

## **ABSTRACT**

*For many years, the impact of international energy prices on global economic activity has been the focus of discussion. During this time, there has been continuous investigation into the empirical relationship between energy prices and economic activity, but the measured results have been inconsistent and mixed. Therefore, this study examined the impact of energy prices on industrial output for Group of seven (G-7) in both long-run and short-run with control variables by applying panel CS-ARDL model along with second generation unit root test, CSD and co-integration test by using secondary quarterly data of 2003:1 to 2021:4 gathered from OECD and OPEC. Findings revealed that there is positive and significant impact of international energy prices, gross fixed capital and stock prices on industrial output in both long-run and short-run. Employment rate has positive and significant impact in the long-run and negative impact in short-run while consumer price index has negative and significant influence in long-run but positive in short-run. On the basis of results, in order to establish a comprehensive strategy that balances urgent issues with long-term sustainability goals, coordination between energy and industrial policymakers is essential.*

**Key Words:** G-7, Energy Prices, Industrial Output, ARDL