

# Thailand's construction market is now driven by public infrastructure

Thailand's construction market is driven by public investments in infrastructure as Government spending continues to focus its efforts in developing a robust transportation system.

By Daniel Lorenzo - January 23, 2017



Note: - 2016f is estimated by Q1/2016 growth (compare with Q1/2015) of each sector

- Exchange rate 30 THB / 1 USD

Source: Office of the National Economic and Social Development Board (NESDB), Solidiance research and analysis

Thailand is currently one of the most exciting hubs for contractors in Southeast Asia today, with a construction market value estimated at USD41.4 billion last year, according to a white paper released last week by corporate strategy consulting firm Solidiance.

New buildings and infrastructures amassed throughout the kingdom at a faster clip over the last few years, a trend that would indicate an especially busy year ahead for Thai real estate.

Overall, the number of buildings in the country increased 1.4 percent on average every year between 2012 and 2014.

## Overview of Thailand's construction sector

Thailand's construction market is estimated to reach up to USD 41.4 billion by 2016, with about USD 17.9 billion coming from private investments and about USD 23.4 billion from the public sector, which includes the infrastructure segment.

### Public infrastructure

Of the USD41.4 billion siphoned into Thai construction last year, USD23.4 billion can be traced to the public sector.

This mainly covers lavish public expenditure on infrastructure, aligning with the Thai government's renewed thrust toward improving the country's transportation system.

Since 2015, transport officials have executed plans to increase infrastructure investments in Bangkok’s mass rapid transit line, although delays have been widely reported.



### Growing condo market in metropolitan Bangkok

Such increase in public works have literally widened the path to residential construction in the Thai capital. With public transit lines currently under construction, Bangkok’s city center is gradually expanding, Solidiance researchers contended.

The government has also approved the development of the Eastern Economic Corridor, which concentrates on construction of transport infrastructure, sea, and rail. This move will further support Thailand’s position as a major economic zone in ASEAN.

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