



**THE IMPACT OF ECONOMICAL FACTORS ON ECONOMIC GROWTH
IN MALAYSIA**

NORSHAHIRA BINTI BAHARUDDIN

2015143053

BACHELOR OF BUSINESS ADMINISTRATION

WITH HONOURS (FINANCE)

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA MALACCA CITY CAMPUS

JULY 2018

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**Submitted in Partial Fulfillment of the
Requirement for the
Bachelor of Business Administration with Honours (Finance)**

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JULY 2018

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION

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UNIVERSITI TEKNOLOGI MARA

“DECLARATION OF ORIGINAL WORK”

I, Norshahira Binti Baharuddin, (I/C Number: 940802-14-5798)

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 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: _____

LETTER OF SUBMISSION

3rd July 2018

PM RAHIMAH BINTI H.P SHAWKATALY

Bachelor of Business Administration With Honours (Finance)

Faculty of Business Management

Universiti Teknologi MARA, Malacca City Campus,

110 Off Jalan Hang Tuah, 75300 Melaka.

Dear Sir/Madam,

SUBMISSION OF FINAL PROJECT PAPER

Attached is the project paper titled “**THE IMPACT OF ECONOMICAL FACTORS ON ECONOMIC GROWTH IN MALAYSIA**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours Sincerely,

NORSHAHIRA BINTI BAHARUDDIN

2015143053

Bachelor of Business Administration With Honours (Finance)

ABSTRACT

The purpose of this study is to investigate the factors that stimulate the economic growth in Malaysia. This paper examines whether the changes trend of economic growth in Malaysia will give an impact on the Government Spending, Foreign Direct Investment, Exchange Rate and Export. Over the past few years, economic growth in Malaysia has experienced a difficulty after economic crisis. Thus, this study will explained more about the relationship between the independent variables and economic growth in Malaysia. The data obtained to conduct this study was collected in annually basis from year 1966 to 2016. In the process of findings, there are few types of analysis were tested using the Econometric Views (E-Views) such as Multiple Linear Regressions, normality test, unit root tests and more. Based on the result, it reveals that only one independent variable that are significant to economic growth. Foreign Direct investment shows a positively relationship towards the economic growth in Malaysia. Therefore, it is perfectly significant. Meanwhile, another three independent variables such as Government Spending, Exchange Rate and Export have no significant impact towards the economic growth in Malaysia.

Keywords: economic growth, government spending, exchange rate, export, Malaysia