

Priyakorn Khungprathum 2007: Factors Affecting Equilibrium Credit: Small and Medium Enterprises Tsunami Victims. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Assistant Professor Santiya Eag-arkara, Ph.D. 151 pages.

The objectives of this study are: to study the economic and social damages from tsunami, to examine financial supports and credits extended by financial institutions to entrepreneurs tsunami victims, to analyze factors affecting equilibrium credit in general market, which has been extended by Thai financial institutions to the small and medium enterprises (SMEs) tsunami victims and finally, to find out the appropriate interest rate for SMEs loans.

In analyzing the data of this study, the descriptive and quantitative methods were applied by using the secondary data of daily time series (update every 5 days) from June 1st to December 30th 2005, totaling of 153 observations. The Simultaneous Equation: SEQ method with Two Stage Least Square: 2SLS was also applied to analyze the equilibrium of SMEs tsunami victims' loan market. The research results found that tsunami caused the most damages to Krabi, Phanga and Phuket provinces. The SME tsunami victims received financial supports because of their loan collateral as well as their readiness and abilities to set up business plans. Finally, an appropriate interest rate for loans to these SMEs was 2.0% per annum.

According to the research results, the recommendations are that the tsunami-affected SME entrepreneurs who do not have asset guarantees for loans should apply for the financial services from the Venture Capital Fund. The Office of Small and Medium Enterprises Promotion (OSMEP) should assist these SME entrepreneurs directly to set up their business plans.

Priyakorn Khungprathum  
Student's signature

Santiya Eag-arkara  
Thesis Advisor's signature

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