

Hathaichanok Sawasdee 2006: The Effects of Government Investment on Private Consumption in Thailand. Master of Economics (Business Economics), Major Field: Business Economics, Department of Economics. Thesis Advisor: Miss Kanokwan Chancharoenchai, Ph.D. 112 pages. ISBN 974-16-2006-3

This research aimed to study 1) the general of government investment on private consumption in Thailand, and 2) the effects of government investment on private consumption in Thailand. The study implies that government carries out achieve its proper investment projects policies in order to maximize benefit of the country in the future.

In order to approach the study objectives, the secondary data from the first quarter of 1994 to the last quarter of 2004 are collected from various sources such as Bank of Thailand, National Economic and Social Development Board and other websites. The stationary data must initially be tested by using unit root and long-run co-integration by using the Johansen and Juselius (1990) method before applying ordinary least square method (OLS).

The results reveal that government investment expenditure, the 12-month fixed deposit rate, minimum wage rate, private investment expenditure, money supply (M2), value added tax (VAT) and private consumption of 1 and 2 previous quarter significantly explain the movement of private consumption by 87.45 percent. Additionally, the 12-months fixed deposit rate has the most effect on the private consumption while government investment expenditure has the least power.

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Thesis Advisor's signature

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