

Efficiency Analysis of Trader in Thailand and Laos Border Trade: Case Study of Textile and Garment Products

Authors : Varutorn Tulnawat, Padcharee Phasuk

Abstract : This paper investigates the issue of China's dumping on border trade between Thailand and Laos. From the past mostly, the border trade goods are traditional textile and garment mainly served locals and tourists which majority of traders is of small and medium size. In the present day the competition is fierce, the volume of trade has expanded far beyond its original intent. The major competitors in Thai-Laos border trade are China, Vietnam and also South Korea. This research measures and compares the efficiency and ability to survive the onslaught of Thai and Laos firm along Thailand (Nong Kai province) and Laos (Vientiane) border. Two attack strategies are observed, price cutting and incense such as full facilitation for big volume order. Data Envelopment Analysis (DEA) is applied to data surveyed from 90 Thai and Laos entrepreneurs. The expected results are the proportion of efficiency and inefficiency firms. Points of inefficiency and suggested improvement are also discussed.

Keywords : border trade, dea, textile, garment

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