

Apirut Gositanon 2010: Impacts of Trade Barriers in Hot-Rolled Steel Market in Thailand. Master of Economics, Major Field: Economics, Department of Economics.  
Thesis Advisor: Mr. Saksit Budsayaplakorn, Ph.D. 136 pages.

The objectives of this study are to find factors that affect the hot- roll price and to evaluate the impacts of trade barriers in hot-rolled steel on the hot-rolled steel industries and the related industries including cold-rolled steel, metal tube and automobile industries. This analysis is based on the concept of partial equilibrium analysis. It is started from building a simultaneous equation model to estimate the equations using the three-stage least squares method. This study employs secondary data from the 1<sup>st</sup> quarter of 2002 up to the 4<sup>th</sup> quarter of 2009. Simulation technique is applied in order to evaluate the impact on price of hot-rolled steel that affects consumer surplus, producer surplus, tax revenue and the deadweight loss of the hot-rolled steel industries and other related industries.

The results of this study indicate that trade restrictions in hot-rolled steel would raise average hot-rolled steel price up to 33.67 percent causing to gain on an average producer surplus of 17,136 million baht per year and loss an average consumer surplus of 29,701 million baht per year. The government would receive an average tariff revenue 8,797 million baht per year. In addition, there is an average deadweight loss of 3,768 million baht per year. However, when compare to the related industries which used hot- rolled steel as raw material, we found that the metal tube industries suffer the most from the impact of trade barrier causing social welfare decreasing approximately 38.07 percent. As a result, the social welfare of the automobile industries and the cold-rolled steel industries has dropped by about 31.13 percent and 18.16 percent, respectively. By comparing the deadweight loss in consumer surplus and that in producer surplus, the social welfare of automobile users is affected by the trade barriers more than that of automobile producers. In other words, the automobile producers can pass the almost increasing costs of hot-rolled steel to the consumer.

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