

Sureeporn Sereeruk 2012: Factors Affecting Trade Balance between Thailand and BRIC. Master of Economics (Business Economics), Major Field: Business Economics, Department of Economics.
Thesis Advisor: Associate Professor Darawan Virunyaphol, Ph.D. 118 pages.

The purpose of this thesis is to study the factors that have impact on trade balance between Thailand and BRIC (Brazil, Russia, India and China) by using 2 types of analysis. First, Descriptive Analysis is used for studying trade relationship between Thailand and BRIC. The second is Quantitative Analysis using Ordinary Least Squares (OLS) technique, Log-Linear form, which compose of trade balance as dependent variable and Gross Domestic Product of Thailand, Gross Domestic Product of BRIC, exchange rate and price comparison as independent variables. The study uses annual secondary data during 1992-2010. The result of the study is individually separate for each country in BRIC corresponding with Thailand.

The result of study also shows that when Thailand economy expands, the import from Brazil to Thailand increases. Likewise, when Brazil economy grows, the import from Thailand to Brazil increases. The reason that the coefficient of Thailand is lesser than that of Brazil is because Thailand is not the main trade partner of Brazil. For Russia, when Thailand economy grows, the import from Russia to Thailand also increases. For the case of India, the exchange rate is important factor for Thailand in order to gain benefit from the trade. While with China, Thailand economy has negative impact to the trade balance between the two countries.

Additionally, overall GDP of Thailand has negative impact on the trade balance because the more Thai economy grows, the more goods demand from overseas increases. GDP of Brazil, GDP of India and the exchange rate have positive impacts on trade balance and indicate exchange rate policy which is the key important to gain benefit from trade with BRIC. For price comparison, factor indicates that Thailand must have explicit competitive development strategy and solid action in order to develop sustainability of Thailand economy and manufacturing sector.

Student's signature

Thesis Advisor's signature