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University of Luxembourg
Inaugural Lecture
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Tuesday, 10 November 2009

18h00

Campus Limpertsberg

Bâtiment des Sciences, BS 0.03

162a, avenue de la Faïencerie

L-1511 Luxembourg



Faculté de Droit,
d'Économie
et de Finance

Prof. Pierre Picard

How does trade shape the economic geography?



When firms choose a location for production, they balance between the size of the market they can access, the intensity of competition there and the availability of labour and intermediate supplies in the area. Firms often agglomerate in industrial clusters within the same geographical area. Well-known examples of such clustering processes are given by the Californian Silicon Valley and the London and Luxembourg financial centres.

In this lecture Professor Picard will study how trade costs impact on the location of industries and more generally on the location of economic activities. Trade costs have strongly fallen during the last decades. Since they are recognised to have an effect on market access and firms' competition, they are likely to re-shape the economic landscape. It therefore is important to understand whether such a fall in trade costs will foster agglomeration of economic activities into fewer "core"

locations - at the expense of "peripheral" regions - or whether it will lead to a more even dispersion of economic activities across regions.

Pierre M. Picard (1964) graduated as a Civil Engineer at the Polytechnic School of Louvain and obtained a Master in Business Administration at the Katholieke Universiteit van Leuven. He completed a Ph.D. in Management Science and Economics at the University of Louvain. Since then, he mainly lectured and researched in microeconomics at the University of Manchester.

In 2008 he joined the University of Luxembourg as a professor. His teaching and expertise focus on microeconomic theory applied to issues of firms' location, spatial economics, urban economics, international trade, privatisation, information technologies and tax competition. He has recently published in international refereed journals like *Economic Theory*, *International Economic Review*, *European Economic Review*, *Journal of the European Economic Association*, *Economic Journal*.

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Introduction by André Prüm, Dean of the Faculty of Law, Economics and Finance. A reception will be held after the conference.