



**THE RELATIONSHIP BETWEEN CORRUPTION AND
ECONOMIC GROWTH IN 5 SOUTHEAST ASIAN
COUNTRIES**

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2015115275

(Panel Data)

**BACHELOR OF BUSINESS ADMINISTRATION WITH
HONOURS (FINANCE)**

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

KAMPUS BANDARAYA MELAKA

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

UNIVERSITI TEKNOLOGI MARA

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JANUARY 2018

DECLARATION OF ORIGINAL WORK



BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITI TEKNOLOGI MARA

“DECLARATION OF ORIGINAL WORK”

I, Hafiza Binti Kamaruzzaman, (I/C Number: 950426-14-5450)

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

Nor Aizan Binti Mohamed

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Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled **“THE RELATIONSHIP BETWEEN CORRUPTION AND ECONOMIC GROWTH IN 5 SOUTHEAST ASIAN COUNTRIES”** to fulfil requirement as needed by the Faculty of Business Management, Universiti Teknologi Mara.

Thank You

Yours sincerely,

HAFIZA BINTI KAMARUZZAMAN

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Bachelor of Business Administration (Hons) Finance

ABSTRACT

The aim of this study is to investigate the relationship between all the independent variables which are Corruption, Inflation Rates, Foreign Direct Investment, and Government Expenditure to the Economic Growth in five selected Southeast Asian countries namely Malaysia, Singapore, Thailand, Philippines, and Indonesia. The study has used Panel Regression Model in order to discover the relationship between all the independent variables and economic growth. The annual percentages of each variables starting from 1995 until 2016. Based on the result, foreign direct investment and government expenditure have a positive relationship on the economic growth while inflation rates has negative relationship on the economic growth and corruption have insignificant negative relationship towards economic growth in 5 Southeast Asian countries namely Malaysia, Singapore, Thailand, Philippines, and Indonesia. This shows that the economic growth which is Gross Domestic Product (GDP) are sensitive to changes in all of the independent variables except corruption. Furthermore, based on the result, government expenditure is the most significant factor that affecting the economic growth performance.