



**MACROECONOMIC DETERMINANTS OF
FOREIGN DIRECT INVESTMENT (FDI) IN
MALAYSIA**

**MUHAMMAD AZLAN BIN MOHD ASHHARI
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**BACHELOR OF BUSINESS ADMINISTRATION
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**FACULTY OF BUSINESS MANAGEMENT
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JOHOR**

DECEMBER 2014

**MACROECONOMIC DETERMINANTS OF FOREIGN DIRECT INVESTMENT
(FDI) IN MALAYSIA**

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**Submitted in Partial Fulfilment
Of the Requirement for the
Bachelor of Business Administration
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA,
JOHOR**

7th DECEMBER 2014

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION

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“DECLARATION OF ORIGINAL WORK”

Muhammad Azlan Bin Mohd Ashhari (920402-14-5061)

Hereby, I 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 other degrees.
- 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: 7th December 2014

LETTER OF SUBMISSION

7th December 2014

Prof. Madya Noor Izah Binti Ismail
Department of Finance
Scholl of Business and Management
UITM Johor, Segamat, Johor
Box 527, 85000 Segamat
Johor, Malaysia.

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**Macroeconomic Determinants of Foreign Direct Investment (FDI) in Malaysia**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

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MUHAMMAD AZLAN BIN MOHD ASHHARI
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**MACROECONOMIC DETERMINANTS OF FOREIGN
DIRECT INVESTMENT (FDI) IN MALAYSIA**

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ABSTRACT

This paper aim is to investigate the factors that influence the foreign direct investment in Malaysia. The determinants are being measure in order to know whether it affect the amount of the investment. Recently, the FDI in Malaysia shows that our country was underperforming. This situation worried our leaders because the declining of FDI could affect economic growth of Malaysia conversely. The dependent variable is foreign direct investment (FDI) and the independent variables to be used are macroeconomic factors which are gross domestic product (GDP), interest rate (IR), exchange rate (ER), inflation rate (IR), unemployment rate (UR), company tax (CT) and labour cost (LC) . The study is an attempt to investigate and examine the performance of foreign direct investment in Malaysia over 2000 – 2013 by using the quarterly basis of time series of the variables will be collected from the Thomsonone data stream website. Multiple regression analysis will be used in order to reveal about the relationships between the dependent and the independent variables that has been chosen or pick by me. The result of this paper would provide us with the indicate view and the macroeconomic factors that can affect the foreign direct investment in Malaysia.