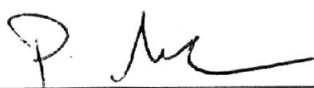
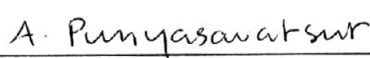


Pakpoom Maliwan 2007: The Effects of Decreasing Deposit Interest Rate of Commercial Bank on Thai Households' Saving Pattern. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Assistant Professor Arunee Punyasavatsut, Ph.D. 154 pages.

The objectives of this research are; to study the households' saving in Thailand and to study the effects of declined commercial banks' interest rates on the households' saving patterns. Three models that indicate savings in the forms of commercial banks' deposits, stocks, and mutual funds, respectively, were used in this research. Johansen co-integration analysis was employed to study the long-run relationship between the three forms of savings and other variables, i.e., income, rate of returns, and risks. The effects of these variables on each saving were investigated by impulse response functions. The data used in this study is quarterly data during 1997:1 to 2006:2, totally 38 quarters.

In case of the structure of savings in Thailand, the research found that the household sector has the greatest share. Most households save in the form of deposits in financial institutions, especially commercial banks. Commercial banks deposits gradually increase overtime. The households' objectives of saving are as expenditure after retirement and for interests-earnings. According to the stationary test, it was found that most variables are stationary at level, except the variables of household income and commercial expected rate of returns are stationary at first difference. While long-run relationship analysis found that each saving form has long run relationship with the variables in its model. In case of the effects of rate of returns on savings, it was found that commercial banks' interest rate has more impacts on each saving than rate of returns on stocks and mutual funds. This result was also supported by impulse response functions.


Student's signature

 Oct / 22 / 2007
Thesis Advisor's signature