

Pass-through of Temporary Fuel Tax Reductions: Evidence from Europe

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- **Relevant research question**

Provide empirical evidence on the pass-through and on the retail margin effects of temporary fuel tax reductions in three different European countries

- **Critical for identification:**

daily average gasoline and diesel consumer prices, Brent crude oil price and exchange rates, Google mobility reports

- **Methodology**

Staggered Difference-in-Differences (DiD)

Treatment: Germany, France, Italy

Control: Austria, Switzerland

- **Heterogeneous pass-through rates between countries and products**

Full pass-through for Diesel (c) and Gasoline (c) in Italy
Higher Pass-through for Diesel (c) than for Gasoline (ic) in France
Lower Pass-through for Diesel (ic) than for Gasoline (ic) in Germany

- **Heterogeneous effects on retail-margins between countries**

Negative effect for Italy and France (higher for the latter)
No s.s effect for Germany

✓ Different findings when controlling for different mobility patterns

- ✓ Run formal tests for parallel trends and full pass-through
- ✓ Investigate the case of Germany (possible substitution effects)
- ✓ Go into more detail on the Mobility control (case of Italy)
- ✓ Investigate the E10 and Super types of gasoline

