

1 Own Price Elasticity

$$\frac{\partial \ln \pi_c}{\partial \ln T_{ck}} = \frac{1}{1-\rho} \left(\frac{T_{ck}}{\sum_k T_{ck}} + \frac{T_{ck} \lambda_k^{-\rho}}{\sum_k T_{ck} \lambda_k^{-\rho}} \left[1 - \frac{\rho}{\lambda_k} (T_{ck} Z_c^{-\theta})^{\frac{1}{1-\rho}} \right] \right) + \frac{(T_{ck} Z_c^{-\theta})^{\frac{1}{1-\rho}}}{\lambda_k} \frac{\lambda_k^{1-\rho}}{\sum_k \lambda_k^{1-\rho}}$$