

Thesis Title	The Comparative Analysis of the Effectiveness of Government Incentives for National Energy Conservation Program.		
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Abstract

According to the government supporting for more domestic investment in energy conservation by reducing on import tax for energy conserving machines and equipments to 10 and 5 percent in 1983 and 1991 respectively. The other measure is the subsidies from the Energy Conservation Promotion Fund to compensate and make the financial internal rate of return (FIRR) of each measure increase until it equals the minimum retail rate (MRR) of the Krung Thai Bank average in the past three months plus two (MRR+2)

However, the author has considered that such level of subsidies are not effective enough to encourage the entrepreneurs to implement the energy conservation activities. This study is thus aimed to determine the effective way that the Fund can fully facilitate the entrepreneurs. The cost-benefit analysis is conducted to calculate for economic internal rate of return (EIRR) to find out that which government support will provide more return in each range of investment. In addition, the cost-effectiveness analysis by the marginal comparison methodology is also conducted to compare the effective use of money by the government to encourage more energy conservation activities with the minimum level of marginal cost.

The result of cost-benefit analysis could be concluded that, from the national point of view, the subsidies from the Fund provide more return on investment than the import tax reduction on energy conserving machines and equipments, especially if the investment

is high than 50 million baht. In addition, it can also be concluded that if the investment for machines and equipments cost more than 50 million baht the provision of investment subsidies from the Fund ranged $\frac{1}{3}$ to $\frac{1}{2}$ of maximum percentage of investment cost for subsidy in each range (specified under the regulation of the Fund Committee) is more beneficial than the other one.

Even though this study can not clearly point out the suitable level of subsidies on investment from the Fund, it can be concluded from the overall scene that the entrepreneurs may obtain lesser benefit from the $\frac{1}{3}$ of maximum percentage of investment cost for subsidies than that of $\frac{1}{2}$. To encourage the implementation of the energy conservation activities more effectively, the government should, therefore, try to find out more suitable and flexible guidelines to support the entrepreneurs.

From the marginal comparison analysis, it is concluded that both import tax reduction measure and the subsidies from the Fund will be the most effective use of money in case of the investment for machines and equipments cost more than 50 million baht. On the contrary, the effectiveness will be least if the investment costs from 2 to 5 million baht.