ACF UPDATE – TCA

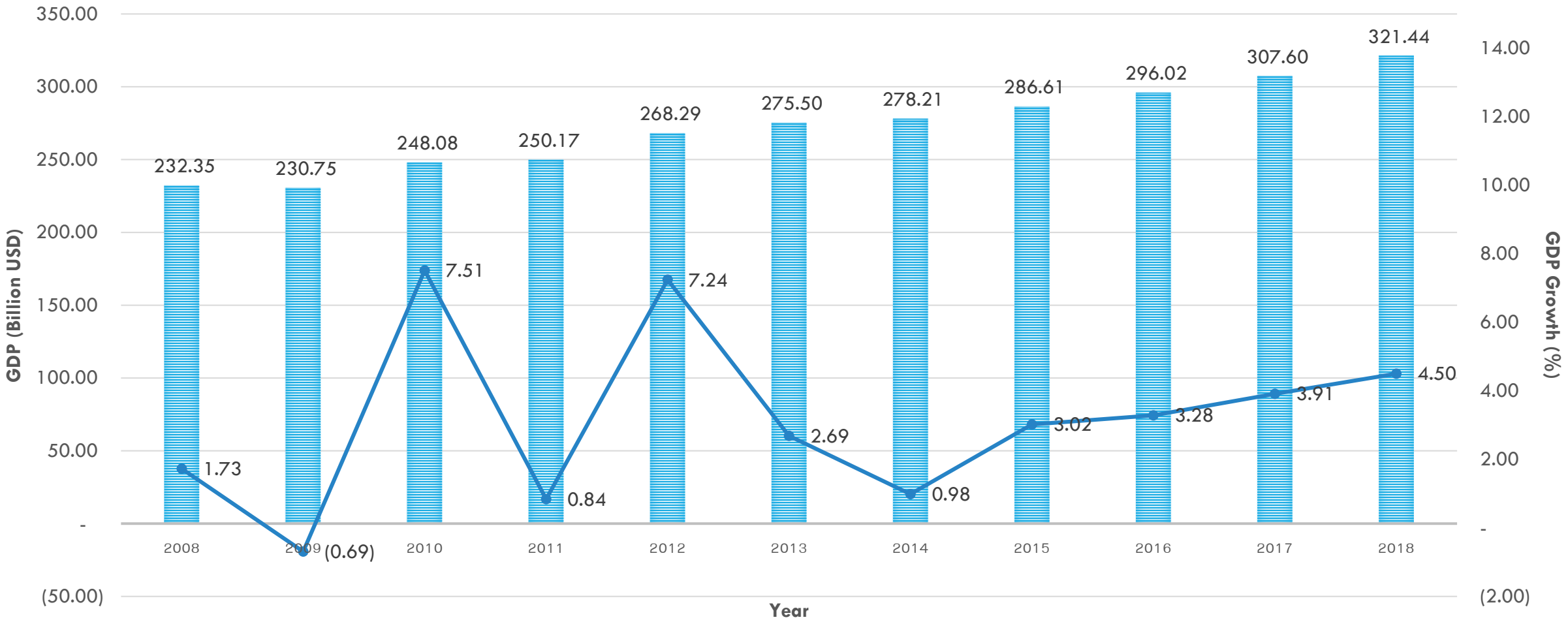
THAI CONTRACTOR ASSOCIATION

September 7, 2018

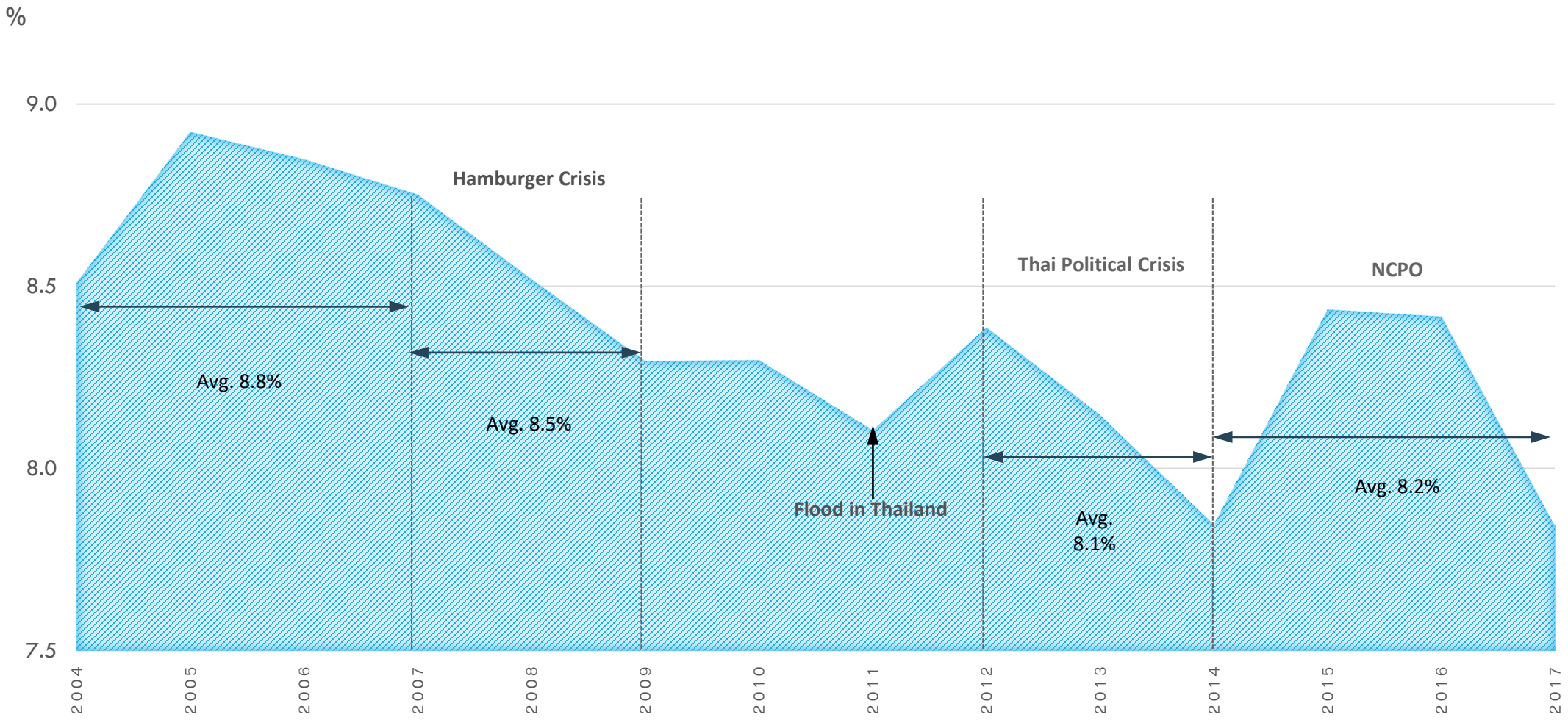
OUTLINE PRESENTATION

1. Overview of the Macroeconomy and the Construction Industry
   - Macroeconomy
   - Construction Industry Performance
   - Construction Industry Forecast
2. Update / Issues related to the Construction industry in the country
   - Building and construction material cost indices
   - Labor / Human Resource
   - Contracts and Practices
3. Summary and Outlook of Construction Industry
   - General Outlook for the construction sector
   - Business Opportunities / New Projects

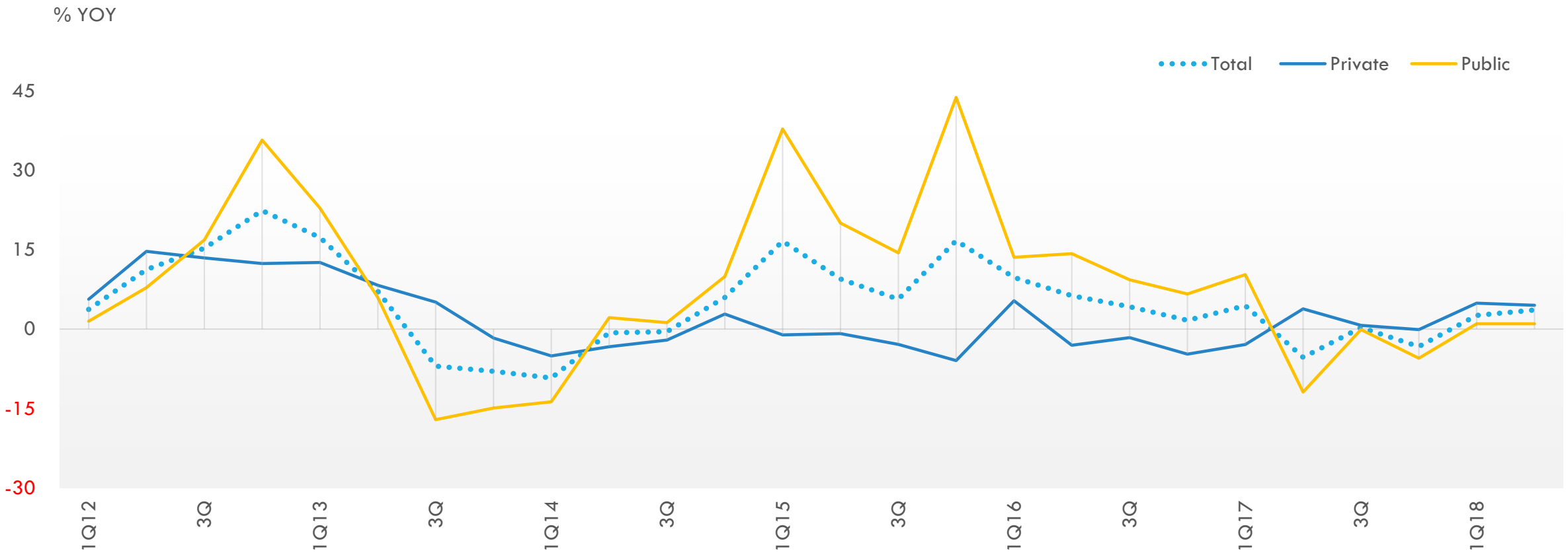
1.1 MACROECONOMY - OVERVIEW OF THAILAND'S ECONOMY



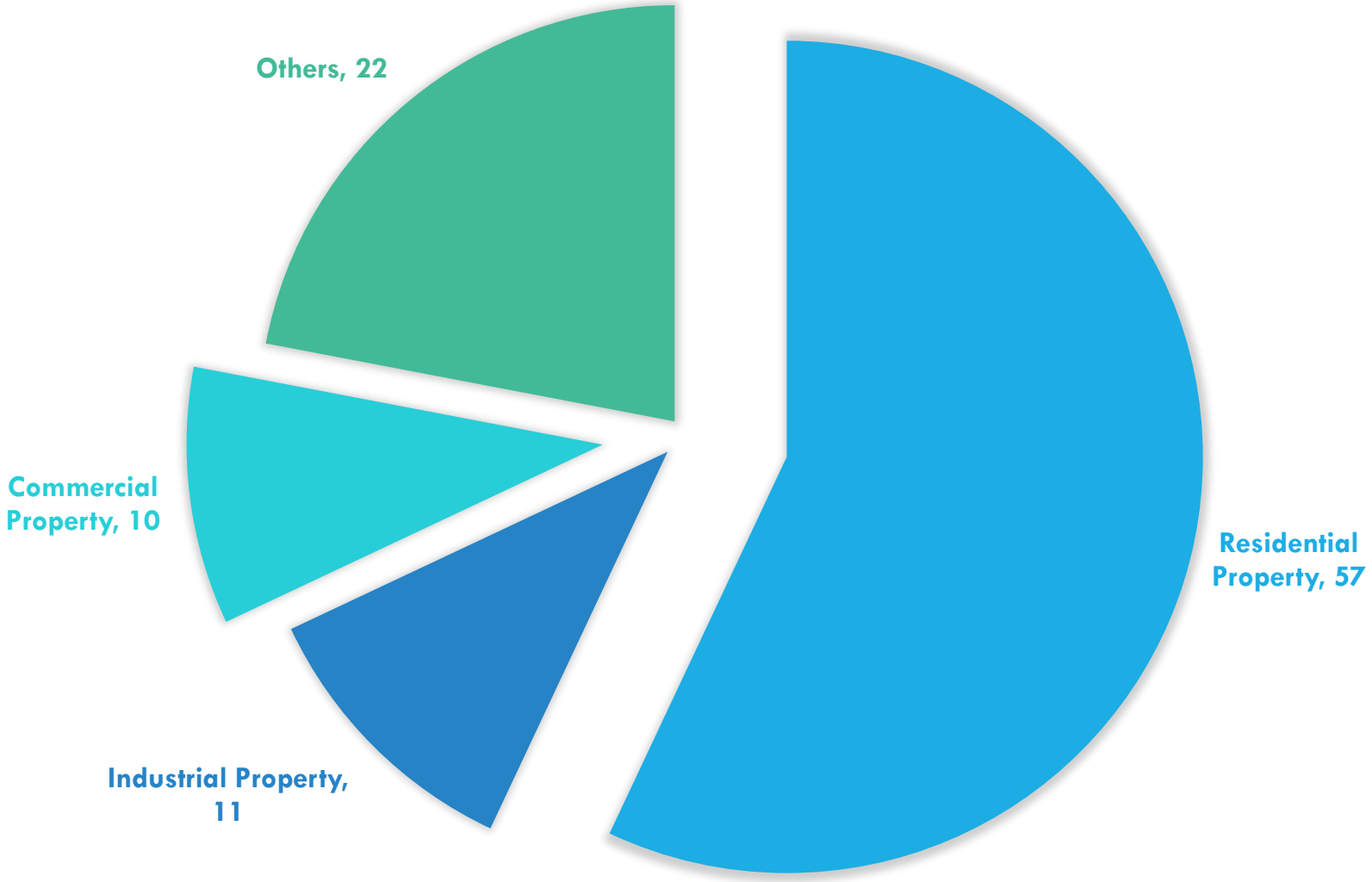
1.2 CONSTRUCTION INDUSTRY PERFORMANCE: RATIO OF CONSTRUCTION CONSUMPTION COMPARE TO GDP



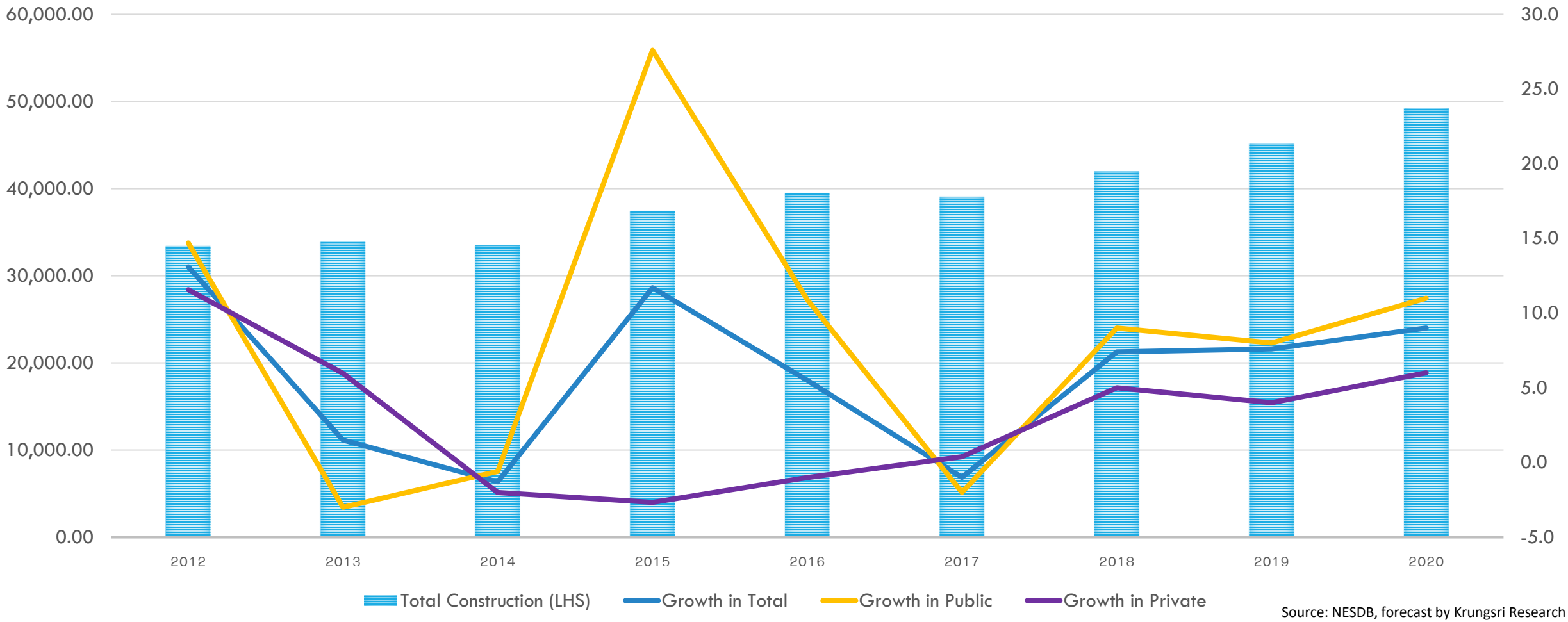
1.2 CONSTRUCTION CONSUMPTION BY SECTOR



1.2 PRIVATE CONSTRUCTION BY SECTOR

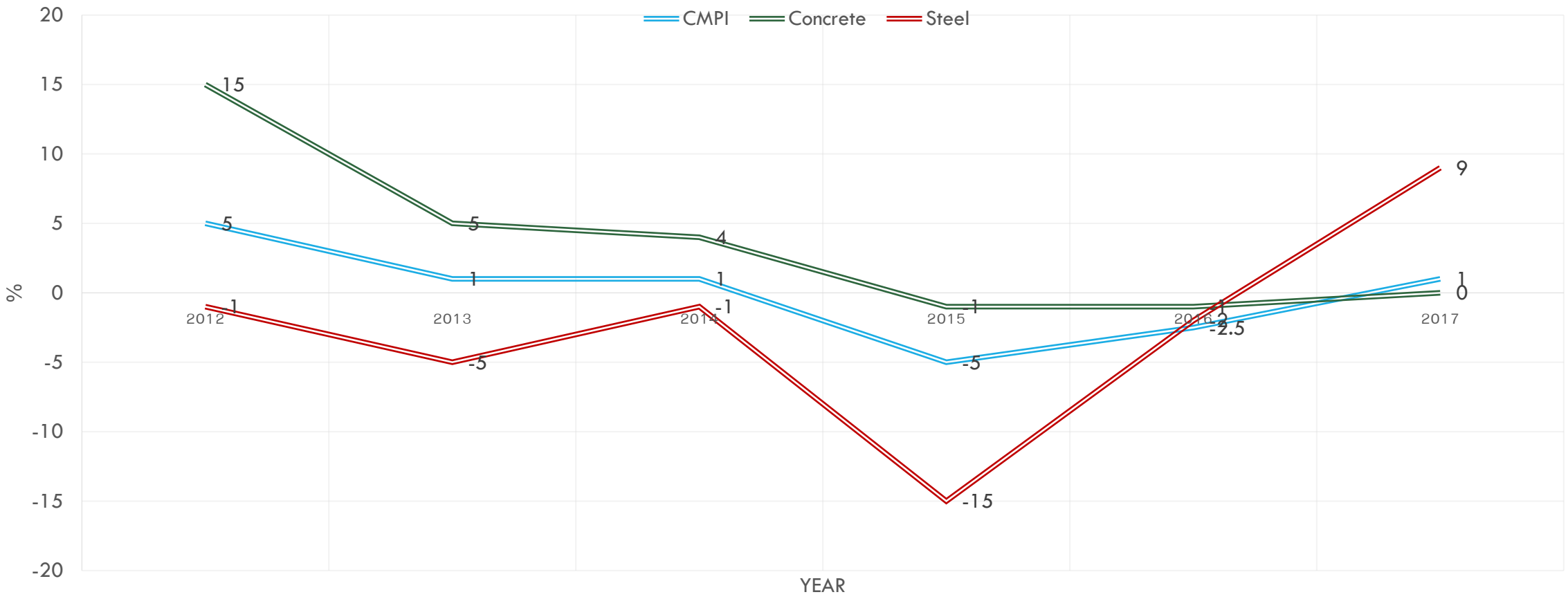


1.3 CONSTRUCTION INVESTMENT TREND 2018-2020

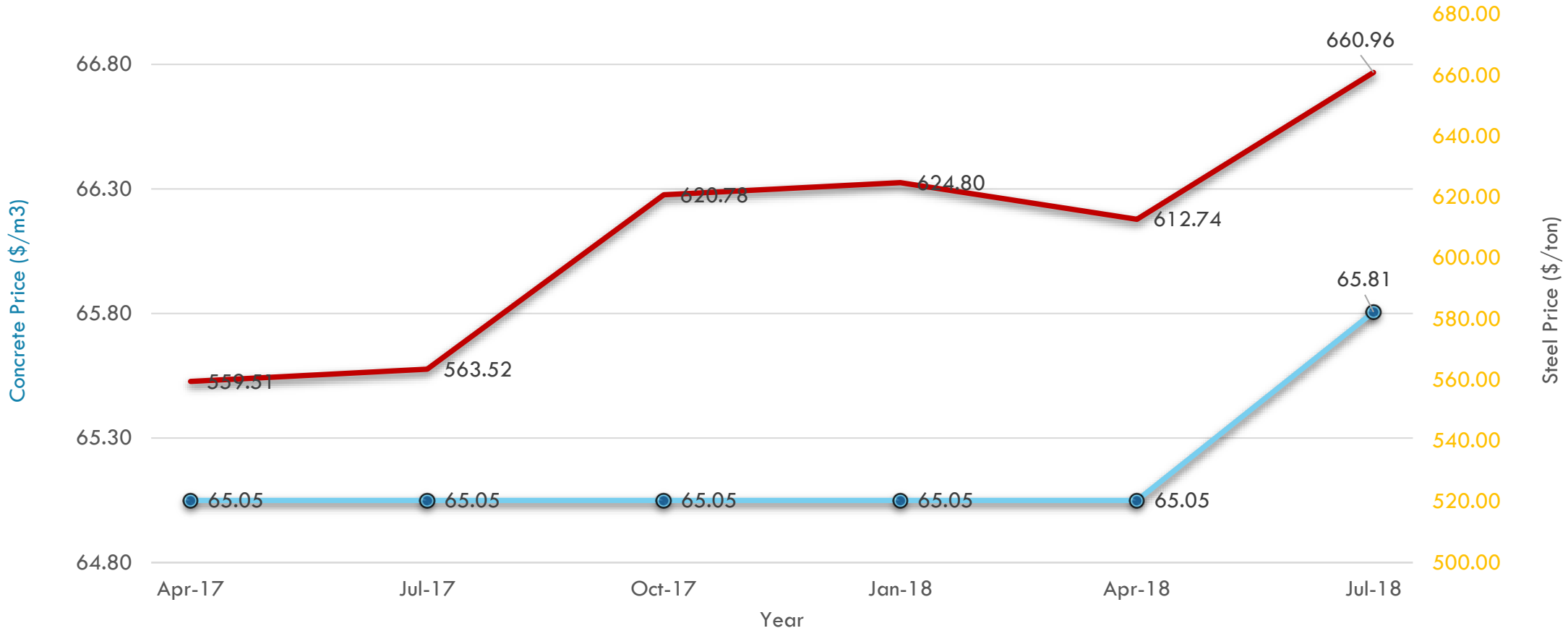


Source: NESDB, forecast by Krungsri Research

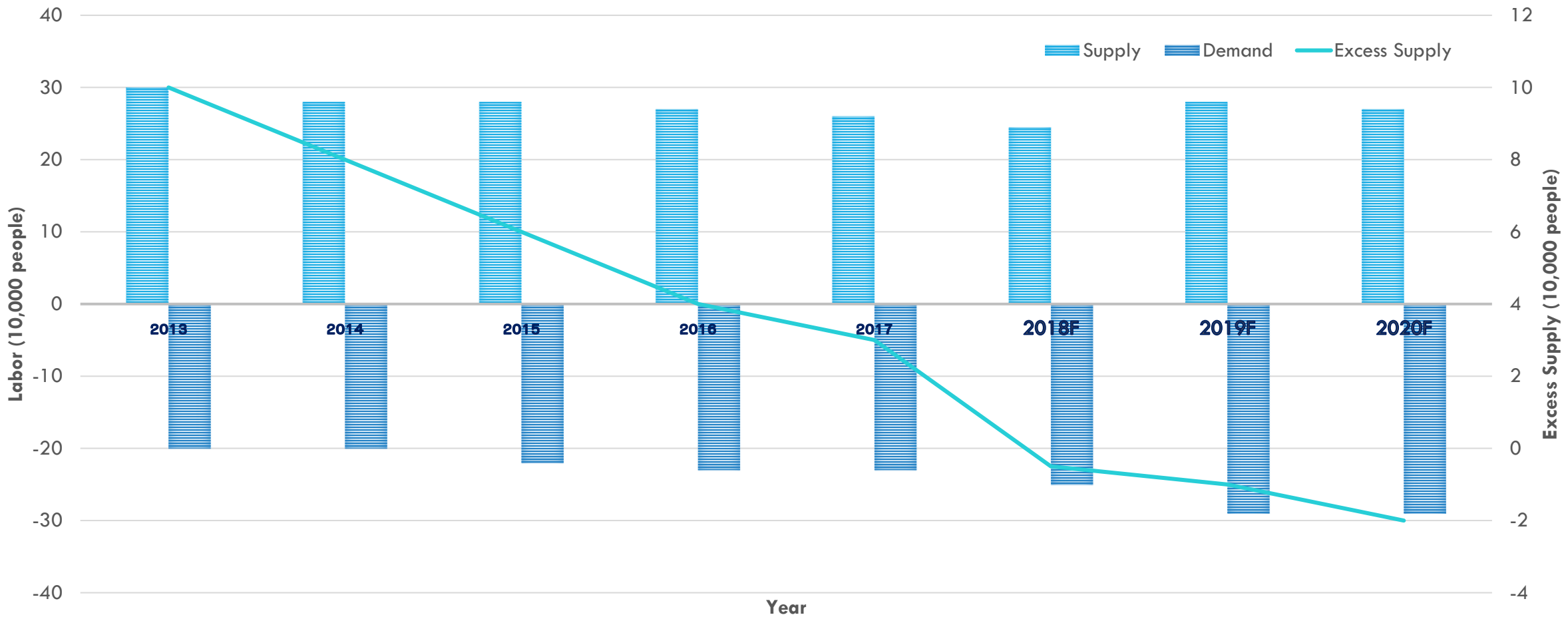
2.1 BUILDING AND CONSTRUCTION MATERIAL COST INDEX



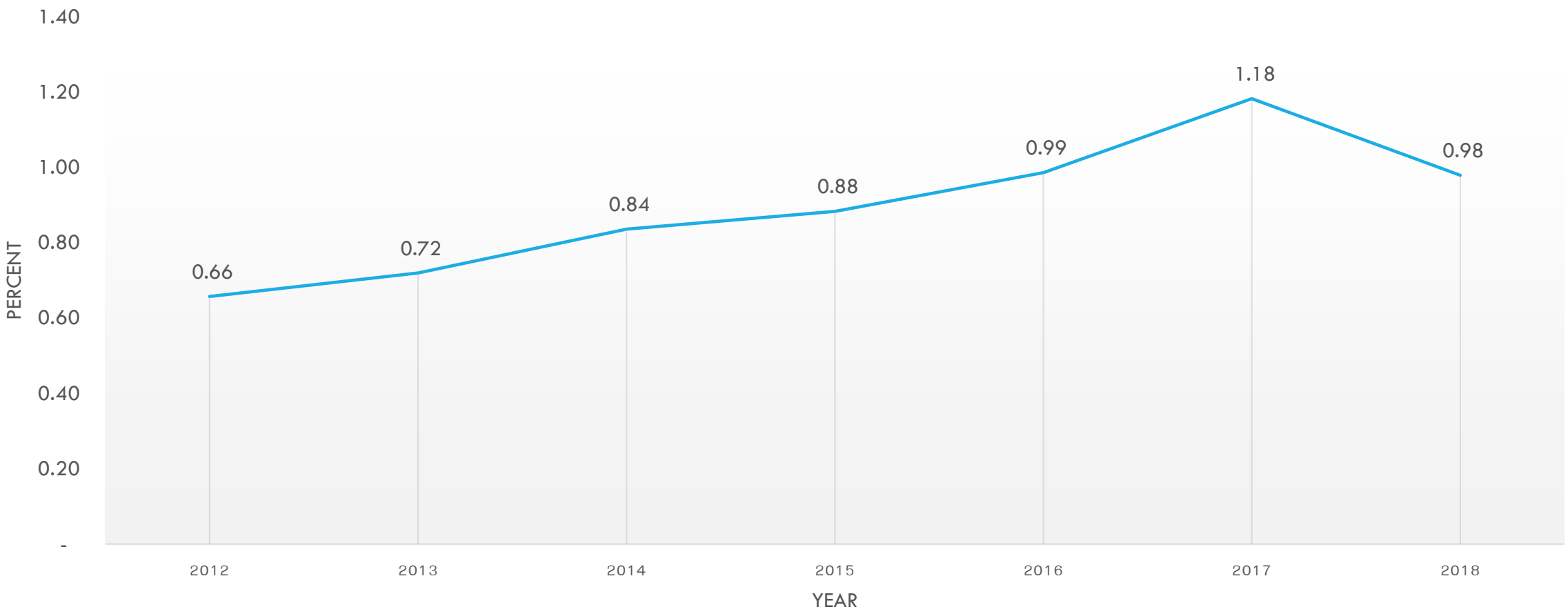
2.1 PRICE OF CONSTRUCTION MATERIAL



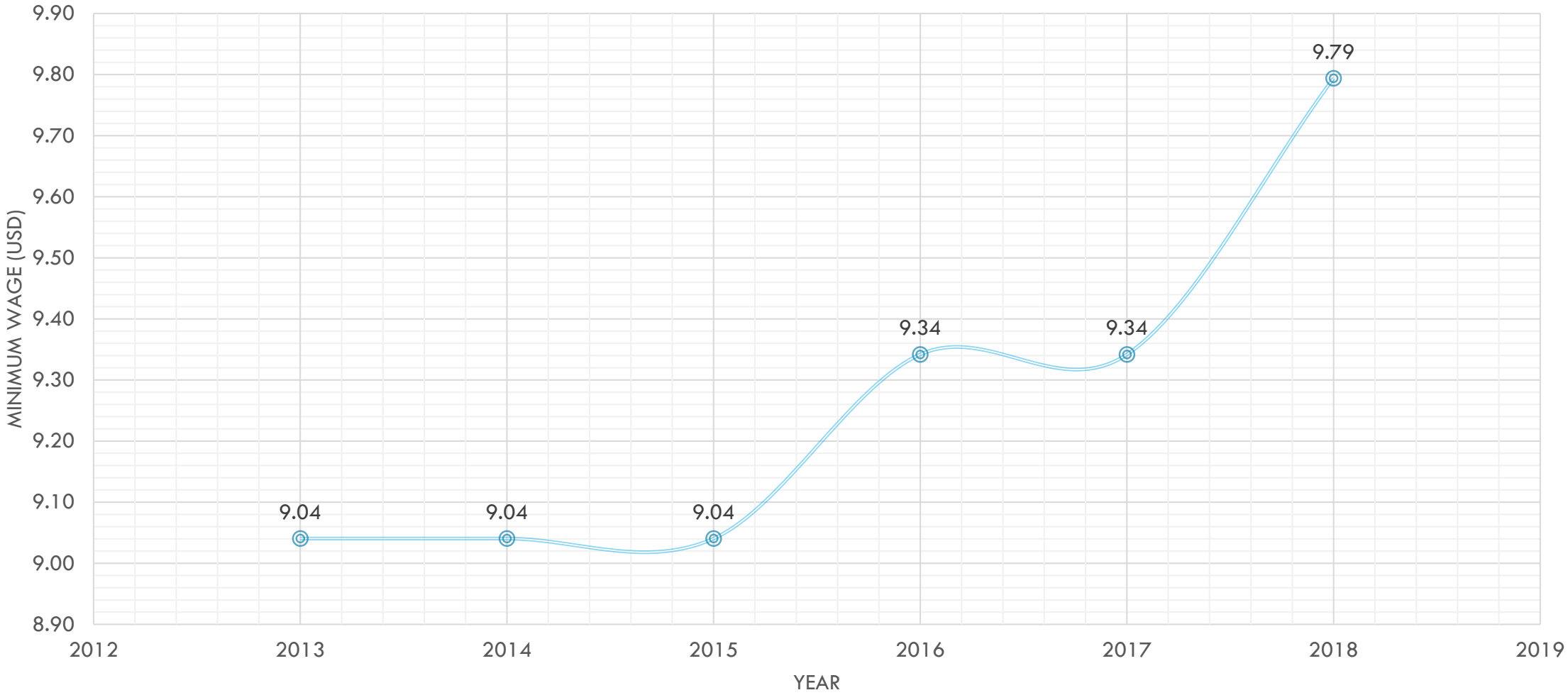
2.2 LABOR / HUMAN RESOURCE – DEMAND & SUPPLY OF LABOR



2.2 LABOR / HUMAN RESOURCE – UNEMPLOYMENT RATE



2.2 LABOR / HUMAN RESOURCE – MINIMUM WAGE



2.2 LABOR / HUMAN RESOURCE – HIGHLIGHTS IN LABOR

- The 2018 increases to the minimum wage (effective from Apr. 1st, 2018) will have only slight impacts on the construction sector
- The consequences of labor shortages in the Thai Construction Sector may become more evident in the period of 2019-2020

2.3 CONTRACT & PRACTICES

- Consequences from the stricter regulations imposed through the Government Procurement and Supplies Management Act of 2017 (effective from 23rd August 2017)

3.1 GENERAL OUTLOOK OF THE CONSTRUCTION SECTOR

- During 2018-2020, the value of construction generally is forecast to grow by an average of 7-9% per annum
- Public construction will see strong growth thanks to increased spending on mega-projects, especially in the EEC.
- Private construction is forecast to see improving conditions in line with a strengthening economy and also to benefit from the crowding in effects of government spending on mega-projects

3.2 BUSINESS OPPORTUNITIES / THE ICON SIAM

- The Icon Siam
- 520,000 sq m. of mixed use (2 Large malls, Hotel, and residences)
- Expect to open by the end of 2018
- Investment of 50 Billion THB (1.5 Billion USD)

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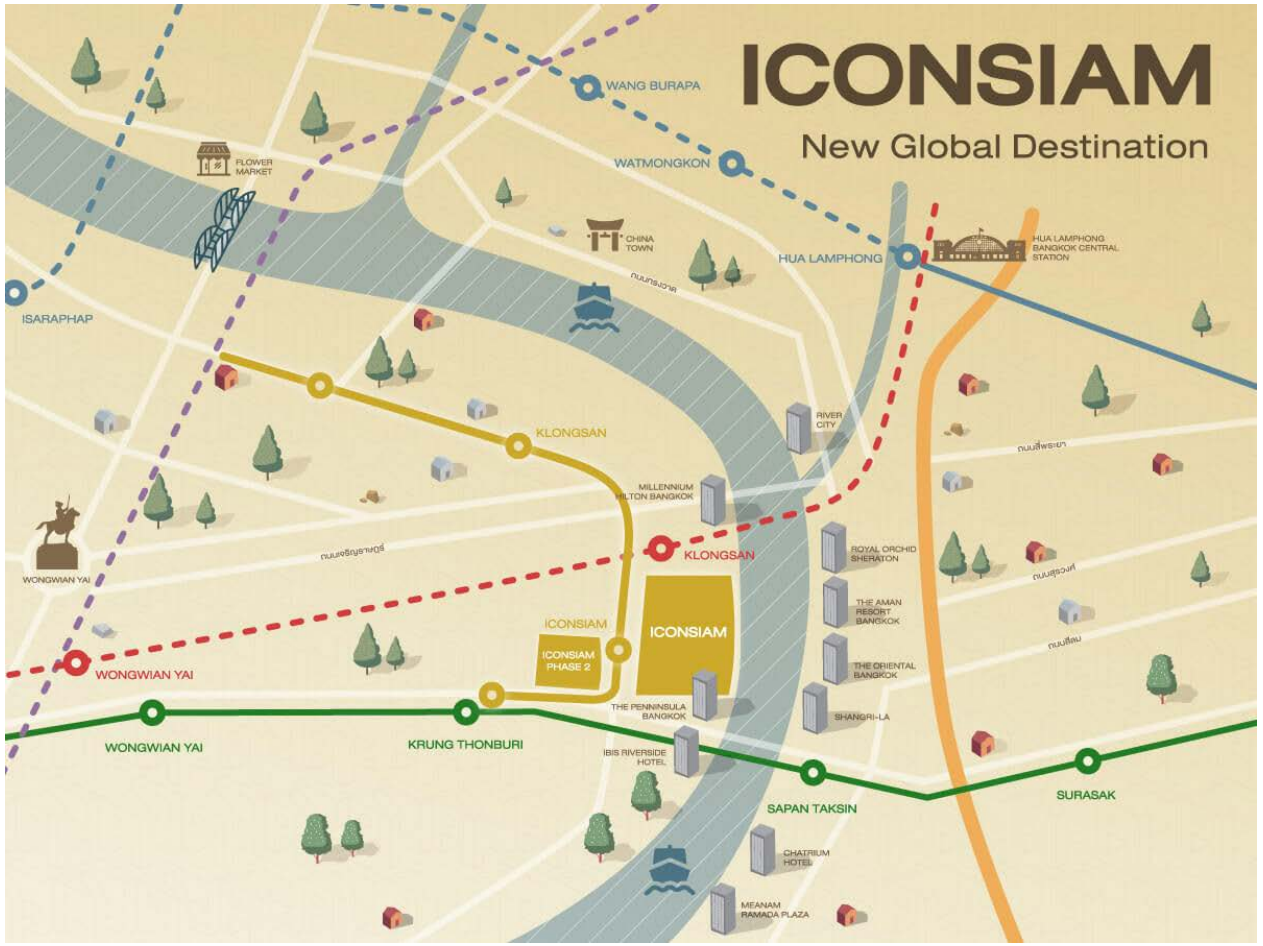

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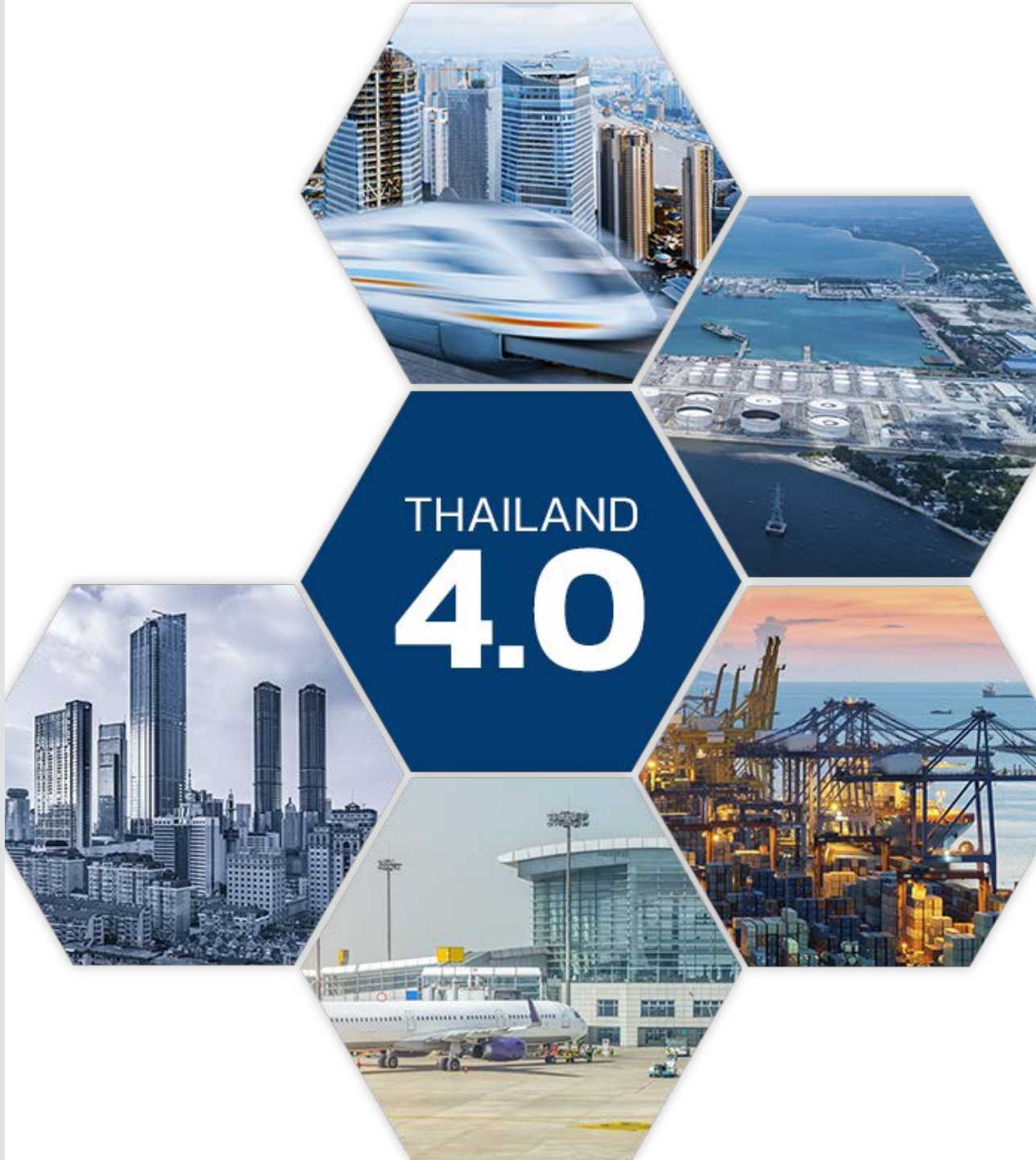
- Bangkok Observation Tower (459 Meter height)

3.2 BUSINESS OPPORTUNITIES / THE ICON SIAM

- Bangkok Gold Line
- 2.68 Km. connecting existing BTS to the Icon Siam
- Invest by KT & Siam Piwat
- 30 years concession under BMA

3.2 BUSINESS OPPORTUNITIES / EASTERN ECONOMIC CORRIDOR

- Cover 13,000 km2 (1.3 Million Hectare) over 3 provinces
- High Speed Train connecting 3 airports
- EEC Aeropolis – U ta pao Airport
- Laem Chabang Port Phase III
- Map Ta Phut Industrial Port Phase III



3.2 BUSINESS OPPORTUNITIES / EASTERN ECONOMIC CORRIDOR

Thank You