Thitichai Yooplee 2007: Factors Determination Foreign Direct Investment of Japan and Effects to Automobile Industry in Thailand and The People's Republic of China. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Associate Professor Chiraphan Kuladilok, M.Econ. 128 pages.

The main purposes of this study; Factors Determination Foreign Direct Investment of Japan and Effects to Automobile Industry in Thailand and The People's Republic of China are as follows to compare the factors determination and impacts of foreign direct investment between Thailand and The People's Republic of China as well as to estimating growth rate parameters. This study used a conceptual framework by consolidating The Foreign Direct Investment of Japan with Kojima Theory. The sample data size 26 years are generated by Augmented Dickey – Fuller Test (ADF) technique that step are unit root test, used The Two-Step Approach by Engel and Granger (1987) for cointegration test, whereas descriptive analysis prescribed general environment and impact on foreign direct investment in Automobile Industry.

From estimate follow by ADF technique, we can conclude that Thailand are more optimal lag at 1 lag. The People's Republic of China are more optimal lag at present to 4 lag. For stationary test by using a unit root technique, Both Thailand and The People's Republic of China have stationary at first different or integration 1; I (1). Both Thailand and The People's Republic of China functions are generated by ordinary least square method that factors determination foreign direct investment of Japan are gross domes tic product, consumer price index, exchange rate, minimum wage, export and automobile situation but factors of The People's Republic of China have negative relation with foreign direct investment of Japan that are composes of consumer price index, minimum wage and export. For estimate cointegration conclude that the foreign direct investment of Japan have relationed with all factors for long term.

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