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(TERENGGANU)

DETERMINANT OF FOREIGN DIRECT INVESTMENT IN MALAYSIA

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ABSTRACT

The purpose of the study is to determine the foreign direct investment in Malaysia. This study focus in macroeconomic factors. The dependent variable in this research is foreign direct investment. Meanwhile the independent variables are gross domestic product, inflation, exchange rate and trade openness. This research using 41 observations from 1975 – 2015. An exploratory research design that involves a combination of ordinary Least Squares (OLS), Augmented Dickey Fuller (ADF) unit root test and Johansen cointegration test. The finding shows where the gross domestic product and trade openness have the positive relationship with the foreign direct investment. The exchange rate has the negative relationship between the foreign direct investments in Malaysia,

Keywords: Foreign direct investment, gross domestic product, inflation. Exchange rate and trade openness