

ABSTRACT

Thesis Title : Government Expenditure and Economic Stability
of Thailand.

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Degree Sought : Master of Economics

Academic Year : 1999

Advisory Committee :

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Fiscal policy is the important tool that government usually uses to change the aggregate demand and aggregate supply in order to stabilize the economy

The objective of this study is to examine the general characteristics of government expenditure policy in Thailand. The impacts of government expenditure and other component of aggregate demand on economic stability are also studied and analyzed. Variable used as indicator of economic stability in this study is GDP.

Regression model is used to analyze the effects of important aggregate demand components on economic stability of Thailand.the data used this analyzes is time series data between 1977 - 1997.

The study found that government expenditure, private investment expenditure and export are positively related to the economic stability indicator. Import is negatively related to the economic stability indicator. Private consumption expenditure, however, has no significant impact on GDP.

The estimate of government expenditure, expenditure budgeted of government is 403,680 millions of bath in 2000 for economic stability.