

Abstract

Technology becomes an important role in the global market. A critical question is whether or not advanced technology is transferred to Thailand. The main purpose of this study is to explain the transfer of technology through the selected factors from the multinational enterprises (MNEs) to their affiliates in the automotive industry. The selected influencing factors are the ownership of the foreign equity in the firm, the experience of the foreign affiliate in the automotive industry, and the linkage between the firm and local suppliers. Meanwhile, the transfer of technology could be measured by the training days per year for local employees, the ratio of expatriates to total employees, the visited days per year by foreign experts, the royalty payment, and the valuation of imported machinery.

The primary data were collected by distributing the mailed-questionnaire to the 289 respondents in the automotive industry. The descriptive statistic is used to summarise the characteristics of the respondents; while the multiple regression analysis is employed to test the hypotheses.

The results show that the responsibility on the installation and the maintenance of the hardware technology are mostly under the local employees' control. The selected factors influencing the transfer of technology are able to explain the amount of technology transferred to Thai automotive industry. Furthermore, the transfer of technology is done through the training days per year for local employees, the visited days per year by foreign experts, the royalty payment, and the valuation of imported machinery.

Furthermore, the results also show that there is a positively significant correlation between the criterion variable, comprising the training days per year for

local employees and the visited days per year by foreign experts, and the predictor variables, consisting of the ownership of the foreign firm and the experience of the firm in the industry. In contrast, the royalty payment and the valuation of imported machinery have a positively significant correlation with only one variable, which is the expenses for local machinery used; while there is no correlation between the ratio of expatriates to total employees and the predictor variables.

Finally, it is suggested that the other determinants could be included in the future study. For instance, the costs and benefits of technology transfer should be included in order to test the amount of technology transfer.

