



**DETERMINANTS OF ECONOMIC GROWTH IN MALAYSIA**

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**(FINANCE)**

**FACULTY OF BUSINESS MANAGEMENT**

**UNIVERSITI TEKNOLOGI MARA MALACCA CITY CAMPUS**

**JANUARY 2019**

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

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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, Narina Azni Binti Abdul Ghani, (I/C Number: 960306-14-5762) and Fadhilah Binti Abdul Jalil (I/C Number: 960825-05-5056))

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 has been specifically acknowledged.

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

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

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

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

## LETTER OF SUBMISSION

JANUARY 2019

Madam Hazalinda Binti Harun  
Bachelor of Business Administration Hons (Finance)  
Faculty of Business Management  
Kampus Bandaraya Melaka  
Universiti Teknologi MARA (UiTM)  
Cawangan Melaka Kampus Bandaraya  
75300 Melaka.

Dear Sir/Madam,

### **SUBMISSION OF FINAL PROJECT PAPER**

Attached is the project paper title “DETERMINANTS OF ECONOMIC GROWTH IN MALAYSIA” to fulfil the requirement needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank You.

Yours sincerely,

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NARINA AZNI BINTI ABDUL GHANI

**Bachelor of Business Administration with Honours (Finance)**

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FADHILAH BINTI ABDUL JALIL

**Bachelor of Business Administration with Honours (Finance)**

## ABSTRACT

The purpose of this study is to investigate the determinants of economic growth in Malaysia. This study is conducted to investigate the relationship between dependent variable which is Economic Growth in Malaysia and the independent variables which are inflation rate, foreign direct investment, trade openness, unemployment rate and exchange rate. The sources of data were obtained from Data Stream and World Bank Data. The annual time series for 30 years starting from 1987 until 2017 are used in this study. The data have been collected from various sources. In this study, it is using secondary data and E-views is as one of the methods to measure relationship between the variables studied. This study used Single Linear Regression and Multiple Linear Regression. Based on the result, there is a significant relationship between Foreign Direct Investment, Trade Openness and Exchange Rate towards Economic Growth in Malaysia. Meanwhile, Unemployment Rate and Inflation Rate are considered insignificant towards Economic Growth in Malaysia.

**Keywords:** *Economic Growth, Gross Domestic Product, Foreign Direct Investment, Inflation Rate, Trade Openness, Unemployment Rate, Exchange Rate, Malaysia*