

Somluck Ruangkong 2008: Factors Affecting The Demand for Manufacturing Export Credit of The Domestic Financial Institution. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Assistant Professor Vorapoj Udomratana, M.Econ. 101 pages.

Manufacturing export is very important for the country's economic growth, and supporting factors that promote manufacturing exports are loanable funds. Formerly, commercial banks were the main source of loanable funds for manufacturing exporters, but the trend of this manufacturing export credit decreased. Thus, the government has established the Export-Import Bank of Thailand (EXIM Bank) which mainly supports loanable funds for exporters. This study focuses on the roles of commercial banks and the EXIM Bank in terms of providing loans to manufacturing exporters and on the factors which affect the demand for manufacturing export credit from these two financial institutions.

The study found that the EXIM Bank was the main source of loanable funds for exporters. The EXIM bank's packing credit could help decrease costs for exporters. The setting up of the EXIM Bank lended direct packing credit and indirect packing credit to commercial banks, so the EXIM Bank could support commercial banks in terms of capital. However, after the EXIM Bank had repealed packing credit via commercial banks, according to the rule of World Trade Organization, the EXIM Bank became the competitor of commercial banks. The EXIM Bank even had more proceeding than other commercial banks. The role with manufacturing export credit of the EXIM Bank increased. The factor affecting the demand for manufacturing export credit of the domestic financial institution was the minimum loan rate (MLR), followed by oil price index (POIL) and the value of manufacturing export (X). It was found that the value of manufacturing export affected in the same way but the oil price index affected in the opposite way and was in accordance with the hypothesis. The minimum loan rate affected in the same way and was not in accordance with the hypothesis. The factor affecting the value of manufacturing export was the comparative price adjusted by exchange rate (P), and that affected in the opposite way. The world gross domestic product (WGDP) affected in the same way and was in accordance with the hypothesis. Accordingly, the domestic financial institution that provides manufacturing export credit should pay particular attention to these factors, and the EXIM Bank should increase manufacturing export credit by reducing difficult conditions.

Somluck Ruangkong  
Student's signature

Vorapoj Udomratana  
Thesis Advisor's signature

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