

ABSTRACT

Thesis Title : Comparative Advantage and The Protection of Thai Pulp Industry

Student's Name : Miss Revadi Thunyakitphittaya

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Advisory Committee :

- | | |
|---------------------------------------|-------------|
| 1. Assoc. Prof. Dr. Kesorn Homkachorn | Chairperson |
| 2. Assoc. Prof. Ati Thaiyanan | |
| 3. Assoc. Prof. Viratch Tharnasuan | |

The main objective of this thesis is to study the protection rate and comparative advantage of Thai pulp industry in 1994-1998. Protection rate of this industry is identified by the nominal rate of protection (NRP) and the effective rate of protection (ERP). For the comparative advantage is evaluated by the domestic resource cost (DRC). Moreover, this thesis has included about industry's structure, production, consumption, import and export from many concerned government and private sections to clarify the real prospect of thai pulp industry.

The results showed that, for the case of comparative advantage, this industry gained comparative advantage in production by examining DRC in 1994-1998, the value of DRC were 17.00, 17.58, 17.72, 21.33 and 28.13 baht per dollar respectively. They were lower than SER (the shadow exchange rate) in the same year or displayed from DRC Ratio 0.63, 0.67, 0.66, 0.64 and 0.64 respectively. All figures showed that the government and private should promote this industry in the future.

For, the nominal rate of protection found that all figures in 1994-1998 showed minus values. This implied that the barriers, tariff and non-tariff barriers, were distorted trade, not impulse producer to produce this goods.

With regard to the ERP based on the concept of Balassa and Corden , the caluated values were fluctuated . In 1994-1995 , for Balassa concept, the values of ERP were 1.45 and 5.22 and for Corden concept, the values of ERP were 1.39 and 5.02, until 1996-1999 the values decreased. This implied that this industry received low protection from the government.

For this study can illustrate that government should protect this industry in the future because this industry gained comparative advantage in production. Nevertheless, government should change the method in protection , imitated from international market, for the purpose to encourage thai producers to developpe their production to compete with international market and for the benefit to Thai industry in the future.