

**DETERMINANTS OF MALAYSIA IMPORT ON  
NATURAL RUBBER: AN EMPIRICAL  
EVIDENCE**

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# DECLARATION OF ORIGINAL WORK

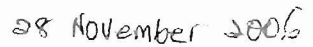
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- This work has not previously been accepted in substance or form of any degree, locally or overseas, and is not being concurrently submitted for his degree or any other degrees.
- This project paper is the result of my independent work investigation except otherwise stated.
- All verbalism extracts have been differentiated by quotation marks sources of my information have been specifically acknowledge.

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## **ABSTRACT**

Rubber is among the most important raw material needed in today's world. Many producers and manufacturers of major industry such as the tyre industry has become the factor to the increasing demand for natural rubber in the world. Rapid growth in automotive industry and other related industries boost the world's demand for rubber. Price of natural rubber and price of synthetic rubber are discussed in this study because in today's world producers not only demand for natural rubber but also to the substitute goods for rubber which is the synthetic rubber. When the price of synthetic rubber discussed, it will involve the price of crude oil as well because the oil price hike drove high price increase on synthetic rubber, where crude oil is the main input for synthetic rubber. This project paper examines the determinants of Malaysia import of natural rubber. This research involves data for price of natural rubber, price of synthetic rubber, price of crude oil, exchange rate, tyre production and GDP per capita income with the period of study from first quarter in 1997 to the forth quarter in 2003. The main objectives of this study is to analyzed the trend of fluctuation that occurs in every single independent variable, to determined the determinants of Malaysia import of natural rubber as well as to calculate the elasticity of demand.