

Rujira Chuntarapon 2011: Factors Affecting Foreign Capital of Thailand and the Impact of Foreign Capital on Economic Growth. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Associate Professor Chiraphan Kuladilok, M.A. 134 pages.

Economic growth is the important purpose of Thailand's development. But Thailand usually face with saving-investment gap, decreasing by foreign capital. Conversely, foreign capital may have negative effect on economic growth. The objectives of this study aims to consider factors affecting foreign capital of Thailand and the impact of foreign capital on Thailand's economic growth.

Specify foreign capital study of foreign direct investment, portfolio inflow and foreign loan. Quarterly data over the period of quarter 1st, 2000 to quarter 4th, 2009 (40 quarter) is used for estimating by ordinary least square (OLS) technique.

The empirical study shows that the factors affect foreign direct investment were real minimum wage and financial and economic crisis. The factors affect portfolio inflow were set index and financial and economic crisis. The factors affecting foreign loan were export value and financial and economic crisis. Foreign capital is not affect economic growth. Considered by financial and economic crisis, it has positive affect on economic growth. Finding from this study leads to a recommendation that the government should support suitable level of foreign direct investment into Thailand because of foreign direct investment inflow is the way to develop production technology and improve management system.

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Thesis Advisor's signature