

## ABSTRACT

Thesis Title : Total factor productivity growth in Thailand

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Advisory Committee :

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Thailand is the Developing country, so it has to improve production to have quality and international standard equal to the developed country, and to reduce trade balance deficit. In the past since 1981, government has used export promotion policy to encourage export. It has encouraged free trade to improve industry and production efficiency. Consequently, it has used freely capital movement policy and direct investment including using technology for production efficiency improvement.

The main objective of this study is to analyze the level of total factor productivity growth by employing ordinary least square method to analyse the past policy from government, what effect on total factor productivity growth by use data between year 1981 – 1996.

The result of this study is that free trade policy has unfavorable effect on total factor productivity growth. Encouraging foreign direct investment, Export promotion -

policy for improve economics of scale occure to increase the growth of total factor productivity. Finally, The Supporting of a new technology in production for capital-intensive technology also contributes to a rise in Total factor productivity growth (TFPG). The reason of Free trade policy is not increase to develop of the growth on total factor productivity, Because of the import technology in Thailand lack of expreience to produce in full workforce and not enough quality, so that Production in present time have lower productivity. But if Thailand develop the system of production have higher efficiency production by using technological progress, then free trade will useful on increasing the growth of total factor productivity.