Topic 3: Empirical Methods in Antitrust

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Possible Empirical Methodologies

• HHI/concentration index calculations
• Using documents to link industry “facts” to relevant economic theory and the case “story”
• Customer interviews
• More formal surveys
• Critical loss/diversion analysis
• Price correlation analysis
• Residual demand analysis
• Pass through analysis
• Event studies (stock market, entry/exit)
• Cross-sectional reduced form (price or margin) analysis of competitive effects
• Merger simulation
  – Non-econometric (share) based
  – Econometric (elasticity estimates) based
• Structural estimation
Topics for Discussion

• Your experiences/views on the scientific & practical merits of these empirical methods.
• Other empirical methodologies?
• Data issues
  – Difficulties in obtaining usable data from parties?
  – Computational (technological) issues?
  – Human capital issues?