TITLE: EFFECT OF TRADE ON ENERGY USE IN MALAYSIAN ECONOMY

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ABSTRACT:

Sustainable use of energy has received increasing attention worldwide in particular the policy-makers agenda. Efforts have been in progress to reduce energy use and greenhouse gas emissions in order to sustain economic development, in which the human community flourishes without incurring a long-term loss of non-renewable resources such as fossil fuels, living species, ecosystems, and a stable climate. Malaysia is well endowed with both renewable and non-renewable sources of energy. The largest non-renewable energy resource found in Malaysia is petroleum. This resource is being actively exploited. This paper attempts to evaluate the effects of foreign trade on the energy use and carbon emission of the Malaysian economy. In addition to examine the effects of trade on external sector employment and output. An input-output model will be used to calculate the total energy and carbon intensity coefficients in the period of 1997-2007. Such coefficients are utilized to assess the energy and carbon embodied in the exports and imports of Malaysia. The results and findings will enable us to provide some useful policy implications.