Since March 25, 2020

Confederation of International Contractors' Associations (CICA)

Strategic Watch: COVID-19 Overview by country and region (situation at April 21, 2021)

Based on FIEC's COVID-19 Construction Observatory, FIIC's, CIAN's and MEDEFI's and IFAWPCA's data

For more information go to the CICA Website: http://www.cica.net/cica-covid-19-overview/ and Dropbox: https://www.dropbox.com/home/Observatory%20COVID-19

Thailand

Country/Region	General measures	Measures for construction
THAILAND		
Lockdown	Thailand's lockdown began on 26 March. It has twice been extended and was scheduled to end by 1 July (11 June).	Construction has been allowed to continue, but according to Fitch Thailand's curfew has reduced working hours, and the closing of borders has cut off the flow of migrant workers from Myanmar and Cambodia (11 June).
Economic outlook	**2021 Outlook** The International Monetary Fund (IMF), in its latest Country Report, said Malaysia's growth is projected to rebound to 6.5% in 2021, driven by a strong recovery in the manufacturing and construction sectors, and the impact of the vaccination rollout in February 2021. **GDP**: The current account surplus would decline to 3% of GDP as demand for pandemic-related equipment recedes and the rebound in domestic demand raises imports. It also said the travel balance deficit would persist as international travel restrictions continue through the first half of 2021. Over the medium term, growth will converge to 5%, inflation will stabilize at 2% and the current account surplus will return to its downward pre-pandemic path. Meanwhile, the IMF said an intensification of the pandemic or realisation of other risks could derail the recovery. **Fiscal risk**: Domestically, fiscal risks from contingent liabilities could materialize while domestic policy uncertainty could dampen business confidence and investment. Although the current account	Covid-19 has probably caused Thailand's construction sector to shrink by 3.6% in 2020, the country's first contraction since 2017, risk and research company Fitch Solutions has predicted. The country's construction industry was expected to increase 1.2% in 2020, but it is predicted by Fitch that this will be reversed by a 5.4% year-on-year decrease in private sector investment. Thailand's non-residential buildings sector is predicted to shrink 6.1% in 2020. However, the infrastructure sector is expected to grow 0.7%, compared with a predicted growth of 4.4%. Future infrastructure projects are expected to cushion the decline of the sector overall (cf. GCR) (11 June).

	surplus helps reassure investors, it nevertheless represents a gap of 3.6% of GDP that cannot be fully explained by Malaysia's fundamentals and desired policies and is partly driven by relatively lower spending on social safety nets in Malaysia. Going forward, the IMF said policies that strengthen social safety nets and continue to encourage private investment can help facilitate external rebalancing. **External debt**: The IMF said that Malaysia's external debt remains high but manageable. External debt increased to 67.5% of GDP by end-September 2020 (63.4% in 2019), partly driven by higher non-resident holdings of ringgit-denominated debt instruments (cf. IMF / FMT) (18 March 2021). **2020 Outlook** The Asian Development Bank (ADB) is providing a US$1.5 billion loan to support the Government of Thailand's response to the coronavirus disease pandemic. ADB forecast Thailand's economy to contract by 6.5% in 2020, down from its December 2019 projection of 3.0% growth. Given the country's strong regional trade, investment, and labor links, an economic crisis in Thailand could spill over into neighboring countries, including Cambodia, the Lao People's Democratic Republic, Myanmar, and Viet Nam (4 August). Thailand's GDP growth has slowed in recent years, falling from 4.2% in 2018 to 2.4% in 2019 (cf. GCR) (11 June). Actually, Thailand's economy saw its biggest annual contraction in 22 years and a record quarterly fall in the April-June period as it fell 12.2% in the second quarter compared to the same quarter in 2019 (cf. Construction Europe) (26 August).	

Recovery	Thailand's government is reported to be planning on increasing spending on road and rail projects when the country's fiscal year begins in October 2020 in a bid to boost an economy that has been hit by a Covid-19 related decrease in exports and tourism. The financing will be a combination of the ministry's annual budget allocation from the central government, revenue from state enterprises and income from various funds. The transport budget in the new fiscal year will be around 232 billion baht (US$7.4 billion), up about 32% from the current period (cf. Construction Europe) (26 August).

Other Overviews

- Download the report from the International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA): **IFAWPCA COVID-19 Pandemic | Construction Industry Country Reports (April 2020)**