

Phayaow Chingthongkam 2010: The Impact of Privatization on Government Revenue Submitted to Treasury and Economic Cost Efficiency Measurement: A Case Study of Airports of Thailand Public Company Limited. Master of Economics, Major Field: Economics, Department of Economics. Thesis Advisor: Associate Professor Santiya Eag-ark, Ph.D. 136 pages.

The objectives of this research are: to study the impact of privatization of Airport of Thailand Public Company Limited (AOT) on government revenue submitted to treasury and to analyze economic cost efficiency of 5 airports that are operated by AOT. The study applied Stochastic Frontier Analysis approach by using the data during 1999-2008.

AOT was privatized by selling stocks to the public in 2004. The results of the impact of AOT privatization analysis indicated that the ratio of revenue that AOT submitted to the government to total revenues from all state enterprises was high during 1999-2003 at 5.3509. After privatization the revenue that AOT submitted to Thai government decreased in 2004-2006 but gradually increased in the following years. However, the ratio of revenue that AOT submitted to the government to total revenues after privatization was lower than before privatization, because AOT had to reserve her profits to develop and improve her operating potential and AOT also faced with the major change of moving from Don Muang to Suvarnabhumi airport. Therefore, AOT submitted less benefits to the government after privatization. However, the impact of privatization is subjected to further study in the long run.

The results of cost efficiency score of airports shows that the average cost efficiency was 0.6227. It implied that airports did not operate at its most efficiency point at a given factor and output prices. AOT can increase its potential by reducing its cost by 37.73 %. The analysis of economic cost efficiency, the study found that: Phuket Airport had the highest average cost efficiency score at 0.9209. The secondly was Chiang Rai Airport. Don Muang Airport had the lowest average cost efficiency score at 0.4944. Furthermore, the privatization had positive effect on cost efficiency of AOT. It was found that during 2004-2008, after privatization, AOT had higher average cost efficiency than before privatization statistically significant at 95% confident level.

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Thesis Advisor's signature