



**THE DETERMINANTS OF HOUSEHOLD DEBT IN 5 SELECTED  
ASEAN COUNTRIES**

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**JANUARY 2019**

## ACKNOWLEDGEMENT

First of all, I am grateful to Allah S.W.T for giving the strength, health and bestow ideas to accomplish this project paper. Hence, I was able to finish this project paper in order to follow the last semester requirement of subject FIN672 which is Industrial Training Project Paper. This project paper had been done very well during this period of time.

Apart from that, I would like to thank my dear lecturer who deserve the greatest gratitude, Puan Roseziahazni binti Abdul Ghani for being my first advisor and Dr. Zuriyati binti Ahmad as my examiner for giving me full support, encouragement and guidance in doing this project paper. Their expertise and suggestions have contributed immensely in the completion of this project paper. I am really appreciated their comments, ideas and advices that helped a lot in improving the quality of this project paper.

I would also like to express my gratitude to my parents who have always supported me mentally and financially in my study. I would not even be here to do my studies without their help and support. Besides, I also want to thank to those who are involve directly and indirectly in completing this project paper either in terms of providing me information, ideas, comments and advices. The completion of this project give me much pleasure.

I hope my project paper about the determinant of household debt in Asean countries can give some information or input to the readers.

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## ABSTRACT

The level of Asean's household debt can lead to another financial crisis, as it is at worrying stage. Therefore, the aims of this study is to identify the relationship between household debt and its determinants as well as to determine the most significant factor that affect the household debt by using panel data. It influenced by the variables which include gross domestic product, inflation rate, house price index, interest rate and unemployment rate. Fixed Effect Regression Model has been selected in this study with the data collected from 2007 until 2017 in quarterly basis based on Bloomberg database, Eikon Thomson Reuters, Fred Economic Data, Department of Statistics Malaysia, CEIC Data and Trading Economics. As an additional analysis, it revealed that there is significant relationship for house price index, unemployment rate and inflation rate with household debt. A part from that the result also revealed there is insignificant relationship for gross domestic product and interest rate with household debt. In conclusion, these findings bear important implications for every country's policymakers.