International Trade under Cournot Oligopoly in a General Equilibrium Setting

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Abstract
International trade under Cournot oligopoly is analysed in a simple general equilibrium setting where the industry size is large relative to the size of the economy. The analysis takes account of the fact that the output decisions of the firms have an effect on the income of the consumers and the shareholders. The analysis considers both integrated markets and segmented markets. The gains from trade under oligopoly is reconsidered in this general equilibrium setting.

Keywords: Cournot Oligopoly; General Equilibrium; Gains from Trade; Trade Theory.

JEL Classification: C72; D43; D51 F12; L13.