

Jiraporn Loungharoenkul 2014: The Impact of Industrial Promotion Policy on Thai Electronics Industry. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Assistant Professor Supachat Sukharomana, Ph.D.  
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The main objectives of this study are 1) to review the investment promotion policy and measures on electronic industry and its impact on the private business to invest in the industry especially from 2006 to 2013; and 2) to assess the impact of investment incentive measures on the business's investment benefit and the business profit. The concept of commercial cost benefit analysis of business investment and the present value of net business profit in case of with and without investment incentive measures are applied to the study. Secondary data from national statistics office board of investment, and the financial statement of business firms are used for the empirical study.

The study found that the investment promotion through the tax incentive on the exempt of import duty on machine raw materials and exemption of corporate tax have been implement since 1960, electronic industry has receive that kinds of investment privilege. Statistics on the number of firm and the amount of registered capital during the period of 2006 and 2013 showed that the firm got the investment privilege is only 11.23 percent of the total enterprises. The growth rate on the number of firms, and the average registered investment per firm however are higher than those of the firms without investment incentive privileges. An exemption of corporate income tax privilege for 5 to 8 years induces a higher present value of net return on invested capital as compare to the return of a firm without the tax exemption. A firm with a larger expected net profit will gain net profit after tax. As a consequence, the higher net profit after tax could make share holder earn more dividend. The market value of business can be increased since the expected net profit after tax is higher than that of the firm without investment privilege. The investment incentives, so far, incline to induce larger corporation investment than the small one.

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