THE DETERMINATION OF UNEMPLOYMENT RATE IN MALAYSIA

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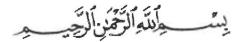**2015560033**

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ABSTRACT

This study aims to determine the relationship of independent variables towards unemployment rate in Malaysia and to analyze the impact of independent variables on unemployment rate in Malaysia as well as to determine the most significant factor that affects the unemployment rate. The unemployment rate in Malaysia is kept on increasing. Besides that, the economic condition shows the unstable performance of the Malaysian economy. The study will add more reference to an analyst in analyzing the debt offered to the consumer. The study used 35 years period from 1984 to 2018. Other than that, three independent variables are determined to be included in this study, such as Gross Domestic Product (GDP), Inflation Rate (IF) and Population(POP). The relationship of variables and household debt will be tested using Descriptive Analysis, Augmented Dickey Fully (ADF) Unit Root Test, Philips-Perron (PP) Unit Root Test, Normality Test, and Regression Analysis. Secondary data from reliable sources will be gathered. Based on Multiple Regression Model Test, the results show that the Gross Domestic Product (GDP) and Inflation Rate (IF) has a significant variable with the unemployment rate, which indicates that the rise of these independent variables determines the rise of the unemployment rate. However, Population (POP) is found to have adverse effects on the rise of the unemployment rate. The data are taken from Databank, Bloomberg, UiTM Server as well as Bank Negara Malaysia. Therefore, the findings of this study could provide some guidance to policymakers in controlling the unemployment rate and help in realizing the national economic goals. Similarly, economists have capabilities to enhance which part will help in improving decision making by knowing the effects of macroeconomic factors on the unemployment rate in Malaysia. Some recommendations have created for future research on how to expend more knowledge and reliable result such as use different data structure, research on other countries and add more macroeconomic variables.

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