

# Impacts of Foreign Direct Investment and Institution on the Environmental Sustainability of Asian Countries

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**Abstract:** The purpose of this study is to evaluate the impact of foreign direct investment (FDI) and institution on the sustainability of the environment with a data set of 33 Asian countries from 1996 to 2014. This study used the GLS regression and the results reveal that FDI has negative effect on environmental sustainability. However, when the government's role in planning and implementing policies is handled well, FDI will bring positive effects on the environment.

**Keywords:** Asia, Environmental sustainability, Foreign direct investment, Institution.

**JEL classification:** Q56, Q53, F21.

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