



**THE CAUSALITY BETWEEN ELECTRICITY AND ECONOMIC
GROWTH IN MALAYSIA**

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DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION
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UNIVERSITI TEKNOLOGI MARA
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TABLE OF CONTENTS

	PAGE	
TITLE PAGE	i	
DECLARATION OF ORIGINAL WORK	ii	
LETTER OF TRANSMITTAL	iii	
ACKNOWLEDGEMENT	iv	
TABLE OF CONTENTS	v	
LIST OF FIGURES	viii	
LIST OF TABLES	viii	
ABSTRACT	ix	
CHAPTER 1	INTRODUCTION	
	1.1 Background of study	1
	1.2 Problem Statement	3
	1.3 Research Questions	4
	1.4 Objective	4
	1.5 Significance of study	4
	1.6 Scope and Limitation of the study	6
CHAPTER 2	LITERATURE REVIEW	
	2.1 Introduction	
	2.1.1 Strand of the studies	7
	2.1.2 The findings of Consumer Price Index (CPI) affecting the electricity consumption	8
	2.1.3 The four hypothesis of the electricity consumption-economic growth	9
	2.1.4 Relationship of electricity and economic growth among countries	10
	2.2 Theoretical Framework	13
	2.3 Hypothesis Testing	14

LIST OF FIGURES

Figure:		PAGE
Figure 2.2.1	Theoretical Framework of Dependent and Independent Variables	13

LIST OF TABLES

Table:		PAGE
Table 3.1	Explanation of Dependent and Independent Variables	17
Table 4.4	Descriptive Statistics of The Variables	23
Table 4.4.1	Normality Test	24
Table 4.5.1	Augmented Dickey-Fuller (ADF) and Phillips Perron	25
Table 4.6.1	Multiple Regression Test Result	27
Table 4.7.1	Serial Correlation LM Test	30
Table 4.7.2	Multicollinearity – Centered VIF	31
Table 4.7.3	White Test Result	32
Table 4.8.1	Lag Length Criteria Result	33
Table 4.9.1	Johansen Co-Integration Result	34
Table 5.0.1	Granger Causality Result	35

ABSTRACT

This study investigates the causality between electricity and economic growth in Malaysia by applying annually time series data from 1980-2015. The four hypothesis such as neutrality, conservative, growth and feedback also mentioned the linear relationship between the variables. A Johansen Co-Integration model results confirm that the long run relationship presence between the consumer price index (CPI), gross domestic product (GDP), population growth rate and electricity consumption. Result from mixed findings show the positive and significant effect from electricity consumption to economic growth. The result of Granger causality model examined the unidirectional causal from economic growth driven the electricity consumption in short run. This research need to continue as a contribution body of knowledge to initiate a way for the policymakers to create more access of electricity in Malaysia.

Keywords: Electricity consumption, Cointegration, Causality, Economic growth, Malaysia