MACROECONOMIC FACTORS THAT AFFECTING THE MOVEMENT OF
ECONOMIC GROWTH IN MALAYSIA

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DECLARATION OF ORIGINAL WORK

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"DECLARATION OF ORIGINAL WORK"

I am Nor Azureen Binti Ahmad Zakaria (IC Number: 961219-01-5200).

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

Bachelor of Business Administration (Hons) Finance

Faculty Business Administration

Universiti Teknologi Mara Kampus Bandaraya Melaka

110 Off Jalan Hang Tuah

75300 Melaka

Dear Madam,

SUBMISSION OF PROJECT PAPER

MACROECONOMIC FACTORS THAT AFFECTING THE MOVEMENT OF ECONOMIC GROWTH IN MALAYSIA

I am required to do a project paper on the above topic. I hereby submitted this report and I really hope that this work will fulfil the requirement for the Bachelor of Business Administration (Hons) Finance.

Thank you,

Yours sincerely,

……………………………

Nor Azureen Binti Ahmad Zakaria

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Bachelor of Business Administration (Hons) Finance

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ABSTRACT

The issue of the of economic growth is at the critical stages especially in Malaysia which need to be overcome before it may cause the similar problem on 1997 and 2008 which is financial crisis were occurred during that time and cause Malaysia's economy drastically dropped into negative percent. So that, the fluctuation of economic growth needs to be evaluated. This study is using the time series data which investigate only one country which is Malaysia and many periods of time from 1988 to 2018. This research finding also have been studied to achieve the objective where to examine the significant relationship between economic growth and the independent variables in Malaysia from 1988-2018. The Multiple Linear Regression (MLR) model had been used in this study to see the relationship between the economic growth with all the macroeconomic factors which are export, inflation rate, foreign direct investment and interest rate. The final findings for this study show that, foreign direct investment is the most significant variable that can affect the movement of economic growth in Malaysia followed by export and interest rate. In addition, there is shows a positive relationship for foreign direct investment towards the economic growth in Malaysia. This means that the higher the foreign direct investment, the higher the economic growth in Malaysia. In contrast, this study was found that export and interest rate are negative relationship on economic growth in Malaysia. However, inflation rate has negative but insignificant relationship with economic growth in Malaysia. All the data from this study are collected from Economic Global Data in annually basis from year 1988 until 2018.