

## **Thailand and World Bank Advance Green Economy**

Thailand, the second-largest producer of air conditioners and foam in the world, manufactures approximately 12 million air conditioners annually, 90 percent of which are for export. Thailand is also one of the 10 largest importers and consumers of hydro-chloro-fluorocarbon gases (HCFCs), importing more than 18,000 metric tonnes of HCFCs in 2012. One of the central goals of the new government is to introduce environment friendly production into Thailand's industries and to embrace the concept of green industries.

In the latter part of 2014, Thailand signed a US\$23 million grant agreement with the World Bank Group to help make Thai air conditioning and foam products more climate friendly. The funds will help local manufacturers convert their production processes to make air conditioning and foam products that destroy less ozone, in line with international good practice.

The Ozone Projects Trust Fund of the Montreal Protocol will provide the grant and provide Thailand with US\$23.9 million or approximately 760 million Thai Baht to reduce HCFCs used in manufacturing processes. Funding will be provided to eligible enterprises in Thailand including 12 air-conditioner manufacturers and more than 120 foam enterprises.

According to the World Bank, the funding will help reduce HCFC consumption in the air-conditioning and foam sectors and significantly contribute to Thailand's efforts to meet its HCFC consumption phase-out obligations as agreed under the international environmental treaty - The Montreal Protocol on Substances that Deplete the Ozone Layer. Specifically, the new grant will enable Thailand to reduce its consumption of HCFCs by 15 percent; and achieve climate benefits by reducing carbon emissions through the use of lower global warming potential (GWP) refrigerant and foam blowing agents and through improvement in energy efficiency of air-conditioning units.

"Energy efficiency and climate protection are priorities in Thailand. In line with Thailand's green growth policy, application of new climate-friendly air conditioning and foam technologies will enhance Thai industries' competitiveness in markets that increasingly demand climate friendly and energy efficient products," said Ulrich Zachau, Country Director for Thailand,

World Bank Group. "Business and technology investment using these funds will protect the earth's ozone layer and the climate, and they will also promote sustained growth and jobs in one of Thailand's leading industries."

