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Importer Heterogeneity and Exchange Rate Pass-through

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Main results of the paper

- Importer's size (=market share?) is an important determinant of the degree of exchanger rate pass-through.
- Naturally, larger importers' products will have lower exchange rate pass-through.
- Found empirical evidence that support theoretical prediction.

Comments on theoretical model

- A search-matching model is little too abstract. Please suggest what kind of industries or transactions would fit to the search-matching model.

- What is the “market share” in this model? Are there multiple importers selling same good in this model?

Comments on theoretical model (continued)

- Why do we care so much about “market share”, instead of productivity?

- Why not examine the relationship between market share (productivity) and import volume?

Table 3: Import share and pass-through

$\log RERct$	0.233***	0.273***	0.149***
	(31.48)	(31.15)	(9.27)
$S^{IM}_{fpc} \times \log RERct$		-0.372***	-0.155***
		(-10.33)	(-2.77)
$\log(wage_{ct})$			0.213***
			(11.70)
Constant	4.864***	4.883***	4.425***
	(1,144.93)	(1,017.10)	(52.02)
Fixed Effects			
FPC FE	Y	Y	Y
Time FE	Y	Y	Y
Observations	9,413,242	9,413,242	3,123,605

Comments on empirical results

- Want to see the specification (1) and (2) for the sample for specification (3).
- Does the result of specification (3) suggest export side is more important in determining the degree of ERPT than import side?
- What will we find for the lowest S_{fpc} groups, if we estimate the regressions for different percentile groups, instead of using dummy variables as in Table 4?