



UNIVERSITI TEKNOLOGI MARA

EXAMINING THE FACTORS AFFECTING
SAVING IN ASEAN

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Final Year Project Paper submitted in fulfillment of
the requirements for the degree of
Bachelor of Business Administration
(Finance)

Faculty of Business and Management

December 2018

ABSTRACT

Saving is balance of income that left after paying consumptions. All people know that we can't predict what will happen in future, that why we need to make a savings for emergencies or unexpected cases. Without set aside some money will make burdens in financial if any unexpected events is happen. It also can make improvement in economic growth and development for the country. Therefore, savings play an important role in every countries. The purpose for this paper is to measure the factors that affecting household saving rate in ASEAN (Malaysia, Thailand, Philippine and Singapore) in year 2007 to 2016. The dependent variable for this research is household saving rate and the independent variable which is interest rate, inflation rate and unemployment rate. The data collected from secondary data. Datastream is one of the secondary data that used in this research. This study was found that significant relationship between dependent and independent variable in ASEAN country.

ACKNOWLEDGEMENT

Assalamualaikum w.b.t

Alhamdulillah, I am really grateful to be able to finish my research successfully. I would not able to complete the research without the guidance from all lecture, classmate and friends. Not forget about my family that always support me from back.

I would like to highly appreciation to my beloved lectures, Puan Zahirah Hamid Ghul, Puan Nur Liyana Binti Mohamed Yousop, and Dr Tan Yan Ling. Puan Zahirah Hamid Ghul is my advisor that always give their idea, knowledge and guide to make a perfect research. As for Puan Nur Liyana Binti Mohamed Yousop who the one that approve my topic and become my second examiner, thanks very much to approve my topic and I hope she would like my research. Not forget to Dr Tan Yan Ling, the one who taught the researcher the research methodology subject when I was semester five. For sure I won't forget to my classmate JBM2425A and friends that always shared opinion and idea among us.

Last but not least, big thanks to my family who always support me from start, without their encouragement the research would not be complete and finished.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

Vinayak, Thompson, and Tonby (2014) note that Southeast Asian consist of teen countries, which is Malaysia, Indonesia, Singapore, Philippine, Thailand, Brunei, Laos, Cambodia, Myanmar and Vietnam. In 1967, ASEAN was founded half century consist of five Southeast Asian nations, which is Malaysia, Indonesia, Singapore, Philippines and Thailand. ASEAN is a major global hub of the faster consumer growing market in the world. According to the International Monetary Fund, ASEAN country can be at seventh largest economy in the world if it became a single country. The ASEAN country GDP in 2013 is \$2.4 trillion as shown in Figure 1.1. It was at top seventh in the economy.

ASEAN has experienced rapid growth and relative stability since 2000									
GDP 2013, current prices \$ trillion	Real GDP growth, 2000–13 %		GDP growth volatility, 2000–13 ¹ %		Share of debt to GDP, 2013 %		Inflation rate, 2013 GDP deflator %		
United States	16.8	China	10.0	Russia	4.2	Japan	243.2	India	7.0
China	9.3	India	7.0	India	2.4	Italy	132.5	Russia	6.5
Japan	4.9	ASEAN	5.1	United Kingdom	2.3	United States	104.5	Brazil	6.5
Germany	3.6	Russia	4.4	Italy	2.3	France	93.9	ASEAN	2.8
France	2.7	Brazil	3.2	Germany	2.3	United Kingdom	90.1	Germany	2.3
United Kingdom	2.5	Canada	1.9	Japan	2.2	Canada	89.1	United Kingdom	2.1
ASEAN	2.4	United States	1.8	Brazil	2.2	Germany	78.1	China	1.7
Brazil	2.2	United Kingdom	1.5	China	1.8	India	66.7	United States	1.5
Russia	2.1	Germany	1.1	United States	1.7	Brazil	66.3	Canada	1.5
Italy	2.1	France	1.0	Canada	1.7	ASEAN	46.7	Italy	1.4
India	1.9	Japan	0.8	France	1.6	China	22.4	France	1.1
Canada	1.8	Italy	0.0	ASEAN	1.5	Russia	13.4	Japan	-0.6

Source: International Monetary Fund

Figure 1.1 ASEAN has experienced rapid growth and relative stability since 2000

Every country in ASEAN try their best to achieve their own goal. Some of the countries in ASEAN is still developing countries, of course they wants to upgrade