



**THE DETERMINANT OF FOREIGN DIRECT INVESTMENT IN SOUTHEAST  
ASIA: MALAYSIA, PHILIPPINES AND THAILAND**

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**JUNE 2019**

## **DECLARATION OF ORIGINAL WORK**



BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)  
FACULTY OF BUSINESS MANAGEMENT  
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“DECLARATION OF ORIGINAL WORK”

I, PUTERI IYLIA AISYAH BINTI MOHAMAD HELMI, (I/C Number: 961209-26-5134)

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**

June 2019

Madam Nor Shahrina Binti Rafien  
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Dear Sir/Madam,

SUBMISSION OF FINAL PROJECT PAPER Attached is the project paper title  
**“DETERMINANT OF FOREIGN DIRECT INVESTMENT IN SOUTHEAST ASIA:  
MALAYSIA, PHILIPPINES AND THAILAND”** to fulfil the requirement needed by the  
Faculty of Business Management, Universiti Teknologi MARA.

Thank You.

Yours Sincerely,

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Bachelor of Business Administration with Honours (Finance)

## TABLE OF CONTENT

<b>CONTENT PAGE</b>	<b>Page</b>
Title Page	i
Declaration of Original Work	ii
Letter of Submission	iii
Acknowledgement	iv
Table of Contents	v – x
List of Figures	xi
List of Tables	xii
List of Abbreviations	xiii
Abstract	xiv
CHAPTER 1 Introduction	
1.0 Introduction	1
1.1 Background of Study	2 – 4
1.2 Problem Statement	5 – 8
1.3 Research Questions	8
1.4 Research Objectives	
1.4.1 General Objective	9
1.4.2 Specific Objectives	9
1.5 Significance of Study	
1.5.1 Policymakers	10
1.5.2 Researchers	10

## ABSTRACT

Foreign direct investment has been of large importance in economic growth and global economic integration over the last decades. South East Asia has been part of this development with rapidly increasing inflows of FDI. However, there are large variations over time and between countries in the region as regard to the policies towards FDI, and in actual inflows of FDI. Foreign direct investment is critical for developing and emerging market countries. Their companies need the multinationals funding and expertise to expand their international sales. The purpose of this study is to determine the factors that affecting the FDI for three Southeast Asian countries based on the independent variables which are economic growth (EGR), exchange rate (EXR), inflation rate (INR) and market size (MKS). The data collected annually from 1978 to 2017 by using panel series data. The data been collected from World Bank Data. The countries that involved in this research are Malaysia, Philippines and Thailand. The data will be measured by using multiple tests like Unit Root test, Pooled OLS test and Regression test. The result shows that exchange rate and market size shown an insignificant positive effect while economic growth and inflation rate shown an insignificant negative effect toward FDI. The result will further the understanding of policymaker and researchers about the important and factors affecting FDI for Southeast Asian countries.