

Abstract

Title : A Comparison of Technical Efficiency of Production among
Different Sources of Foreign-Funded Enterprises—A Case of China's
Manufacturing Sector

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This study aims to investigate the difference between the technical efficiency of Taiwan, Hong-Kong and Macao enterprises (THM, hereafter) and that of foreign enterprises from other countries (FOR, hereafter) in China's manufacturing sector. This study utilizes the empirical methodology model proposed by Battese and Coelli (1995) and the industrial-based panel data from 1993~1994 and from 1997 provided by various years of *China Statistical Year Book* and *China Industrial Economy Statistical Year Book* to estimate the stochastic frontier production function. The primary finding of this study is that, after controlling other explanatory variables, there is no difference in technical efficiency between THM and FOR in 1993 and 1997.

However, the technical efficiency of FOR was better than that of THM in 1994. This result also implies that the cultural factor didn't help the technical efficiency of THM to be better than that of FOR. This result is quite different with the conclusion of Cheng (2001) .

