



**THE VOLATILITY OF FOREIGN DIRECT INVESTMENT
IN MALAYSIA**

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DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION
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UNIVERSITI TEKNOLOGI MARA
“DECLARATION OF ORIGINAL WORK”**

I, NURASYIKIN BINTI MOHD SHAH, (I/C Number: 950630016226)

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 (“this study”) 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: *Syikin* Date: 5 JULY 2019

LETTER OF SUBMISSION

July, 2019

The Head of Program

Bachelor of Business Administration with Honours (Finance)

Faculty of Business Management

Universiti Teknologi MARA (Melaka) City Campus

75300 Melaka

Dear Mr/Mrs/Miss/Dr,

SUBMISSION OF INDUSTRIAL TRAINING PROJECT PAPER (FIN672)

The above – mentioned matter is referred. Attached is the project paper title “The Volatility of Foreign Direct Investment in Malaysia” to fulfil the requirement as needed by the Faculty Business Management, Universiti Teknologi MARA.

Thank You

Your Sincerely,

Syikin

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Bachelor of Business Administration

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TABLE OF CONTENTS

Contents

DECLARATION OF ORIGINAL WORK	iii
LETTER OF SUBMISSION	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS.....	vi
LIST OF FIGURES.....	x
LIST OF TABLES	xi
LIST OF ABBREVIATIONS.....	xii
ABSTRACT.....	xiii
CHAPTER 1: RESEARCH OVERVIEW	1
1.0 Introduction	1
1.1 Research Background.....	1
1.1.1 Foreign Direct Investment in Malaysia	3
1.2 Problem Statement.....	4
1.3 Research Objectives.....	8
1.4 Research Questions	9
1.5 Significance of Study	10
1.5.1 To Policymaker.....	10
1.5.2 To literature	10
1.5.3 To industry	10
1.6 Scope of Study	11
1.7 Limitations of Study	11
1.7.1 Time constraints.....	11
1.7.2 Limitations of secondary data.....	12
1.8 Definiton of Terms	12
1.8.1 Foreign Direct Investment	12
1.8.2 Inflation Rate.....	12
1.8.3 Exchange Rate	13
1.8.4 Gross Domestic Product.....	13
1.8.5 Trade Openness	13
1.8.6 Infrastructure	14
1.9 Research Reporting Structure.....	14

ABSTRACT

This study examines the relationship between foreign direct investment (FDI) and the determinants of inflation rate (INR), exchange rate (EXR), gross domestic product (GDP), trade openness (TRO) and infrastructure (INF) from year 1970 to 2017 which contains annual data. This data was analyzed by using Multiple Linear Regressions in order to define the statistical relationship among the variables. Besides using Multiple Linear Regressions, this study also use Descriptive Analysis, and Unit Root Test. In diagnostic checking, some tests done to check the significant presents of autocorrelation, heteroscedascity, the normality of data distribution and model specification. The results of the study shows that there is significant relationship between inflation rate (INR), exchange rate (EXR), trade openness (TRO) and infrastructure (INF) with the foreign direct investment while gross domestic product (GDP) did not have any relationship with the foreign direct investment. As conclusion for the studies shows that INR, EXR, TRO and INF become factor that affecting the foreign direct investment in Malaysia.