



**DETERMINANTS OF ENVIRONMENTAL QUALITY IN MALAYSIA**

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**DECLARATION OF ORIGINAL WORK**



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**"DECLARATION OF ORIGINAL WORK"**

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Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any degrees.
- This project-paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by equation marks and sources of my information have been specifically acknowledged.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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## **Abstract**

Investigating the link between macroeconomic variables and CO<sub>2</sub> emissions is necessary and helpful for Malaysia to achieve its pollution reduction targets. Environmental Kuznets Curve (EKC) and Kuznets Curve (KC) Economists are used in order to gain the best understanding of the interaction between CO<sub>2</sub> emissions and economic growth during the 1971-2014 period. This study aims to examine the relationship among CO<sub>2</sub> emissions, trade openness, economic growth, financial development, power consumption and urban population. Some tests were run using the ARDL method to determine which variables are significant towards CO<sub>2</sub> emissions in the long run. Economic Growth and Trade Openness both are found significantly positive toward CO<sub>2</sub> emissions with both significant at 1% level. While Financial Development was found to have a negative relation toward CO<sub>2</sub> emissions and its significant level is at 10%. These findings could support policymakers in managing urbanization development and considering clean investment and other green aspects for reducing CO<sub>2</sub> emissions, which can save people from the natural disaster.