



**DETERMINANT OF FOREIGN DIRECT INVESTMENT IN MALAYSIA**

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**2015116899**

**BACHELOR OF BUSINESS ADMINISTRATION**

**WITH HONOURS (FINANCE)**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA**

**MALACCA CITY CAMPUS**

**JANUARY 2018**

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**Submitted in Partial Fulfilment of the  
Requirement for the  
Bachelor of Business Administration with Honours (Finance)**

**FACULTY OF BUSINESS MANAGEMENT**

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## **DECLARATION OF ORIGINAL WORK**



BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS (FINANCE)  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
“DECLARATION OF ORIGINAL WORK”

I, AHMAD SAFUAN BIN SUFIAN, (I/C Number: 921012-61-6085)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas, and is not being concurrently submitted for this degree or any other degrees.
- This project-paper is the result of my 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.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## LETTER OF SUBMISSION

January 2018

Miss Amizatul Hawariah Binti Awang

Bachelor of Business Administration Hons (Finance)

Faculty of Business Management

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Universiti Teknologi MARA Melaka

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Dear Sir/Madam,

SUBMISSION OF FINAL PROJECT PAPER Attached is the project paper title  
**“DETERMINANT OF FOREIGN DIRECT INVESTMENT IN MALAYSIA”** to  
fulfil the requirement needed by the Faculty of Business Management, Universiti  
Teknologi MARA.

Thank You.

Yours Sincerely,

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AHMAD SAFUAN BIN SUFIAN

2015116899

Bachelor of Business Administration with Honours (Finance)

## **ABSTRACT**

This study examines the relationships that between foreign direct investment (FDI) and the determinants economic growth (GDP), exchange rate (EXC), inflation rate (INF) and trade openness (TRD) from the year of 1985 to 2015 which contains yearly data. The data for this study has been tested by using Ordinary Least Square methods in order to define the statistical relationship among the variables. The result of this study show that there is a significant relationship between the Foreign direct investment inflows and the economic growth, exchange rate and inflation rate, while trade openness (TRD) did not have any relationship with the FDI. Lastly, the most influential factor that provide huge impact for foreign direct investment inflows in Malaysia is inflation rate.

Keywords: foreign direct investment, economic growth, exchange rate, inflation rate, trade openness