



**THE DETERMINANTS  
OF  
FOREIGN DIRECT INVESTMENT (FDI)  
IN MALAYSIA**

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**BACHELOR OF BUSINESS ADMINISTRATION**

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**JOHOR**

**DECEMBER 2014**

**DECLARATION OF ORIGINAL WORK**



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**JOHOR**

**“DECLARATION OF ORIGINAL WORK”**

Nur Shahniza binti Sapuwan

(I/C Number: 910822-01-6064)

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**

7<sup>th</sup> December 2014

Department of Finance  
Scholl of Business and Management  
UITM Johor, Segamat, Johor  
Box 527, 85000 Segamat Johor,  
Malaysia.

**Dear Sir/ Madam,**

**SUBMISSION OF PROJECT PAPER**

Attached is the project paper titled “**The Determinants of Foreign Direct Investment (FDI) in Malaysia**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely

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Bachelor of Business Administration  
(Hons) Finance

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FOREIGN DIRECT INVESTMENT (FDI) IN  
MALAYSIA**

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**2012540303**

**Submitted in Partial Fulfillment  
of the Requirement for the  
Bachelor of Business Administration  
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA,  
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## **ABSTRACT**

Foreign Direct Investment (FDI) is a cross-border corporate governance mechanism through which a company obtains productive assets in another country. FDI is different from other major forms of foreign investment in that it is motivated largely by the long-term profit prospects in production activities that investor directly control (Wong H. , 2003). This research is to study on the determinants of Foreign Direct Investment (FDI) and there relationship between the Foreign Direct Investment (FDI) and its factors of inflow FDI in Malaysia such as infrastructure, exchange rate and market size. This study focuses on the FDI in Malaysia. The study is concentrates on the quantitative analysis using the secondary data that collected from the previous research and other sources. The sample of data used is from 2003 to 2013 and the data collected is in yearly basis. The statistical method that had been used in this research is multiple linear regression model.