

Lu Han

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RESEARCH FIELDS	International Economics, Open Macroeconomics, Firms and Trade	
CURRENT POSITION	Postdoctoral Research Associate Faculty of Economics, University of Cambridge	2017 - present
EDUCATION	PhD in Economics, University of Cambridge (awarded 2018) Thesis Title: "Essays on Exchange Rate Pass Through"	2012 - 2017
	MPhil in Economic Research, University of Cambridge (Distinction)	2011 - 2012
	BSc in Economics and Accountancy, City University London (Rank First)	2009 - 2011
	BSc in Economics and Management, Renmin University of China (2+2 Programme)	2007 - 2009
REFERENCES	Prof. Giancarlo Corsetti Faculty of Economics University of Cambridge gc422@cam.ac.uk +44 1223 335235	Dr. Meredith Crowley Faculty of Economics University of Cambridge mc865@cam.ac.uk +44 1223 335261
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JOB MARKET PAPER	The Mutable Geography of Firms' International Trade: Evidence and Macroeconomic Implications <i>Abstract:</i> Exporters add and drop destination markets in response to a variety of global, national and industry-specific shocks. This paper develops empirical measures of these market changes and documents a set of key stylized facts using the customs databases of China (2000-2006) and the United Kingdom (2010-2016). First, I find within-firm changes in destination markets involve <i>large</i> trade values and 30-40% of all market changes involve simultaneously adding and dropping markets. Second, around 20% of within-firm market changes are driven by fluctuations in bilateral exchange rates and local CPI measures. Taken together, these facts	

suggest that firms face large destination-specific fluctuations in the demand for their products. Third, while adding and dropping markets, firms simultaneously adjust prices and quantities across all other destinations they serve. I build a multi-country general equilibrium model to investigate the channels that can generate the observed data patterns and study the aggregate implications of mutable markets (within-firm market changes) on the distribution of markups, trade volumes, and welfare. Applying the multi-country model to analysis of a bilateral trade war, I find that aggregate productivity for countries directly involved in the trade war drops more (1-2%) and that of countries not involved rises more (8-10%) when firms endogenously vary their markets in response to the new conditions of competition in local markets induced by the bilateral trade war.

WORKING
PAPERS

Markets and Markups: A New Empirical Framework and Evidence on Exporters from China
(with Giancarlo Corsetti, Meredith Crowley, and Huasheng Song)

Abstract: We build a new empirical framework for analyzing destination-specific markup and quantity adjustments by exporters. Our first contribution is an unbiased estimator of the destination-specific markup elasticity to the exchange rate that isolates marginal costs in large unbalanced panels where the set of markets served by a firm varies endogenously with currency movements. Relatedly, we estimate firms' cross-market supply elasticity—defined as the adjustment in relative quantities across markets associated to exchange rate-induced adjustment in markups. Our second contribution is a new classification of Harmonized System products into high and low differentiation goods—which we used as a proxy for exporters' market power. Exploiting information about Chinese “measure words” reported in customs declarations, we add value to existing classification systems including Rauch (1999) and the UN's Broad Economic Categories. Applying this framework to exporters from China, we find that the average markup elasticity is higher for high differentiation goods (20%) than for low differentiation goods (6%). The cross-market supply elasticities are correspondingly lower for high than low differentiation goods, 0.83 and 2.47, respectively. Finally, we discuss how our estimated elasticities can serve as a diagnostic tool to guide the development of open macro models.

Invoicing and Pricing-to-Market: A Study of Price and Markup Elasticities of UK Exporters
(with Giancarlo Corsetti and Meredith Crowley)

Abstract: In this paper, we provide novel micro evidence that the currency in which exports and imports are invoiced is a good proxy for the currency in which firms set prices. Using detailed data on UK customs transactions, we document that destination-specific markup adjustment is substantial only for export shipments which are invoiced in the destination market's currency, consistent with the view that firms invoicing in local currency price to market. Conversely, we find no destination-specific markup adjustments by firms that invoice a shipment in either their own currency or a vehicle currency, consistent with a firm setting one price either in their own or in a vehicle currency. However, we also document that, while the aggregate shares of invoicing currencies for the UK's exports and imports are stable over time, there is substantial heterogeneity at the firm-product-destination level. A firm's shipments of the same product to the same destination are often invoiced in multiple currencies, with a non-trivial degree of switching from one invoicing currency to another within a twelve-month period. This is more pronounced for firms that are multi-product and serve several destinations, pointing to a potentially important margin of adjustment so far understudied in the literature.

Renegotiation of Trade Agreements and Firm Exporting Decisions: Evidence from the Impact of Brexit on UK Exports (with Meredith Crowley and Oliver Exton)

Abstract: The renegotiation of a trade agreement introduces uncertainty into the economic environment. In June 2016 the British electorate unexpectedly voted to leave the European Union, introducing a new era in which the UK and EU began to renegotiate the terms of the UK-EU trading relationship. We exploit this natural experiment to estimate the impact of uncertainty associated with trade agreement renegotiation on the export participation decision of firms in the UK. Starting from the Handley and Limao (2017) model of exporting under trade policy uncertainty, we derive testable predictions of firm entry into (exit from) a foreign market under an uncertain ‘renegotiation regime’. Empirically, we develop measures of the trade policy uncertainty facing firms exporting from the UK to the EU after June 2016. Using the universe of UK export transactions at the firm and product level, and cross-sectional variation in ‘threat point’ tariffs, we estimate that in 2016 over 5300 exporters did not enter into exporting new products to the EU, whilst over 5400 exporters exited from exporting products to the EU. Entry (exit) in 2016 would have been 5.0% higher (6.1% lower) if firms exporting from the UK to the EU had not faced increased trade policy uncertainty after June 2016.

Media Coverage: [The Economist](#); [The Financial Times](#); [The Telegraph](#)

WORK IN PROGRESS

[Firm Level Pass Through: A Machine Learning Approach](#)

[Retail Dynamics and Trade Elasticity Puzzle](#)

ABCD^H: [Global Implications of Multilateral Competition and Pricing-to-Market](#) (with Giancarlo Corsetti and Meredith Crowley)

OTHER PUBLICATIONS

[The Impact of Brexit Uncertainty on UK Exports](#), 21 January 2019, VoxEU, with Meredith Crowley and Oliver Exton

[A Granular Analysis of the Exposure of UK Exports to EU Tariffs, Quotas and Antidumping under ‘No Deal’](#), 13 December 2017, VoxEU, with Giancarlo Corsetti, Meredith Crowley and Oliver Exton

[Plying to Paradise: The Role of Airlift in the Caribbean Tourism Industry](#), 2016, IMF Working Paper No.16/33, with Sebastian Acevedo Mejia, Marie S. Kim and Nicole Laframboise

CONFERENCE AND VISITING

ETSG 20th Annual Conference, Warsaw Sep 2018

NBER Summer Institute, Boston (presented by coauthor) Jul 2018

China Finance Review International Conference, Shanghai (Emerald Best Paper Award) Jun 2018

17th GEP/CEPR Annual Postgraduate Conference, Nottingham Apr 2018

Visiting Zhejiang University, China Aug 2017

Western Hemisphere Department Seminar, International Monetary Fund Sep 2015

Visiting Zhejiang University, China Dec 2014

PROFESSIONAL EXPERIENCE	Contracted Consultant, Institute for Fiscal Studies	Jun - Aug 2016
	Summer Intern, WHD, International Monetary Fund	Jun - Aug 2015
	Research Assistant, Professor Giancarlo Corsetti	Nov - Dec 2014
	Research Assistant, Dr David Chambers, Judge Business School	Dec - Mar 2013
TEACHING	Supervisor, Tripos IIA Econometrics (second-year undergraduate) at Downing College, Homerton College, Hughes Hall College, etc.	2013 - 2016
	Tutor, Economics, Inspiring Excellence Programme Villiers Park Educational Trust	Jan 2016
	Teaching Fellow, Tripos IIB Industry (third-year undergraduate) Faculty of Economics, University of Cambridge	2015
	Teaching Assistant, Diploma Microeconomics Faculty of Economics, University of Cambridge	2015
	Tutor, Economics, Inspiring Excellence Programme Villiers Park Educational Trust	Feb 2015
REFEREEING	The B.E. Journal of Macroeconomics (x2), The World Economy	
PERSONAL	Citizenship: Chinese Date of Birth: February 25, 1989 Languages: Chinese (native), English (fluent) Programming Skills: Julia, Python, R, Stata (Mata), Matlab, UNIX	

Last updated: Jan 2019