

UNIVERSITI TEKNOLOGI MARA

**THE FACTORS AFFECTING ECONOMIC
GROWTH IN KOREA REPUBLIC**

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Final Year Project Paper submitted in fulfillment
of the requirements for the degree of
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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

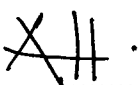
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ABSTRACT

This study tries to investigate the relationship between economic growth and independent variables, such as government expenditure, savings rate, and inflation rate at Korea Republic. Secondary data is obtained from 1987 to 2016. By obtaining data each year, the data is collected from the World Indicator database data and OECD data. On the other hand, the technique used to estimate the model is Ordinary Least Square (OLS). The results show that factors affecting economic growth in Korea through government expenditure, savings rates and inflation rates are able to influence those that have a direct and statistically significant relationship to economic growth. However, one of the variables shows its own results with the expected sign. As predicted by theory, inflation actually has a negative impact on economic growth. In other words, when inflation increases, there is a decline in purchasing power where it will slow down economic growth. However, this study investigates inverse results by comparing with the inserted investigation. While this study has some limitations such as lack of data, journals, etc., then the proposal has been proposed to future researchers. Regardless of the limitations this study applies to governments, policy makers, and even macroeconomics.

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