

**PROGRAMME 50^{ème} SÉANCE DU SÉMINAIRE DE RECHERCHES
EN ÉCONOMIE DE L'ÉNERGIE DE PARIS-SCIENCES-LETTRES****PRIX DE L'ÉNERGIE, LOCALISATION DES ENTREPRISES ET POLITIQUES
INDUSTRIELLES : Comment les politiques environnementales affectent les entreprises et les
industries ? Quelles leçons en retirer ?**

Mardi 23 Juin 2020, de 16h30 à 18h30 - En visioconférence ZOOM
Nous vous transmettrons les liens de connexion 48h avant le séminaire.

Le Séminaire de Recherches en Économie de l'Énergie de Paris-Sciences-Lettres est conjointement organisé par le CERNA (MINES PARIS TECH), le CGEMP (Université Paris-Dauphine), la Chaire European Electricity Markets (CEEM (Université Paris-Dauphine)), et i3 (l'Institut interdisciplinaire de l'innovation), membres de PSL. Il est animé par François LÉVÊQUE (CERNA et MINES PARIS TECH), Dominique FINON (CEEM et CNRS-CIRED) et Patrice GEOFFRON (Directeur du CGEMP, Université Paris-Dauphine).

Aurélien Saussay (Chercheur, London School of Economics-Grantham Research Institute, Sciences-Po et OFCE)

The Impacts of Energy Prices on Industrial Foreign Investment Location

This presentation analyzes the role of energy prices in a firm's investment location decisions in the manufacturing sector. Building on the application of discrete choice theory to the firm location problem, we specify a conditional logit model linking bilateral foreign direct investment (FDI) activity to relative energy prices. We then empirically test this link using a global dataset of M&A deals in the manufacturing sector covering 41 countries between 1995 and 2014, using econometric techniques adapted from the estimation of gravity models. The results suggest that upon deciding to invest, firms are attracted to regions that have lower energy prices. However, counterfactual simulations reveal that unilateral implementation of a \$50/tCO₂ carbon tax by various coalitions of countries is expected to have limited negative impact on the attractiveness of economies to foreign industrial investments. Hence, our results support the pollution haven effect, but find the magnitude is limited and could be addressed with targeted measures in the most energy intensive sectors.

Working Paper du Grantham Research Institute co-écrit avec **Misato Sato** (GRI Working Paper No. 311, December 2018).

Antoine Dechezlepretre (Économiste senior, OCDE)

The Impact of Climate Policies on Businesses, Industrial Choices and Performances

Policy makers fear that, in a world characterized by the rise in global value chains and capital flows, differences in the stringency of environmental policies across countries would change relative production costs and alter firms' competitiveness, shifting pollution-intensive production capacity towards regions with less stringent regulation. In fact, OECD research on the economic effects of environmental policies shows that implementing more stringent environmental policies has little effects on performance of the economies despite achieving significant environmental impacts. However, these small average effects across the economy hide heterogeneous effects across sectors and firms. On the one hand, environmental policies entail costs, mainly on high-pollution industries and laggard firms: employment, exports and investment are worsened for pollution-intensive companies, as is the productivity of laggard firms. On the other hand, more stringent environmental policies also have positive effects like improving productivity of frontrunner industries and firms or increasing exports in non-pollution-intensive industries. Overall, environmental policies generate winners and losers and mainly trigger a reallocation of factors from high-emissions to low-emissions industries. *The Economic Impacts of Environmental Policies*, OECD (Forthcoming).

Pour toute information complémentaire, veuillez prendre contact avec les organisateurs :

François Lévêque: francois.leveque@ensmp.fr

Dominique Finon: finon@centre-cired.fr

And Patrice Geoffron: patrice.geoffron@dauphine.fr