



# **THE DETERMINANTS OF FOREIGN DIRECT INVESTMENT IN MALAYSIA**

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**JUNE 2014**

**DECLARATION OF ORIGINAL WORK**



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**FACULTY OF BUSINESS MANAGEMENT**

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We, Wan Mastura binti Wan Ismail (I/C Number: 900928105998) and Zati Hidayah binti Zainol Abidin (I/C Number: 911016105550)

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 investigation, except where otherwise stated.
- ✓ All verbatim extracts have been distinguished by quotation marks and sources of our information have been specifically acknowledged.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

## LETTER OF SUBMISSION

4<sup>th</sup> July 2014

Dr. Halimahton bt. Borhan  
Faculty of Business Management  
Universiti Teknologi MARA  
Malacca City Campus

Dear Madam,

### **SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled “**DETERMINANTS OF FOREIGN DIRECT INVESTMENT (FDI) IN MALAYSIA**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Sincerely

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Bachelor of Business Administration (Hons) Finance

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## **ABSTRACT**

Foreign Direct Investment is one of indicator of the country's economic growth. The movements of FDI inflow are based on their determinants. Different countries will have different determinants that affect the movement of FDI inflow. The FDI inflow in Malaysia shows fluctuation from year 1980-2013 and this volatility attract the researcher's attention to examine the determinants that affect the movements of Foreign Direct Investment (FDI) in Malaysia. Therefore, the purpose of this study is to examine the determinants that affect the movement of Foreign Direct Investment (FDI) in Malaysia by using annual data from the year 1980-2013. The multiple linear regressions are used in this study to assess the relationship between the dependent variable (FDI inflow) and independent variable (inflation rate, exchange rate, GDP growth, infrastructure, interest rate, and export). The result of this study shows that inflation rate and export are significantly related to the FDI.