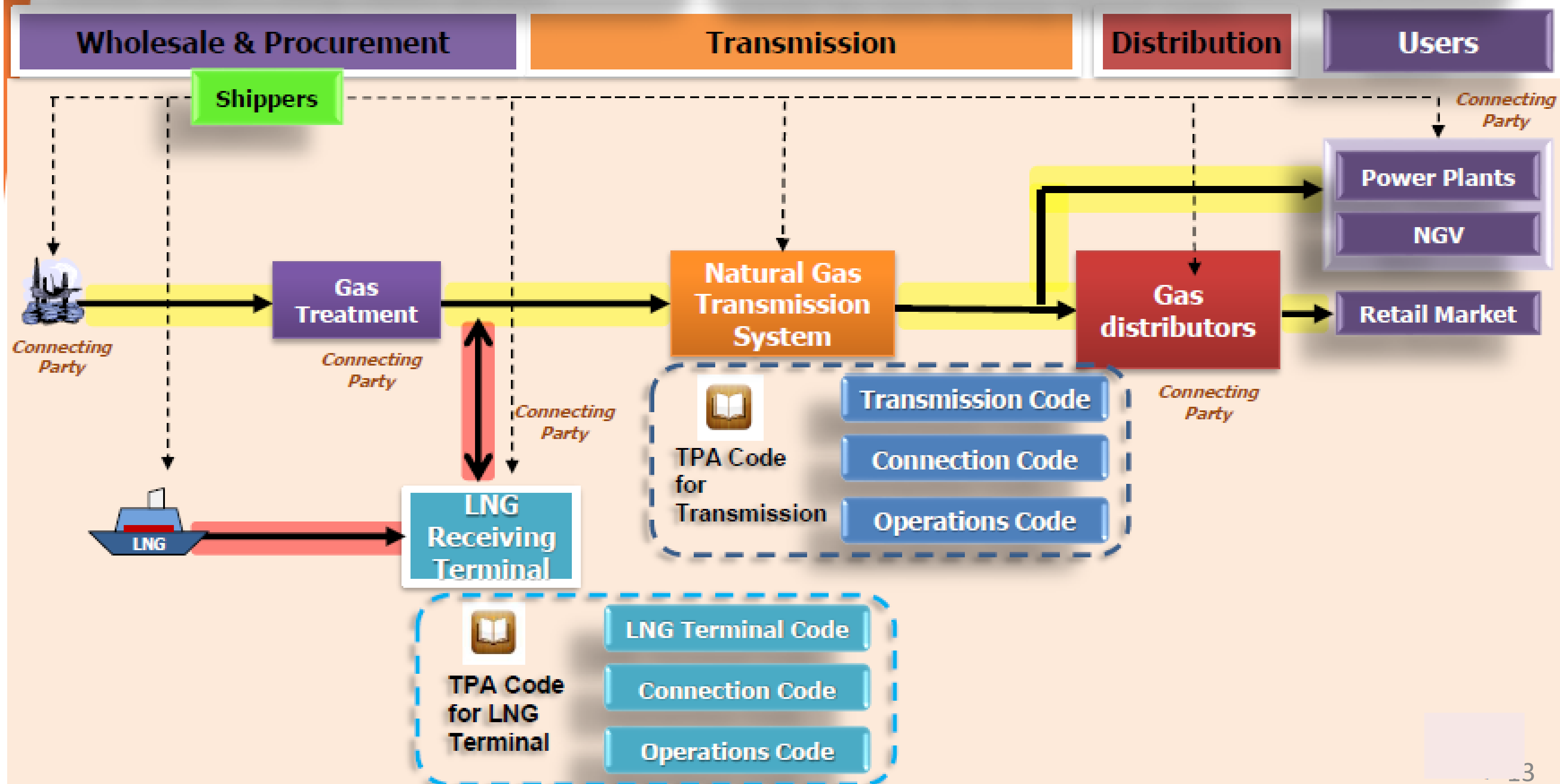
- **Can these be quantifiable into costs and benefits to Thailand?**
  - As this is the initial stage of market liberalization, the cost benefit has not been analyzed yet.

# Third Party Access Regime: TPA Regime Under Energy Industry

**S. 7 : The Objectives of this Act are to:**

- Protect energy consumers' benefits in terms of both tariffs and service quality
- Promote competition in energy industry
- Promote fair and transparent service
- Promote efficient in energy industry operation

**S. 80:** A licensee who owns an energy network system shall carry out energy industry operation fairly without unjust discrimination
**S. 81:** A licensee who owns an energy network system must allow other licensees or energy industry operators to utilize or connect to his system in accordance with terms stipulated and announce by the licensee who owns the energy network system



# Notable Development on Oil and Gas in Thailand

## Changes to global oil and gas

- **Would these developments have an impact on oil and gas industry in the regional economies and/or in the global scale?**
  - The third party access will only affect Thailand
- **Would these developments result in structural changes to oil and gas industry in the regional economies and/or in the global scale?**
  - The development of market liberalization will only affect Thailand

# APEC Cooperation

- What are the policies and potential developments that should be formulated and adopted to promote cooperation in oil and gas for APEC?

I think that the APEC economies should continue to share information and experience as a platform for further development of the future energy security cooperation .

# Thank you very much…

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