



FACTORS THAT INFLUENCE FOREIGN DIRECT INVESTMENT IN MALAYSIA

SITI NOOR FARAHIN BINTI HISAMMUDDIN

2014470026

NABILAH BINTI ABDULLAH

2013889512

BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA BANDARAYA MELAKA

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DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA

“DECLARATION OF ORIGINAL WORK”

I, SITI NOOR FARAHIN BINTI HISAMMUDDIN, (I/C Number: 931016136574)
and I, NABILAH BINTI ABDULLAH, (I/C Number: 940723085168)

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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Date: _____

LETTER OF SUBMISSION

Date: 30 June 2016

MADAM MAYMUNAH BINTI ISMAIL

Lecture

Bachelor of Business Administration with Honours (Finance)

Faculty of Business Management

University Technology Mara

40450, Melaka.

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “FACTORS THAT INFLUENCE FOREIGN DIRECT INVESTMENT IN MALAYSIA” to fulfill the requirement as needed by the Faculty of Business Management, University Technology Mara.

Thank you.

Your sincerely,

SITI NOOR FARAHIN BINTI HISAMMUDDIN

2014470026

NABILAH BINTI ABDULLAH

2013889512

Bachelor of Business Administration (Hons) (Finance)

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ABSTRACT

This paper analyzed factors that influence Foreign Direct Investment (FDI) in Malaysia. Variables that considered are Exchange Rate (EX), Inflation Rate (INF) and Interest Rate (RIR). This study required 33 years data for each variables from year 1982 to 2015. Methodology used in this study is by using Multiple Linear Regression with series data. This method is used to determine the relationship between independent variable and dependent variable. Besides that, Econometric Views 9.0 (E-views) would be used for testing and analysing the data collected. The empirical results have found there is negatively significant relationship between exchange rate and FDI and positively significant relationship among inflation rate and interest rate with FDI. Most of the previous study showed that exchange rate, inflation rate and interest rate have significant relationship with FDI. As guidance from previous study, this research will examine the relationship between factors that influence FDI in Malaysia.