



**PUBLIC DEBT AND OTHER DETERMINANTS THAT INFLUENCE  
ECONOMIC GROWTH IN MALAYSIA**

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## **ABSTRACT**

This study empirically investigates the relationship between economic growth and several factors. Four variables were selected (1) economic growth, (2) public debt, (3) foreign direct investment (FDI) and (4) trade openness. Based on economic theory, a linear log regression model was developed to analyse the relationship between independent variables and economic growth. Ordinary Least Square OLS method is used to check whether the independent variables is related with dependent variable. The results of this study show that not all independent variables are significant in describing the Malaysia's economic growth. Public debt and foreign direct investment are significant independent variables in explaining Malaysia's economic growth. Whereas trade openness showed no significant impact on Malaysia's economic growth. Effective and comprehensive policies need to be implemented to achieve the country's high economic growth.