



FACTORS AFFECTING ECONOMIC GROWTH IN MALAYSIA

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UNIVERSITI TEKNOLOGI MARA

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

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JANUARY 2019

DECLARATION OF ORIGINAL WORK



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

I, ZULHELMI FIRDAUS BIN AZMI, 950614-10-5683 and

I, TENGKU NUR SYAFIQAH BINTI TENGKU SUBRI, 940515-03-5748

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 others degrees.
- This project paper is the result of my independent work and investigations, except where otherwise stated.
- All verbalism extract have been distinguished by quotation marks and sources of my information have been specifically acknowledge.

Signature:

Date:

Signature:

Date:

LETTER OF SUBMISSION

JANUARY 2019

HEAD OF PROGRAMME

Faculty of Business Management

Universiti Teknologi MARA (Kampus Bandaraya Melaka)

75300, Melaka.

Dear Madam,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**FACTORS AFFECTING ECONOMIC GROWTH IN MALAYSIA**” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

ZULHELMI FIRDAUS BIN AZMI

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Bachelor of Business Administration (Hons) (Finance)

ABSTRACT

Economic growth (GDP) plays an important roles to ensure a better position of economic and positive image of a country. Malaysia's economic growth in term of GDP (annual %) were declining in 1975, 1985, 1997 and 2009. The aim of this study is to examine the relationship between inflation, foreign direct investment (FDI), exchange rate, government expenditure, and export on economic growth of Malaysia by using the time series data yearly basis from 1970 to 2017. This study used secondary data to be run in the E-views software while the models that being used is Multiple Linear Regression to find the relationship between all independent variables and dependent variable. Based on the empirical result, government expenditure and export has a positive and significant effect while inflation and foreign direct investment (FDI) has positive but insignificant effect on economic growth. Meanwhile exchange rate shows significant but has a negative relationship with GDP. Therefore, this study might be useful for policy makers, investors and public.