Piyatep Silapawitayatorn 2009: The Relationship between Infrastructure and Economic Growth in Thailand. Master of Economics, Major Field: Economics, Department of Economics.
Thesis Advisor: Miss Wuthiya Saraithong, Ph.D. 190 pages.

The objectives of this study are to examine the development of Thailand infrastructure both the regional and the national levels and to study the relationship between public capital on infrastructure and economic growth, both regionally and nationally as well as to compare the outcome of public infrastructure capital both the regional and national levels. The study is undertaken by using annual secondary data over the period of 1988-2006 to conduct both descriptive and quantitative analysis.

The results of this study reveal that the development of public infrastructure initially focused on the infrastructure that drove economic growth, energy and transportation. To improve people's quality of life, the government later invested in public communication and utilities. After having achieved people's better quality of life, the government moved to concentrate more on developing social infrastructure. Based on quantitative analysis, capital stock per worker has the most positive impact on GRP per worker of the Southern region with coefficient of 0.7124, followed by the Northeastern, Northern and Central regions with coefficient of 0.5665, 0.5190 and 0.3724, respectively while those of the whole country is 0.4531. For public infrastructure capital, the study shows that the growth of public capital on infrastructure per worker of the Northeastern region has the highest rate with the average percentage of 8.43, followed by the Northern, Southern and Central regions with the average percentage of 7.43, 5.46 and 4.55, respectively. The average percentage at the national level is 6.14. Besides, the causality test indicates that capital of public infrastructure per worker brought about the accumulation of private capital per worker in every region and at the country level. However, there are differences in the period of influences.

This study recommends that the government should continuously support the investment in various infrastructures, i.e. water supply, economic and social infrastructure in remote and underdeveloped areas. In addition, government policies should promote and support the development of new infrastructure in order to stimulate private sector's investment from both domestic and foreign sources.

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