

**AGRICULTURAL TREND AND ECONOMIC GROWTH IN
MALAYSIA: AN ANALYSIS**

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Sekian. Terima Kasih.

Yang Benar,

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ABSTRACT

Generally, an increased in productivity is a key to a healthy and flourishing the economy. Consequently, the trend in productivity, economy wide, is one of the most closely watched of our common economic performance indicators. Hence agriculture, in particular, has been a very successful sector of the Malaysian economy in terms of productivity growth. Agricultural productivity growth has been an important source of Malaysian economic growth throughout the years, but the year after independent has seen an even faster growth in agricultural productivity. It generated approximately 39.3 percent to the economic growth. However, due to several factors in example productivity, marketing, technical, institutional and social problems, the contribution keep decline. This study describes the contribution of the agricultural production to the economic growth from the year 1977 – 2006 by using the secondary data. The study also discussed factors that have affected productivity trends by applying technical information about the econometric approaches to measures the relationship of each variable by using the unit root test, co integration test and causality test. The results showed there is no co integration between each independent variable and dependent variable except for rubber. This study helps to enhance the current research about the agricultural production and economic growth by providing more advanced econometrics information.

TABLE OF CONTENTS

Permission to use	i
Abstract	ii
Abstrak	iii
Acknowledgement	iv
List of table	viii
List of figures	ix

Chapter 1: Introduction

1.1 Background of study	2
1.2 Problem Statement	8
1.3 Objective	10
1.4 Significance of Study	12
1.5 Scope	13
1.6 Limitations	14

Chapter 2: Literature Review

2.1 Agricultural Production & Economic Growth in Malaysia	16
2.2 Agricultural Production & Economic Growth	18

2.3 Agricultural Production & Economic Development	23
2.4 Agricultural Production & Economic Vitality	25

Chapter 3: Research Methodology & Design

3.1 Introduction	27
3.2 Data Sources	27
3.2.1 Data Collection Method	27
3.2.2 Sample Size	28
3.3 Measurement & Test Model	28
3.4 Test Statistic	29
3.4.1 F-Test (Significant Test)	29
3.4.2 T-Test	30
3.4.3 LM Unit Root Test	31
3.4.4 Vector Cointegration (VEC) Test	35
3.4.5 Variance Decomposition and Impulse Response Function	39
3.4.6 Vector Error Correction Model (VECM)	41
3.4.7 Modified WALS Causality Approach	43
3.5 Hypothesis	46

Chapter 4 : Analysis & Interpretation of Data

4.1 Trend of Variable	49
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