

Thanapol Thit-aram 2009: The Competitive Advantage of Thai Commercial Banks and Foreign Commercial Banks on Financial Liberalization. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Associate Professor Chiraphan Kuladilok, M.Econ. 165 pages.

After the Asian economic crisis in 1997, in order to make Thailand the financial center of southeast Asia and to set up Bangkok International Banking Facilities (BIBF), many financial institutions faced liquidity problems and suffered from the high rate of Non-Performing Loans. As a result to the Thai court ordered many institutions to either enter the restructuring plan or to stop running their businesses.

From 2007 on, Thailand is officially going through the Financial Liberalization under the General Agreements on Trade in Services (GATS). Therefore, the commercial banking system in Thailand may face more intense competition, from both Thai commercial banks and foreign commercial banks moving towards to the opening of branches and subsidiaries in Thailand according to the agreement we made with World Trade Organization, WTO

The study of an efficiency of the competitive advantage between five big Thai commercial banks; comprising of Bangkok Bank, Krung Thai Bank, Siam Commercial Bank, Kasikorn Bank, and Bank of Ayudhya; and foreign commercial banks in Thailand found that the five big Thai commercial banks have higher performance efficiency in spending lowest cost to give out loan and to invest in the securities investment. Apart from that determinants of national competitive advantage analysis indicated that the opportunities that facilitate the entering of foreign commercial banks are limited due to the reason that Thai commercial banks have the comparative advantages in all factors for instance; input, higher loan demand which is higher, financial sources, as well as, governmental regulations which preserve them the benefits.

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Thesis Advisor's signature

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