

Independent Study Title	INNOVATION AND FINANCIAL DEVELOPMENT: EVIDENCE FROM THAILAND
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## **ABSTRACT**

Innovation is an important factor contributing to economic growth. However, due to asymmetric information, it is difficult to find reasonable funding for innovative projects. Therefore, financial market development can play an important role in innovation development. This study found that all types of financial development have positive effect on petty patent, negative effect on invention patents, and insignificant effect on design patents. That means financial development can help improve Thai innovation development but only for less advanced innovation. This is because of limited innovative ability of Thai firms and individuals. Moreover, Thailand has high cost of applying and maintaining a patent and ineffective intellectual property protection, which may discourage firms and individuals to apply for patent.

**Keywords:** Innovation, Financial development