



**THE IMPACT OF MACROECONOMIC VARIABLES TOWARDS ECONOMIC  
GROWTH IN MALAYSIA**

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**DECLARATION OF ORIGINAL WORK**



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## **ABSTRACT**

This paper examines the impact of macroeconomic variables towards economic growth in Malaysia for the period 1987 until 2016. The selected independent variables are inflation rate, population growth, unemployment rate and interest rate. This research used econometric methods. The investigation of unit root has been performed using ADF test, PP test and KPSS test for all variables included in the study. The results imply that each of the variables were stationary. By using annually data from 1987 until 2016, it was found inflation and population have positive impact on economic growth. Nevertheless, unemployment and interest rate have negative impact on economic growth in Malaysia. Hence, the researcher suggested that BNM keep control rate of interest to avoid high inflation rate and the future researcher add more variables to sturdy the data.