

Pattima Nantathanate 2010: The Comparison of the Impacts of Domestic Investment and Foreign Investment on the Thai Economy. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Assistant Professor Bundit Chaivichayachat, Ph.D. 105 pages.

The objective of this thesis is to identify the impacts of domestic investment and foreign investment on The Thai economy, using the Structural Vector Autoregressive method based on quarterly data of the first quarter of 1994 to the last quarter of 2008.

The impacts of domestic investment and foreign investment on growth GDP , employment , inflation , interest rate and exchange rate was found that domestic investment and foreign investment will respond to growth GDP , Inflation and interest rate in the same direction. But foreign investment will respond to employment and exchange rate in the reverse direction , while domestic investment will respond to employment in the same direction , but not respond to exchange rate. For study the comparison of the impacts between domestic investment and foreign investment found that the domestic investment more sensitive to respond to growth GDP , employment and inflation more than the foreign investment , because the foreign investment have an effect to increases money supply in the economy , then it will respond to income , growth GDP , employment and inflation. Because foreign investment respond to interest rate more than domestic investment because it was financial market was liberalized. Therefore interest rate has significant co-movement with foreign investment. Suggestion from this study is the government should be promote domestic investment in order to promote growth GDP expand.

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Thesis Advisor's signature

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