

The 5<sup>th</sup> IMF-Japan High-Level Tax Conference for Asian Countries

# Thai Experience on Energy Taxation



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21 April 2014

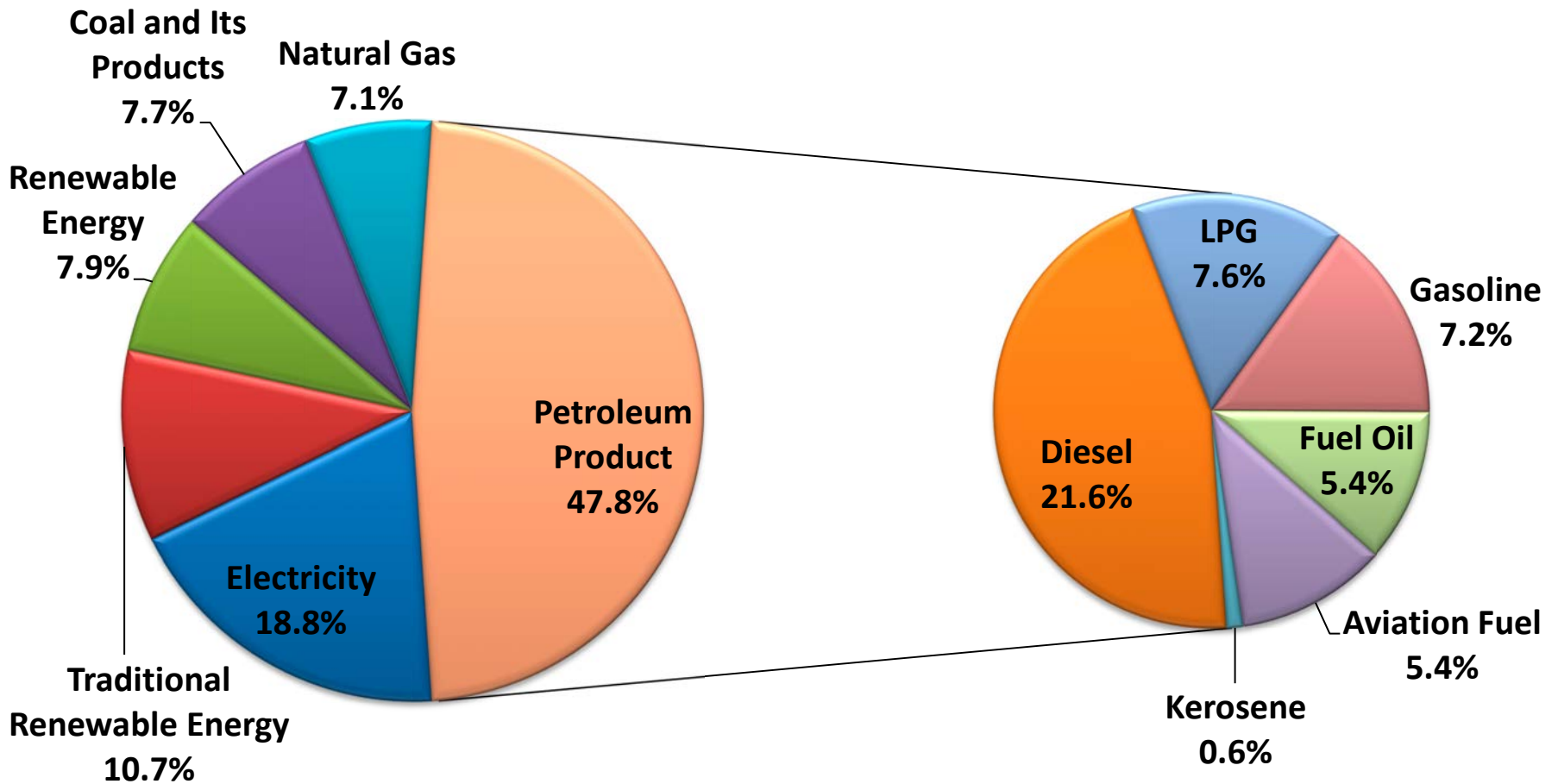
เสนอแนะอย่างมีหลักการ  
ศึกษาโดยไม่หยุดนิ่ง  
คนคลังที่มีคุณภาพ

ส.ค.ค.



- Energy and Petroleum Consumption
- Energy-related Fiscal Instruments:
  - Petroleum Income Tax
  - Oil Fund
  - Energy Conservation (ENCON) Fund
  - Excise Tax on Petroleum Products
  - VAT
  - New Excise Tax on Automobile

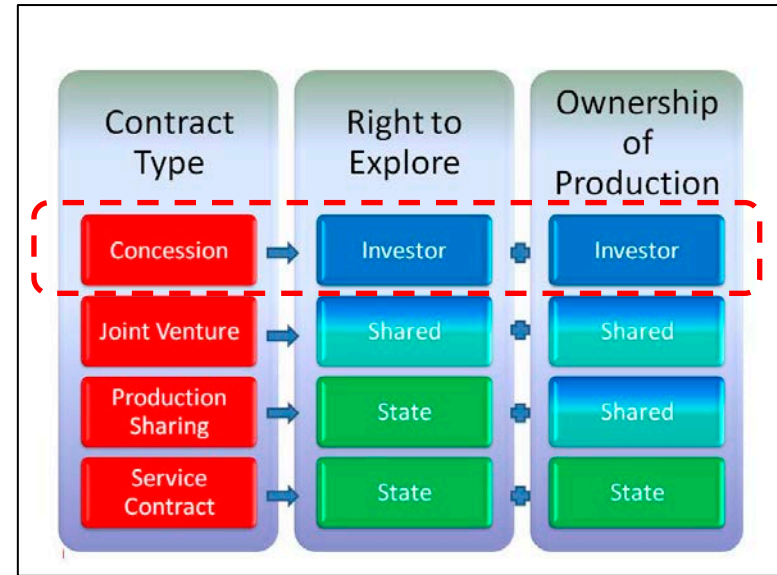
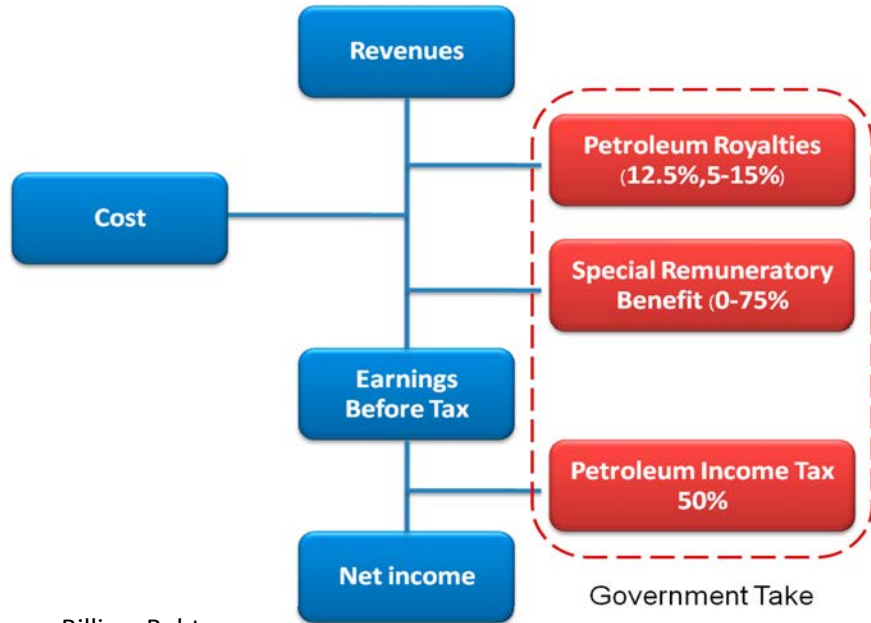
# Share of Energy Consumption in Thailand



Source: Ministry of Energy, Thailand

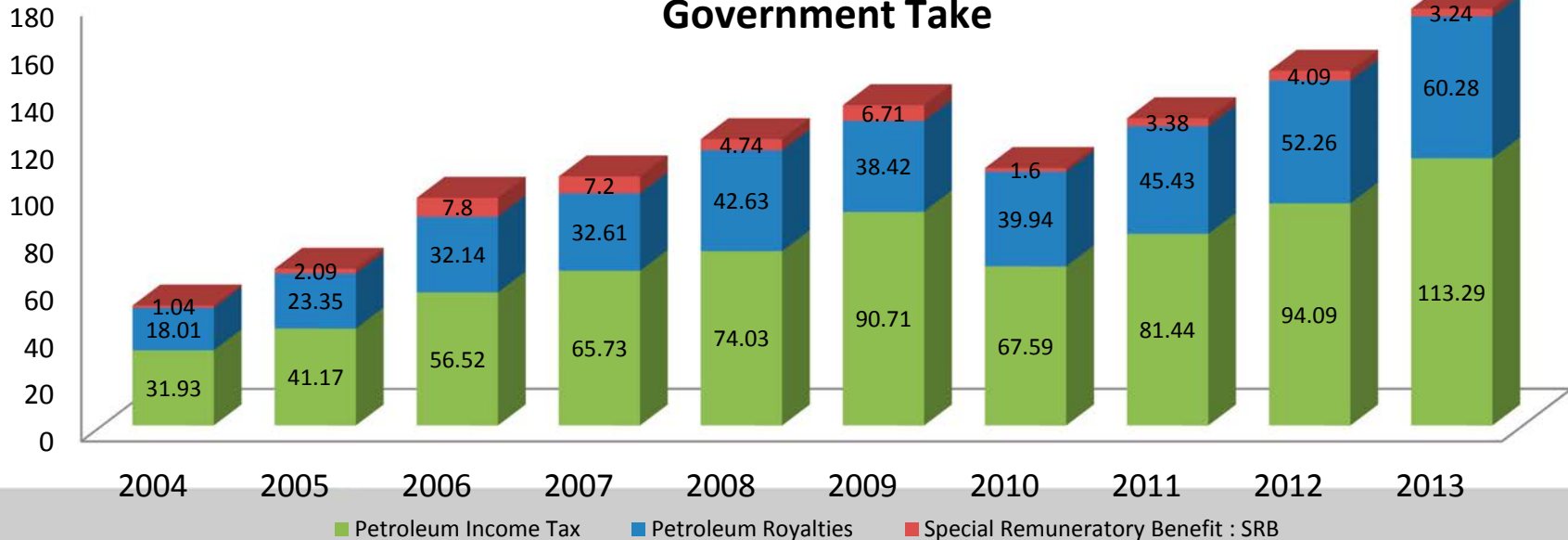
Note: Data in 2013

# Petroleum Fiscal Regime Thailand : Concessionary System

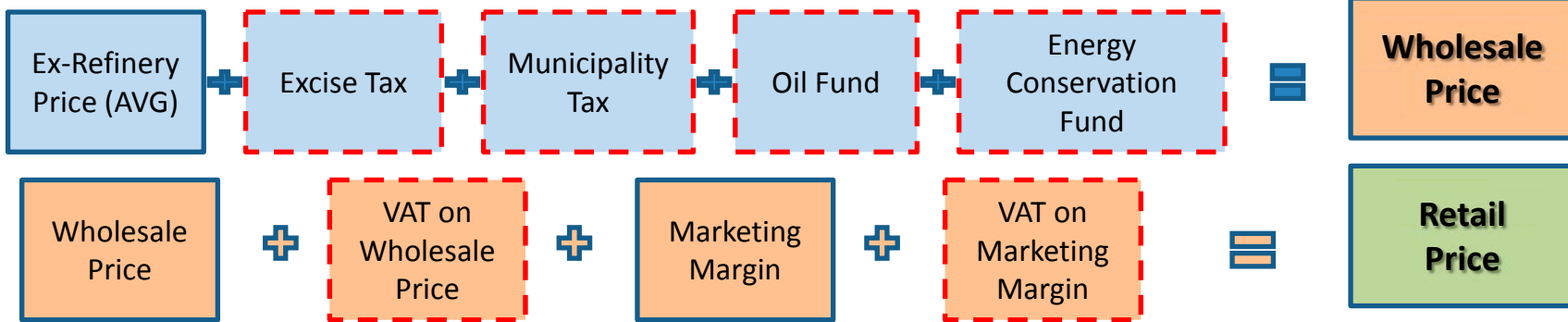


Billion (Baht)

### Government Take



# Oil Price Structure in Thailand



Sample of Price Structure (April 9, 2014)

UNIT:BAHT/LITRE	EX-REFIN. (AVG)	Excise TAX B./LITRE	Municipality TAX B./LITRE	OIL FUND	CONSV. FUND	WHOLESALE PRICE(WS)	VAT	WS&VAT	MARKETING MARGIN	VAT	RETAIL
ULG	25.3922	7.0000	0.7000	10.0000	0.2500	43.3422	3.0340	46.3762	1.5643	0.1095	48.05
GASOHOL95 E10	25.9033	6.3000	0.6300	3.3000	0.2500	36.3833	2.5468	38.9301	1.4952	0.1047	40.53
GASOHOL91	25.6769	6.3000	0.6300	1.2000	0.2500	34.0569	2.3840	36.4409	1.5319	0.1072	38.08
GASOHOL95 E20	26.3243	5.6000	0.5600	-1.0500	0.2500	31.6843	2.2179	33.9022	1.5680	0.1098	35.58
GASOHOL95 E85	28.1698	1.0500	0.1050	-11.6000	0.2500	17.9748	1.2582	19.2331	4.8102	0.3367	24.38
H-DIESEL	25.7024	0.0050	0.0005	0.4000	0.2500	26.3579	1.8451	28.2029	1.6702	0.1169	29.99

**Established in March 1979**

**Earmarked Fund as an Oil Price  
Stabilizing Instrument**

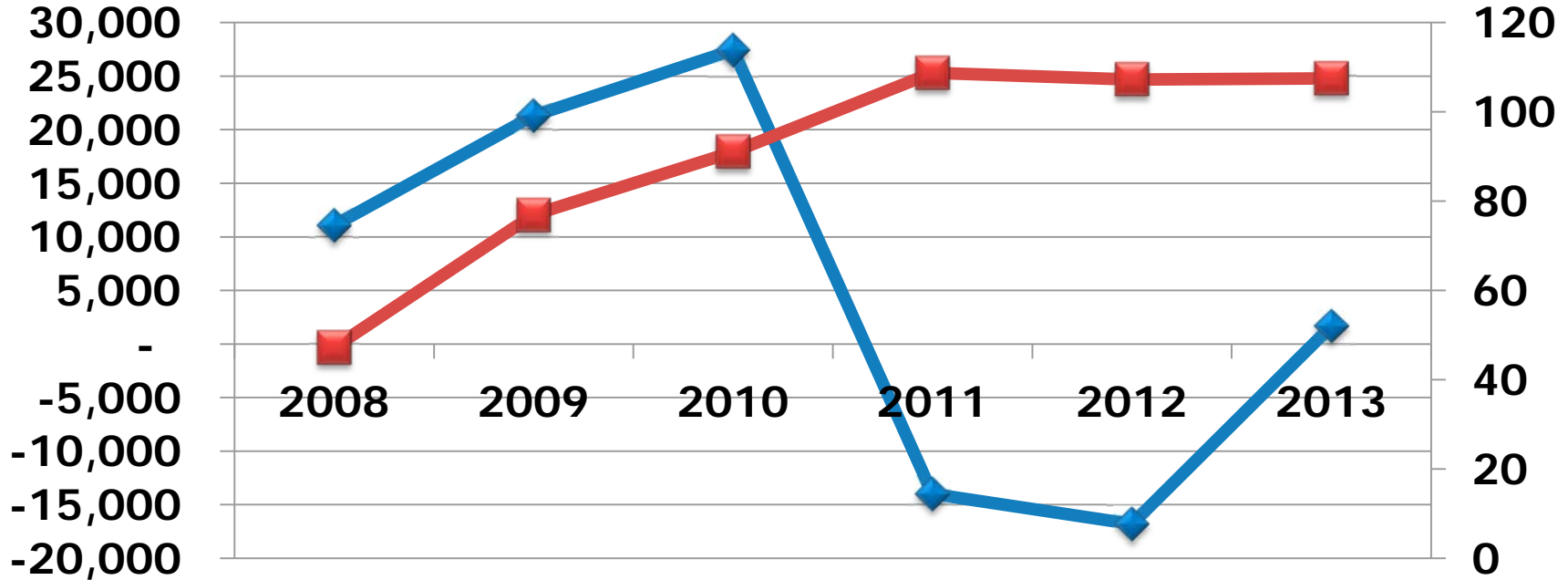
**Rate Stipulated by  
“Energy Policy Management  
Committee”**

# Balance of Oil Fund and Crude Oil Price



Million Baht

USD per Barrel



- ◆ Balance of Oil Fund (Left Axis)
- Dubai Crude Oil Price (Right Axis)

Source: Ministry of Energy, Thailand  
Note: Data is collected at the end of each year.

## Feature

- Earmarked fund to finance the government sponsored energy conservation projects

## Objective

- supporting energy efficiency (EE) and renewable energy (RE) development

## Source

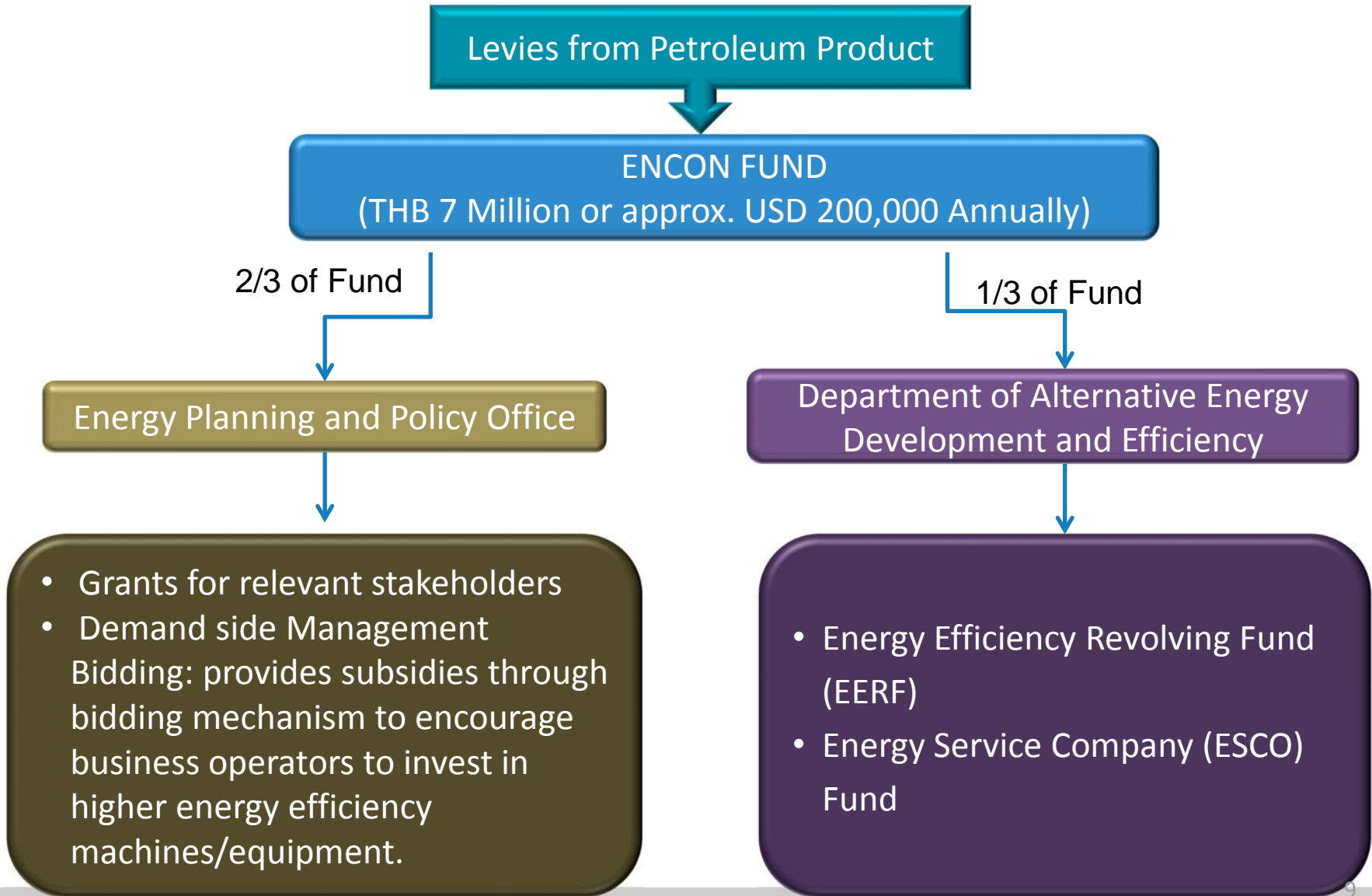
- Government levies collected by the government on petroleum products.

## Allocation

- Providing working capital, grants and subsidies for investment in energy conservation programs



# The Implementation of the ENCON Fund



# Excise Tax Rate on Petroleum Products

Categories	Ceiling Rate		Effective Rate	
	Ad Valorem (%)	Specific	Ad Valorem (%)	Specific
1.1 Gasoline				
(1) Unleaded gasoline	42	10 baht/litre	0	7.000 baht/litre
(2) Other gasoline	42	10 baht/litre	0	7.000 baht/litre
(3) Gasohol with ethanol content not less than 10%	42	10 baht/litre	0	6.300 baht/litre
(4) Gasohol with ethanol content not less than 20%	42	10 baht/litre	0	5.600 baht/litre
(5) Gasohol with ethanol content not less than 85%	42	10 baht/litre	0	1.050 baht/litre
1.2 Kerosene	34	4 baht/litre	0	3.055 baht/litre
1.3 Fuel for jet aircraft				
(1) used directly in jet aircraft	34	4 baht/litre	1	0.200 baht/litre
(2) used for others	34	4 baht/litre	23	3.000 baht/litre
1.4 Diesel				
(1) with sulphur content over 0.035%	34	10 baht/litre	0	5.310 baht/litre
(2) with sulphur content not over 0.035%	34	10 baht/litre	0	0.005 baht/litre (temporary reduced)
(3) sold in the connecting territory area	34	10 baht/litre	-	exempt
(4) filled in the connecting territory and remaining in the regular tank of the registered fishery vessel	34	10 baht/litre	-	exempt
(5) with Methy-ester of fatty acid not less than 4% (Bio-diesel)	34	10 baht/litre	-	0.005 baht/litre (temporary reduced)
1.5 Natural Gas Liquid (NGL)	42	5 baht/litre	36	5.310 baht/litre
1.6 Liquefied Petroleum Gas (LPG)	34	9 baht/kg.	0	2.170 baht/litre
1.7 Fuel Oil	42	-	5	-
1.8 Bitumen Product	42	-	12	-
1.9 Hydrocarbon Solvent	42	-	30	- 10

# New Excise Tax on Automobile



Excise tax based on carbon dioxide emissions (CO2) standard



Will be effective on 1 Jan. 2016



Eco-car segment enjoying 3-percent reduction in excise tax



Major characteristics of energy taxation in Thailand are:

- Government revenue generation
- Oil price stabilizing instrument
- Mixed use of tax and earmarked fund
- Discouragement of negative externality  
(to create environmental-friendly economy)

# Thank You

