



UNIVERSITI TEKNOLOGI MARA

**Determinants of Profitability: Evidence From Listed
Plantation Companies.**

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of the requirements for the degree of
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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. 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 Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.


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ABSTRACT

British colonizers were first to establish plantation sector in Malaysia. Their focused during pre-independence period is on rubber and spices. At that time, Malaysia emerged as the world's top producers of rubber and currently Malaysia is known as the second largest palm oil producers. Over the years, this sector has been the backbone of Malaysian economy by specializing in crops planting and provides major employment for people, especially from the rural areas. Besides, plantation sector is an integral part of the country's Economic Transformation Program as rubber and oil palm are included among important driver of economic activities that potentially and directly contributes towards the Malaysian economic growth based on National Gross Income (GNI) indicator. Malaysian economy is expected to strengthen by 2020 with an increase about RM230.9 billion in GNI contribute by export revenue of palm oil and rubber. The plantation commodity exports contributed an amount of RM 785.93 billion for the year ending 2017 which is 15.5% from the total exports of Malaysia. In this study, we examine the factors that determine the profitability of plantation companies using firm size, debt, liquidity, exchange rate and GDP. The data of 41 plantation companies listed on the Bursa Malaysia between the year 2013-2017 has been used to conduct the study.

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