



**THE DETERMINANTS OF FOREIGN DIRECT INVESTMENT IN THE
MALAYSIA MANUFACTURING SECTOR**

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ABSTRACT

This study observed the determinants of foreign direct investment in Malaysia manufacturing sector, with specific attention on gross national product (GNP), inflation (INF) and manufacturing export (ME) The time period examined is from 1980 to 2015 and all the tests are conducted based on yearly data which is containing a total number of 36 years data observations. OLS regression, Normality test and Unit Root Test constituted the analytical methods. From OLS regression showed that all the independent variable has a positive relationship with foreign direct investment. For Normality test finding revealed that some of variable are normal distribution and some of them are not. For Unit Root Test, the findings also same flow in result with normality test but for unit root test there has ADF, KPSS and PP. The results provided some useful insights into the determinants of foreign direct investment in Malaysia manufacturing sector.

Keywords: gross national product, inflation and manufacturing export, OLS regression, Normality Test and Unit Root Test.