



**THE DETERMINANTS OF FOREIGN DIRECT
INVESTMENT INFLOWS IN MALAYSIA**

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TABLE OF CONTENTS

TITLE PAGE	i
DECLARATION OF ORIGINAL WORK	ii
LETTER OF TRANSMITTAL	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS.....	v
LIST OF TABLES.....	vi
LIST OF FIGURES	vii
LIST OF ABBREVIATIONS.....	viii
ABSTRACT.....	ix
CHAPTER ONE: INTRODUCTION.....	
1.0 Introduction.....	1
1.1 Background Of Study	2-3
1.2 Problem Statement	4-5
1.3 Research Objectives.....	6
1.4 Research Questions	6
1.5 Significance of Study	7
1.6 Scope and Limitation of Study	8
1.7 Definition of Term	9
1.8 Organization of Study	10
CHAPTER TWO: LITERATURE REVIEW	
2.1 Introduction.....	11
2.2 Theory of Study	11
2.2.1 Neoclassical Growth	11-12
2.2.2 Fisher Equation	12
2.2.3 Comparative Advantage.....	12-13
2.2.4 Dunning Electric Paradigm	13
2.3 Literature Review.....	14-21
2.4 Summary of Finding	21-25
2.5 Conceptual Framework.....	25

2.6 Summary of Chapter	26
CHAPTER THREE: DATA AND METHODOLOGY	
3.1 Introduction.....	27
3.2 Research Design.....	27
3.3 Description of Variables	28
3.4 Empirical Models.....	29
3.5 Estimation Procedure	29
3.5.1 Normality Test	29
3.5.2 Unit Root Test.....	30
3.5.2.1 Augmented Dickey Fuller.....	30-31
3.5.2.2 Phillips Perron.....	31
3.5.3 Regression Analysis	31-32
3.5.4 Diagnostic Test	32
3.5.4.1 Multicollinearity	32-33
3.5.4.2 Heteroscedasticity	33-34
3.5.4.3 Autocorrelation	34
3.6 Hypothesis Testing.....	35-36
3.7 Flow of Research Methodology.....	36-37
CHAPTER FOUR: FINDINGS	
4.0 Introduction.....	38
4.1 Normality Test	38-40
4.2 Unit Root Test Result.....	40-42
4.3 Multiple Linear Regression Analysis.....	42-44
4.4 Diagnostic Test Result	44-46
4.5 Result of Hypothesis Testing.....	47
4.6 Summary of Chapter	48
CHAPTER FIVE: CONCLUSION AND RECOMMENDATION	
5.0 Introduction.....	49
5.1 Conclusion	49-51
5.2 Recommendation	51-52

REFERENCES

APPENDICES

ABSTRACT

Foreign direct investment has grown significantly in most developing countries since 1980s including Malaysia. Furthermore, foreign direct investment inflow in Malaysia started as early as 1920s when there were already substantial British investment. This shows that foreign direct investment play a significant role in boosting and speeding up the economic condition in Malaysia. The core idea of this research study is to examines the determinants of foreign direct investment inflows in Malaysia started from 1978 to 2018. The frequency used were based on annually data of time series and obtained from World Bank. Besides, multiple linear regression were used to identify the significant relationship between the independent and dependent variables. Based on the result , it depicts that economic growth and inflation rate were found to have a significant relationship toward foreign direct investment. However, there were no significant relationship between trade openness and infrastructure towards foreign direct investment. Thus, the main determinants of foreign direct investment inflows in Malaysia were economic growth and inflation rate.

Keywords: foreign direct investment, economic growth, inflation rate, trade openness, infrastructure, Malaysia