

# Thailand

<b>Type of state</b>	Unitary	
<b>State / regional government level (number)</b>	76 Provincial Administrative Organizations (PAOs): <ul style="list-style-type: none"> <li>75 Provinces (<i>Changwat</i>)</li> <li>Metropolitan City of Bangkok<sup>2</sup></li> </ul>	<b>Legal &amp; regulatory environment</b> <ul style="list-style-type: none"> <li>All subnational governments in Thailand are allowed to borrow</li> <li>Central government requires approval of subnational borrowing on a case-by-case basis</li> <li>While subnational governments are allowed to issue bonds,<sup>4</sup> strict requirements and low capacity to access credit assessment and credit rating have prevented them from doing so<sup>5</sup></li> </ul>
<b>Local general government levels (number)</b>	City Municipalities (30) Town Municipalities (195) Sub-district Municipalities (2,247) Pattaya City	
<b>Total subnational liabilities to GDP (state/regional + local), 2020</b>	Thai Baht 113 billion, (USD 3.5 billion eq.)	
<b>Local government outstanding liabilities to GDP, 2020</b>	Not reported	<b>Borrowing readiness</b> <ul style="list-style-type: none"> <li>Subnational autonomy regarding revenue mobilization and expenditure assignments is limited</li> <li>Intergovernmental transfers follow a transparent formula and are a predictable source of revenue</li> <li>Subnational governments in Thailand have under-developed fiscal management systems<sup>6</sup></li> </ul>
<b>Total subnational liabilities growth, CPI adjusted, 2018 to 2020<sup>3</sup></b>	-20%	
<b>Total local government liabilities growth, CPI adjusted, period 2016-2020</b>	Not reported	<b>Macro credit conditions</b> <ul style="list-style-type: none"> <li>Stable exchange rate and inflation over the past 6 years</li> <li>Based on the IMF Financial Development Index, Thailand's efficiency of financial institutions and financial market are high in every category (access, depth, etc.)<sup>7</sup></li> </ul>

## Highlights

- Subnational governments have limited autonomy over the budget since both revenue and expenditure assignments are highly centralized. The low ability to raise own taxes hinders subnational governments' ability to borrow.<sup>8</sup>
- Subnational governments in Thailand are allowed to borrow from domestic and foreign lenders in domestic and foreign currency using a variety of instruments, but every single loan must be approved by central government.
- Subnational governments outstanding debt levels are extremely low in Thailand and borrowing has been decreasing over the past few years.

## Borrowing legal & regulatory environment

**Overview:** Thailand is a highly centralized unitary state with limited local autonomy.<sup>9</sup> The 1997 Thai Constitution mandated decentralization (Article 78 and chapter IX on Local Governments), stating that Thailand must have a plan and process to decentralize power to subnational governments. The Constitutions of 2007 and 2017 (chapter XIV) reaffirmed the goals and commitments of the decentralization process.

According to the 1991 *State Administration Act*, Thailand's organization comprises of two tiers of subnational government: regional and local. The regional level is comprised of 75 provinces and the City of Bangkok. The municipal level includes three types of municipalities (City Municipalities, Town Municipalities and Sub-district Municipality) and the City of Pattaya, which enjoys a special regulatory status.<sup>10</sup>

Central government has full control over budget allocation via the National Decentralization Committee.<sup>11</sup> Subnational governments have limited control over their revenues and expenditures. On the revenue side, subnational governments lack fiscal autonomy and have only limited power to raise their own tax revenues. In 2021, subnational government revenue corresponded to 21% of total public revenue and own revenue was 30% of total subnational government revenue. The local property tax in Thailand remains by far the most underdeveloped revenue source for subnational governments (5.5% of total subnational government revenue in 2019) and it is only about a third of the average for developing countries.<sup>12</sup> Subnational government expenditures are also still highly centralized and in 2021 accounted for only 14% of general government expenditures.

Since subnational own-source revenue is low, subnational governments are heavily dependent on grants and shared taxes. In 2021, central government grants (not including shared taxes) accounted for 68% of subnational government revenue.<sup>13</sup>

**Borrowing framework & process:** Subnational governments (or *Local Government Organizations*) in Thailand can borrow domestically through loans and bonds.<sup>14</sup> However, every loan or bond is subject to central government (Provincial Governor, Minister of the Interior, or Cabinet) approval on a case-by-case basis (if it is a foreign loan then Minister of Finance must approve before the Cabinet).

In Thailand, subnational governments can borrow in accordance with the *Determining Plan and Procedures in Decentralizations to the Local Government Organization Act B.E. 2542* (1999) and the Establishment of the Local Administrative Organization Acts (the *Provincial Administrative Organizations Act, B.E. 2540* (1997), *Municipal Act, B.E. 2496* (1953), *Pattaya City Administration Act B.E. 2542* (1999), and *Bangkok Metropolitan Administration Act B.E. 2528* (1985)). In 2018, the Public Debt Policy and Supervision Committee issued the *Public Debt Policy and Supervision Committee Regulation Concerning Borrowing Rules of Local Administrative Organization B.E. 2561* (2018). According to this regulation,<sup>15</sup> subnational governments may borrow for three purposes: investment projects, debt restructuring, and to raise working capital (allowed only for subnational governments' pawnshops).<sup>16</sup> In general, the debt service ratio must not exceed 10% of subnational government revenue (calculated by using a three-year moving average of revenue data). The subnational governments that would like to borrow money must have: a standard accounting system, an internal monitoring system, a financial management and repayment system and submit financial plans to the of the Auditor General.

The central government does not guarantee debt contracted by subnational governments. Under Thailand's *Public Debt Management Act* (2005), subnational government debt is not guaranteed, which means it is not included in the national debt limit calculation.<sup>17</sup> In addition, since 2011, all subnational government borrowing requires Ministry of Interior approval.

In 2020, the new regulation of the Ministry of Interior *On the borrowing of the Subdistrict Administrative Organization B.E. 2563* allowed the lowest sub-district or *tambon* governments to borrow.

### **Borrowing restrictions:**

#### General restrictions:

- Subnational governments are required to run balance budgets by adjusting their expenditure during the year according to their actual revenue.<sup>18</sup> Hence, they always close their accounts with balances or surpluses at the end of the fiscal year which leads to savings and reserves.

### Debt limits:

- The debt service ratio (DSR) must not exceed 10% of subnational government revenue (calculated by using a three-year moving average of revenue data). If a subnational government reaches or exceeds the DSR limit, it can still borrow to continue the development of an initiated capital investment project subject to approval of the Ministry of Interior.
- Debt service (including from both existing and new debts) must not exceed 35% of the development (investment) budget as stated in the “Criteria for PAO, Municipal and Pattaya city borrowing” (2011).
- of forecast revenues of the special funds budget<sup>19</sup> (400 percent for the City of Kiev). The annual subnational budget sets a limit regarding total debt and guarantees on a yearly basis.

### Borrowing incentives/credit enhancements:

- Subnational governments can issue guarantees to special purpose entities (e.g., metro, water, and energy companies). However, central government approval is required to issue such guarantees. The *Budget Code* includes a general requirement for the provision of local guarantees to be agreed with the Ministry of Finance.

**Penalties related to public debt management:** Budget Code, Article 74 sets the penalty for those subnational governments that breach their obligation to repay (default) to be a five-year ban on taking new borrowing.

Article 118 of the Budget Code establishes that in case of a violation of Article 74 (non-repayment of debt), the central and subnational government authorities may undertake criminal prosecution against the officials who have presided over the debt violation as well as any other recipient of funds resulting from illegal credit operations.

**Table 1: Subnational borrowing in Thailand – Summary table**

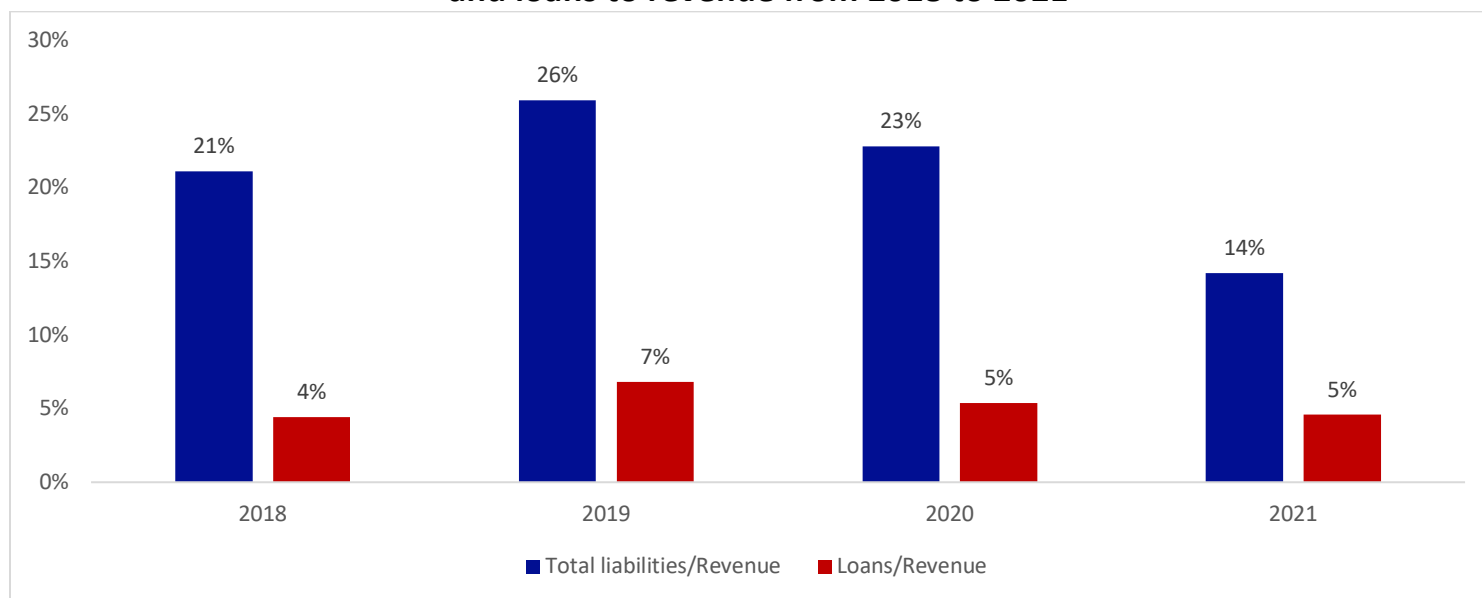
	<i>Subnational Government Types</i>				
	General Administrative Organizations			Special Administrative Organizations	
	PAOs	Municipalities	Sub-districts	Bangkok Metropolitan Administration (BMA)	Pattaya City
<b>Governing Laws</b>	Provincial Administrative Organization Act	Municipality Act	Subdistrict Administrative Organization Act	Bangkok Metropolitan Administration Act	Pattaya City Government Administration Act
<b>Borrowing (loans and bonds)</b>	LGs can borrow both from government agencies and independent financial institutions, however loan borrowing applications must be approved by the local councils, the provincial governors, Department of Local Administration (DOLA) and the Minister of Interior (for loans > 50 million Baht or USD 1.5 million) and Minister of Finance and the cabinet (for foreign lenders or in foreign currency). <sup>20</sup> LGs can issue bonds with the approval of the cabinet.  However, the Announcement of the Capital Market Supervisory Board number TorJor 61/2561 Subject “The Debt Instruments Offering by Thai Government Agencies (Codified Version)” does not include LGs as “Government Agencies” which may add more complication for LGs to issue bonds.			BMA can borrow through loans and issue bonds. Borrowing application must be approved by BMA’s council, BMA governor and MOI (for loans > 50 million Baht or USD 1.5 million). Bond issuance and loans from foreign lenders or in foreign currency must be approved by Minister of Interior, Minister of Finance, and the cabinet. <sup>21</sup>	Pattaya City can borrow through loans and issue bonds. Borrowing through loans must be approved by Pattaya City council, Pattaya City governor and MOI (for loans > 50 million Baht or USD 1.5 million). Bond issuance and loans from foreign lenders or in foreign currency must be approved by Minister of Interior, Minister of Finance, and the cabinet. <sup>22</sup>

## Debt management

**Aggregate debt levels:** Subnational debt in Thailand is a small share of total public debt and GDP. In 2021, subnational debt stock amounted to 113 billion Baht (USD 3.5 billion) and accounted for 0.7% of GDP and 1.2% of public debt. Subnational outstanding liabilities

as a percentage of total subnational revenues was 14% in 2021 a 40% decrease from 2020 and a 20% decrease in real terms since 2018. The ratio of total loans to revenue has remained stable (Figure 1).

**Figure 1: Ratio of subnational governments' total liabilities and loans to revenue from 2018 to 2021**



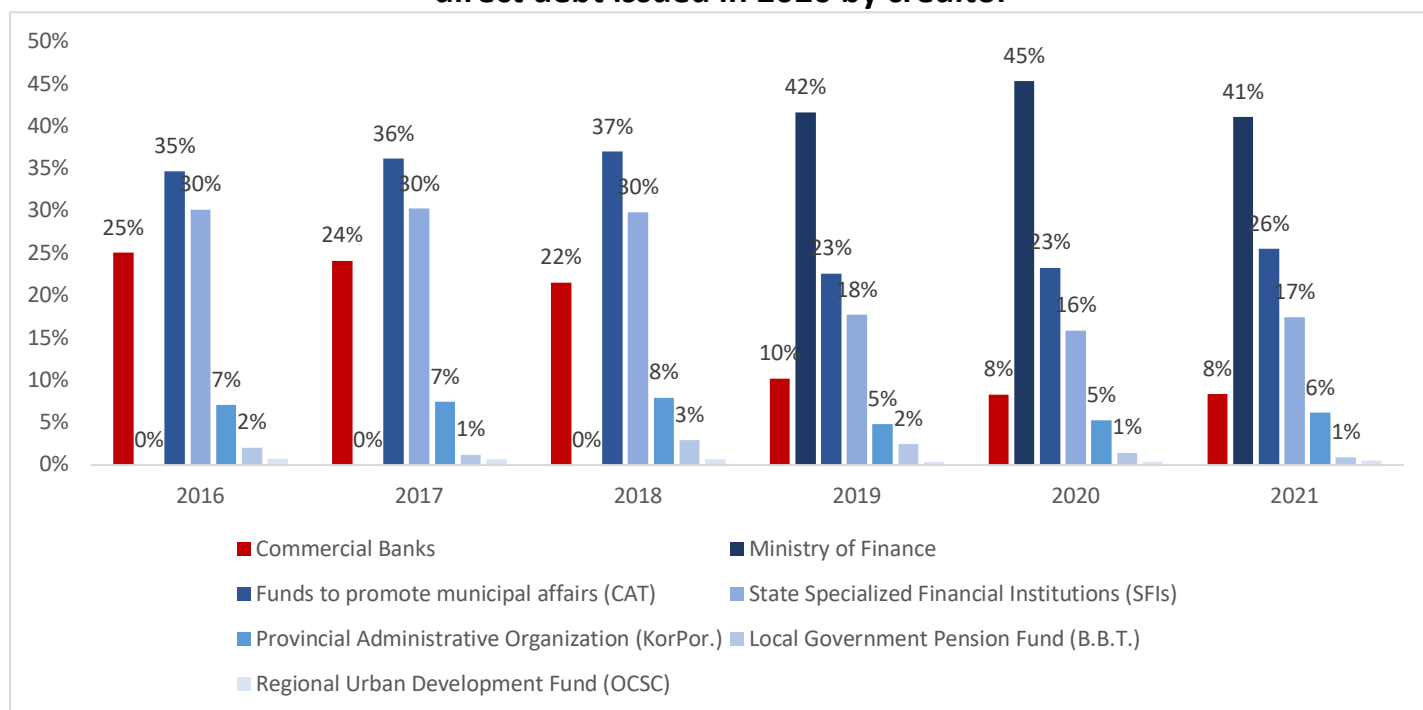
Sources: Author's calculations based on IMF's GFS and Fiscal Policy Office Ministry of Finance

**Lenders and types of instruments:** When subnational governments borrow, it is mostly from the Ministry of Finance or other state banks and financial institutions.<sup>23</sup> As can be seen from Figure 2, the Ministry of Finance has been the main lender to subnational governments since 2019. Borrowing from commercial banks fell dramatically since 2018 going from 25% of total loans in 2016 to 8% in 2021. The large increase in loans from the Ministry of Finance starting in 2019 is due to the restructuring of the Bangkok Metropolitan Authority (BMA)'s debt arising from the financing of the Bangkok Mass Transit Authority (a local SOE). Finally, municipalities have relationships with several commercial banks as creditors including Krung Thai Bank

(KTB), Government Savings Bank (GSB), Bank for Agriculture and Agricultural Cooperatives (BAAC), Government Housing Bank (GHB), and Islamic Bank of Thailand (all fully or partially owned by the Ministry of Finance).

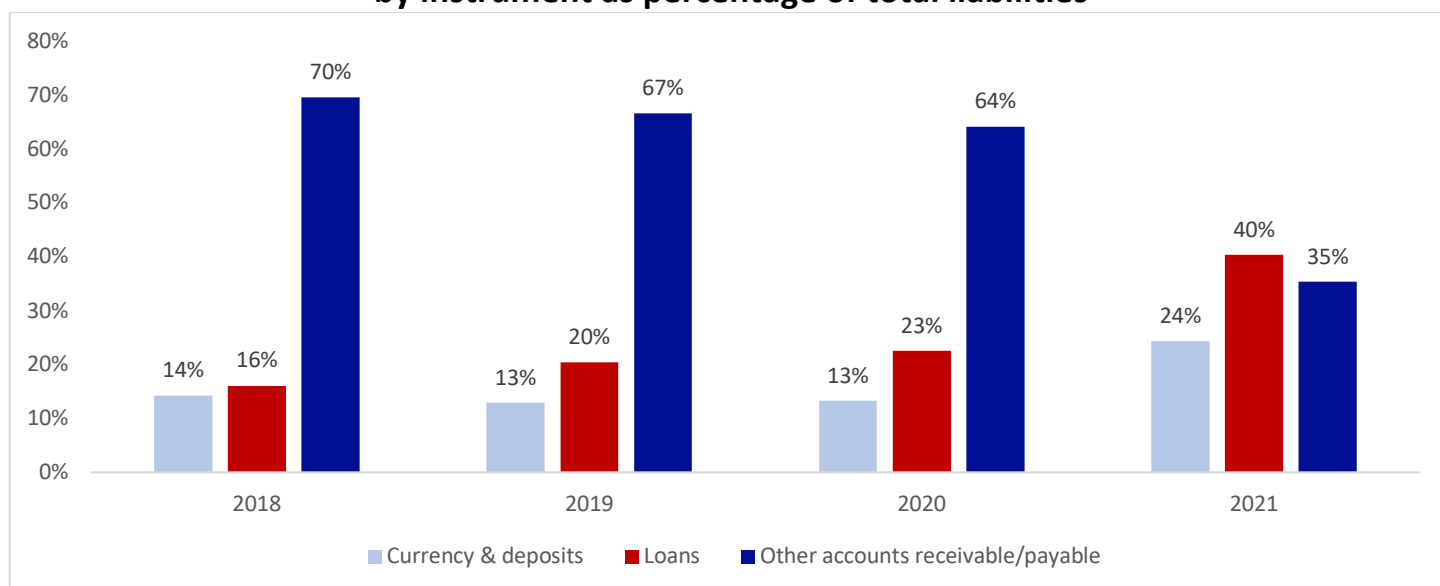
As can be seen from figure 3, subnational governments' liabilities are made up of loans, currency and deposit and other account payable. The loans share of liabilities has been increasing in the past four years from 16% in 2018 to 40% in 2021 while other account payables have been decreasing from 70% in 2018 to 35% in 2021.

**Figure 2: Percentage of subnational government direct debt issued in 2020 by creditor**



Sources: Public Debt Management Office, 2023

**Figure 3: Subnational government liabilities by instrument as percentage of total liabilities**



Sources: IMF-GFS, 2023

**Use of Special Purpose Entities and Public-Private Partnerships:** As it pertains to the 56 SOEs in Thailand, the State Enterprise Policy Office (SEPO) (under Ministry of Finance) monitors and reports on state-owned enterprises

(SOEs) including to analyze the capital investment proposals prepared by SOEs for government approval. The SEPO works with the Fiscal Policy Office (FPO) to coordinate risk disclosure of SOEs.<sup>24</sup> Risks from SOEs can have

a large impact on the government as the gross assets of SOEs (such as value of property owned) is equivalent to Thailand's annual GDP.<sup>25</sup>

Thailand has been promoting the use of PPPs for infrastructure investments since the publication of the Private Participation in State Undertaking Act in 1992. The Private Investment in State Undertaking Act (2013) streamlined the processes for PPP projects. In 2019, the Public Private Partnership Act, B.E. 2562 (2019), stipulated that the government units (both government agencies, state enterprise, local government units) can co-invest in the scheme of public private partnership with the private sectors. Thailand has a PPP Unit established under SEPO. The focus of the PPP unit is for very large investment project exceeding a value of THB 5 billion (USD 150 million) (albeit the PPP unit also handles projects of smaller sizes). There are 12 categories of infrastructure projects and public services under the PPP Act:<sup>26</sup>

- Roads, highways, special ways and land transportation;
- Trains, electric trains and other rail-transportation;
- Airports and air-transportation;

- Ports and water-transportation;
- Water management, irrigation, waterworks and wastewater treatment;
- Energy;
- Telecommunications and general communications;
- Hospitals and public health;
- Schools and education;
- Housing and facilities for low or medium wage earners, the elderly, underprivileged or disabled;
- Exhibition centers and conference centers; and
- Other projects as to be announced by Royal Decree.

Bangkok Metropolitan Administration has successfully implemented several PPPs for public infrastructure projects. An example of Bangkok's successful PPPs implementation is the Bangkok Metropolitan Waterworks Authority, which implemented in 2000 a project to reduce its non-revenue water (NRW).<sup>27</sup> However, except for BMA, subnational governments do not have a significant role in the implementation of PPPs projects in Thailand.

<b>Official, publicly available statistics on liabilities and borrowing</b>				
<b>Item</b>	<b>Total liabilities</b>	<b>Total liabilities breakdown by level of government</b>	<b>Sources of borrowing breakdown</b>	<b>Borrowing instruments breakdown</b>
Official source(s)	Fiscal Policy Office Ministry of Finance, Open Government Data Center	Not reported	Public Debt Management Office	Fiscal Policy Office Ministry of Finance, Open Government Data Center
Latest update; (periodicity)	2021, (annual)	N/A	2021, (annual)	2021, (annual)

**Transparency & open data:** Thailand's Supreme Audit Institution's (SAI) oversees the auditing of the government financial accounts. The SAI is composed of (a) the State Audit Commission (SAC), (b) the Auditor General and (c) the State Audit Office (SAO). State Audit Office (SAO), an independent agency, conducts a regular review of municipality financial statements on an annual basis at end of fiscal year. The SAO can also conduct an additional spot check during the year and provide feedback for improvement.

Subnational governments are required by law to input revenue and expenditure data into e-LAAS (Electronic Local Administrative Accounting System – hosted by Department of Local Administration (DOLA)) daily. The provincial DOLA can monitor the data from the system on a monthly/quarterly basis. Subnational governments are required to report quarterly on the loan repayment status to the Department of Local Administration (DLA) and the Public Debt Management Office (PDMO).



Both subnational governments' aggregate income statements and balance sheets are available to the public from the Fiscal Policy Office of Ministry of Finance and the Open Government Data Center (Thailand's statistical office).. The Public Debt Management Office (PDMO) reports aggregate loan data monthly and yearly from 2012.

**Financial & debt management:** Subnational governments are required to run balanced budgets by adjusting their expenditure during the year according to their actual revenue. Furthermore, subnational governments have high liquidity from their surpluses, reserves, and Municipal Promotion Asset Fund (see below) that can be used to cover short-term deficits:

- **Surpluses:** can be used to: 1) support subnational governments' operations during the first 3 months of the fiscal year in case they have insufficient revenue; 2) support activities which will be funded by central government subsidies but yet to receive the subsidies; 3) to support subnational governments' commercial activities with the approval of the subnational governments' council. Subnational governments can use surpluses under council approval to provide mandated services to community, increase subnational governments' revenue, or to help those in need.
- **Reserves:** 15% of subnational governments' surplus each year is added to the reserve. The reserves can be used when the surplus is not enough to operate subnational governments' duties. The use of reserves requires local council approval. The projects/activities must also be addressed in the Local Development Plan.
- **Municipal Promotion Asset Fund** (Fund to Promote Municipal Affairs – CAT): at the end of each fiscal year (after the reserve deduction), 10% is deducted from the remaining subnational governments' surplus and deposited to the

Municipal Promotion Asset Fund under the Local Treasury Bureau of the DOLA. The fund operates similarly to a cooperative fund where municipalities can borrow up to 10 times of their savings at concessional rates of borrowing. As of 2021, the CAT is one of the largest lenders to subnational governments.

Subnational debt in Thailand is low, accounting for less than 1% of GDP in 2021 and only 1.2% of public debt. Average debt service across subnational government entities has constantly been less than 0.5% of revenue and well below the 10% limit imposed by law. The low borrowing in Thailand can be explained by both a lack of demand and supply. As it pertains to the demand for borrowing, large budget surpluses and high cost of borrowing may deter subnational governments from seeking financing. In 2021, the overall surpluses generated by the budgets of local authorities were 360 billion Baht (USD 11 billion) or 45% of total revenue, a 50% increase since 2018 when it was 235 billion Baths (USD 7 billion).

Under Thailand's Public Debt Management Act (2005), subnational government debt is not guaranteed, which means that it is not included in the national debt limit calculation.<sup>28</sup> The lack of central government debt guarantee coupled with the absence of a subnational government insolvency framework, make subnational government borrowing from commercial sources less likely.<sup>29</sup>

In addition, given the long-term fiscal dependency of subnational governments on central government transfers and shared revenue,<sup>30</sup> subnational governments in Thailand have undeveloped fiscal management systems<sup>31,32</sup> which might deter financial institutions from lending to subnational governments.

<sup>33</sup>

#### Subnational government finances: key ratios (2020)

Level of government	Total liabilities, % of total revenue	Borrowing (loans & bonds), % of total liabilities	Debt service, % of total expenditures	Operating surplus, % of total revenue
Local (Rayon, Hromada)	Not reported	Not reported	Not reported	Not reported
All sub-national governments (Oblasts, Rayon, Hromada)	14%	40%	0.67%	45%

Source: WB CCI-LGBD

## Recent initiatives related to subnational government access to debt finance

In response to the COVID-19 pandemic, subnational governments in Thailand were able to make use of the local health security funds (LHSF) to address new medical expenses.

The impact of the COVID-19 pandemic on subnational government revenue and expenditure was large. Revenue fell by 7% between 2019 and 2020. Subnational tax revenue fell by 20% (property taxes fell by a stark 84%) and

revenue from tariffs and fees decreased by 25%. Grants and subsidies from the central government increased by 2%. Expenditure went up by 4% with an increase in subnational public investment of 14%. To allow for the higher borrowing needs, the general government debt ceiling ratio (debt to GDP) was raised from 60% to 70%.<sup>34</sup> In 2021, subnational governments saw a large increase in grants (12.5% yoy), which compensated the tax and other revenue losses in 2020.<sup>35</sup>

<b>Main legal provisions</b>	
<i>Approved lenders:</i>	Domestic, foreign, international financial institutions (Public banks, commercial banks, etc.)
<i>Instruments:</i>	Loans and bonds <sup>36</sup>
<i>Central govt guarantee:</i>	The Central government does not guarantee subnational government debt
<i>Revenue intercept(pledge) of government transfers:</i>	There are no regulations concerning Central government revenue intercepts.
<i>Insolvency framework:</i>	No insolvency framework currently exists in case of subnational government default.
<i>Accounting basis:</i>	Subnational governments use accrual accounting following the government accounting standards set by the Comptroller General's Department
<i>Credit rating requirements for borrowing:</i>	No credit rating is required for borrowing and no LG has been rated so far.
<i>Debt capacity limit:</i>	While there is a 60% limit of public debt to GDP, the Central government does not guarantee subnational government debt and therefore there is no debt capacity limit for subnational government borrowing.
<i>Debt service limit:</i>	<p>The debt service ratio must be not exceeded 10% of subnational government revenue (calculated by using a three-year moving average of revenue data).</p> <p>Debt service must not exceed 35% of development (investment) budget</p>



<i>Reporting of contingent liabilities:</i>	The SEPO works with the FPO to co-ordinate risk disclosure in relation to the 56 SOEs in Thailand. The process involves a fiscal risk assessment covering a 10-year period. The MOF has scope to expand the coverage of fiscal risks in the statement to include PPP liabilities, identify risks in relation to specific projects, increase the quantitative analysis of the potential implications from the risks and disclose the assumptions relating to each risk. <sup>37</sup>
<i>Approved lenders:</i>	Domestic, foreign, international financial institutions (Public banks, commercial banks, etc.)
<i>Reporting of Joint Ventures &amp; Public Private Partnerships:</i>	There is no established system of monitoring the obligations under PPP contracts.

## Significant legal and regulatory instruments

### Primary legislation

<i>Constitution (2017)</i>	Lays out the decentralization reforms' key provisions
<i>Laws</i>	
<i>The Determining Plans and Process of Decentralization to Local Government Organization Act B.E. 2542 (A.D. 1999)</i>	The Determining Plans and Process of Decentralization to Local Government Organization Act regulates local government finance including regulating transfers, revenue and expenditures responsibilities, and allowing local government to borrow.
<i>Provincial Administrative Organizations Act, B.E. 2540 (1997)</i>	The Act regulates borrowing requirements of PAOs
<i>Municipal Act, B.E. 2496 (1953)</i>	The Act regulates borrowing requirements of municipalities
<i>Pattaya City Administration Act B.E. 2542 (1999)</i>	The Act regulates borrowing requirements of Pattaya city
<i>Bangkok Metropolitan Administration Act B.E. 2528 (1985)</i>	The Act regulates borrowing requirements of Bangkok Metropolitan Administration

## Organizational roles and responsibilities: debt

### National govt. regulatory & process

Minister of Interior	The Minister of the Interior oversees loan approval applications from local authorities.
Department of Local Administration (DLA)	The DLA is a new agency established in the Ministry of Interior. Its main responsibility to promote and support the work of the local administrative organizations (LOAs) through the development and series of advice on the local development plan, personnel administration, finance, and administration in order to strengthen the capacity and efficiency of the LOAs on public service provision. The structure, roles and functions of Department of Local Administration have been specified in the Ministerial Regulation on the Organization of the Department of Local Administration, Ministry of Interior, B.E. 2551 (2008).
Public Debt Management Office (PDMO)	According to the Public Debt Management Act B.E. 2548 (2005) and the additional amendment Section 36 (1) and (3), the Public Debt Management Office has a duty to study and analyze the debt of local

	administrative organizations and to provide consultations and recommendations to and enhance the capabilities of local administrative organizations for the purpose of debt management.
<b>Main lenders</b>	
<i>Commercial Banks</i>	Commercial banks used to represent 25% of LG borrowing until 2018 when the Ministry of Finance started lending to LGs. Commercial banks only represent 8% of total LG loans in 2021.
<i>State Specialized Financial Institutions (SFIs)</i>	State-owned financial institutions established to implement the government's policies in developing and promoting the economy and supporting various investments under the supervision of the Ministry of Finance. There are 8 main SFIs: Government Savings Bank, Bank for Agriculture and Agricultural Co-operatives, Government Housing Bank, Islamic Bank of Thailand, Export-Import Bank of Thailand (Export-Import Bank of Thailand), Medium Enterprise Development Bank and Small and Medium Enterprise Development Bank of Thailand, Thai Credit Guarantee Corporation, Secondary Mortgage Corporation.
<i>Provincial Administrative Organization (KorPor.) and Funds to promote municipal affairs (CAT)</i>	These organizations (managed by the Ministry of Interior) administer the share of savings that the Provincial Administrative Organization, the municipalities, and the city of Pattaya must set aside (10% of total savings).
<i>Local Government Pension Fund (B.B.T.)</i>	Subnational governments borrow from the Local Government Pension Fund (Pension Fund) in the form of short-term loans at a 4% interest rate.
<i>Regional Urban Development Fund (OCSC)</i>	Established by the Ministry of Finance to be a long-term source of credit for local government organizations.
<i>Ministry of Finance</i>	As of 2021, the Ministry of Finance is the largest lender to LGs in Thailand due to the restructuring of the BMA debt used to finance the Bangkok Mass Transit Authority.

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## Notes

<sup>1</sup> Data and literature do not reflect future changes brought on by the war in Ukraine that started in early 2022.

<sup>2</sup> CCI-LGBD examines borrowing at the local government level. In most countries, this can be broken up into regional governments and local governments. In Thailand's case, "local governments" includes all 30 city municipalities, 195 town municipalities and 2,247 sub-district municipalities

<sup>3</sup> CPI adjusted numbers with 2016 as base year: [www.worldbank.org/en/research/brief/inflation-database](http://www.worldbank.org/en/research/brief/inflation-database)

<sup>4</sup> Subject to Ministry of Interior clearing

<sup>5</sup> OECD/UCLG, 2022

<sup>6</sup> Khaikhuea and Budsin, 2015

<sup>7</sup> IMF, 2018

<sup>8</sup> Gilley and Laochankham, 2022

<sup>9</sup> OECD/UCLG, 2022

<sup>10</sup> Pattaya is viewed as being one of the major resort cities in Thailand and therefore requires special rules to maximize its economic potential.

<sup>11</sup> The National Decentralisation Committee (NDC)<sup>1</sup> formulates decentralisation policy, sets the guidelines for the devolution of functions and personnel to local governments, designs revenue assignment and intergovernmental transfer formulas, and monitors and evaluates the devolution process and its impacts on local people

<sup>12</sup> Gilley and Laochankham, 2022

<sup>13</sup> OECD/UCLG, 2022

<sup>14</sup> For Bangkok and Pattaya City only

<sup>15</sup> Number 7 of this regulation doesn't state the types and sources of borrowing, hence, we can assume that the regulation apply to all type of borrowing and sources

<sup>16</sup> There are 258 pawnshops nation-wide

<sup>17</sup> Thai public debt limit is 60% of GDP

<sup>18</sup> The MOI regulation's on LAOs budget procedure (21) stated that LAO can allocate supplementary budget in case of insufficient budget allocation. But LAO need to identify source of additional revenue which did not identify at the beginning of the fiscal year or revenue collection above target.

<sup>19</sup> "Revenues of the development budget of local budgets shall include: 1) corporate profit; 2) single tax for small business entities credited to the budgets of local self-government; 3) the dividends (yield) accrued on shares (units, interests) in corporations whose authorized capitals contain property owned by the Autonomous Republic of Crimea or community-owned property; 4) fee for issuing local guarantees (under Article 17 hereof); 5) funds from alienation of property owned by the Autonomous Republic of Crimea or community-owned property; 6) 90 per cent of funds from the sale of non-agricultural land plots or the rights thereto that are owned by the state before the delimitation of the state-owned and community-owned land; 7) subventions from other budgets for the implementation of investment programs (projects); 8) funds from the repayment of loans that have been issued from the relevant budget before the effective date of this Code, and the interest paid for the enjoyment thereof; 9) local borrowings made in accordance with the procedure defined by this Code and other laws of Ukraine; 10) funds handed over from another part of the local budget by the decision." The Budget Code of Ukraine, 2010.

<sup>20</sup> As stated in Article 67 of the State Financial and Fiscal Discipline Act B.E. 2561 (2018)

<sup>21</sup> Section 28 of Determining Plan and Procedures in Decentralizations to the Local Government Organization Act B.E. 2542 (1999)

<sup>22</sup> Section 28 of Determining Plan and Procedures in Decentralizations to the Local Government Organization Act B.E. 2542 (1999)

<sup>23</sup> Sithiyot et al., 2015

<sup>24</sup> Blazey, A., et al. 2021

<sup>25</sup> Blazey, A., et al. 2021

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<sup>26</sup> PPPs on waste management do not fall under the purview of this PPP Act as it is governed by another MOI regulation (Section 16 of Plans and Process of Decentralization to Local Government Organization Act BE 2542 (1999)).

<sup>27</sup> OECD/UCLG, 2022

<sup>28</sup> Thai public debt limit is 60% of GDP

<sup>29</sup> Gilley and Laochankham, 2022

<sup>30</sup> Gilley and Laochankham, 2022

<sup>31</sup> Khaikhuea and Budsin, 2015

<sup>32</sup> Government of Thailand, 2022

<sup>33</sup> IFC, 2021

<sup>34</sup> OECD/UCLG, 2022

<sup>35</sup> World Bank, 2023

<sup>36</sup> While there is no restriction on subnational bond issuance for Bangkok and Pattaya, no subnational bond has been issued to date.

<sup>37</sup> Blazey, A., et al. 2021