



**A STUDY ON THE FACTORS THAT STIMULATE ECONOMIC GROWTH  
IN MALAYSIA**

**MUHAMMAD SYAHIMAN BIN GHAZALLE**

**2014649102**

**KHAIRUN NISA BINTI MOHD MISPAH**

**2014864274**

**BACHELOR OF BUSINESS MANAGEMENT (HONS) FINANCE**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA**

**BANDARAYA MELAKA**

**JUNE 2016**

**DECLARATION OF ORIGINAL WORK**



**BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA BANDARAYA MELAKA  
“DECLARATION OF ORIGINAL WORK”**

I, Muhammad Syahiman Bin Ghazalle (I/C Number: 930403-10-6071) and Khairun Nisa Binti Mohd Mispan (I/C Number: 930314-10-6168)

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 our independent work and investigations, except where otherwise stated.
- All verbalism extract have been distinguished by quotation marks and sources of our information have been specifically acknowledged.

Signature: .....

Date: .....

Signature: .....

Date: .....

**LETTER OF SUBMISSION**

30<sup>th</sup> June 2016

MISS NURHASLINDA BINTI HASHIM

Lecturer

Bachelor of Business Administration (Hons.) Finance

Faculty of Business Management

Universiti Teknologi MARA

40450 Melaka

Dear Miss,

**SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled “**A STUDY ON THE FACTORS THAT STIMULATE ECONOMIC GROWTH IN MALAYSIA**” to fulfill the requirement as needed by the Faculty of Business Management, University Teknologi MARA.

Thank you.

Yours Sincerely,

**M. SYAHIMAN BIN GHAZALLE**

2014649102

Bachelor of Business Administration

(Hons) (Finance)

**KHAIRUN NISA BINTI MOHD MISPAN**

2014864274

Bachelor of Business Administration

(Hons) (Finance)

## TABLE OF CONTENT

	<b>Page</b>
Title Page	i
Declaration of Original Work	ii
Letter of Submission	iii
Acknowledgement	iv
Table of Contents	v
List of Tables	ix
List of Figures	xi
List of Abbreviations	xiii
Abstract	xiii
 <b>CHAPTER ONE – INTRODUCTION</b>	
1.0 Overview	1
1.1 Background of Study	1
1.2 Problem Statement	5
1.3 Research Objectives	8
1.4 Research Questions	9
1.5 Significant of Study	10
1.6 Scope of Study	12
1.7 Limitations of Study	12
1.8 Definition of Term	13

## LIST OF ABBREVIATIONS

EXR	:	Export Revenue
GCE	:	Government Consumption
GFI	:	Gross Fixed Investment
PBD	:	Public Debt
PCE	:	Private Consumption
ECG	:	Economic Growth

## ABSTRACT

The purpose of this study is to investigate the factors that stimulate economic growth which are export revenue, government consumption, gross fixed investment, public debt and private consumption in Malaysia. The data was collected in quarterly basis from year 1996 to 2013. This study used Single Linear Regression and Multiple Linear Regression in order to determine the relationship among these variables. Based on the result, it reveals that for all independent variables which are export revenue, government consumption, gross fixed investment and private consumption have a significant positive relationship towards economic growth which represented by gross domestic product. Meanwhile, the result for public debt has a same existing literature that found a negative relationship towards economic growth.