

Competitiveness Analysis: An Ahp Approach for the Automotive Components Industry in Thailand

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This paper addresses the multi-faceted nature of an industrial competitiveness problem by using a multi-criteria decision analysis technique, namely the analytic hierarchy process (AHP). An AHP model is developed and applied to evaluate trade-offs among the varying degrees of importance of competitiveness indicators and the different effects of competitiveness drivers. The automotive components manufacturing industry in Thailand was selected as an illustrative case that represents a situation where firms in developing countries compete in the global market. Since industrial competitiveness underlies the economic growth of nations, the results obtained can be useful for both automotive parts makers and policy makers in guiding their decisions to competitiveness improvement.

1. Introduction

Competitiveness is not a readily measurable concept. The Organization for Economic Co-operation and Development (OECD) suggests that the meaning of competitiveness entails fair competition, trade performance and sustainable economic growth. Given this point of view, the output of business activities contributes to the competitiveness of industries and the economic welfare of many nations. For example, the manufacturing sector is regarded as an important economic engine because manufacturing firms produce goods and compete in the global international market. An analysis of the competitive performance among firms can, therefore, be useful for a competitiveness study of a particular industry.

This study considers how the competitiveness of many firms can determine the competitiveness of an overall industry. It proposes

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