



**DETERMINANTS INFLUENCING FOREIGN DIRECT INVESTMENT IN
MALAYSIA**

WARDDATUL AMANI BINTI AHMAD ZULKAFLI

2016631492

**BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (BUSINESS
ECONOMICS)**

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

KOTA KINABALU, SABAH

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DECLARATION OF ORIGINAL WORK



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“DECLARATION OF ORIGINAL WORK”

I, WARDDATUL AMANI BINTI AHMAD ZULKAFI, (I/C Number: 970405-10-6004)

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ABSTRACT

The paper investigates the determinants of foreign direct investment (FDI) in Malaysia, the strong growth performances experienced by Malaysia economy greatly on the FDI. FDI inflows enhance economic growth by increasing capital formation through the expansion of production capacity, promotion of export growth and creation of employment in Malaysia. FDI inflows of Malaysia started fluctuating from 1996 to 2010 and this high volatility of Malaysia FDI inflows drew the researchers to examine the factors affecting FDI inflows in Malaysia by using the annual data from year 1988–2017. Multiple linear regressions model is applied to study the relationship between explanatory variables (gross domestic product, populations growth, and trade openness) and explained variable (Malaysia FDI inflow). Empirical results show that gross domestic product and populations growth are significant in determining MFDI. Conversely, trade openness is insignificant in determining MFDI.