Seminario de Microeconomía Aplicada - Asymmetric Information Sharing in Oligopoly: A Natural Experiment in Retail Gasoline

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Abstract: Using a natural experiment from a retail gasoline antitrust case, we study how asymmetric information sharing affects oligopoly pricing. Empirically, price competition softens when, following case settlement, information sharing shifts from symmetric to asymmetric, with one firm losing access to high-frequency, granular rival price data. We provide theory and empirics illustrating how strategic ignorance creates price commitment, leading to higher price-cost margins. Using a structural model, we quantify the impact of asymmetric information sharing on firms' profits, finding substantial profit-enhancing effects. These results provide a cautionary tale for antitrust agencies regarding the potential unintended consequences of limiting price information sharing.

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Tiempo de exposición: 1 hora.

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