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EGATi Seeks Regulatory Flexibility to Unlock Investment Growth

Egat International (EGATi), a wholly owned subsidiary of the Electricity Generating Authority of Thailand (EGAT), is proposing significant changes to the legal framework governing its investment activities. The company is seeking to relax existing rules that require cabinet approval for investments where its shareholding exceeds 25%. If approved, this reform would allow EGATi to obtain approval directly from its parent entity, streamlining decision-making and enhancing its ability to compete in both domestic and international markets.

Under the current regime, EGATi's investment decisions are subject to extensive government oversight due to its state ownership, despite operating as a corporate entity. This approval process has reportedly created delays and practical challenges, particularly in competitive bidding environments where timing and confidentiality are critical. The requirement for cabinet-level approval may also expose sensitive commercial information, placing EGATi at a disadvantage compared to private sector competitors.

The proposed reform aligns with EGATi's broader strategic shift toward expanding its investment portfolio, particularly in renewable energy and emerging technologies such as green hydrogen and small modular reactors. The company is also exploring mergers and acquisitions as a means of accelerating growth and diversifying revenue streams. Greater regulatory flexibility would enable EGATi to respond more efficiently to market opportunities, especially in fast-moving regional energy markets.

From a legal perspective, the proposal raises important considerations regarding the balance between state oversight and commercial autonomy in state-owned enterprises. While relaxing approval requirements could improve operational efficiency and competitiveness, it may also reduce direct government control over significant investments. As such, any reform will need to ensure appropriate governance safeguards, transparency, and accountability mechanisms. If carefully implemented, the changes could signal a broader shift in Thailand's approach to managing state-owned enterprises, promoting a more commercially driven model while maintaining public sector oversight.