

KEY WORD: PRODUCTION EFFICIENCY / FLOOR AND WALL TILE

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The purpose of the study is to analyze the competition and technical efficiency in production of floor and wall tile industry by applying Cobb-Douglas production function which supported by the capital-labor factor and expenses on those energy used to evaluate the production frontier by linear programming. The comparison of the actual production in each entrepreneur and the estimated value from the production function will result the production efficiency index which is the indicator to visionalize the production efficiency of the floor and wall tile industry in Thailand of which the scope of the study complied the data from 6 manufacturers with the data range in the period of 1990-1992.

The result of the study found that the floor and wall tile industry currently held the high concentration industry where the concentration of the 3 major manufacturers indicated at 86% which is implied that the industry has the tendency to be the oligopoly competitive indication in the market. The elasticity of the factor of production of which indicated the coefficient of the capital, labor and expense on energy is indicated at 1.2343 which is implied that the production frontier of the floor and wall tile industry has been the increasing returns to scale. The high indication of production efficiency especially in technical production efficiency equal to 93.55%. The company which could be produced at 100% efficiency are Thai-German Ceramic Industry Co.,Ltd. The Union Mosaic Industry Co.,Ltd., Thai Ceramic Co.,Ltd., where maintain the large-scale production and the classification of the company where held the production capacity over 4,000,000 Sq.m. per year totaled of 4 large-scale companies and 2 small-scale companies. It is indicated that the large-scale could produce the floor and wall tile at the comparative higher the smaller scale.