Trade and Environment: Review of Relationship and Implication of Environmental Kuznets Curve Hypothesis for Malaysia

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ABSTRACT The relationship between trade and environment is experienced by different countries in a different way and it is also widely accepted that trade impacts the environment in a wide variety of ways and through a multitude of channels. This study is primarily an effort to review the relationship between trade and environment in Malaysia. Then the study briefly reviews, within this relationship, the implication of Environmental Kuznets Curve (EKC) hypothesis for selected environmental pollutants in Malaysia. The findings of the study show no evidence of an inverted-U shaped Environmental Kuznets Curve (EKC) for any of the six air and water pollutants in Malaysia. A few relevant policy options have been discussed following the findings and the study closes with some concluding remarks.