



THE RELATIONSHIP OF PRICE OF MAIN COMMODITIES
OF MALAYSIA TOWARDS ITS GDP GROWTH

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BACHELOR OF BUSINESS ADMINISTRATION WITH
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DECLARATION OF ORIGINAL WORK



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"DECLARATION OF ORIGINAL WORK"**

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- 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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ABSTRACT

This research is to examine the relationship of price of commodities which are palm oil, crude oil and rubber towards the economic growth in Malaysia. The period used from first quarter of year 2000 until third quarter of the year 2016. The proxy for economic growth is the GDP growth rate of Malaysia. Autoregressive Distributed Lag (ARDL) and Error Correction Model that were derived from ARDL were used in this research in order to find the long run and short run relationship. Thus, the test result shows that there is positive short run relationship between GDP growth rate of Malaysia and price of palm oil while price of rubber and GDP growth rate has negative short run relationship.