Does economic growth in Malaysia depend on disaggregate energy?

Rahman, M.S.¹,² (https://www.scopus.com/authid/detail.uri?authorId=55859480300&eid=2-s2.0-85019012372)
¹Department of Finance and Banking, Curtin Business School, Curtin University, Sarawak, Malaysia
²Department of Business Administration, Faculty of Business Studies, International Islamic University Chittagong, Bangladesh
³Department of Finance, International Islamic University Malaysia, Malaysia

Abstract

This study aims to investigate long-run relationship between economic growth and disaggregated energy consumption in Malaysia. Toda-Yamamoto (T-Y), the modified Granger causality test, along with annual disaggregated energy and real GDP growth data from 1971 to 2014 was used in the investigation process. This paper presents several outcomes; firstly, this paper argues that the Malaysian economy is energy dependent and sensitive to energy supply shocks. Secondly, the usage of energy inputs in the Malaysian economy is found to be consumed inefficiently meaning that usage of higher energy resources does not contribute the economic growth significantly, rather causes environmental pollution badly. Thirdly, the finding indicates that economic growth and environmental pollution through spreading carbon emissions are responsive to each other. In this circumstance, the Malaysian economy has to find a way to consume the energy inputs efficiently so that economic growth is improved, while negative externality in the environment is reduced. Therefore, the study presents significant policy implications in order to improve the energy efficiency and reduce environmental pollution. © 2017 Elsevier Ltd

Author keywords

Disaggregate energy consumption, Environment pollution, GDP growth, Granger causality, Malaysia

ISSN: 13640321
CODEN: RSERF
Source Type: Journal
Original language: English

DOI: 10.1016/j.rser.2017.05.010
Document Type: Review
Publisher: Elsevier Ltd

Metrics

Citations

0

Citation Impact

0

Cited by 0 documents

Inform me when this document is cited in Scopus:

Set citation alert

Set citation feed

Related documents

Long-run relationship between sectoral productivity and energy consumption in Malaysia: An aggregated and disaggregated viewpoint (https://www.scopus.com/record/display.uri?origin=recordpage&zone=relatedDocuments&eid=2-s2.0-84931576138&title=Long-run+relationship+between+sectoral+productivity+and+energy+consumption+in+Malaysia:+An+aggregated+and+disaggregated+viewpoint&sourceId=27567&targetURl=https%3a%2f%2fdoi.org%2f10.1016%2fj.rser.2015.10.015&authorId=56646507500&zone=relatedDocuments)