DETERMINANTS OF NATIONAL SAVINGS
IN MALAYSIA

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JULY 2016

DECLARATION OF ORIGINAL WORK

BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT□
UNIVERSITI TEKNOLOGI MARA

□"DECLARATION OF ORIGINAL WORK"

We are 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.

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LETTER OF SUBMISSION

22nd June 2016

The Head of Program
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Dear Sir/Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project titled "Determinants of National Savings in Malaysia" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi of MARA.

Thank you

Yours sincerely,

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ABSTRACT

Saving is an important indicator of economic development, where it indicates the finances for further action towards the development and other economic growth. The purpose of this study is to identify the determinants of national savings in Malaysia. The problem statement regarding this research is on the slow economic growth and also downturn of the investment sector. There are several variables that have been selected as the potential variables that could be the determinants of national savings; namely inflation rate, government expenditure, money supply (M2), age dependency ratio and per capita income. The method used in this study is using time series data, and run in E-views program which includes normality test, regressions and diagnostic tests. This study indicates significant relationship to national savings in single linear regression for variables namely; inflation rate, money supply and per capita income. While for multiple regressions, the results indicate that inflation rate, government expenditure, age dependency ratio and per capita income have significant impact to national savings.

Keywords: National Savings, Economic Growth, Inflation Rate, Government Expenditure, Money Supply (M2), Age Dependency Ratio and Per Capita Income.