



**THE DETERMINANTS OF INWARDS FOREIGN DIRECT
INVESTMENT (FDI) IN MALAYSIAN INVESTMENT
ACTIVITIES**

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DECLARATION OF ORIGINAL WORK



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“DECLARATION OF ORIGINAL WORKS”

I, MOHAMAD HARRIS FITRI BIN MOHAMAD FADZIR,

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 others degrees.
- This project paper is the result of my independent work and investigations, except where otherwise stated.
- All verbalism extract have been distinguished by quotation and sources of my information have been specifically acknowledge.

Signature:

Date:

ACKNOWLEDGMENTS

In the name of Allah, the Most Compassionate, the Most Merciful

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Abstract

The aim of this study is to examine the determinants of Inwards Foreign Direct Investment (FDI) in Malaysian Investment Activities. The determinants are selected from macroeconomic factors that are considered to influence the inward FDI based on previous literature. The selected determinants are Size of Domestic Market, Exchange Rate, Inflation Rate and Interest Rate. Secondary data is collected for the variables ranging from the first quarter (Q1) 2005 to fourth quarter (Q4) 2015. Based on the Multiple Linear Regression Model used in the study, Size of Domestic Market proxy by the Gross Domestic Product is the main determinant that affects Inwards FDI in Malaysia due to its significant positive influence. It is believe that an increase in GDP will increase the FDI inflows into Malaysia investment. On the other hand, the remaining variables have stumbled accross insignificancy and is unable to explain the relationship towards Inwards FDI.