

## **ABSTRACT**

*This study aims to analyze the relationship between market structure and performance in the framework of structure–conduct–performance paradigm in the Crude Palm Oil Processing Industry in Indonesia. There are two hypothesis underlying this paradigm; traditional hypothesis and efficiency hypothesis. The two are compared to see which hypothesis is acceptable to describe the condition of the industry. The data used in this study are 13 Crude Palm Oil Processing companies listed on the Indonesia Stock Exchange (IDX) from 2015 to 2019. The method used in this research is panel data regression model which is estimated using Random Effect Model (REM).*

*The estimation results show that market concentration has a negative effect on profitability, and market share has no effect on profitability. These results indicate that this study does not support the traditional hypothesis, and efficiency hypothesis.*

*Keywords: SCP, traditional hypothesis, efficiency hypothesis, crude palm oil processing industry, REM.*