

Electricity consumption and economic growth in China:  
assessing Granger causality at provincial, electricity-market,  
and national levels

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# Declaration

Except where appropriately acknowledged this thesis is my own work, has been expressed in my own words and has not previously been submitted for assessment.

SIGNED: .....

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## **Abstract**

The following thesis investigates the relationship between electricity consumption and economic growth in China over the period 1985-2012. Long and short run Granger causal relationships between these variables are ascertained by applying a vector error correction model to national, electricity-market, and provincial-level data. A comparison is then made between the relationships obtained from these different datasets. The results suggest that a large amount of information is lost as a result of aggregation, with data at the national and electricity-market levels being unable to accurately reflect prevailing relationships observed at the provincial level. This observation is particularly relevant given the predominance of national level studies found in the literature.

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