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Speaker	Prof. Heiko Gerlach
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Paper Title	Price Discrimination in Cartels
Abstract	<p>This paper analyzes price discrimination of an upstream cartel with heterogenous, competing downstream firms. An input price differential creates a bond between the upstream cartel and the favoured downstream firm. This bond makes price deviations for upstream cartel members more costly. It is shown that when a cartel price discriminates against the less efficient downstream, it is able to implement prices above cost for any strictly positive value of the discount factor. This conclusion is robust against the type of downstream competition, the form of contracts and the observability of offers. I also discuss implications for vertical mergers.</p>