

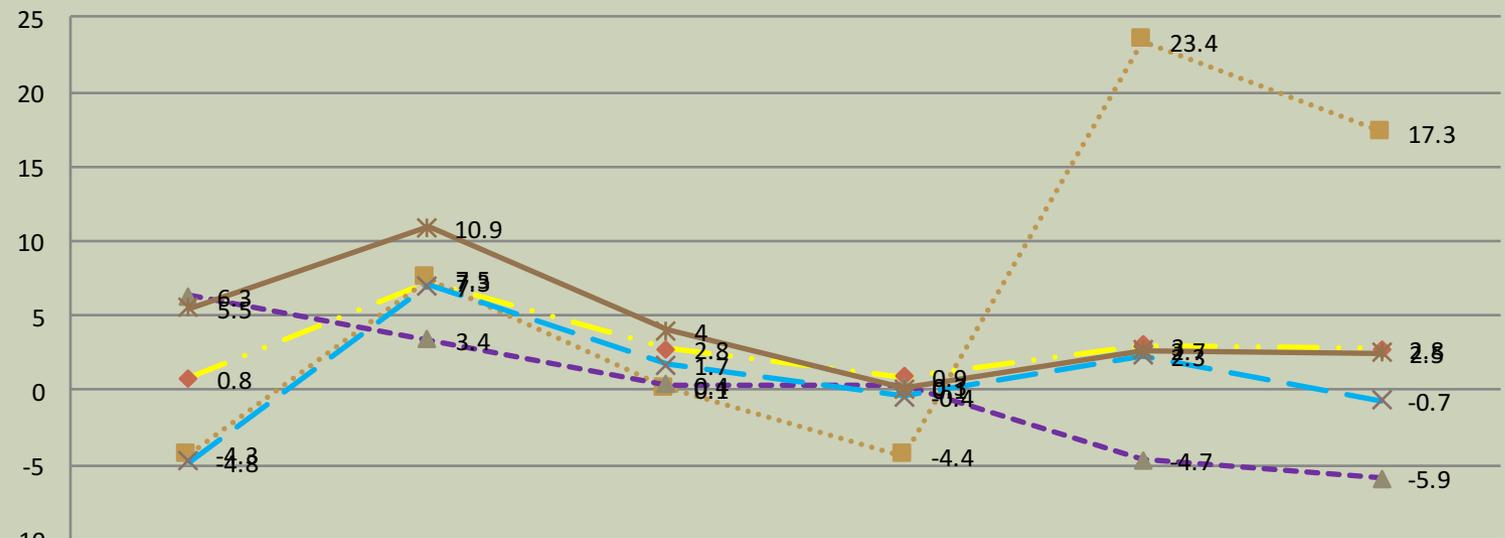


# 40<sup>th</sup> ACF Council Meeting Manila, the Philippines 8-9 October 2015

COUNTRY REPORT BY  
THAI CONTRACTORS ASSOCIATION  
UNDER H.M. THE KING'S PATRONAGE

# OVERVIEW OF THE MACRO ECONOMY AND THE CONSTRUCTION INDUSTRY

## Growth Rate of Construction Sector and GDP in 2011-2015



	2011	2012	2013p	2014p1	2015 Q1r	2015 Q2
◆ Total GDP	0.8	7.3	2.8	0.9	3	2.8
■ Construction	-4.3	7.5	0.1	-4.4	23.4	17.3
▲ Agriculture	6.3	3.4	0.4	0.3	-4.7	-5.9
× Manufacturing	-4.8	7	1.7	-0.4	2.3	-0.7
✱ Real Estate	5.5	10.9	4	0.1	2.7	2.5

Source: The office of National Economic and Social Development Board

# GENERAL SITUATION

- Thai economy in 2015 forecast to grow by 2.7 -3.2%
- The economy growth in the second half of 2015, still face major constraints from global economy
- The construction remarkable growth 20.1% in first half of 2015, compared with 2014, it's -4.4%

# 2014 & 2015 GDP GROWTH

2014 GDP Growth = 0.9%

Expected GDP Growth in 2015 = 2.7-3.2%

- 2015 Q1 = 3.0%
- 2015 Q2 = 2.8%

# KEY FACTORS FOR 2015 GDP GROWTH

Expected GDP Growth in 2015 = 2.7-3.2%

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graph TD; A[Expected GDP Growth in 2015 = 2.7-3.2%] --> B[Public Investment]; B --> C[Tourism Sector]; C --> D[Depreciation of Thai Baht, enhance export revenue];
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Public Investment

Tourism Sector

Depreciation of Thai Baht,  
enhance export revenue

# CONSTRUCTION INDUSTRY PERFORMANCE

## Output Value of Construction Sector

### Gross Fixed Capital Formation at Current Market Price

(Billion USD)

Year	Construction by Private Sector	Construction by Public Sector	Total	Growth Rate (YoY)
2011	12.91	12.30	25.21	-4.6
2012	14.41	13.97	28.38	7.4
2013 p	15.41	13.56	28.98	0.3
2014 p1	15.06	13.41	28.50	-2.4
2015 Q1	3.57	4.17	7.74	21.4
2015 Q2	3.78	4.41	8.20	13.7

Source: The Office of National Economic and Social Development Board

Note: Average Interbank Exchange Rates 36.34 Thai Baht/USD (Bank of Thailand on 9 September 2015)

# CONSTRUCTION INDUSTRY PERFORMANCE

## ■ Gross Value of Construction works performed

### Gross National Product at 2002 Price (Billion USD) in 2011-2015

Year	Gross Domestic Product	Growth Rate (Y-o-Y)	Construction	Growth Rate (Y-o-Y)	Real Estate	Growth Rate (Y-o-Y)
2011	228.30	0.8	6.01	-4.3	18.26	5.5
2012	245.02	7.3	6.46	7.5	20.26	10.9
2013 p	251.90	2.8	6.46	0.1	21.07	4.0
2014 p1	254.08	0.9	6.18	-4.4	21.09	0.1
2015 (Q1)	67.64	3.0	1.75	23.4	5.29	2.7
2015 (Q2)	63.28	2.8	2.03	17.3	5.37	2.5

■ Source: The Office of National Economic and Social Development Board

■ Note: Average Interbank Exchange Rates 36.34 Thai Baht/USD (Bank of Thailand on 9 September 2015)

# II.UPDATE/ISSUES RELATED TO THE CONSTRUCTION INDUSTRY IN THAILAND

## ■ Price of construction materials in Bangkok 2014-2015

Descriptions		Units	Price in cash (USD)			
			2014	2015 Apr	2015 Jun	2015 Aug
<b>1. Ready Mixed</b>	240 ksc, Cylinder	m <sup>3</sup>	69.06 THB 2,510	69.06 THB 2,510	69.06 THB 2,510	69.06 THB 2,510
<b>2. White Portland Cement</b>	40 kgs / Bag	Ton	234.17 THB 8,510	234.17 THB 8,510	234.17 THB 8,510	234.17 THB 8,510
<b>3. Concrete Block Standard Type</b>	19 x 39 x 7 cm	pcs	0.19 THB 7	0.17 THB 6.50	0.17 THB 6.50	0.17 THB 6.50
<b>4. Concrete Block: Light Weigh</b>	20 x 60 x 7.5 cm	m <sup>3</sup>	6.19 THB 225	6.19 THB 225	6.19 THB 225	6.19 THB 225
<b>5. Clay Brick</b>	7 x 16 x 3.5 cm	pcs	0.04 THB 1.47	0.04 THB 1.57	0.04 THB 1.57	0.04 THB 1.57
<b>6. Glass Block: Value Type</b>	190 x 190 x 80 cm	pcs	1.54 THB 56	1.54 THB 56	1.54 THB 56	1.54 THB 56

# II.UPDATE/ISSUES RELATED TO THE CONSTRUCTION INDUSTRY IN THAILAND

Descriptions	Units	Price in cash (USD)				
		2014	2015 Apr	2015 Jun	2015 Aug	
<b>7. Galvanize Steel Pipe BS-M</b>	½" x 6 m x 2.6 mm	pcs	<b>7.84</b> THB 285.07	<b>7.25</b> THB 263.58	<b>6.93</b> THB 252.12	<b>6.93</b> THB 252.12
<b>8. PVC water pipe class 8.5</b>	½" x 4 m	pcs	<b>1.07</b> THB 39.24	<b>1.06</b> THB 38.64	<b>1.04</b> THB 37.80	<b>1.01</b> THB 36.96
<b>9. Round bars SR.24</b>	6 mm x 10 m	Ton	<b>596.34</b> THB 21,671.30	<b>509.59</b> THB 18,518.60	<b>510.14</b> THB 18,538.60	<b>480.62</b> THB 17,465.83
<b>10. Granite Tile Gray Colour</b>	60 x 60 cm	m <sup>2</sup>	<b>16.51</b> THB 600	<b>16.51</b> THB 600	<b>16.51</b> THB 600	<b>16.51</b> THB 600
<b>11. Gypsum Board ceiling</b>	120 x 240 x 9 cm	pcs	<b>6.54</b> THB 238	<b>6.54</b> THB 238	<b>6.54</b> THB 238	<b>6.54</b> THB 238
<b>12. Aluminum (T-shape, White)</b>	1" x 1" x 6 m	pcs	<b>1.56</b> THB 56.88	<b>1.55</b> THB 56.60	<b>1.55</b> THB 56.60	<b>1.55</b> THB 56.60
<b>13. Glass</b>	5 mm (Thk)	ft <sup>2</sup>	<b>0.40</b> THB 14.74	<b>0.39</b> THB 14.47	<b>0.39</b> THB 14.47	<b>0.39</b> THB 14.47

Source: Bureau of Trade and Economic Indices, Ministry of Commerce, Thailand

Note: Average Interbank Exchange Rates: 36.34 Thai Baht/USD (Bank of Thailand on 9 September 2015)

# CONSTRUCTION PROJECTS IN THAILAND

- In 2015 Q2, Over view, Construction Sector expanded by 17.3%: public 25.6%, private 2.7%
- Expansion of mass-transit train network within greater Bangkok - Green Line, from Mochit – Sapan Mai – Khu Khot length 19 Km with investment 872.3 Million USD.
- The railroad development cooperation between Thailand and China in the Northeastern from Bangkok-Nong Khai and Kaeng Khoi-Maptaphut length of 973 Km, is schedule to begin in October 2015. Investment estimated at 12.22 Billion USD.
- The railroad development cooperation between Thailand and Japan in the North from Bangkok to Chiang Mai, high speed train using Japanese Shinkansen train system, the investment estimated at 12 Billion USD, scheduled to begin in 2016 Q2.

# GREEN LINE EXPANSION PROJECT

## Dark Green Line Extension Project Mo Chit - Saphan Mai - Khu Khot



# RAILWAY NETWORK COOPERATION BETWEEN THAILAND AND CHINA



# RAILROAD NETWORK

## TIMEFRAME FOR MID- AND HIGH-SPEED RAILWAY LINES

### THAI-JAPANESE 715KM HIGH-SPEED BANGKOK-CHIANG MAI RAILWAY LINE

**May 26 to 27:** Signing a memorandum of cooperation

**June:** Conducting a survey

**January 2016:** Commencement of construction

### THAI-CHINESE 867KM MID-SPEED BANGKOK-NONG KHAI RAILWAY LINE

**August:** Details to be released on construction costs and credit line

**October:** Construction of Phase 1 and 3 to commence

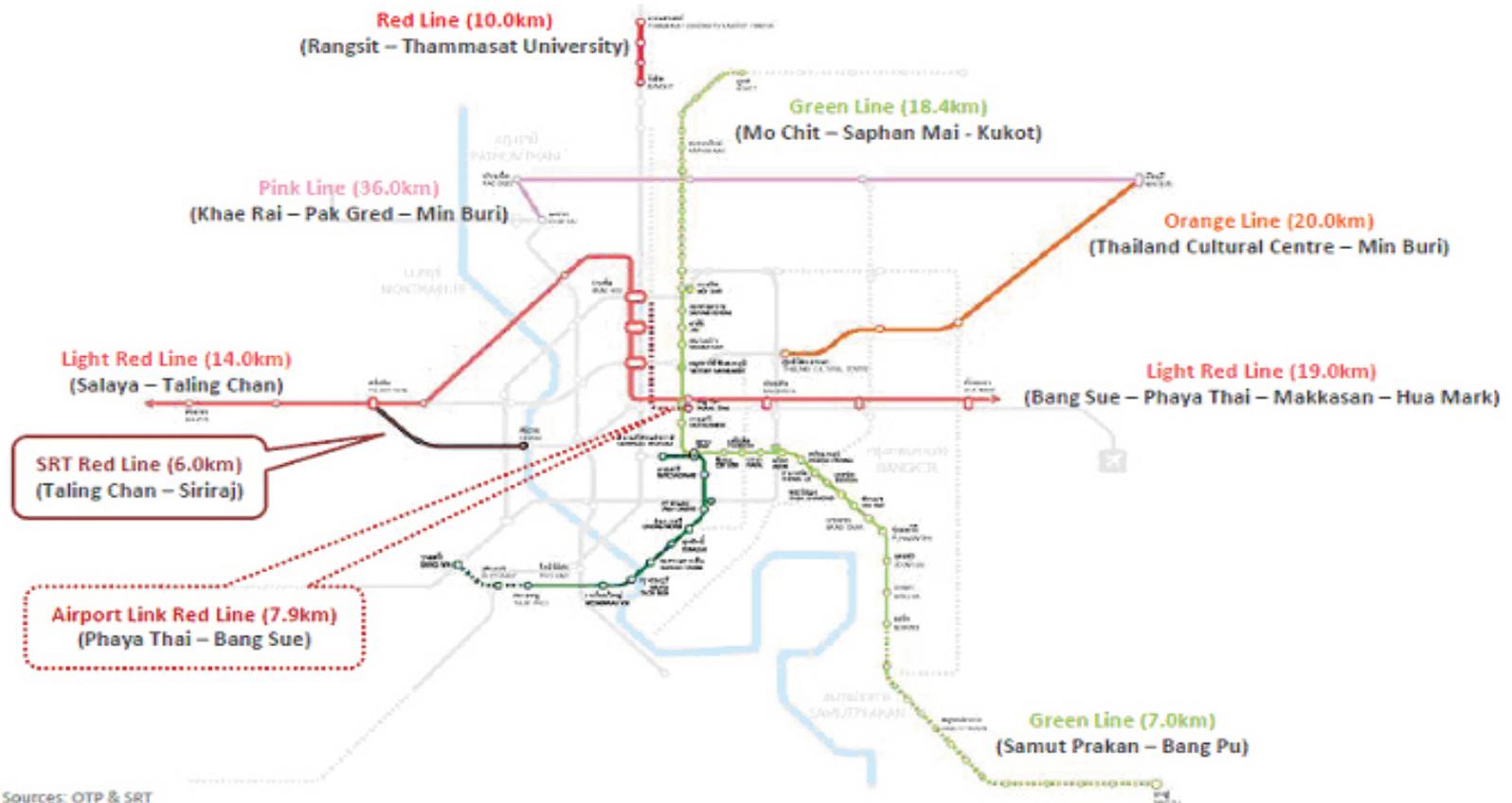
**December to January 2016:** Construction of Phase 2 and 4 to commence

**December 2017 to Mar 2018:** Services on Phase 1 to 4 to commence



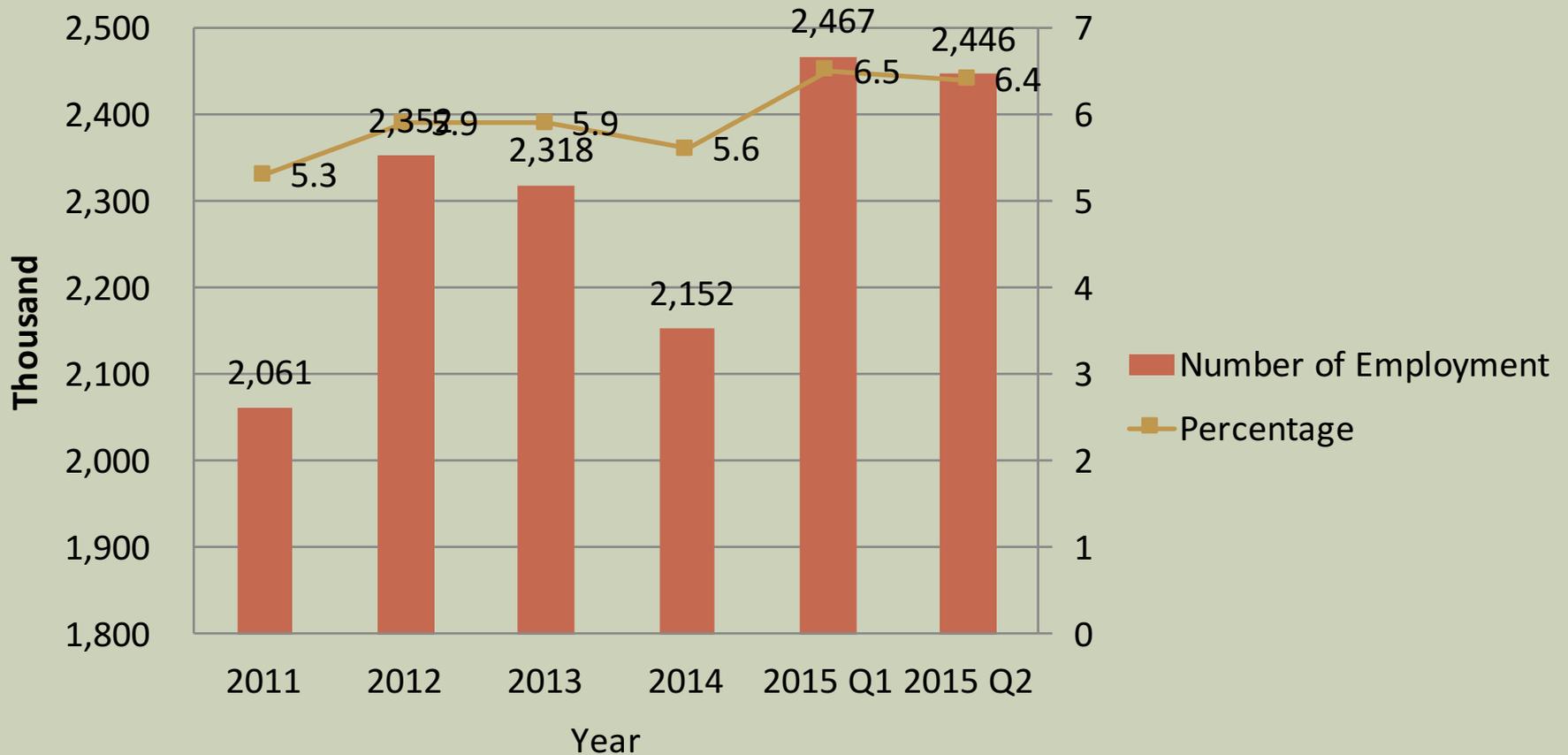
# MASS TRANSIT IN GREATER BANGKOK

## Network Expansion



# LABOUR & HUMAN RESOURCE

## Construction Industry Employment



# EMPLOYMENT

- The employment in 2015 Q2, approximate 37.7 million
- Employment in the country dropped by 0.2%
- Unemployment 0.9 %, declined 12.9% from same period last year
- Employment in construction industry represent about 6.4% or 2.4 million people

# LAW & REGULATION

## E-BIDDING

- On March 2015, announced using e-bidding system.
- Take effect in all state agencies procurement from October 1, 2015
- all other state enterprises and other local government bodies starting March 1, 2016.

### **Concept of e-bidding**

- Download all bidding data, drawings and documents electronically
- Submit bid data back online via the internet

### **Pilot Project**

- 583 pilot projects.
- Winner for only 57 projects - 23 percent lower than budget

# E-BIDDING & E-AUCTION

## Different

### E-Bidding

- Bidder submit their price once
- The submission price can be higher than the government preferred median price of no more than 10%

### E-Auction

- Bidder can submit their price many time
- The submission price cannot be higher than the government preferred median price



**Thank you**