

Chavalkorn Chanaphan 2008: The Impact of ACMECS on the International Trade of Thailand. Master of Economics (Business Economics), Major Field: Business Economics, Department of Economics. Thesis Advisor: Mr. Arun Kiarasarn, Dip. de III cycle 147 pages.

The study was aimed to examine the impact on Thailand trade operation after the implementation of the Ayeyawady - Chao Phraya - Mekong Economic Cooperation Strategy (ACMECS). The descriptive analysis was implemented using the least squares Import demand function to investigate the change in trade between Thailand and the four member countries; Cambodia, People's Democratic Republic of Laos, Myanmar, and Vietnam. The quarterly data during 1999s – 2006s was used.

The finding indicated that Thailand has been trading with the four countries before the ACMECS mostly along the adjacent border. Since the four countries are not regarded as the main market for Thailand, the international trade value appeared to be quite small compared to other main trading partners. After the establishment of the ACMECS, however, the international trade value has increased, partly from inter-trade promotion measures under the ACMECS. For Thailand, the international trade with four countries has been mainly directed by government policies. Measures and regulations involving the trading activities have been enacted primarily by the government. So, the factors examined in the Import demand function have some necessarily affected the change in inter-trade among Thailand and four country members, indicating that the ACMECS trade has not primarily depended upon the trade factors, but it has been distorted by the government in each country instead, possibly because the ACMECS countries are relatively small developing countries with a lower level of free trade opening. Consequently, free market mechanism had very little role in ACMECS trading.

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