



**THE STUDY ON DETERMINANT TOWARDS FOREIGN DIRECT  
INVESTMENT IN MALAYSIA**

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## **ABSTRACT**

This study examines the relationships that between foreign direct investment (FDI) and the determinants of FDI which are Interest Rate (INTRT), Inflation Rate (INFRT) and Gross Domestic Product (GDP) from the year of 1987 to 2016 which contains yearly data. This paper applies Ordinary Least Square methods in order to define the statistical relationship among the variables. Besides, there are steps involved in the research begin with ordinary least square methods and proceed with Descriptive Analysis, Diagnostic Checking, Unit Root tests, Multiple Linear Regressions. The results show that Interest Rate (INTRT) has insignificant relationship with Foreign Direct Investment (FDI) while Inflation Rate (INFRT) and Gross Domestic Product (GDP) has a significantly positive relationship significant relationship with Foreign Direct Investment (FDI) in Malaysia.

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