

Sansanee Kaewruamwong 2014: The Effect of Traffic Congestion on District Growth in Bangkok. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Ms. Worawan Toommongkol, Ph.D. 109 pages.

The convenient and easy urban transportation is an important factor contributing to urban economic activity. Bangkok faces severe traffic congestion that may affect the way people travel and do business. This research examines the impact of traffic congestion on urban activity in districts of Bangkok between 2006 and 2012 using Panel Data Analysis. The average vehicle speed is used as an inverse measure for traffic congestion while property tax collected in each district is used as a measure for district business activity. The average vehicle speed is calculated using two methods: an overall average speed and a weighted average speed. The results show that traffic congestion can affect economic activity in both directions depending on the level of traffic congestion. The severe traffic congestion would negatively affect business activity on district level. However, the negative impact of traffic congestion decreases as the level of traffic congestion decreases. A lower degree of traffic congestion can positively affect business activity on district level. Consequently, slight traffic congestion may contribute positively to the growth of economic activity in the metropolitan area.

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