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**THE REGIONAL DISTRIBUTION OF FOREIGN DIRECT INVESTMENT
IN THAILAND: A PARTIAL STOCK ADJUSTMENT
PROVINCIAL-LEVEL MODEL**

Abstract:

This paper analyses Regional Foreign Direct Investment (FDI) in Thailand which is to identify using a panel dataset for 76 provinces over the period 1985-2012. The work is considered to develop a partial stock adjustment model which shows that there are some variations existing in the equilibrium FDI stocks of the regions of Thailand between 1985 and 2012, whereas it appears that there is a convergence among zones in each region of the country as can be seen in the deviation of actual FDI stock from equilibrium stock over time. A partial stock adjustment model is then developed following Chen and Kwan (2000) to help investigate the level of regional convergence in capital stocks arising from FDI. The model implies that investment authorities should implement policies to potentially FDI stocks either by production zones or clusters orientations.

Keywords:

Regional foreign direct investment; production zones; cluster orientations

JEL Classification: R10