

Somboon Thipsathapornchai 2007: A Study of Public Procurement of the Highways
Department. Master of Economics, Major Field: Economics, Department of Economics.
Thesis Advisor: Associate Professor Jerapan Jirananda, M.A. 118 pages.

The purpose of this study was to conduct the analysis of the business's structure and performance as well as the Public Procurement of the Highway Department.

This study explored the nature of bidding behaviors in the government procurement market by determining four factors which might influence bidding behaviors of bidders. The results show that there were three factors namely economic situations, project areas, sizes of projects, which had no effects to bidding price fluctuations. However, the number of bidders was found to be the only factor that influences the bidding behaviors in this study. As the result, every company, found in this study, had won the bidding with the price which was very much lower than the estimated price. Therefore, it would be claimed that the estimated prices of the government procurement system were over priced. And the results of this study show that the entrepreneurs participating in such public procurement market were not oligopoly because there are a big number of bidders in the market revealed by the concentration ratio almost lower than 33 percent. So, this public procurement market did not seem to be a perfectly competitive market.

In sum, the results of this study suggest that there should be a public agency with a main responsibility of determining the estimated prices for the whole government procurement system. As the result, the more reasonable estimated prices will be used, the over expenditures of the public agencies will be reduced.

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