

Isaree Charoenratana 2014: The Effect of Tax Rebate for First-time Car Buyer Policy on Used Car Price in Thailand. Master of Economics (Business Economics), Major Field: Business Economics, Department of Economics. Thesis Advisor: Associate Professor Santiya Eag-ark, Ph.D. 92 pages.

This research aims to examine automotive industry, car market, policy of tax rebate for first-time car buyer and study the effect of tax rebate for first-time car buyer policy on used car price in Thailand. The analysis divided into two parts. The first part is descriptive statistic, and the second part is the analysis of factors that influence used car price in Thailand by using hedonic price model. The study used secondary data which collected from 1<sup>st</sup> February 2010 to 31<sup>st</sup> March 2013.

The results show that, there are 1,244,905 cases who have been granted tax refund for the amount of 91,198 million baht. Factors affecting used car price are new car price: when new car price increases used car price rises as well, age of used car: when age of used car increases price of used car will drop, brand of used car: by using Mazda as the base case the result shows that Toyota has the highest value while Honda, Isuzu, Mazda and Ford have lower price in descending order, type of used car: a sedan car has higher price than a truck, province of registration: a used car registered in Bangkok has higher price than a used car registered in other province. Finally, the tax rebate policy affects used car price: during the policy implementation period the used car price becomes lower than without policy period.

The recommendations from this study are: consumers who want to buy or sell used cars should consider age of used car, brands, type of used car and province of registration. Moreover, tax rebate for first-time car buyer policy not only affects the used car price but also alters stakeholders in the automotive market.

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Thesis Advisor's signature