THE EFFECT OF GROSS DOMESTIC PRODUCT, EXCHANGE RATE AND INFLATION RATE TOWARDS MALAYSIA'S EXPORT

NOR FAZLIN BINTI MOHD ISMAIL

2011329553

BACHELOR OF BUSINESS ADMINISTRATION

(HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

JOHOR.

DECEMBER 2014

ACKNOWLEDGEMENT

Foremost, I wish to count my blessings and thanked Allah s.w.t for providing me with the mental and physical strength as well as other positive attributes notably perseverance to complete this challenging research paper.

I take this opportunities to express my profound gratitude and deep regards to my research advisor Madam Rabiatul Alawiyah bt Zainal Abidin for her guidance, monitoring and constant encouragement throughout the course of this thesis. Her constructive comments and suggestions greatly assist in the successful completion of this project paper. The blessing, help and guidance given by her time to time shall carry me a long way in the journey of life on which I am about to embark.

I also take this opportunity to extend my appreciation to all those who have assisted directly or indirectly in the completion of this research paper. Sincere thanks to all my advisor in office, friends and office colleagues at for their understanding, kindness and moral support during the testing time undertook to complete this assignment. Last but not least, my deepest gratitude to my beloved parents for their unwavering support, invaluable assistance and sincere blessings.

Thank you.

ABSTRACT

Export is very important to each country in the modern world. By having an export, it enables people to make a transaction without obstacle in borderless world. Day to day, demand towards the export is keep increasing. Level of export performance in a country is affected by various factors. Export seems as the heart of the country economic growth especially in developing country such as Malaysia. Due to increase the exports, Malaysia manufacturers continuously produced variety of products in diverse industry in order to compete with the foreign products which give high competition. Therefore, due to that circumstance, the main purpose of this study is to examine empirically the impact of various factors on Malaysia's export. The variables under consideration are gross domestic product (GDP), exchange rate (ER), and inflation rate (IR). The data are taking annually from year 1983 to 2013 for each dependent and independent variables which total of observation is 31 years. Method will be used for this study is Multiple Linear Regression approach with time series data. The data is obtained from World Data Bank. The expected result of the study is independent variables has significant relationship and simultaneously affect the Malaysia's export performance. The future researcher can depend on exchange rate as it is a strong variable that will influence the export performance.

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