



**DETERMINANTS OF FOREIGN DIRECT INVESTMENT IN MALAYSIA**

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**BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS  
(FINANCE)**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA**

**MELAKA CITY CAMPUS**

**JANUARY 2019**

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**Submitted in Partial Fulfillment of the  
Requirement for the Bachelor of Business Administration with Honours  
(Finance)**

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**DECLARATION OF ORIGINAL WORK**



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I, Nur Luqman Hadee Bin Dahalan, (I/C Number: 950828-10-5611)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- This project-paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## LETTER OF SUBMISSION

JANUARY 2019

Madam Zunaidah Binti AB Hasan

Lecturer of UiTM Melaka City Campus

Faculty of Business Management

Universiti Teknologi MARA, Melaka City Campus,

110 Off Jalan Hang Tuah, 75300 Melaka.

Dear Madam Zunaidah Binti AB Hasan,

### SUBMISSION OF FINAL PROJECT PAPER

Attached is the project paper titled “**DETERMINANTS OF FOREIGN DIRECT INVESTMENT IN MALAYSIA**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours Sincerely,

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**NUR LUQMAN HADEE BIN  
DAHALAN**

**2016688432**

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## ABSTRACT

The development and the economic growth of one country are depending on the foreign direct investment. Foreign direct investment is one of an extremely important role of a country. Most of the developing countries are rely on the foreign direct investment to expose their country economy as they face lack of capital in their developing process. Foreign direct investment bring out capitals, technology and skills into the developing countries that immediately helping to satisfy country's need.

In Malaysia growth performance, it really depends on foreign direct investment. It generates the economic growth by increasing the capital formation which include production capacity, export growth and employment in Malaysia. Foreign direct investment inflows in Malaysia fluctuate in 1996 until 2010 and the volatility of foreign direct investment inflows drew questions to the researcher regarding the factors affecting foreign direct investment decision in Malaysia by annual time series data from 1986 until 2017. The dependent variables and independent variables are applied to the multiple regression model to examine the relation between both variables.

All independent variables are significantly and have the positive affect in the foreign direct investment inflows except one of the independent variables. Further explanation regarding the one independent variables that are failed to be significant relationship with foreign direct investment inflows.