

Dear all,

You are kindly invited to the next Joint Firm Analysis Seminar of the NBB, KU Leuven, UAntwerpen, UCLouvain, UGent, UHasselt, ULB, ULiège and UMONS

Given by **Misato Sato** (London School of Economics and Political Science)

on **Carbon pricing compensation and competitiveness: Lessons from UK manufacturing**

Joint paper with Pier Basaglia and Elisabeth T. Isaksen

**Abstract:**

*Carbon pricing is the cornerstone of cost-effective climate policy but is often paired with compensation to carbon- and energy-intensive firms to mitigate carbon leakage risk. To what extent do such schemes compromise effective carbon price incentives? This paper examines the causal impact of compensation payments for indirect carbon costs embodied in electricity prices using UK plant level data. We hypothesize that the compensation payments incentivized firms to increase production and electricity use with no effect on electricity intensity. By exploiting firm level inclusion criteria in both a difference-in-differences and regression discontinuity framework we find that compensated firms maintained a higher production and energy use relative to uncompensated firms with no detectable effect on energy intensity.*

The seminar will take place on **Thursday, 30 March** at 16.30 in in the Auditorium of the National Bank of Belgium (Room A1), rue Montagne aux Herbes potagères 61, 1000 Brussels.

Prof. Sato will be present at the bank on 30 March and there are several slots for a meeting with her. Please contact us at [nbbfirmanalysis.seminar@nbb.be](mailto:nbbfirmanalysis.seminar@nbb.be) if you are interested. This is not just a polite phrase; we very much invite you or any of your colleagues to make use of this opportunity.

Due to security measures, we emphasize the need for you to register by email to [nbbfirmanalysis.seminar@nbb.be](mailto:nbbfirmanalysis.seminar@nbb.be) before Thursday 30 March at 3:30 pm if you plan to attend the seminar. Without registration, you will not be allowed in the seminar room.

You will receive a nominative badge at the entrance. We recommend that you arrive at least 10 minutes before the start of the seminar. Please include name and car plate number for access the NBB Parking Warmoesberg 41.

We would also like to inform you of the upcoming firm analysis seminars:

20/4 *ONLINE* Daron Acemoglu (MIT)

25/5 Rafael Dix-Carneiro (Duke)

8/6 Francesco Vona (University of Milan)

28/9 Leonie Wenz (Potsdam Institute for Climate Impact Research)

Looking forward to seeing you there.

Kind regards,

Gert Bijmens (NBB), Emmanuel Dhyne (NBB-UMONS), Catherine Fuss (NBB), Johannes Van Biesebroeck (KU Leuven), Joep Konings (KU Leuven), Hylke Vandenbussche (KU Leuven), Vincent Vandenberghe (UCL), Gonzague Vannoorenberghe (UCL), Bart Cockx (UGent), Glenn Rayp (UGent), Paola Conconi (ULB), Ilan Tojerow (ULB), Mathieu Parenti (ULB), Glenn Magerman (ULB), Estelle Cantillon (ULB), Alain Finet (UMONS), Jan Bouckaert (UA), Mark Vancauteran (UHasselt), Axel Gautier (ULiège),