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Bundling Strategies When Products Are Vertically Differentiated and Capacities Are Limited.

Many recent studies have looked at the impact of international migration on trade and found a significant effect. They posit that migration fosters trade by lowering costs or by means of a preference bias. However, to my knowledge, market structure has not as yet been considered. Using data from Switzerland, this paper empirically assesses the extent to which migration affects trade, taking goods differentiation into account. A monopolistic model with a multisector economy (Chaney in *Am Econ Rev* 98(41):1707–1721, 2008) is then empirically estimated. The findings show that market structure explains the different channels through which migration affects trade.