DECLARATION OF ORIGINAL WORK

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I, NUR SHAMIHAH BINTI ABDUL GHANI (Student number, 2012255762) declared that the work in this thesis was carried out in accordance with regulations of Universiti Teknologi MARA. This thesis is original and it is the result of my own work, unless otherwise indicated or acknowledge as reference work. This topic has not been submitted to any other academic institution or non-academic institution for any other degree or qualification.

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"In the Name of Allah the Almighty, the Merciful and the Beneficent"

Glory to Allah S.W.T, Most Gracious, the Most Merciful and peaceful upon his messenger Holy Prophet Muhammad S.A.W. All the worship belongs to only Allah. I seek refuge to Allah from the wickedness within and from the evil deeds. I also praised to Allah S.W.T for giving us courage, time, strength and knowledge to complete this project paper properly.

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ABSTRACT

This paper studies the determinants of foreign direct investment in Malaysia. The primary focus on this study is to determine the relationship between independent variables which consist of exchange rate, infrastructural development and inflation rate with the dependant variable, FDI. The objective is to develop a regression equation between the economic variable namely exchange rate, infrastructural development and inflation rate with dependent variable FDI. For the data collected is sample that is used base on 8 years quarterly data of exchange rate, infrastructural development and inflation rate starting from 2007 until 2014. The analysis is made by using statistical software Eviews in order to analyse all the related data and interpret the result findings. The study revealed that, all variables have significantly relationship with FDI.

Keyword: FDI, Exchange rate, Infrastructural Development, Inflation rate