

**STUDY ON THE EXPORT-LED GROWTH IN
MALAYSIAN ECONOMY**

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JOHOR**

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

**FACULTY OF BUSINESS MANAGEMENT
UITM, JOHOR**

MAY 2007

DECLARATION OF ORIGINAL WORK




**BACHELOR OF BUSINESS ADMINISTRATION
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“DECLARATION OF ORIGINAL WORK”

I, **NOR AZALIZA BINTI ABDULLAH**, (I/C Number: **840325-04-5082**)

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: 11/5/07

LETTER OF SUBMISSION

MAY 2007

En Muhamad Sukor bin Jaafar
Course Tutor of FIN 660
Faculty of Business Management
Universiti Teknologi MARA
85009 Segamat
Johor.

Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "STUDY ON THE EXPORT-LED GROWTH IN MALAYSIAN ECONOMY" to fulfill the requirement as needed by the Faculty of Business Management, University Teknologi MARA

Thank you

Yours sincerely



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B.BA (Hons) Finance

ABSTRACT

This study examined the relationship between export growth and GDP growth in Malaysian economy using a more comprehensive sample period and a recently developed causal modeling approach by including imports in the system of equations. This study employed the bivariate causality analysis to test for Granger non causality. The variables that used are real exports, real GDP and also real imports. This study using Malaysian time series which cover the period of 1971 until year 2004, and the data were obtained from Asian Development Bank database. All the data are in the real terms, using the GDP deflator.

A major finding for this study is that there exist a relationship between exports and economic growth, where supports the hypothesis exports-led growth in Malaysia. Besides that, the growth of import cannot be ignored when there also has a relationship between imports and economic growth. The results suggest that exports and imports have a significant impact on GDP. Malaysia is an open economy and is dependent on international trade for a large part of its economic development.