The Relationship between Carbon Dioxide Emission and Gross Domestic Production of Sri Lanka

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Environmental pollution is a major problem in every country in the world. The metirials which are taking from the environment using as the row materials for the industrial sector very often. Rapid increase of global temperature has become a one of burning problem in world pararal to the rapid industrialization. Those are directly relates to the behavior of the human. All countries in the World have paid their attention for the sustainable development recently, but now it turnes to green growth economy. The study objected to find short run and long run relationships between the gross domestic production of Sri Lanka and Fossil Carbon Dioxide emission in Sri Lanka. The study is based on quantitative approach and secondary data. Time series data were used for the empirical analysis of the study. Line graphs used to examine the behavior of the variables. Unit Root Test has used to test the stationarity of the data. Vector Auto Regressive model has used to find the short run relationship among the variables and co-integration has used to test the long run relationship between variables. The empirical findings of the study give enough evidence to conclude that there is a long term effect of carbon emission on gross domestic production of Sri Lanka. So, It is important to increase the Green economic concepts should promote in Sri Lanka with the rapid industrialization situation.

Keywords: Fossil carbon dioxide emission, Gross domestic production, Time series data, Short run relationship, Long run relationship

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