Technische Universität München
School of Management

Stadtwerke München

Project Study

How do Investment Patterns differ across Industries?

Background

Investments in costly assets such as large production plants can expose market actors to substantial risks. Will the investment pay off? Are there market changes that might undermine the amortization plan - especially for break even points far into the future? And what is the role of regulatory risk, that is, changes in market regulation that can significantly affect the profitability of these investments? Given these difficult investment conditions, might firms shy away from an otherwise profitable investment?

Research Tasks

This project study should shed light on the above questions. In particular, the group of students working on this study should:

- Identify candidate industries that are well suited for a comparison of investment incentives and barriers. One of these industries shall be the power generation sector, e.g. investments in large generation facilities. Possible candidates for comparison could for example be the car industry or the aviation industry.
- Design a comparative study for the selected set of industries. This includes the determination of suitable measures to compare the chosen industries (size of the investment assets relative to market size, amortization time, etc...).
- Gather relevant data on the selected set of industries. Parts of the data can be provided for by the Center for Energy Markets or by SWM.
- Empirically analyze and compare the different industries according to the measures defined in step two. Present a discussion of results, as well as of potential drawbacks or omitted factors in the analysis.

This project study is co-supervised by the *Stadtwerke München (SWM)*. The selection of a suitable candidate and the detailed specification of the project will take place in close cooperation with the SWM.

Qualified applicants are invited to send their electronic application to cem@wi.tum.de.