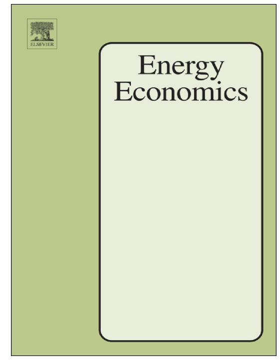

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The impact of international trade on CO_2 emissions in oil exporting countries: territory vs consumption emissions accounting

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Abstract

While international trade and Carbon dioxide (CO_2) emissions have been well-studied, a panel of only oil exporting developing economies has not been considered. This paper addresses that gap by investigating the role of the trade in CO_2 emissions using a panel of nine oil exporting countries. In addition, we examine the impacts of exports and imports separately, and we consider two measures of CO_2 emissions-those based on consumption, and thus, adjusted for trade, and those based on territory (i.e., the typical approach in the literature). The results from cointegration and error correction modeling show that exports and imports have statistically significant impacts of opposite signs on Consumption-based CO_2 emissions in both the long- and short-run, and that the effects of changes in the trade-CO_2 emissions relationship will fully be absorbed around three years. However, exports and imports are statistically insignificant for Territory-based CO_2 emissions.

Keywords: Consumption based carbon emissions, Territory based carbon emissions, Panel cointegration and error correction modeling, Oil-exporting countries.

JEL Classification: C33, F18, Q56

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