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FACTOR INFLUENCE OF FOREIGN DIRECT INVESTMENT (FDI) IN MALAYSIA

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Thesis submitted in fulfillment
of the requirements for the degree of
**Bachelor of Business Administration
(Finance)**

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AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA Johor Brach, Segamat Campus. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergaduate, Universiti Teknologi MARA Johor Branch, Segamat Campus regulating the conduct of my study and research.

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ABSTRACT

Foreign Direct Investment (FDI) has contributed significantly to the transformation of the Malaysia economy as reflected by the changing composition of its exports and the rising the share of FDI (Islam et al., 2015). Thus, this study attempted to find out factor influence of FDI in Malaysia. It aims on finding the impact of the four important variables which is trade openness (trade), infrastructure facility (fixed telephone subscription), macroeconomic stability (inflation) and market size (GDP) towards foreign direct investment of Malaysia. The research uses time-series data for a single country which is Malaysia for a period of 35 years that is between 1981 to 2015. The methodology of conducting this research is by Ordinary Least Squares (OLS) method which contains seven classical assumptions that must be met in order for the Ordinary Least Square estimators to be best available for the research conducted. Data collection was made by using the secondary data as it is the most convenient data collection method. The data was collected from The World Bank accessed in 2017 using the World Development Indicators (WDI). Based on the research conducted, there are significant relationship between trade openness (trade), infrastructure facility (fixed telephone subscriptions), macroeconomic stability (inflation) and market size (GDP).

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