Electricity Consumption and Economic Growth: The Case of Mexico

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Abstract : The causal relationship between energy consumption and economic growth has been an important issue in the economic literature. This paper studies the causal relationship between electricity consumption and economic growth in Mexico for the period of 1971-2011. In so doing, unit root tests and causality test are applied. The results show that the series are stationary in levels and that there is causality running from economic growth to energy consumption. The energy conservation policies have little or no impact on economic growth in México.

Keywords : causality, economic growth, energy consumption, Mexico

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