

DECLARATION OF ORIGINAL WORK



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Hereby declare that:

- This work has not previously been accepted in substance for any degree, any locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- The project paper is the result of our independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

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Date: 4 / 7 / 2017

ACKNOWLEDGEMENT

Praised to Allah Lord of the universe who gives his blesses and strength to complete this research paper. Peach and prayers be upon his final Prophet and messenger Muhammad SAW, the ideal role model for human beings.

I am very grateful and thankful that I have made it successful in completing this research paper. This research could not have been completed without people surrounding me that give motivation, guidance and assistance that I were able to overcome the problems and difficulties pertaining to my research paper. Therefore, I take this opportunity to acknowledge them.

First and foremost, I would like to express my gratitude to my advisor, Encik Mohd Shukri Bin Johari, who has overseen the progress of my research paper for the entire time span. If it was not because of her guidance, patience and willingness, I would not have corrected the error that I made during the finishing this research paper. I also kindly thank my examiner, Miss Nur Azwani Binti Mohamad Azmin for her constructive comments.

Last but not least, I would like to extend my deepest gratitude and special thanks to all who have directly and indirectly guide me in the writing this research paper. Essentially, my beloved parents, friends and colleagues for their continuous encouragement are greatly appreciated.

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ABSTRACT

This study examines the factors that attract foreign direct investment in Malaysia for the period 1986 to 2015. FDI had contributed significantly to the transformation of the Malaysian economy as reflected by the changing composition of its exports and the raising share of FDI inflows. This study attempted to find out determinants of FDI inflows in Malaysia. The study used data concerning the FDI inflows into Malaysia from year 1986-2015 by using Ordinary Least Square method. Analysis was then carried out to identify the relevance of these determinants towards FDI inflows into Malaysia. Based on the result obtained, it shows that FDI inflows have significant positive relationship with gross domestic product, inflation and trade openness. While, real exchange rate show the negative impact towards foreign direct investment in Malaysia.

Keywords: Foreign Direct Investment, Exchange rate, Gross Domestic Product, Inflation Rate, Trade openness and Ordinary Least Square.