Nussara Nakkam 2006: The Comparative between Factors Effecting on Demand for Capital Goods of Thailand from the Japan and United States of America. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Miss Kanokwan Chancharoenchai, Ph.D. 229 pages.

Thailand has faced the change of economic structure from agricultural economy to industrial economy since having The National Economic and Social Development Plan. However, The growing industrialization has brought an increasing demand for capital goods which has resulted a great import value of capital goods due to the lack of Thailand's technological knowledge

The objectives of this research are emphasis economic factors that induce the import of capital goods, and analysis of factors affecting on demand for capital goods of Thailand from Japan and United States of America before and after the period of economic crisis in 1997. In order to approach the answers, the cointegration test is applied in both studying periods.

The results of study shown the existence of long-run relationship among the set of variables. Surprisingly, economic crisis on 1997 insignificantly explianed the import of capital goods, resulting from governmental policies after the crisis to bound back investment and export. The process of economic recovery, in turn, resulted an increasingly demand for capital goods while Thailand had not yet enough technological knowledge to support its need. The import of capital goods of Thailand was thus rising up. The main suggestion from the study is that the Thai government should emphasize on technological knowledge to support developing procession of Thai economy.

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