

Warunee Sukthai 2014: The Effect of Investment Promotion Measures and Border Trade on the Cost and Benefit of Business Investment in Sa Kaeo Province. Master of Economics (Business Economics), Major Field: Business Economics, Department of Economics. Thesis Advisor: Assistant Professor Sungvean Chanthongkaew, Ph.D. 134 pages.

This study has two main objectives: 1) to study factors affecting business investment in Sa Kaew province, and 2) the financial performance of the business firms who received investment privileges from Board of Investment (BOI) as compared to the business that did not get the investment privilege... Secondary data especially investment, trade GPP and registered capital of firms in Sa Kaew were collected from the government offices and business. Both qualitative and quantitative analyses are used for the study of the two main objectives. The financial statement of business firms in during the period of 2003 to 2012 were selected to test the BOI privilege investment incentives.

The study showed that , Sa Kaew province has many advantageous factors in attracting business to invest in the area. They comprise of geographical and local economic factors and border trade, the availability of transportation networks that link nearby provinces and to neighboring country, Cambodia. During the period of 2003-2012 A.D., 17 new business firms were established in the areas. Most of the invested projects are agriculture industry. Of this amount only 7.24 percent of the project received investment privileges from BOI. The BOI investment promotion privilege produces little incentive to business investors to receive the privilege. The other factors especially the border trade volume to Cambodia and other local factors induce more investment projects. The financial cost benefit analysis of firms which receiving BOI privilege and the firm without receiving BOI privileges both have financial return covers to the invested cost. However, the firm that receiving BOI privilege has a higher financial return, and higher net cash flow than the non BOI one. In summary, BOI privileges were less effective in inducing private business in Sa Kaew province than the border trade and the other factors.

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