

“PRICE DISCRIMINATION, BACKHAUL PROBLEMS,
AND TRADE COSTS: THEORY AND EVIDENCE
FROM E-COMMERCE DELIVERY”
BY GE + HUANG + LIU + XU

Discussion by Brian C. Fujii¹
U.S. Census Bureau

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¹Any opinions and conclusions expressed herein are those of the authors and do not represent the views of the U.S. Census Bureau.

THIS PAPER

- Backhaul problem + Price discrimination in transportation \Rightarrow Unbalanced trade

WHAT I LIKE

- A rationalization of trade imbalances
- see data that transportation fees are fixed fee + variable fee
 - ▶ provide a model that explains this pricing scheme
- the analytical results are super clean and neat
- clever use of the model to back out moments/equations that they then use to estimate/calibrate key parameters of the model

WHAT ELSE

Things to check

- quantities: is it just number of parcels? or is it number of products? or weight?
- is it possible to know what things are in each parcel?
- if not, is it possible to obtain the industrial composition of each location?
- this to check whether results are not driven by compositional effects

Institutional background

- Intuitively, I suspect backhaul problems are more of a problem with small transporters.
- not so much with big companies where they can diversify their fleet size accordingly.
- nevertheless, this is what the data seems to be + the model assumes a single firm for all China.
- More institutional background would be useful to understand what happens in real life

Trip-chaining

- I understand you don't have data on trip-chaining or econ. scope, fine
- but maybe ...

Pareto distribution?

- I like that you are able to back out the shape and scale parameters of the Pareto distribution