



**THE IMPACT OF INSURANCE TOWARDS ECONOMIC GROWTH
IN MALAYSIA**

NOORLIJAH BINTI JALAL

2015774847

**BACHELOR OF BUSINESS ADMINISTRATION WITH HONORS
(BUSINESS ECONOMICS) FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KOTA KINABALU**

FEBRUARY 2018

DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION WITH HONORS (BUSINESS
ECONOMICS) FACULTY OF BUSINESS MANAGEMENT**

UNIVERSITI TEKNOLOGI MARA

“DECLARATION OF ORIGINAL WORK”

I, _____, (I/C Number: _____)

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: _____

TABLE OF CONTENTS

	Page
TITLE PAGE	I
DECLARATION OF ORIGINAL WORK	II
LETTER OF TRANSMITTAL	III
ACKNOWLEDGEMENT	IV
TABLE OF CONTENTS	V-VII
LIST OF FIGURES	VII
LIST OF TABLES	VII
ABSTRACT	VIII
CHAPTER 1	INTRODUCTION
	1.1 Introduction 1-2
	1.2 Problem statement 3-4
	1.3 Objectives 5
	1.4 Significance of Study 5
	1.5 Scope and Limitation of Study 6
	1.6 Organization of proposal 6-7
CHAPTER 2	LITERATURE REVIEW
	2.0 Introduction 8
	2.1 Theory of Study 8-9
	2.1.1 Life Insurance Premium
	2.1.2 Non-Life Insurance Premium
	2.1.3 Foreign Direct Investment

REFERENCES

APPENDIX

LIST OF FIGURE

Figure No.	page
Figure 1.1: Life and Non Life Insurance Premium as % of GDP	2

LIST OF TABLE

Table No.	Pages
Table 1: Descriptive Statistics	21
Table 2: Unit Root Test Level and 1 st Different Level	22
Table 3: Regression Model	22
Table 4: Autocorrelation Test	24
Table 5: Heteroskedasticity Test	25
Table 6: Multicollinearity Test	26

ABSTRACT

The purpose of this work is to identify whether insurance is significantly relationship with economic growth in Malaysia. A Descriptive statistic, Unit Root Test and multiple regression analysis is engaged to identify the relationship of insurance and economic growth in Malaysia, using time series data analysis in period of time 1997 to 2016 and to test the hypothesis that this relationship is positive.

From this analysis it is shows that the objectives in this study are achieve which is life insurance premium, non-life insurance premium, foreign direct investment, and trade has positive relationship which can impact economic growth in Malaysia. From the hypothesis in this study it is establish that all independent variable has relationship with economic growth in this country. It is conclude that insurance industry can consider insurance also part of that can improving economic growth in Malaysia from both life insurance and non-life insurance.