



THE DETERMINANTS OF UNEMPLOYMENT RATE IN MALAYSIA

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JUNE 2017

ACKNOWLEDGEMENT

Assalamualaikum W.B.T. In the name of Allah, the Most Gracious and Most Merciful.

First and foremost, all praise to Allah S.W.T, the Almighty and may there be His blessing and guidance for giving me the strength to finish this research paper.

I would like to take this opportunity to express my gratitude and appreciation to all those who gave me the possibility to complete this research paper. A special gratitude I give to my final year project advisor, Miss Nur Azwani Binti Mohamad Azmin who was abundantly helpful and offered invaluable assistance, support and guidance as well as her encouragement to finishing this research paper. Besides, I would to thank Madam Norlaila Binti Ibrahim as my second examiner for giving me advice, knowledge and opinion in order to complete my project paper successfully.

I would like to thank UITM in providing me sufficient facility to carry out the research. Furthermore, I would to thanks my coordinator Madam A'tiqah Rashidah Binti Abu Samah for coordinating everything pertaining to be undergraduate project and keeping me updated with the latest information.

Last but not least, a special thanks to everyone that involved directly or indirectly, who is supported and encourage me in completing this research.

ABSTRACT

Unemployment has become a serious issue in Malaysia. Besides, high unemployment also indicates that labor resources are not being used efficiently. This had created to a bad impact to the country. Thus, the aim of the study is to study the determinants of unemployment rate. The objectives of this study are to identify the determinants that affect unemployment rate and to examine the most significant factors that affecting the unemployment rate in Malaysia. This study also using the data annually from year 1985 until 2016. Furthermore, this study also using Ordinary Least Square Method with the multiple regression. In the period process of findings, there are few variables analyzed which is gross domestic product, population and exchange rate. The findings reveal that all the variables used has a positive significant relationship.

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