FACULTY BUSINESS MANAGEMENT

BACHELOR BUSINESS OF ADMINISTRATION (HONS) FINANCE

INDUSTRIAL TRAINING REPORT JABATAN AGAMA ISLAM PERAK(JAIP)

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SUBJECT	:	**MGT 666 INDUSTRIAL TRAINING**
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EXECUTIVE SUMMARY

Experience as an internship is something very valuable for every student who follows a program that gives a wide experience in the field of work related to or not related to the student's field. This is the moments as a student that able to explore and expanding knowledge while learning new skills throughout this period is what makes it enjoyable.

I decided to do an internship at Department of Islamic Religion Perak known as Jabatan Agama Islam (JAIPk) as my practical place for 24 weeks beginning on March 1 and ending on August 15, 2023. Jabatan Agama Islam Perak (JAIPk) is an organization that responsibility not only to provide guidance and education related to Islam to the community but with the goal of advising and assisting the Sultan in areas connected to Islamic Religion and Malay Custom as outlined in the State Government's Constitution.

I was assigned to the management services (financial) department at JAIPk, where I gained knowledge of managing wages, bulk budgets, and all financial documentation-related tasks. I've had a lot of experiences that, in my opinion, have helped me better understand how the financial documentation process works in the government sector.

My observations lead me to believe that the organization here more focus on effective communication because employees work closely together despite being in various divisions. Despite gaining knowledge about working in an office scenario, I also managed to develop my soft skills, communication skills by engaging with head leader, data analysis skills by mastering new skills in excel, and a lot of things that bring benefit to myself throughout this training period.

Along with learning a lot of new things, I had the opportunity to work across several of different districts, including schools in Pangkor Island and Kerian as well as the Islamic religious office in Kuala Kangsar. This experience made me see just how much knowledge, including engagement in the management of a program required by JAIPk, needed to be examine and comprehended.

TABLE OF CONTENT

CHAPTER 1

1.0 INTRODUCTION TO THE COMPANY
1.1 COMPANY'S BACKGROUND

JABATAN AGAMA ISLAM PERAK

Tingkat 3, Kompleks Islam Darul Ridzuan,

Jalan Panglima Bukit Gantang Wahab,

30000 Ipoh, Perak

A conference of from throughout the state of Perak was conducted in Kuala Kangsar on August 10, 1947. A resolution outlining the importance of creating an Islamic Religious Council in Peninsula Malaysia particularly in Perak, was established by the conference. Since then, the Islamic Religious Administration organization known as Balai Syarak has been created in Kuala Kangsar.

On August 2, 1949, the Perak Islamic Religious Affairs Department was established as a result of the conference. It was at that time the responsibility of this department to guide and educate the community on issues related to Islam. On 23 October 1949, the Council of Islamic Religion was established as well as Malay Custom of Perak, with the goal of advising and assisting the Sultan in areas connected to Islamic Religion and Malay Custom as outlined in the State Government's Constitution. On May 1, 1952, the Council Law was passed.

The Islamic Religious Administration Enactment of 2004 has a law referred to the Law Enactment under Section 4(1) that establishes a corporation called "Perak Islamic Religious and Malay Customs Council" was established and became an eternal body (previously established under Section 5 of the Religious Administration Law 1965).

1.2 VISION, MISION, OBJECTIVE & GOAL

VISION

Malaysia will have developed into an efficient and superior Islamic affairs management institution by 2025.

MISION

Improving Islamic Affairs Services in Perak by emphasising Sharia principles through education, cultivation, and enforcement in order to create a Khaira Ummah society.

GOAL
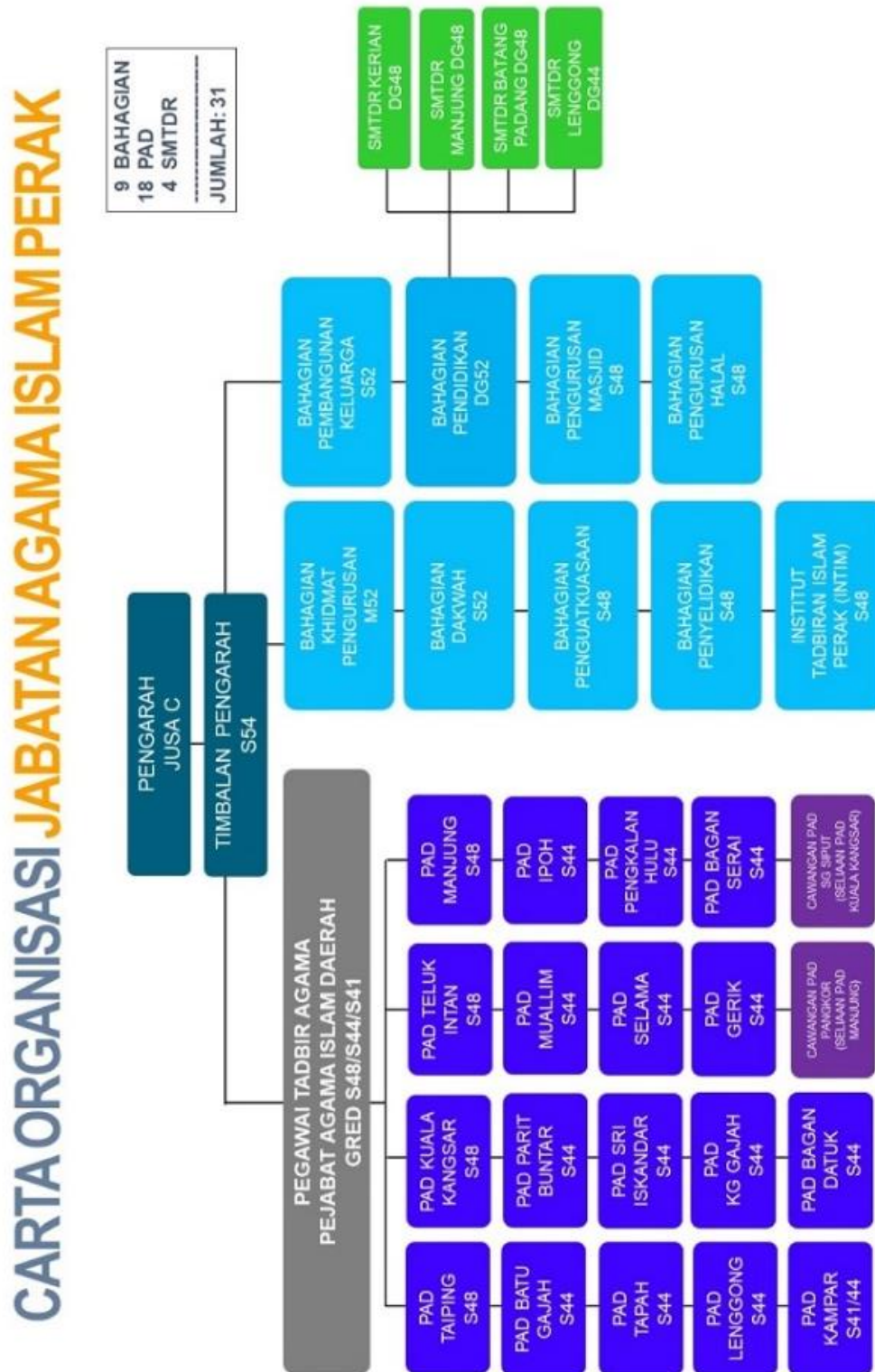
Pioneering the Glory of the Ummah.

OBJECTIVE

To assist JAIPk in completing the assigned tasks as well as overcoming the difficulties in achieving the department's vision and mission, five primary strategic objectives were developed.

1. Strengthen the organization's ability and capacity to improve the efficiency of the distribution system.

2. Strengthening the agenda of Islamic da'wah comprehensively towards the formation of ummah khaira based on Al-Quran and As-Sunnah.

3. Empowering the administration and enforcement of Islamic law to ensure the implementation of Islamic law.

4. Strengthen the management of Islamic affairs through the field of research and development to improve the quality of life of the prosperous community.

5. Enhance strategic cooperation with other organisations to improve the Islamic system of distribution.

1.3 ORGANIZATION STRUCTURE

Figure 1.0 Organization Structure of Jabatan Agama Islam Perak

CARTA ORGANISASI JABATAN AGAMA ISLAM PERAK

9 BAHAGIAN
18 PAD
4 SMTDR

JUMLAH: 31

PENGARAH
JUSA C

TIMBALAN PENGARAH
S54

BAHAGIAN PEMBANGUNAN KELUARGA S52
BAHAGIAN PENDIDIKAN DG52
BAHAGIAN PENGURUSAN MASJID S48
BAHAGIAN PENGURUSAN HALAL S48

BAHAGIAN KHIDMAT PENGURUSAN M52
BAHAGIAN DAKWAH S52
BAHAGIAN PENGUATKUASAAN S48
BAHAGIAN PENYELIDIKAN S48
INSTITUT TADBIRAN ISLAM PERAK (INTIM) S48

SMTDR KERIAN DG48
SMTDR MANJUNG DG48
SMTDR BATANG PADANG DG48
SMTDR LENGGONG DG44

PEGAWAI TADBIR AGAMA
PEJABAT AGAMA ISLAM DAERAH
GRED S48/S44/S41

PAD MANJUNG S48
PAD IPOH S44
PAD PENGKALAN HULU S44
PAD BAGAN SERAI S44
CAWANGAN PAD SG SIPUT (SELIAAN PAD KUALA KANGSAR)

PAD TELUK INTAN S48
PAD MUALLIM S44
PAD SELAMA S44
PAD GERIK S44
CAWANGAN PAD PANGKOR (SELIAAN PAD MANJUNG)

PAD KUALA KANGSAR S48
PAD PARIT BUNTAR S44
PAD SRI ISKANDAR S44
PAD KG GAJAH S44
PAD BAGAN DATUK S44

PAD TAIPING S48
PAD BATU GAJAH S44
PAD TAPAH S44
PAD LENGGONG S44
PAD KAMPAR S41/44

CHAPTER 2

2.0 SERVICES OFFERED

The following are the five main objectives of JAIPk, which is the department in charged with managing Islam in the state of Perak and carrying out the decisions made by the Majlis of Islamic Religion and Perak's Malay customs.

➢ Da'wah program implementation and Islamic Education administration.

Provide education to the community to adhere firmly to the teachings of Islam through preaching programs in addition to calling the community towards unity. In addition, JAIPk provides formal education opportunities for the community from preschool up to degree level.

➢ Management of marriage, divorce, and reconciliation as well as Islamic family development.

Ensure that a family has been established in accordance with Sharia by providing legal counsel before marriage to strengthen the significance of Islamic relationships. In addition, the department is always ready to provide community consultation on family-related issues.

➢ Management and outreach of mosques and suraus

Ensuring the effective management of all administrative matters related to mosques and suraus in the State of Perak and implementing into action programs that could encourage community support for mosques and suraus while developing ummah unity.

➢ Research and study of faith and shariah

An endeavor for preventing people from following beliefs that are against Islamic sharia involves doing research on current concerns in the fields of religion and sharia and communicating the study's findings to the community. To address concerns within the Muslim community, JAIPk also conducts research on consumer products and services.

➢ Sharia law enforcement and prosecution

Implement the state of Perak's application of sharia law. The community is also given knowledge and awareness about Islam as part of this enforcement, which takes more than only the form of punishment.

CHAPTER 3

3.0 TRAINING'S REFLECTION

I have completed the internship that has been required by UiTM to complete the degree studies which lasted for 24 weeks starting from 1 March 2023 until 15 August 2023. I have carried out my internship at the Department of Islamic Religion Perak in the management services (finance) department or called as JAIPk which is Jabatan Agama Islam perak.

I work in office hours which are 8 am to 5 pm every day except on Saturday and Sunday. Jaipk's management service department located on the 3rd floor of the Maipk building. The Management Services Division manages Islam in the state of Perak and carrying out the decisions made by the Majlis of Islamic Religion and Perak's Malay customs. The first instruction given by the superiors on the first day of my internship was to study the work and administration system of JAIPk so that I could get to know a little more about JAIPk.

Furthermore, I gained knowledge and experience in a variety of areas throughout the 24 weeks I spent working at JAIPk, including payroll administration and the voucher documentation system. In addition, I became involved in the documentation and learnt how the bulk documentation system functions. In reality, I am also participating in the budget screening process at JAIPk, which oversees all districts in the state of Perak as well as several mosques and schools.

I also get involved in activities organized outside the office such as being a member of the organization of several events such as an excellent award ceremony for employees. Throughout the month of Ramadhan, JAIPk organizes various activities such as iftar event and khatam al-quran for the state level. I feel very excited and grateful for giving me the opportunity to experience all these priceless experiences.

Every month, I follow JAIPk employees from the financial department to work outside the district such as Pangkor Island, Kuala Kangsar and Kerian. I help employees by checking bulk documents that have been prepared by their parties according to the instructions and guidelines set before the documents are checked by auditors. Not only that, during my six months period, I was also offered to follow them to a course in Pangkor Island which was held for three days and two nights without having to pay anything. The course is not only able to increase useful knowledge but also a variety of professional knowledge for me.

After a few months of working as an intern in the financial department at JAIPk, I began joining the employees for recreation every Thursday afternoon by playing badminton on the court that had been rented. Not only can it strengthen the relationship between employees but it can also improve the health of the body by sweating. It's the same with exercise activities that are done 30 minutes before going back on every Wednesday.

In terms of the benefit that I received during my internship period is indescribable. Even though I didn't receive an allowance from the organization, I received a lot of benefits for other stuff that I am grateful for. Surrounded by kindhearted colleagues and managers, they always treat me for breakfast and lunch almost every day. On the other hand, in terms of working, they happily share tips and knowledge on what I need to do for the next phase of my career path. During lunch, managers always share their experiences of how they start from zero until where they stand now, and what are the possible division that I may choose to work with JAIPk in the future. I am very grateful for all the opportunities and benefits that I received for these 6 months, and I am very happy to encourage students out there to have a very pleasant experience of industrial training if they happen to apply here.
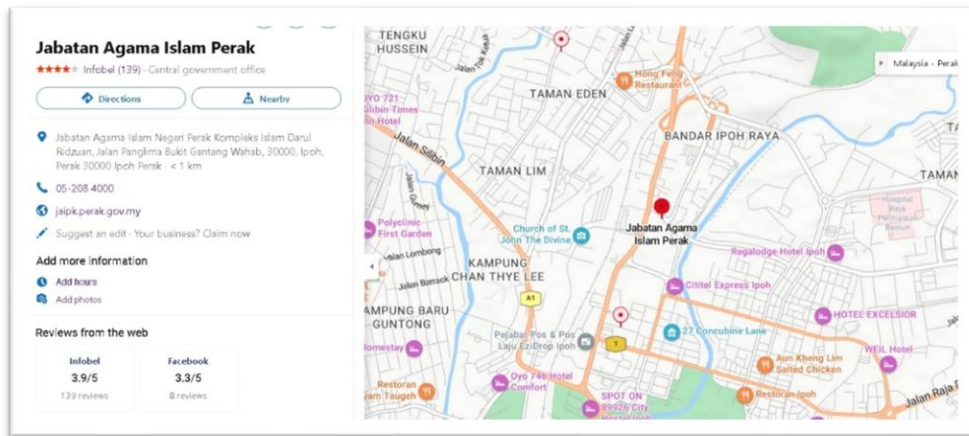
Figure 3.1 above shows the location of Bahagian Khidmat Pengurusan JAIPk

Days	Working Time	Operating Period
Monday To Thursday	8.00 a.m. – 1.00 p.m. 1.00 p.m. – 2.00 p.m. (Lunch Hour) 2.00 p.m. – 5.00 p.m.	5 hours 1 hour 3 hours
Friday	8.00 a.m. – 12.15 p.m. 12.15 p.m. – 2.45 p.m. (Lunch Hour) 2.45 p.m. – 5.00 p.m.	4 hour 15 minutes 2 hours 30 minutes 2 hours 15 minutes

Table 3.1 Operation Schedule of the JAIPk

CHAPTER 4
DETERMINANTS OF FOREIGN DIRECT INVESTMENTS IN ASEAN COUNTRIES

4.0 ANALYSIS
4.1 INTRODUCTION

One of the components of a country's financial account in the balance of transactions is foreign direct investment (FDI). Investments made by foreigners under permanently authority and ownership are referred to as foreign direct investments. There were two types of Foreign direct investment (FDI) which is: inward and outward FDI (Asbullah et al., 2022). Inward FDI is the amount of direct investment made by investors who do not live in the country where the investment is being made. Inward direct investment, which includes all debts and assets that belong to parent firms, is also known as direct investment in the home country. This also applies to the transfer of assets and liabilities between firms that are residents and those that are not (Asbullah et al., 2022). While outward FDI refer the amount of direct investment made by citizen of other country.

FDI also being given attention among people especially among economist since FDI contribute to country economic growth, to developing countries. As we know, ASEAN region consists of several developing countries which compete to give various incentives to attract as much FDI to help their economic development as feasible. ASEAN was established in 1967 with Singapore, Indonesia, Thailand, Malaysia, and the Philippines as its five original members. Later, Brunei, Vietnam, Cambodia, Laos, and Myanmar were added. The importance of FDI for economic growth being stated that Direct FDI-based capital flow encourages capital accumulation in a host nation, while indirect FDI-based capital flow encourages economic growth in a host country, which supports productivity growth through technology transfer (Masron, 2017).

4.1.2 PROBLEM STATEMENT

First issue is the various parts of ASEAN Countries have shown a reduction in FDI due to many factors. For example, ASEAN countries faced a significant dropped in FDI inflows from USD74.39 billion in 2007 to USD49.49 billion in 2008 and USD39.62 in 2009. This is due to the negative impact of US 2007/2008 financial crisis that happened within that period of time. the countries that depend more on external funds such as Singapore and Malaysia experienced bigger losses as compared to the countries that rely more on the internal funds such as Indonesia, Philippines and Vietnam.

For past years (2019 and 2020), ASEAN had an outstanding performance since in 2019 Foreign direct investment (FDI) for ASEAN were the biggest ever with $182 billion - making the area the recipient of FDI in the developing world with the greatest volume. Fortunately, the COVID-19 pandemic had an extraordinary impact in 2020, which caused FDI to in the region to decline by 25% to $137 billion (Kee and Amelia, 2021).

Therefore, the purpose of this study is to understand the determinants of Foreign Direct Investment to whole nation under The Association of Southeast Asian Nations (ASEAN) because most investor saw their investments decline. According to (Stamatiou et al., 2013), foreign direct investment help improving the overall economic performance of the host country through investment in investible resources and massive capital into the industry in the host country.

4.2 LITERATURE REVIEW

Foreign direct investment is the custody of capital or other assets in a country by investors from other countries. Foreign direct investment plays a crucial role in achieving country's development. According to (Stamatiou et al., 2013), foreign direct investment can be help by pouring vast amounts of money into the host country's industries and investable resources and the host country's overall economic performance will be strengthened. This research was done to examine the variables that affect foreign direct investment include gross domestic product (GDP), inflation, labor force, and trade openness.

4.2.1 GROSS DOMESTIC PRODUCT

Research by (Saini & Singhania, 2018) used static and dynamic 11 developed and 9 developing nations were included in the panel data analysis models for a total of 20 countries between 2004 and 2013 to explore the factors affecting FDI in both developed and developing nations. The study found that real gross domestic product growth, one of the variables studied has a substantial impact of foreign capital inflow patterns.

According to (Asiamah et al., 2019) is using a data set on the factors influencing foreign direct investment between 1990 and 2015, it was discovered that the log of gross domestic product had statistically significant beneficial impacts both in the long run and the short run. profit in Ghana.

4.2.2   INFLATION

Research by (Kumari & Sharma, 2017) performed a study on the determinants of foreign direct investment in the post liberation during 1991-2010. Ordinary least square (OLS) used to analyse this study. This study found that the inflation is the key factor in determining inflows of foreign direct investment.

While (Kaur & Sharma, 2013) examined what influences foreign direct investment in India using multiple regression. This study concluded that inflation reserves as one of the major factors influencing foreign direct investment inflows. Inflation had negative impact on foreign direct investment compared to other variables that mostly have positive impact instead.

Study by (Singhania & Gupta, 2011) conducted a study in India to determine the extent to which macroeconomic factors like GDP, inflation, trade, money supply growth, and patents have an influence on foreign direct investment. According to the study, inflation rate is one of the variables that affecting foreign direct investment.

A study conducted by (Asiamah et al., 2019) examine that inflation had a negative and significant impact on foreign direct investment in Ghana in both the long and short ranges, according to drivers of foreign direct investment in Ghana using the data set for the years 1990–2015. The inflation showed that foreign direct investment had a positive influence, in contrast to this result.

4.2.3   LABOUR FORCE

A study analyzes the labour force factors affected the flow of foreign direct investment into the Visegrad nations between 1989 and 2016. The most significant indicators with a favorable impact on inflows of foreign direct investment were determined to be the level of gross earnings (Bobenič Hintošová et al., 2018).

Dunning was mentioned by (Phung, 2016) the large and inexpensive labour supply force may be seen as an advantage in terms of location for developing countries since geographical factor is fixed and different to the host country. Location encourages the investors to locate their production process in the resources and markets of the host country to reduce production costs. According to the study, labour force plays an important role to influence foreign direct investment movements in developing countries.

Study by (Okafor, 2015) examine the locational determining factors of United States foreign direct investment inflow by using the OLI model in panel data procedures during 1996-2010 in 23 sub-Saharan Africa countries. The study found that outward foreign direct investment into Sub-Saharan Africa gained credibility because of the deposits of crude oil and natural gas, infrastructure development, market potential, and rates of primary school completion after applying the quantitative procedures on panel data. The study also found that labour force influenced the foreign direct investment inflows in United States.

4.2.4   TRADE OPENNESS

A study conducted by (Kariuki, 2015) using a sample of 36 emerging economies between 1990 and 2008. This study looks at how strongly certain characteristics like trade openness and foreign direct investment inflows are correlated in developing countries including Latin America, Africa, Asia, CIS (Commonwealth of Independent States). This study found that trade openness is one of the crucial factors that have a strong positive impact on foreign direct investment inflows.

Suleiman, Kaliappan, and Ismail (2015) conducted research to examine the determinants of foreign direct investment in the context of Southern Africa Customs Union (SACU) member countries. This study demonstrates how trade openness significantly positive towards foreign direct investment.

According to (Ngo et al., 2020) study conducted the trade openness has an influence on attracting foreign direct investment inflows, according to an empirical finding on the factors affecting foreign direct investment in Vietnam. However, the estimated outcome did not as expect. Trade openness variable exposes a negative impact on foreign direct investment in the short-term, while zero effect in the long-term using the PMG method.

4.3 METHODOLOGY
4.3.1 INTRODUCTION

The objective of this research is to provide the statistical circumstances surrounding the four independent variables and FDI in the ASEAN countries (P-1). The four variables (potential determinants) affecting foreign direct investment (FDI) inflows to the ASEAN countries, further analyzed in research purposes two to five (P-2 to P-5) from the year 2011 until 2021.

4.3.2 RESEARCH DESIGN

This research utilized either a descriptive and associative or an explanatory research design, depending on the particular objectives of the investigation. Initial research objectives (P-1) enhanced by descriptive studies that provide broad statistical descriptions of all relevant variables. Population is the comprehensive unit of measurement for the research topic. The whole populations of the ASEAN countries (Malaysia, Indonesia, Philippines, Singapore, Thailand, Brunei, Vietnam, Cambodia, Laos, and Myanmar) are being analyzed as part of this study project. Therefore, all ten ASEAN countries comprise the group unit of analysis in this study. The time horizon is represented by longitudinal or panel data.

Time-series and cross-sectional (TSCS) data characteristics are combined in panel data, commonly referred to as longitudinal data since it is multi-dimensional and is measured repeatedly over a period of time. The study of panel data that is conducted by collecting data with repeated measurements of an object over a specific and limited time. For this scenario, it spans from 2011 until 2021. Description below provides a summary of the research strategy that will be used to address the study's central research question.

Description:

P-1: To describe general statistical conditions of inflation rate, gross domestic product (GDP), labour force, trade openness and FDI in the ASEAN countries

P-2: To analyse how inflation rate affects FDI to the ASEAN countries

P-3: To analyse how gross domestic product (GDP) affects FDI to the ASEAN countries

P-4: To analyse how labour force affects FDI to the ASEAN countries

P-5: To analyse how trade openness affects FDI to the ASEAN countries

4.3.3 THEORETICAL FRAMEWORK

According to a survey of the various of studies, neither a singular theory nor a single factor can properly identify the elements that influence FDI. Although the approaches taken by each model are distinct, they can all be used to explain the same phenomena. According to (Yusof et al., 2010), research framework is a rationally formed, articulated, and elaborated network of relationships among concepts or variables deemed significant to the situation of problems, as determined through basic data collection and literature research. The analysis of this framework is made based on several past studies regarding the determinants of foreign direct investment.

Figure 4.1 Research Framework of Factors Influencing FDI in ASEAN
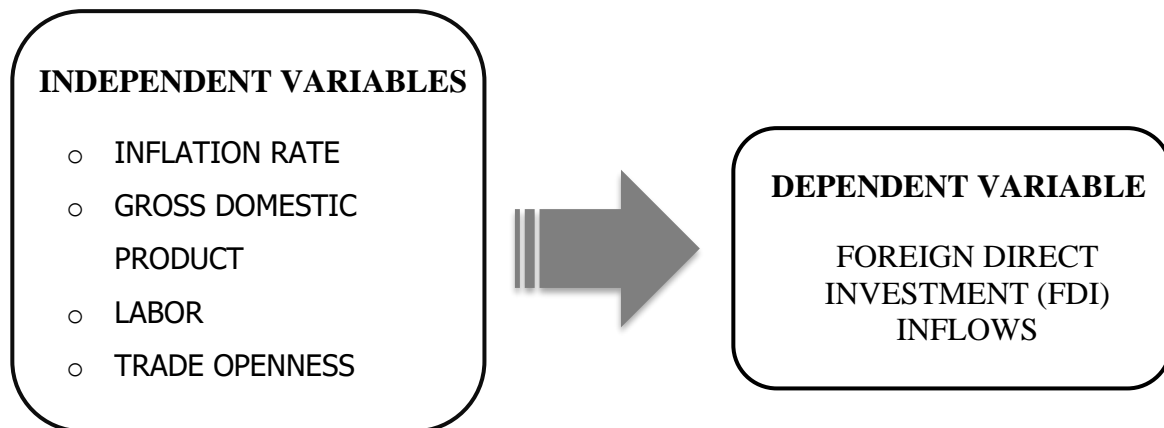
4.3.4 SAMPLING DESIGN

The present study concentrates on all ASEAN countries (Malaysia, Indonesia, Philippines, Singapore, Thailand, Brunei, Vietnam, Cambodia, Laos, and Myanmar). In addition to that, the annual data from 2011 to 2021 will be used in this study, but this will depend on the availability of data for each of the sample countries.

4.3.5 DATA COLLECTION METHOD

The type of data and the source of data that were utilized for all variables in this study, there were quantitative and secondary data. such as the inflation rate, gross domestic product (GDP), labour force, trade openness, and FDI. The variables that are used in this research were derived from previously collected data and were obtained from the database of the World Bank for the study's time frame, which runs from 2011 to 2021. The data for variables such as inflation rate, gross domestic product (GDP), labour force, trade openness, and FDI are derived from the World Bank's World Development Indicators, which are illustrated in Table 4.1.

Table 4.1 Types and Data Source

Data	Types and Source of Data	Research Purpose				
		P-1	P-2	P-3	P-4	P-5
FDI (Y)	Quantitative – Secondary data (World Bank)	√	√	√	√	√
Inflation (X1)	Quantitative – Secondary data (World Bank)	√	√			
GDP (X2)	Quantitative – Secondary data (World Bank)	√		√		
Labour Force (X3)	Quantitative – Secondary data (World Bank)	√			√	
Trade Openness (X4)	Quantitative – Secondary data (World Bank)	√				√

4.3.6 EMPIRICAL MODEL

Research equations can be developed based on a research framework. It specifies the relationship between dependent variables, foreign direct investment (FDI) and independent variables in an equation which are gross domestic product (GDP), inflation force labour and trade openness. This study uses a panel of the all-ASEAN countries (Malaysia, Indonesia, Philippines, Singapore, Thailand, Brunei, Vietnam, Cambodia, Laos, and Myanmar). The formula can be expressed as follow:

$$FDI_{it} = \alpha_0 + \beta_1\ GDP_{it} + \beta_2\ CPI_{it} + \beta_3\ LF_{it} + \beta_4\ TO_{it} + \epsilon$$

Where,

FDI = Foreign direct investment inflows over the period of the study for country i

GDP = Level of economic growth over the period of the study for selected country i

CPI = Inflation rate represented by CPI over the period of the study for country i

LF = Labour Force i

TO = Trade Openness i

Є = Epsilon (Error Term) or other factors

4.3.7   VARIABLE DESCRIPTION AND MEASUREMENT

 ➢   Dependent Variable

Net inflows of foreign direct investment (FDI) are the study's dependent variable. The amount of inward direct investment made by non-resident investors in the reporting economy is known as FDI net inflows, according to the World Bank. Therefore, an increase in FDI net inflow suggests an increase in FDI activity. Additionally, this variable has been employed in earlier research, including (Ang, 2008), (Kooj & Professor, n.d.), (Pantelidis & Paneta, 2016), and (Sattarov, 2012).

 ➢   Independent Variable

This section discusses the independent variables chosen for this study, which are gross domestic product (GDP), inflation, labour force and trade openness. These factors are thought to be predictors of foreign direct investment based on earlier studies.

By summing up all of the money spent by consumers, corporations, and the government within a specific time period, the gross domestic product (GDP) may be determined. All the money made by the economy's players could be added up to get a rough estimate as well. In addition, the country exports some of its products and services. Some of the goods and services people used are imported from other countries. This proxy also has been used by previous study such as (Pantelidis & Paneta, 2016). GDP includes exports and imports. Thus, a country's GDP equals consumer spending (C), corporate investment (I), government spending (G), and net exports which is the total exports minus imports (X – M).

The second independent variable is inflation. Inflation is measured using the consumer price index (CPI) (Hidayah & Sukery, 2017). The term "inflation" refers to changes in the overall level of pricing for goods and services over time. Inflation is calculated by comparing the current prices of a group of products and services to their historical costs. Inflation as measured by the CPI is the change in the prices of a basket of goods and services that are frequently purchased by specific groups of households. The measured CPI fluctuates to reflect changes in prices over time. Most countries strive to maintain annual inflation rates of 2 to 3 percent. Below is the formula to measure the consumer price index for inflation rate.

According to the International Labour Organization (ILO), a percentage of the working-age population can be defined as the labour force participation rate. The labour force is the sum of employment and unemployment, which includes the number of employed and unemployed people. Employment can be considered when all persons of working age are employed or self-employed. Unemployment, on the other hand, can be considered when all persons of working age are involved and have not worked for a specific reference period, are currently available for work, or are looking for work. Meanwhile, the working-age population is frequently defined as all persons aged 15 and older to facilitate international comparability, but this varies by country due to national laws and practices.

The orientation of a country's economy in the context of international trade is referred to as trade openness. The actual size of an economy's registered imports and exports measures its degree of openness. Trade openness is a measure of how open or closed a country's trade relations are with the rest of the world. The sum of exports and imports over gross domestic product is used to calculate trade openness. The measurement of the independent variable is shown in table 4.2 below.

Table 4.2 The Summary of Measurement Variable of This Study

	Variables	Proxies	Notations	Measurement	Source of Measurement
1.	Foreign Direct Investment	Foreign direct investment inflows and outflows	FDI		The World Bank
2.	Gross Domestic Product	Gross Domestic Product (%)	GDP	$C + I + G + (X - M)$	The World Bank
3.	Inflation	Consumer Price Index	CPI	(Cost of market basket in base period / Cost of market basket in current period) x 100	The World Bank

4.	Labour Force	Labour Force Rate	LF	(Labour force / Working age population) x 100	The World Bank
5.	Trade Openness	Degree of Openness	DOP	[(Export + Import) / Gross domestic product] x 100	The World Bank

4.3.8 DATA ANALYSIS

❖   Panel Data Technique

Panel data, also known as longitudinal data, is data that contains observations about various cross sections over time. It involves adjusting for factors that cannot be measured or seen across entities, as well as for those that change over time but not between entities. Groups like nations, businesses, people, or demographic categories can be included in panel data sets. Time series data and panel data both contain observations that were gathered chronologically and at regular intervals. Cross-sectional data and panel data both include observations made by a group of individuals (Schmidheiny, 2016).

❖   Random Effect Model (REM)

The justification for this is that it's expected that variation across entities is random and unrelated to the model's independent variables. Time-invariant variables are permitted to function as independent variables under the random effect assumption that the entity's error term is not associated with the independent variables. We should use random effects if we have good reason to think that the variations between entities affect our dependent variable. The random effect model has the advantage of allowing us to include time invariant variables.

4.4 FINDING AND ANALYSIS
4.4.1 DESCRIPTIVE ANALYSIS

The outcomes of the descriptive statistics for each variable utilized in this study are reported in this section. Table 4.3 provides a summary of each variable's mean, minimum, maximum, and standard deviation values.

Table 4.3 Descriptive Analysis

Variable	Obs	Mean	Std. Dev	Min	Max
FDI	100	6.187642	6.469036	-1.320522	29.69044
GDP	100	4.139182	4.026047	-17.98474	10.50778
Inf	100	2.911779	2.743887	-1.260506	18.67773
Labour	100	73.79333	7.046667	61.77	87.98
Trade	100	119.9908	88.28631	11.8554	379.0986

Note:

(1)   All the explanatory variables in the model are: Foreign Direct Investment (FDI) inflows, Gross Domestic Product (GDP), Inflation (Inf), Labour Force (Labour) and Trade Openness (Trade)

According to the table 4.1, we can observe that the mean of FDI inflows is 6.1876. The minimum of FDI inflows is -1.3205 and the maximum of FDI inflows is 29.6904. In addition, the amount of standard deviation is 6.4690. For the first independent variable which is GDP, the test shows that the minimum is -17.9847 and the highest is 10.5077. The mean and standard deviation for GDP is 4.1391 and 4.0260 respectively.

Besides, according to the table we also can know the descriptive statistic of inflation in Malaysia. The table show that the mean of inflation is 2.9117. The standard deviation of inflation is 2.7438. The maximum of inflation is 18.6777 and the minimum of inflation is -1.2605. The third variable which is labour force has a mean value of 73.7933 and the standard deviation is 7.0466. The minimum and maximum for labour force are 61.77 and 87.98 respectively. Last independent variables are Trade openness. The mean for trade openness is 119.9908 and the standard deviation of trade openness is 88.2863. In addition, the maximum of trade openness is 379.0986 and the minimum of trade openness variable is 11.8554.

4.4.2 CORRELATION ANALYSIS

Table 4.2 summarizes the results for the correlation analysis between the variables. The dependent variable of this study is FDI inflow and the independent variables are gross domestic product inflation, labour force and trade openness.

Table 4.4 Correlation Analysis

	FDI	GDP	Inf	Labour	Trade
FDI	1.0000				
GDP	0.0396	1.0000			
	(0.6957)				
Inf	-0.1347	0.4081***	1.0000		
	(0.1837)	(0.0000)			
Labour	0.4243***	0.2357**	0.0534	1.0000	
	(0.0000)	(0.0253)	(0.6172)		
Trade	0.8278***	-0.0495	-0.3012***	0.3300***	1.0000
	(0.0000)	(0.6354)	(0.0035)	(0.0032)	

Note: *** significant at 1% level, ** significant at 5% level, * significant at 10% level. The dependent variable is FDI inflows

The analysis indicate that the GDP has positively correlated with FDI inflows but did not significant which more than 0.10. Other two variables which is labour force and trade openness are positively correlated with FDI inflows and significantly affecting the foreign direct investment at 1% significant level. It shows there is sufficient information to draw the conclusion that the labor force and trade openness have a 1% significant impact on foreign direct investment. Thus, inflation shows the only independent variable that negatively correlated with FDI inflows and did not significant. there is insufficient evidence to conclude that significantly affecting the foreign direct investment at 10% significant level. Among the variables, trade openness and FDI inflows are determined to have the strongest favorable association.

Table 4.5 Panel Specification tests

	p-values of the tests			
Models	F-test	BP-LM	Hausman	Technique
Model 1	0.0001	0.0000	-	Random Effect

Several diagnostic tests were then run to rule out the presence of multicollinearity, heteroskedasticity, and serial correlation issues. The diagnostic test findings, as shown in Table 4.2.1, revealed the presence of heteroskedasticity (p-value 0.05) and serial correlation (p-value 0.05) issues. To address the issues, a corrective operation was carried out utilizing random-effects GLS regression with the cluster option.

4.4.3 RANDOM-EFFECTS GLS REGRESSION

Table 4.6 presents the results for Random-effects GLS regression

FDI	COEF.
GDP	-0.047045 (0.1588379)
INF	-0.2871895** (0.1451074)
LABOUR	0.3524258*** (0.1213744)
TRADE	0.0396525*** (0.0109223)

Note: *** significant at 1% level, ** significant at 5% level, * significant at 10% level. The dependent variable is FDI inflows

Table 4.6 had assisted to obtain the results for Random-effects GLS regression as shown above, with the data collected within the period of year 2011 to 2021. This result will be used in this study in the purpose of determining whether the explanatory variables is significant to the indicates that independent variables (GDP, inflation, Labor Force, and Tarde Openness) explain the dependent variable FDI inflows.

The findings show that Gross Domestic Product (GDP) and inflation have a negative relationship with FDI inflows. Meanwhile labour force and trade openness have a positive impact on FDI inflows. In addition, GDP the only independent variables are not significant determinants of FDI inflows. Thus, others independent variables like labour force and trade are significantly affecting the foreign direct investment at 1% significant level while inflation significantly affecting the foreign direct investment at 5% significant level.

5.0 DISCUSSION & RECOMMENDATION

Table 4.7 presents the results for independent variable on FDI

Independent variable	Expectation sign	Regression Result
GDP	Positive and significant	Negative and not significant
Inflation	Negative and significant	Negative and significant
Labor Force	Positive and significant	Positive and significant
Trade Openness	Positive and significant	Positive and significant

Contradict to the expected finding, the result indicates that gross domestic product has a significant and positive relationship with the FDI inflows. While the regression result shows that GDP negative relationship and not significant on FDI. Thus, expectation of inflation for these countries are negative relationship but have significant on FDI. The regression result also shows the same result which is have negative relationship with FDI and this independent variable also shows significant correlation on FDI ASEAN countries.

Furthermore, these results discover a positive and significant relationship between labour trade and foreign direct investment in ASEAN countries. As well as the regression results that indicate same result as expectation sign. In addition, trade openness variable also does not change the significances of the coefficients of the foreign direct investments for ASEAN countries either. The coefficient on labour force and trade openness itself is significant at 1% standard levels. It seems that these two independent variables are the main factors to perform FDI in ASEAN countries.

The findings indicate that trade openness and the labor force have a big significant and statistically significant favorable influence on foreign direct investment in ASEAN countries. It implies that a greater degree of openness would bring in more FDI to the nation. Additionally, FDI inflows and GDP are both inversely correlated, and inflation is statistically significant while labour insignificant towards FDI. Overall, the research study supports the result that there is scope for ASEAN countries in order to rectify and maintain the economic development indicators, so the FDI inflows would be sustainable.

6.0 CONCLUSION

The objective of our research is to understand the determinants of FDI to the ASEAN region and impact on ASEAN FDI inflow. The range data that has been used for this research is the whole populations of the ASEAN countries (Malaysia, Indonesia, Philippines, Singapore, Thailand, Brunei, Vietnam, Cambodia, Laos, and Myanmar. The study of panel data that is conducted by collecting data with repeated measurements of an object over a specific and limited time period. For this scenario, it spans from 2011 until 2021. The studies on the common determinants driving foreign direct investment have not yet been completed. The empirical studies gathered to explore the factors that influence foreign direct investment include gross domestic product (GDP), inflation, labor force, and trade openness.

The results of the diagnostic test showed that serial correlation (p-value 0.05) and heteroskedasticity (p-value 0.05) problems existed. A repair operation using random-effects GLS regression with the cluster option was performed to fix the problems. The results demonstrate a negative link between GDP and inflation and FDI inflows. On the other hand, FDI inflows are positively impacted by the labour force and trade openness. Furthermore, the single independent variable, GDP, does not significantly influence FDI inflows. As a result, inflation has a major impact on foreign direct investment at a level of 5%, whereas other independent factors like the labour force and trade have a significant impact at a level of 1%.

Contrary to what was anticipated, the results show that there is a large and positive link between the gross domestic product and FDI inflows. While the results of the regression indicate a negative association and lack of significance between GDP and FDI. As a result, these nations' expectations for inflation are negative, yet they do have an impact on FDI. The model result also reveals a negative link between FDI and this independent variable, which also exhibits a strong correlation with FDI in ASEAN nations.

Additionally, these findings show a strong and positive correlation between labour trade and foreign direct investment in ASEAN nations. Additionally, the regression results that show a result with the same expected sign The importance of the coefficients of foreign direct investment for ASEAN nations is likewise unaffected by the trade openness variable. At 1% standard levels, the coefficient on the labour force and trade openness is substantial in and of itself. These two independent variables appear to be the primary determinants of FDI activity in ASEAN nations.

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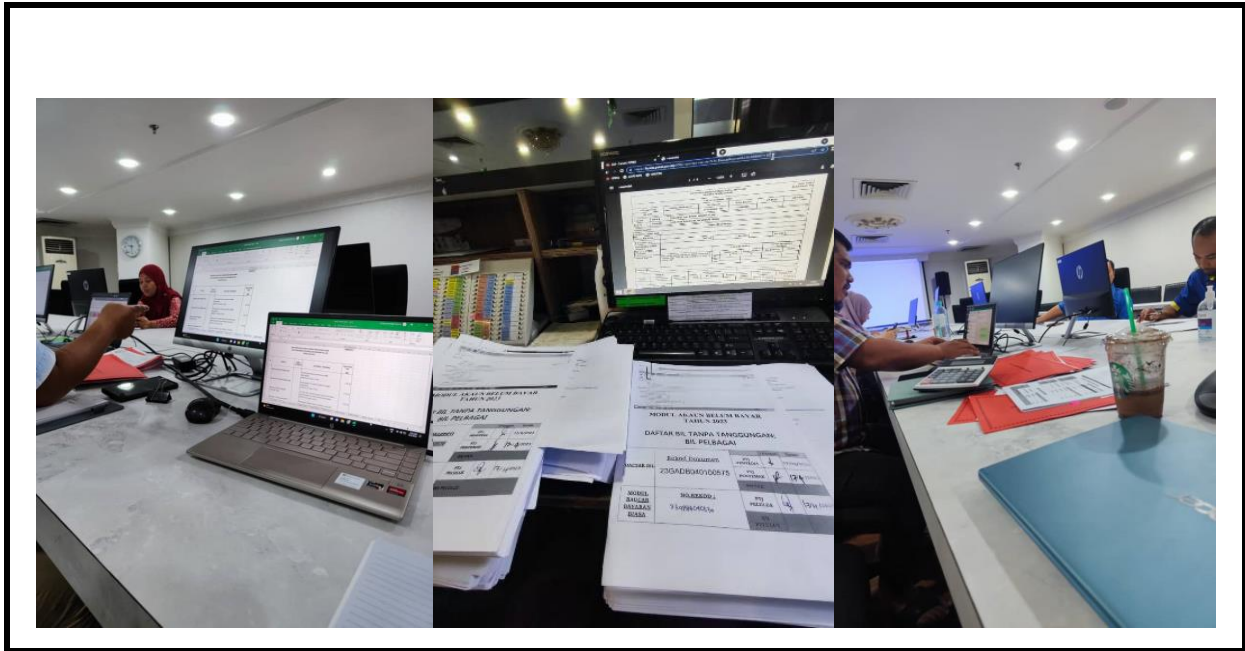## 9.0 APPENDICES (INTERNSHIP COMPANY)

Appendix 1: Contributing in managing of numerous events

Appendix 2: Participate in Naziran in various districts such as Pejabat Agama in Kuala Kangsar, Kerian and Manjung and participate in salary courses at Pangkor Island.

Appendix 3: Involved in the budget screening with all districts in Perak

Appendix 4: Daily work and participating in some external events

Appendix 5: Endorsement of Ouriginal Report

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