

# Auctions and Information Rent: An Example from the Kesennuma Swordfish Market

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## Abstract

This paper studies the Kesennuma fish market with transaction level data of swordfish landed by the off-shore longline fisheries. We analyze determinants of fish prices in the market using ordinary least squares (OLS). The OLS estimates show the effect of fish characteristics and market conditions. Furthermore, we use a structural estimation approach to analyze the bid data. We follow a nonparametric approach developed by Guerre, Perrigne and Vuong (2000) to recover the bidder's valuation and use this to analyze the bidder's information rent. Our structural estimates show that winners enjoy considerably high information rents from market transactions.

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