



HOUSEHOLD DEBT AND ECONOMIC GROWTH IN ASIA PACIFIC

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BACHELOR OF BUSINESS ADMINISTRATION

WITH HONOURS (FINANCE)

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

BANDARAYA MELAKA

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HOUSEHOLD DEBT AND ECONOMIC GROWTH IN ASIA PACIFIC

BY

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A research project submitted in partial fulfillment
of the requirement for the
Bachelor of Business Administration with Honours (Finance)

FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
BANDAR RAYA MELAKA

JANUARY 2018

DECLARATION OF ORIGINAL WORK



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

I FATIN NADIRA BINTI ROSLIM , (I/C Number : 950808-04-5068)

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

Coordinator

Bachelor of Business Administration (Hons) Finance,
Faculty of Business Management,
Universiti Teknologi MARA, Melaka City Campus,
110 Off Jalan Hang Tuah, 75300 Melaka.

Dear Madam,

SUBMISSION OF FINAL PROJECT PAPER

Attached is the project paper title “**HOUSEHOLD DEBT AND ECONOMIC GROWTH IN ASIA PACIFIC**” to fulfill the requirement as needed by Faculty of Business Management, Universiti Teknologi MARA.

Thank You,

Sincerely,

FATIN NADIRA BINTI ROSLIM

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Bachelor of Business Administration (Hons) Finance

ABSTRACT

Household debt does give impact towards the growth of economic. Higher in household debt is deemed to be at worrying stage as it could turn out lead to another financial crisis. Therefore, the study aims to investigate the relationship between household debt on economic growth in selected Asia Pacific countries. The variables used in this study including Household Debt (HD), Consumption (C), Labor Force (LF), Gross Capital Formation (GCF), Unemployment Rate (U) and Household Saving as independent variables and Gross Domestic Product (GDP) as dependent variable. Moreover, the study utilized the theory of Solow Growth Model to estimate the regression.

The result show that household debt, labour force and gross capital formation are significantly affect the GDP. From the result, household debt and gross capital formation indicates a positive significant relationship while labour force shows negative significant relationship towards GDP. However, consumption, unemployment rate and household saving reveals insignificant relationship to GDP. These results further understanding the relationship between household debt on economic growth and should be useful for policy maker, investor, household and future researcher.