



**THE IMPACT OF EXTERNAL DEBT ON ECONOMIC GROWTH IN MALAYSIA**

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## **DECLARATION OF ORIGINAL WORK**



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## **ABSTRACT**

The aim of this paper work is to explore the impact of the external debt on economic growth in Malaysia. The variables that tested are external debt, external debt service payment and exchange rate. The regression is based on time series data for the 42 years period which is from 1975 to 2016 employ the regression Ordinary Least Square, Johansen Co-Integration and Granger Causality test. Co-integration test disclose that there is long run relationship between external debts on economic growth. However, there is no bidirectional casual granger in external debt and only have a unidirectional causal of economic growth on external debt.

**Keywords:** Granger causality, external debt, debt service payment, gross domestic product