

**THE EFFECT OF OIL PRICE CHANGES ON
THE AUTOMOBILE INDUSTRY IN MALAYSIA**

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

**FACULTY OF BUSINESS MANAGEMENT
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LETTER OF SUBMISSION

24th October 2007

The Head of Program
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Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “THE EFFECT OF OIL PRICE CHANGES ON THE AUTOMOBILE INDUSTRY 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
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“DECLARATION OF ORIGINAL WORK”

I, Mohd Zulfahmi Bin Mansur, (I/C Number: 840104-10-5299)

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: _____

ACKNOWLEDGEMENT

“In the name of Allah, the most gracious and merciful”

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Lastly, I hope this project paper would be benefit to other researchers for further observation.

Thank you.

ABSTRACT

Since the bullish price of oil in 2004, lots of car manufacturer faced a problem regarding their car sales. Their targeted car sales could not be achieved since people are more concerned about the usage of petrol due to the increasing oil prices. Thus, do the changes in oil price affect the car sales and demand? There have been numerous theoretical arguments made and empirical analyses done but there still seems to be no absolute solution to the question the true relationship of oil price with Malaysia automobile sector. This study is conducted to determine the relationship between oil price changes in Malaysia with the car sales. Based on the data from 2000 until 2006, this study was done towards Malaysian oil price and the car sales considering four type of top seller car in Malaysia which is (Proton, Perodua, Toyota and Honda) as a dependent variables in other to determine whether the relationship between those variable are significant or not.