

Paravee Hareemou 2010: The Role of International Reserve Position on the Establishment of the Sovereign Wealth Fund in Thailand. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Associate Professor Chiraphan Kuladilok, M.Econ. 102 pages.

Many countries have management international reserve with some money of international reserve to invest in the Sovereign Wealth Fund for the benefits. Therefore, the role of international reserve that important to the establishment of the Sovereign Wealth Fund. That Thailand will establishment of the Sovereign Wealth Fund thus necessary to consider causes. These causes such as the possibility of establishment, stability of the international reserve and including the management and transparency of the Fund.

This research studies the role of international reserve position on the establishment of the Sovereign Wealth Fund in Thailand and including studies the stability of the international reserve in Thailand and summarize the important, feasibility and appropriateness of the establishment of the Sovereign Wealth Fund in Thailand. With using the character model that is Time Series as Vector Autoregressive Model (VAR) and analysis with Variance Decomposition. In this study, using monthly data from January of 2000 to December of 2008 and studies about Sovereign Wealth Fund in Asia. In this study, the variables that affect changes in balance of payment and the end result of international reserve. Therefore, variables are international reserve, income from tourism, terms of trade, income from labor and investment, the difference in interbank rates and as fluctuations in the global economy: Proxy by price of oil in the world markets

From the Variance Decomposition test shows that fluctuations of international reserve variable have most influenced by itself. And next order variable have influenced to fluctuations that income from tourism. The other variables cause few fluctuations in international reserve. From study shows that Sovereign Wealth Fund in Asia bring some money of international reserve to invest and management by external managers but control by government. Therefore, from study showed establishment of the Sovereign Wealth Fund can occur. Government should establishment of specific managers for transparency and easier to control management.

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Thesis Advisor's signature