



DETERMINANTS OF HOUSEHOLD DEBT IN MALAYSIA

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DECLARATION OF ORIGINAL WORK



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“DECLARATION OF ORIGINAL WORK”**

I, Nur Fatimah binti Ma'az, (I/C Number: _____)

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- 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 otherwise stated.
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ACKNOWLEDGEMENT

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

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ABSTRACT

The purpose of this study is to determine the causes of household debt in Malaysia. The determinant factor had been used in this study which are Housing Price Index (HPI), Interest Rate (IR) and Consumer Price Index (CPI) towards the household debt in Malaysia. The quarterly data of dependent and independent variables was collected started from the year of 2006 until 2016. All the data were generated from Thomson One DataStream. The results for Multiple Linear Regression (MLR) shows that Housing Price Index (HPI) and Consumer Price Index (CPI) has significant positive towards Household Debt (HHD) while Interest Rate (IR) shows significant negative relationship towards Household Debt (HHD). The result from this study might be relevant to the policy maker in formulating several strategies in order to reduce the higher household debt in Malaysia.

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