日本国際経済学会第 8 回春季大会（北海道大学）

Lerner Meets Metzler: Tariff Pass-through of the World-wide Trade

椋 寛（学習院大学）

In this paper, we start with quantifying the worldwide tariff pass-through, i.e., impact of tariff reduction on trade prices. Surprisingly, no global estimates are available in the literature. We found a result that a 1% reduction of (one plus) tariffs decreases trade prices by 0.1%, i.e., negative tariff pass-through (i.e., a Lerner paradox). To obtain clues on the mechanism underlying this result, we decompose trade prices into product quality and quality-adjust trade prices. As a result, we found that a 1% reduction of (one-plus) tariff rates decreases product quality by 1.2% and increases quality-adjusted trade prices by 1.1% (i.e., a Metzler paradox). In order to formalize these empirical findings, we provide a model that demonstrates the mechanism behind the empirical results. We suggest that both firm-delocation mechanism under variable markups and quality-sorting mechanism are driving forces behind these empirical findings.