

Chootat Yaemmontha 2009: A Feasibility Study of Investment in Aircraft Maintenance Center in Thailand. Master of Economics, Major Field: Economics, Department of Economics.

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The objectives of this study are: 1) to study general picture of investment in Aircraft Maintenance Center in Thailand; 2) to analyze financial feasibility; and 3) to analyze economic feasibility with primary data obtained from the interview with two entrepreneurs and specialists in planning for aircraft maintenance of the government units and private companies in 2009 including secondary data collected from academic articles and relevant document of related organization.

From the studies, it is found that the area of Don Muang Airport is suitable for establishing Aircraft Maintenance Center in Thailand due to its readiness in basic factors to support aircraft maintenance and also its vicinity near Suvarnabhumi Airport and Port Authority of Thailand in which its facilities will be beneficial to the aspect of logistics as well. The analysis to establish the Aircraft Maintenance Center in Thailand can be considered in two cases which are either public sector or private sector can be the investor. If the public sector is the investor, the financial analysis will be at the rate of 6% per year and 12% per year for private sector. According to the analysis of finance case, solely investment show that Net Present Value (NPV) will be 510.93 million bath and 134.33 million bath respectively, and Benefit Cost Ratio (BCR) will be 1.30 and 1.11 respectively, Internal Rate of Return (IRR) will be 15.89% with Payback Period (PB) of 7.94 years. The budget for this project will be at 441.07 million bath. There is a sensitivity analysis of this project in 3 types which are project costs increased 10 %, project benefits decreased 5 %, and project costs increased 10 % and project benefits decreased 5 % due to those expectation , it seems that the possibilities for investment of this project, including this Switching Value Test of this project (SVT) with Switching Value of Cost is 30.30% and 11.23% accordingly and Switching Value of Benefit is 23.25% and 10.09% respectively. As for the economic analysis, project is worth for investment in every case.

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Thesis Advisor's signature