

AN EMPIRICAL INVESTIGATION ON FACTORS AFFECTING MALAYSIA FOREIGN DIRECT INVESTMENT INFLOWS

MUHAMMAD HAFIZ AZLY BIN ABDUL HALIM 2012675882

BACHELOR IN BUSINESS ADMINISTRATION (HONS) FINANCE FACULTY OF BUSINESS MANAGEMENT UNIVERSITI TEKNOLOGI MARA (UITM) MELAKA

JANUARY 2015

DECLARATION OF ORIGINAL WORK



BACHELOR IN BUSINESS ADMINISTRATION (HONS) FINANCE FACULTY OF BUSINESS MANAGEMENT UNIVERSITI TEKNOLOGI MARA (UiTM) MELAKA

"DECLARATION OF ORIGINAL WORK"

MUHAMMAD HAFIZ AZLY BIN ABDUL HALIM

Hereby, declare that,

- This paper 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 degree.
- 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:	

ACKNOWLEDGEMENT



In the name of Allah, Most Gracious, Most Merciful.

Alhamdulillah, praise be upon Allah SWT for His blessing in giving me strengths, ideas, determination and patience in completing this project paper in which to fulfill the graduation requirement of Bachelor of Business Administration (Hons) Finance.

First of all, this project paper would not have been completed without guidance, assistant and encouragement of many people surroundings. Thus, I would like to give my deepest gratitude to my advisor Puan Rohaiza binti Kamis for the guidance and constructive comments as well as her suggestions.

Secondly, I would like also to dedicate my deepest gratitude to my beloved parents, Puan and as well to all my family members for their blessing, understanding, unconditional love, trust and support morally and financially.

Furthermore, I would like to thank my supervisor, Encik Mohd Azwan bin Abdullah, Encik Ahmad Rizal bin Rozman, and all staff of Digicity (M) Sdn Bhd for their great cooperation and assistance and great course during my practical training. This training is absolutely beneficial for me.

Last but not least, to all my friends and colleagues especially Mohammad Izzuddin bin Ruslan and Mohd Shakur bin Rusli who have endure with us directly or indirectly into this research.

Thank you. May Allah grants all of you with greatest blessing.

ABSTRACT

Awareness towards factors that leads to foreign direct investment into our country, Malaysia has been viewed as an important issue that can determine our country's attractiveness among investors from outside. As such, this study intends to identify whether there is any relationship that exists between three factors to the foreign direct investment by using survey from World Bank Data from 1993 until 2012. Those three factors including the gross domestic productions rate, the export rates and inflation rates. In this research I discovered that the gross domestic productions gives effect on the foreign direct investment inflows into Malaysia for the last 20 years. This goes the same to the export rates and inflation rates. Those factors identified provide better information and valuable insights to direct future awareness of foreign direct investment attraction strategies.

Key Word: Foreign Direct Investment (FDI), Gross Domestic Productions (GDP), Export Rates (ER) and Inflation Rates (IR)

TABLE OF CONTENTS

			Page
DECLARATION OF ORIGINAL WORK			i
LETTER OF SUBMISSION			ii
ACKNOWLEDGMEN	ΙΤ		iii
TABLE OF CONTEN	ITS		v - vii
LIST OF ABBREVAT	TIONS		viii
ABSTRACT			ix
CHAPTER 1	INTR	RODUCTION	
	1.1	Background of Study	1 - 2
	1.2	Problem Statement	3 - 5
	1.3	Research Objectives	5
	1.4	Research Questions	5
	1.5	Significance of Study	6 – 7
	1.6	Scope of Study	7
	1.7	Limitations of Study	8
CHAPTER 2	LITE	RATURE REVIEW	
	2.0	Introduction	9
	2.1	Foreign Direct Investment	9 - 10
	2.2	Foreign Direct Investment in Malaysia	10 - 11
	2.3	Gross Domestic Productions Rates	11 -12
	2.4	Export Rates	12 - 13
	2.5	Inflation Rates	14 - 15
	2.6	Summary	15 - 16