



THAILAND AND THE WORLD BANK GROUP

70 1949
2019
Years **TOGETHER WE CAN
TRANSFORM
THAILAND**

 **WORLD BANK GROUP**

Who we are

The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries. Its five institutions share a commitment to reducing poverty, increasing shared prosperity, and promoting sustainable development.

Our mission:

ENDING EXTREME POVERTY

By reducing the share of the global population that lives in extreme poverty to 3% by 2030

PROMOTING SHARED PROSPERITY

By increasing the incomes of the poorest 40% of people in every country

Partnering with governments

Together, IBRD and IDA form the World Bank, which provides financing, policy advice, and technical assistance to governments of developing countries. IDA focuses on the world's poorest countries, while IBRD assists middle-income and creditworthy poorer countries.

Five institutions, one group

The World Bank Group consists of five organizations:

The International Bank for Reconstruction and Development (IBRD) provides lending and technical solutions to governments of middle-income and creditworthy low-income countries.

The International Development Association (IDA) gives concessional loans and grants to governments of the poorest countries.

The International Finance Corporation (IFC) blends investment with advice and resource mobilization to help the private sector advance development.

The Multilateral Investment Guarantee Agency (MIGA) promotes foreign direct investments by offering political risk insurance and guarantees to investors and lenders.

The International Centre for Settlement of Investment Disputes (ICSID) provides international facilities for conciliation and arbitration of investment disputes.





Thailand's development path

Over the last four decades, Thailand has made remarkable progress in social and economic development, moving from a low-income country to an upper-income country in less than a generation. As such, Thailand has been one of the widely cited development success stories, with sustained strong growth and impressive poverty reduction, particularly in the 1980s.

Thailand's economy grew at an average annual rate of 7.5% in the boom years of 1960 to 1996 and 5% following the Asian Financial Crisis during 1999-2005, creating millions of jobs that helped pull millions of people out of poverty. Gains along multiple dimensions of welfare have been impressive: more children are now getting more years of education, and virtually everyone is now covered by health insurance while other forms of social security have expanded.

After average growth slowed to 3.5% over 2005-2015, with a dip to 2.3% in 2014-2016, the Thai economy posted the highest growth rate in six years, at 4.1% in 2018, despite external shocks to trade and tourism. Continued progress in implementing planned public infrastructure projects to connect lagging regions as well as investing in human capital could raise the medium-term growth path.

Poverty declined substantially over the last 30 years from 67% in 1986 to

7.8% in 2017 (as measured by the upper-middle income class poverty line of \$5.5/day 2011 PPP).

Compared to the earlier decade, the period from 2015 to 2017 experienced slower growth. The fall in agricultural prices and negative impacts on farmers contributed to worsening household welfare. This period was also marked by declining levels of employment in agriculture and manufacturing sectors and low wage growth. Nationally, there were 478 thousand more poor people in 2017 than in 2015 based on official estimates. Large regional disparities remain, especially the number of poor people from the Northeast region increased.

Inequality – as measured by the Gini coefficient – increased from 2015 to 2017. During this period, average household consumption per capita grew, but the household consumption of bottom 40% of the population shrank.

However, some development challenges remain. According to the World Bank Human Capital Index, which measures the productivity level for the next generation of workers relative to their full potential if all education and health outcomes were maximized, unequal education quality is a big challenge for Thailand. A Thai child born today can expect to obtain 12.4 years of school before the age of 18. However, the same Thai child can expect to complete only 8.6 learning-adjusted years of schooling, indicating a learning gap of 3.8 years.

Thailand's adult survival rate is also below the global median. Over the past 15 years, Thailand's prevalence of diabetes and hypertension have tripled and quadrupled, respectively, and combined with high rates of road injuries, has negatively affected adult survival rate. Only 85% of 15-year-olds are expected to live past age 60.



From then to now



1949

THAILAND (THEN, THE KINGDOM OF SIAM)

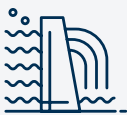
joined the World Bank as the 47th member on May 3, 1949



1950

THE FIRST WORLD BANK LOAN OF \$25.4 MILLION

financed three infrastructure projects (port, railway and irrigation) to revive Thailand's economy after World War II



1957

FOR ELECTRICITY AND FLOOD CONTROL

the World Bank approved a \$66 million loan to construct the Bhumibol dam in Tak province



1963

HIGHWAY AND PROVINCIAL ROADS PROJECT

financial assistance granted a safer and improved national highway system to connect rural areas and cities



1966

THE WORLD BANK EXPANDED ITS ASSISTANCE TO EDUCATION

through a \$181.9 million fund over 16 years, improving the quality of teaching, increasing the number of teachers and academic institutions, and helping to develop educational systems and curriculum



1972

THE WORLD BANK SUPPORTED RAPID DEVELOPMENT OF TELECOMMUNICATIONS

through a loan to the Telephone Organization of Thailand (TOT), doubling the national network from around 200,000 exchange lines to 416,000



1981

LAND AND AGRICULTURE HAVE A STRONG CULTURAL SIGNIFICANCE IN THAILAND

the World Bank assisted the Royal Irrigation Department to improve and expand irrigation facilities around the Mae Klong River



1995

THE IFC PROVIDED A LOAN OF \$50 MILLION TO THE BANGKOK MASS TRANSIT SYSTEM (BTS)

contributing to the country's success in providing transport service to more than 400,000 people a day



1997

THE WORLD BANK ACTIVELY SUPPORTED REFORM EFFORTS IN THE FINANCIAL AND CORPORATE SECTORS

through a \$1.4 billion loan on economic management shortly after the 1997 Asian Financial Crisis



2005

THE WORLD BANK PROVIDED POST-EMERGENCY RESPONSE SUPPORT

to vulnerable communities affected by the tsunami that hit southern Thailand in 2004



2007

IN THE CONFLICT-AFFECTED AREAS OF SOUTHERN THAILAND

community driven projects support peace-building efforts



2011

THE WORLD BANK APPROVED A GRANT FOR THE CHIANG MAI MUNICIPALITY

to develop sustainable urban transport by promoting "greener mobility"



2012

WHEN FLOODS HIT CENTRAL AND NORTHERN THAILAND

the World Bank and development partners launched a rapid assessment of the economic and social impacts and proposed post-disaster recovery measures



2014

THAILAND RECEIVED A CLIMATE GRANT OF \$23.9 MILLION

in partnership with the World Bank and Montreal Protocol to reduce HCFC ozone-depleting global warming gases



2016

THAILAND ADVANCES INSURANCE REGULATION

under first Reimbursable Advisory Services (RAS) agreement with the World Bank



2017

THE THAILAND SYSTEMATIC COUNTRY DIAGNOSTIC WAS LAUNCHED

a nationwide study to identify development priorities to end poverty and share prosperity widely



2019

NEW COUNTRY PARTNERSHIP FRAMEWORK 2019-2022 LAUNCHED WITH THAILAND





Our partnership framework

2019 marks the start of the new Thailand-World Bank Group Country Partnership Framework. The World Bank also celebrates its 70th Anniversary with the Kingdom of Thailand since becoming a member on May 3, 1949, becoming the 47th member of the Bank. Since then, the Kingdom of Thailand and the World Bank Group have built a strong and productive partnership which has evolved from a traditional lending and analytical relationship into an innovative knowledge-based partnership that reflects Thailand's dynamic middle-income status.

Our partnership priorities

The overarching goal of the Country Partnership Framework is to support Thailand's transformation towards an innovative, inclusive and sustainable economy. The Country Partnership Framework supports Thailand's 20-Year National Strategy (2017-2036) that focuses on key structural economic and social reforms to end poverty and boost prosperity. It has two focus areas:

Promoting Resilient and Sustainable Growth



Improving the business environment through promotion of competition and innovation



Enhancing the quality of infrastructure investments in the railway sector



Strengthening fiscal and economic institutions



Addressing climate change and water resource management

Strengthening Inclusion



Promoting quality education



Supporting inclusion of vulnerable groups, particularly in the fragile, conflicted areas of Southern Thailand

This partnership will seek to improve the lives of many people living in Thailand, through more and better jobs, better quality of education so children are better equipped for the jobs of the future, and by ensuring that the poor and marginalized also benefit from Thailand's prosperity.

Our Knowledge Resources

- Thailand Economic Monitor reviews recent developments and provides an independent analysis of the near and medium term economic outlook.
- Doing Business Report provides objective measures of business regulations and their enforcement for local firms in 189 economies and selected cities.
- Other analytical work on a range of development issues like education and health supports Thailand's evidence-based, growth-promoting policies.
- World Bank Open Data provides free and open access to data about development in countries globally. Available at data.worldbank.org and worldbank.org/research.

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