

Firm-level Impacts of Free Trade Agreement on Import Prices

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Abstract

We examine the firm-level impacts of the use of free trade agreement (FTA) scheme on import prices by employing the firm-level import data that enable us to differentiate the use of tariff schemes such as FTA schemes or general tariff schemes by firms. Unlike the previous studies, we estimate the firm-level effects of FTA use on import prices under controlling for the differences in firm characteristics. We find that the use of FTA schemes raises import prices by 4%. We also find that the use of FTA schemes increases import quantities by 17-32%.

Keywords: FTA; Prices; Thailand

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