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## **Contractors set for 2nd half boost from govt projects**

Leading construction firms, confident that the government will open bidding for infrastructure projects worth Bt193.2 billion during the second half of the year, expect their revenue and net profit to grow by between 10 per cent and 15 per cent for the full year.

"We target a share of between 20 per cent and 25 per cent of new government contracts subject to bidding this year. This will drive net profit growth to achieve our target," Ch Karnchang president and CEO Plew Trivisvavet said at a press conference last week.

The listed construction company currently has a backlog worth Bt100 billion, which will generate revenue of Bt34 billion to Bt35 billion this year.

Ch Karnchang also expects to win new contracts from the both state and private sectors worth between Bt35 billion and Bt40 billion by year-end, which would drive stable growth for the long term, he explained.

Italian-Thai Development president Premchai Karnasuta told a shareholders' meeting on April 8 that the company - also listed on the Thai bourse - targeted a share of just under 30 per cent of the government's new projects this year.

Its backlog would be boosted to Bt350 billion by year-end, assuming new contracts worth Bt170 billion could be signed for both private and public construction projects, he said.

"We believe the government will launch more new infrastructure projects in the second half of the year, with most of them for motorways, the double-track rail system, and mass-transit rail systems such as the Green, Orange, Pink and Yellow lines. This will boost the turnover of all contractors this year," he added.

Meanwhile, Pakpoom Srichamni, president of Sino-Thai Engineering and Construction - another listed contractor - also said the government would open bidding for more infrastructure projects in the second half of the year.

## Generate income

This would boost the backlog of contractors and generate income through to the end of 2017, he said.

Sino-Thai presently has a backlog worth Bt50 billion, up to Bt20 billion of which will be booked as revenue this year.

The company targets Bt30 billion worth of new contracts from the private and public sectors this year, he added.

Arkhom Termpittayapaisith, deputy transport minister and secretary-general of the National Economic and Social Development Board (NESDB), said the government would open bidding for more infrastructure projects and speed up spending in the second half of the year as a means of boosting economic growth.

Projects including the Bt84-billion Bang Pa-in-Nakhon Ratchasima motorway have now been approved by the NESDB and will be proposed to the State Enterprise Policy Committee, before being forwarded for Cabinet approval, he said.

"We believe we will open bidding in the second half of this year," he added. The Bt60-billion second-phase development of Suvarnabhumi Airport will also be submitted to the Cabinet during the second half, following the committee's approval, Arkhom said.

Moreover, the Transport Ministry plans to open bidding for a further Bt800 billion worth of projects between 2016 and 2025, which will contribute to stable long-term growth as a result of government spending, said the deputy minister.

Italian-Thai's Premchai said the long-term plan of using the government's investment budget to develop the country's infrastructure was a welcome opportunity for both local contractors and foreign investors interested in expanding their investment in the Kingdom.

"We are ready to take part in the bidding on our own, as well as with foreign firms, to develop the country's infrastructure projects," added Ch Karnchang's Plew.

