

**ECONOMIC FACTORS THAT INFLUENCE MALAYSIAN EXPORT
AND IMPORT**

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**Submitted In Partial Fulfillment of The Requirement For The Bachelor
Of Business Administration
(Hons) Finance**

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

NOVEMBER 2007

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
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"DECLARATION OF ORIGINAL WORK"

I, NurulHafizzah Binti Aluai (I/C Number: 841209016182, ID: 2005374686)

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: 05 NOVEMBER 2007

LETTER OF SUBMISSION

NOV 1, 2007

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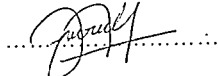
Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "ECONOMIC FACTORS THAT INFLUENCE MALAYSIAN EXPORT AND IMPORT" to fulfill the requirement as needed by the Faculty of Business Management, University Teknologi MARA.

Thank you

Yours sincerely



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Bachelor of Business Administration (Hons) Finance

ACKNOWLEDGEMENT

Bismillahirrahmanirrahim...

Alhamdulillah, all praises to Almighty Allah S.W.T, the most beautiful, merciful and the most benevolent for giving the strength, health, and patience in order to complete this project paper on time as it is required by Faculty of Business Management. I would like to express my greatest appreciation to all people that involved whom I seek advices and guidance.

First of all, I would like to take this opportunity to express my gratitude to the most respectful advisor, Encik Kamal Fahrulrazy Bin Rahim for his valuable advise, suggestion, comment, supervision, and guidance in every stage of this study in order to have better research and for his time consuming and effort in ensuring the progress of this research study is on the right tracks as well as in advising, guiding and giving some opinions on the statistical parts. He also gives me the confidence and support to complete this research paper.

Besides, I am also greatly indebted to Encik Mohamad Sukor Bin Jaafar who's excellent in supervision and devotion research has inspired my work. Without his untiring assistance, direction, encourages, suggestion and constructive criticism throughout this study, this research could not be completed.

Moreover, I also would like to thanks and express my grateful to all other lecturers as well as the librarians and staff of University Teknologi MARA for their corporation and assistance for gathering information and other sources throughout the entire duration of project paper.

ABSTRACT

This study investigates the long-run relationship between economic factors and Malaysian exports and imports. Specifically, this study will determine the existence of relationship and also their predictive power (causality) between export and import. The variables used in this study are GDP, CPI, interest rate and exchange rate. Simply put, both the variables will converge towards equilibrium in long run which indicates the effectiveness of Malaysian's long term macroeconomic planning in stabilizing trade balance. The main objective of this study is to determine the long run relationship between economic growth and international trade (export and import). The other objectives of this research is to determine whether independence variables such as exchange rate, interest rate, gross domestic product (GDP) and consumer price index(CPI) has relationship with dependence variables such as export and import. The data for this study are collected from International Financial Statistics and annual reports of Bank Negara Malaysia for the period of 1997-2006. Towards this end, Multiple Linear Regression Model has been applied.

Keywords: Export, Import, Exchange Rates, GDP, Interest Rates, Consumer price index.