



Big Projects in Thailand and Its 2024 Fastener Demand Potential

Thailand, Southeast Asia's economic powerhouse, is experiencing a surge in significant infrastructure and development projects. These projects span across various sectors, including transportation, energy, and construction, and are poised to propel Thailand's fastener industry forward in 2024.

Current Landscape of Thailand's Fastener Industry

Thailand's fastener industry is well-established and boasts a strong export orientation. According to the statistics, the industry generated trade revenue (Exp.+Imp.) of US\$1.63 billion in 2023 (61% is the share of import and 39% is the share of export). Quantifying the exact increase in fastener demand from these projects is challenging. However, **industry experts estimate a growth of 5-10% in fastener demand in 2024 compared to 2023.**

The industry thrives due to several factors, including:

- **Skilled Workforce:** Thailand has a skilled and readily available workforce experienced in fastener production.
- **Competitive Labor Costs:** Compared to developed economies, Thailand offers competitive labor costs, making it an attractive manufacturing hub.
- **Strong Manufacturing Base:** The country possesses a well-developed manufacturing infrastructure, supporting efficient fastener production.
- **Free Trade Agreements (FTAs):** Thailand benefits from a network of FTAs with major economies, facilitating fastener exports.

However, the industry also faces challenges, including:

- **Intense Competition:** The global fastener market is highly competitive, with players from China and other Asian countries exerting pressure on prices.
- **Raw Material Price Fluctuations:** Fluctuations in the prices of raw materials like steel can impact production costs.
- **Technological Advancements:** The industry needs to adapt to advancements in automation and digitalization to remain competitive.

Major Projects Fuelling Fastener Demand in 2024

Several significant projects in Thailand are expected to drive up fastener demand in 2024. Here's a breakdown of some key projects:

Eastern Economic Corridor (EEC): The EEC is a government-backed initiative aimed at transforming Thailand into a regional economic and innovation hub. The project encompasses various sub-projects, including:

- **High-speed rail network¹:** Connecting Bangkok to major cities in eastern Thailand, this project will require a substantial number of fasteners for rail tracks, stations, and associated infrastructure. Thailand's high-speed rail (HSR) project – which aims to link the capital Bangkok to Chinese city Kunming via Laos – is likely to be delayed by about 28 months and require around an additional 4.7 billion baht (US\$176 million) in funding. This project alone is estimated to consume millions of fasteners for railway tracks, stations, and associated infrastructure.



- **Smart cities²:** The EEC envisions the development of smart cities equipped with advanced infrastructure. This translates to a significant demand for fasteners in construction projects related to transportation, utilities, and communication networks. Thailand is among the nations in Asia that are highly active in smart city development aimed at utilizing Big Data to modernize its urban centres into smart, sustainable cities. In 2023, Thailand currently has 36 smart cities in 25 provinces. According to "The Nation", Thailand's Commerce Minister Phumtham Wechayachai announced the government's plan to establish 105 smart cities in large municipal areas by 2027 during the opening ceremony of the Thailand Smart Expo.
- **Industrial estates³:** The EEC is attracting investments in various industries, leading to the establishment of new factories and production facilities. This surge in industrial activity will necessitate a high volume of fasteners for construction and equipment installation. Over the next three years, domestic economic growth will translate into rising investment in the manufacturing sector, and this will in turn herald an improving outlook for operators of industrial estates. The total footprint of land sold and leased on industrial estates is therefore expected to surge by 18.0-20.0% annually over 2023-2025 to 2,200, 2,700, and 3,000 rai (1 rai = 0.16 hectares) in each of these years.
- **Eastern Seaboard Development Program (ESDP):** This program focuses on developing Thailand's eastern seaboard into a global logistics and industrial hub. In

2023, Thailand's eastern seaboard is a major industrial and business hub and is home to a range of major multimillion dollar investments, especially in automotive, electronics, consumer appliances, food processing and petrochemical. Contributing approximately 15% of Thailand's total GDP, it is also a major centre for logistics and transportation, with close access to deep-sea ports and airports that serve domestic and international markets.

Government Infrastructure Projects: The Thai government is investing heavily in infrastructure upgrades across the country. This includes projects like:

- **Roads and bridges⁴:** The development and maintenance of road networks and bridges will necessitate a substantial number of fasteners for construction and repairs. Thailand is assessing a massive land bridge project in the country's south, Prime Minister Srettha Thavisin said involving estimated investments worth US\$27.44 billion which would help boost growth and global trade. Bidding and construction would begin in 2025, and create 280,000 jobs in the southern provinces of Ranong and Chumpon, a government study showed, with the state-planning agency estimating the project could raise economic growth to 5.5 percent annually. Thailand's economy is forecast to grow 2.8 percent this year and 4.4 percent next year.
- **Public transportation⁵:** Investments in expanding public transportation systems like subways and light rail will require a significant quantity of fasteners for track installation and station construction. Thailand's Public Transportation market is expected to witness a significant surge in revenue, with a projected value of US\$1.33bn by 2024 and a projected market volume of US\$1.27bn by 2028.
- **Renewable energy projects⁶:** Thailand's push towards renewable energy sources like solar and wind farms will create demand for fasteners used in the installation and maintenance of these facilities. Electricity generation in Renewable Energy market is projected to amount to 24,830.00m KWh in 2024. An annual growth rate of 3.71% is expected (CAGR 2024-2028).

Last Word

Thailand's robust infrastructure development plans and focus on industrial expansion are poised to significantly drive up the fastener demand in 2024. This presents a golden opportunity for fastener suppliers to capitalize on this growth by adapting their product offerings, streamlining operations, and forging strong industry relationships. Embracing innovation and sustainability will be key differentiators in a competitive market. Fastener suppliers who can effectively navigate these dynamics stand to gain a significant advantage in the thriving Thai fastener industry. ■

1. <https://www.businesstimes.com.sg/international/asean/thailand-s-high-speed-rail-link-to-china-delayed-at-least-two-years-incurs-extra-costs>
2. <https://www.asmag.com/showpost/34065.aspx#:~:text=In%202023%2C%20Thailand%20currently%20has,of%20life%20for%20city%20inhabitants.>
3. <https://www.krungsri.com/en/research/industry/industry-outlook/real-estate/industrial-estate/io/industrial-estate-2023-2025>
4. <https://www.businesstimes.com.sg/international/thailand-assesses-us274-billion-land-bridge-project-drive-growth>
5. <https://www.statista.com/outlook/mmo/shared-mobility/public-transportation/thailand#:~:text=Thailand's%20Public%20Transportation%20market%20is,US%241.27bn%20by%202028.>
6. [https://www.statista.com/outlook/io/energy/renewable-energy/thailand#:~:text=Electricity%20generation%20in%20Renewable%20Energy,\(CAGR%202024%2D2028\).](https://www.statista.com/outlook/io/energy/renewable-energy/thailand#:~:text=Electricity%20generation%20in%20Renewable%20Energy,(CAGR%202024%2D2028).)

FASTENER WORLD

WHAT YOU NEED IS HERE

www.fastener-world.com

SERVICES:
B2B ADVERTISEMENT
ONLINE MATCHMAKING
SOURCING PLATFORM
GLOBAL EXHIBITION

+886-6-2954000
sales@fastener-world.com.tw

QR code and social media icons (Facebook, LinkedIn, Instagram, Twitter, YouTube, etc.)

Copyright owned by Fastener World / Article by Behrooz Lotfian