

November 2009

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FIELDS OF INTEREST

Industrial Organization, Health economics, Microeconometrics, Incentive Theory

EDUCATION

Ph.D., Economics, Toulouse School of Economics (TSE), France, January 2010 (expected)
Dissertation Title: Essays in industrial organization of the pharmaceutical industry
Main advisor: Prof. Jacques Cremer
Dissertation Committee: Prof. Pierre Dubois, Prof. Claude Crampes
Diplome Europeen d'Economie Quantitative Approfondie (DEEQA), TSE, France, 2001
M.A. in Economic Theory and Econometrics, TSE, France, 2000
B.A. in Econometrics, TSE, France, 1998
B.A. in Economics, Hanyang University, Korea, 1996

WORK EXPERIENCE

Researcher, Korea Health Industry Development Institute (KHIDI), SEOUL, KOREA, 2003~2008
- Analysis of Pharmaceutical/Food/Cosmetics/Health care Industry
Researcher, Ministry of Health and Welfare of Korea, SEOUL, KOREA, Dec. 2005~June. 2006
- Establishment of Development Strategy and Planning Policy in Health Industry
Researcher, KHIDI Europe, Glasgow, UK, Dec. 2006~June. 2007
- Research on the regulation and market trend of the EU health industry

TEACHING EXPERIENCE

Econometric modeling (Undergraduate – Prof. Christine Maurel), TSE, 2009
Multivariate data analysis (Undergraduate - Prof. Sandrine Casanova), TSE, 2009

WORKING PAPERS/WORK IN PROGRESS (details in page 3)

“Price regulation of pharmaceuticals: A policy experiment” JOB MARKET PAPER
“Expert agency and the role of agent's information - Cheap talk game”
“Advertising as a signal of product quality with entry”
“Importance of being first - Selection Modeling approach”

PUBLICATIONS

“Effect of DTCA on physician and patient relationship”, Korean journal of health economics (2007, summer)
“Generic drug market trend and its policy implication”, Health industry technology trend, Vol..20 (2004, winter) [in Korean]

REPORTS

- “Effect of Korea and USA Free Trade Agreement (FTA) on pharmaceutical industry”, KFDA, 2006, (With Silvia Park et al)
- “Evaluation of R&D tax credit and government subsidy in pharmaceutical industry”, OGPC, 2005
- “Estimation of competitiveness of Korea’s health industry using Int’l Trade by Commodities(OECD)”, MOHW, 2005
- “Input-output analysis and decomposition of output growth in health industry”, KHIDI, 2004

SCHOLARSHIP

Allocation de Recherche, French Ministry of Education, 2000~2003

CONFERENCES AND PRESENTATIONS

- “Input and output analysis of Health industry”, KHIDI (2004)
- “R&D policy in Healthcare industry”, Presidential Committee on Healthcare Industry Innovation Workshop, OGPC 2005, 11
- “Generic drug market trend and its policy implication” 68th Health Industry Forum, KHIDI, 2006.4
- "Price cut regulation in pharmaceutical industry and policy experiment", 8th international conference in Health Economics, Management and Policy, Athenes, Greece 2009.6

LANGUAGES

Korean (Native), English (Fluent), French (Fluent)
Interpreter Experience: L'Oreal (English), Federation des Entreprises de la Beauté (French), Afssaps (French), 2009.5

COMPUTER SKILLS: LaTeX, Stata, SAS, Matlab, Microsoft Office

CITIZENSHIP: KOREAN

REFERENCES

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DAEJUNG KIM

Price regulation of pharmaceuticals: A policy experiment (Job Market Paper)

What does the demand for pharmaceuticals look like? How effectively does a price cut control pharmaceutical expenditure? To shed light on these questions, I estimate the pharmaceutical demand for antihypertensive drugs in Korea (2003 ~ 2007) using the NLM. The estimation results are following. 1) Physicians are not sensitive to price differences and the price elasticity of the original drugs is further reduced after the entry of generic drugs. 2) The market share of the molecule losing patent protection decreases after patent expiration. 3) The generic drug's age has a negative effect on the market share of molecule whereas the original drug's age has a positive effect. 4) Molecules in the same therapeutic subgroup are close substitutes, implying that nesting by the therapeutic subgroup matters. Using these estimation results, I assess South Korea's pharmaceutical price and reimbursement reform, which was implemented in 2007 (called "Drug expenditure rationalizing plan"). I estimate 3.98% decrease of the drug expenditure due to the price cut policy.

Advertising as a signal of product quality with entry

This paper analyzes the role of advertising when the quality of a product is uncertain for the consumer. I assumed that the advertising cost to obtain an image of high quality is high for low quality product and vice versa. I showed that there is a unique equilibrium that survives the intuitive criterion when both the price and advertising are available for signaling. Furthermore, I found that when the difference in quality is big, then it is likely that the advertising is used in a more important way to signal the quality. This is due to the fact that quality signaling by advertising is less costly when vertical differentiation is large. Also it is shown that incumbent has no incentive to jamming the signaling of entrants when the incumbent and entrant compete on quantity.

Physician agency and the role of patient's information - Cheap talk game

This paper examined the effect of increases in patient's information on the physician-patient relationship using cheap talk game structure. The increased information can possibly mitigate the agency problem of physicians. However we showed here that under certain conditions it can aggravate the agency problem. This is the case when the ex-ante valuation of treatment is negative and when patient's information level is low enough. In this case, increased information level makes the patient overconfident about the information she acquired and she accepts more often the prescription which is consistent with her information. Hence, the physician prescribes what is compliant with the patient's acquired information but what is not truthful because of his private benefit. In this case, the increased information level will be detrimental to the social welfare.

Importance of being first in generic drug competition - selection bias problem

The aim of this paper is to estimate the advantage of first generic drugs in pharmaceutical industry taking into account the selection bias problem in unobservable variables. I use the semi-parametric method to identify the parameter of interest and it is shown that heterogeneity among firms is not a substantial problem with our data. Three alternative approaches are studied to evaluate the first mover advantage: linear regression, matching methods, and instrumental variables (IV). Under the necessary assumptions and the data requirements for each method, linear regression estimate 17.71% increased in market share for the first generics (matching method is 26.2%, IV is 32.58% .