



**THE FACTORS AFFECTING FOREIGN DIRECT INVESTMENT (FDI)
IN MALAYSIA FROM 1988 TO 2017**

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DECEMBER 2018

DECLARATION OF ORIGINAL WORK



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TABLE OF CONTENTS

	PAGE	
DECLARATION OF ORIGINAL WORK	ii	
LETTER OF SUBMISSION	iii	
ACKNOWLEDGEMENT	iv	
ABSTRACT	xi	
CHAPTER ONE	INTRODUCTION	
1.1	Background of the Study	1
1.2	Problem Statement	4
1.3	Research Objectives	6
1.4	Research Hypotheses	6
1.5	Significance of Research	8
1.5.1	Body of Knowledge	8
1.5.2	Society	8
1.5.3	Government	9
1.5.4	Future Researcher	9
1.6	Scope of the Study	9
1.7	Limitations of the Study	10
1.7.1	Data and Information Sources	10
1.7.2	Knowledge Constraint	10
1.7.3	Lack of Time	10
CHAPTER TWO	THEORY AND LITERATURE REVIEW	
2.1	Introduction	11

CHAPTER FIVE	CONCLUSION AND RECOMMENDATIONS	
	5.1 Introduction	41
	5.2 Conclusion	41
	5.3 Recommendations	42
REFFERENCES		44
APPENDICES		48

LIST OF TABLE

		PAGE
Table 1	The Results of Descriptive Statistic	26
Table 2	The Results of Normality Jarque-Bera	29
Table 3	The Results of Correlation Test	30
Table 4	The Results of Autocorrelation Test (Durbin Watson test)	31
Table 5	The Results of Heteroscedasticity Test (Breusch-Pagan-Godfrey)	32
Table 6.0	The Results of Multicollinearity (VIF)	33
Table 6.1	New Results of Multicollinearity (VIF)	34
Table 7.0	The Results of Ordinary Least Square (Raw Data)	34
Table 7.1	The Results of Ordinary Least Square (Log Data)	35
Table 8	The Result of Unit Root Test for ADF and PP Method	37
Table 9	The Johansen and Juselius Cointegration Test Result	38
Table 10	Granger Causality Test Results	39

ABSTRACT

The purpose of this study is to investigate the factors that affecting foreign direct investment in Malaysia. The independent variables are gross domestic product, government consumption expenditure, imports, exports, tax revenues, and inflation while the dependent variable is foreign direct investment (FDI). The study was conducted for 30 years from 1988 to 2017. Ordinary Least Square (OLS) results shows exports, tax revenues, and inflation are having a positive relationship with foreign direct investment. Only one variable which is tax revenues comes out with 0.7826 insignificant but it shows the positive relationship with foreign direct investment actually. This study also using the Granger Causality test to identify whether each of the variables are long run relationship or in short run relationship. The result shows that exports and inflation having two ways of relationship. In addition, the other variables shows only one way of relationship with foreign direct investment.