



**DETERMINANTS OF MALAYSIA NATIONAL
SAVINGS ACCOUNT**

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ABSTRACT

This study is to investigate the determinants of Malaysia national saving account by using data from the World Bank Data and EIU Country Data. The financial data have been tested in this study in determining factor that influences the Malaysia national saving account. The variables considered are growth domestic products, interest rate, consumers' price index and inflation rate. The sample of this study comprises of 30 observations of the independent and dependent variables on a yearly basis over 30 years period from 1985 to 2014. The data can be found from World Data Bank and EIU Country Data. Interactive software package, E-views will be used for regression analyzing the data that have been collected. The variables basically from the previous research paper that related to the determinants of Malaysia national Saving Account. The results of this research would determine which financial data variables have significant affect towards in national saving account of Malaysia.

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CHAPTER 1: INTRODUCTION

1.1 INTRODUCTION

In economics, a country's national savings is the sum of private and public savings. As Malaysia is one of the countries that is blessed with rich natural resources, Malaysia need to be developed in order to achieved high profit by managing the natural resources correctly, thus share in with the local citizens this provide a huge job opportunity. By managing the natural resources right, it will contribute to the increasing of the amount of money in the national saving. Moreover, it will reduce the chances for Malaysia facing budget deficit. Malaysia will notreach the economic prosperityif the number of saving is low, therefore the development expectation is impossible to achieve.

National Savings is a national form of saving account, designed to give savers a secure space to store their money that is backed by the government. The national saving is important mechanism to enhance the economics of Malaysia as the account is used to create facilities and infrastructures for the benefit of the local citizen. Once, the amount in the national saving account deficits, the development of the country will not be able to achieve the expected vision has been stated in the Malaysian development plan. The amount of money in the national saving account can be increased by collecting interest profits; it is the factor that contributes to the profit from the saving. By collecting interest