



اَوْنِيُوْرْسِيْتِي تِيْكْنُوْلُوْجِي مَارَا
UNIVERSITI TEKNOLOGI MARA
CAWANGAN KELANTAN

**CONTRIBUTION OF INNOVATION IN AGRICULTURE SECTOR
TOWARDS MALAYSIA ECONOMY**

PREPARED FOR:

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FIRST EXAMINER PROJECT PAPER

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SECOND EXAMINER PROJECT PAPER

PREPARED BY:

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ECONOMICS**

FACULTY OF BUSINESS MANAGEMENT

UNIVERSITY TECHNOLOGY MARA

KELANTAN

JANUARY 2013



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“DECLARATION OF ORIGINAL WORK”

I, Naziana Bt Mat Nawi, (890218-03-6290) hereby declare that:

- a) This work has not previously been accepted in substances for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degree.
- b) This project paper is the result of my independent work and investigation, except where otherwise stated.
- c) All verbatim extract have been distinguish by quotation marks and sources of my information have been specifically.

Signature: _____

Date: _____

LETTER OF TRANSMITTAL

NAZIANA BT MAT NAWI

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2nd JANUARY 2013

The Head of Program
Bachelor of Business Administration (Hons) Economics
Faculty of Business Management
University Technology MARA, Kelantan Campus
15050 Kota Bharu, Kelantan Darul Naim.

Dear Sir,

SUBMISSION OF PROJECT PAPER (ECO 660)

Attached is the project paper entitled “**Contribution of Innovation in Agriculture Sector towards Malaysia Economy**” to fulfil the requirement as needed by the Faculty of Business Management, University Technology Mara, Kelantan.

Thank You.

Yours sincerely,

Naziana Bt Mat Nawi

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Bachelor of Business Administration (Hons) Business Economics

ACKNOWLEDGEMENT



“In the name of Allah, The Most Gracious, the Most Merciful, Selawat and Salam to His Messenger our Prophet Muhammad SAW.”

Firstly, I would like to express my gratitude to Allah S.W.T. for giving me the strength to complete this tough task. It is for sure that without His will and blessing, I will not be able to complete this task in the stated period and able to hand it over to my lecturers. Furthermore, I would like to express my sincere gratitude and appreciation to my respected advisors, Prof Madya Mohd Zaki Bin Zakaria and Madam Syazwani Bt Abd Malek for their continuous guidance, advice and support that they gave throughout completing this task. I really enjoy and love doing this task and I admit that I have learned a lot of new knowledge which able to improved my knowledge especially in economic issue .Not forgotten, my genuine appreciation to my lovely and understanding family who always keep on praying to The Almighty and supporting me throughout my life. Finally yet importantly, special thank you to all of my friends who lend their hands and support me from behind, I appreciate everything that you have done. All your help support and guidance as well as time spent, only ALLAH SWT can repay which I highly appreciate it. Without all this precious guidance, I would not be able to finish this project paper within the durationtime.

Thank you

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ABSTRACT

This project paper is conducted to fulfil the requirement needed by the faculty of Business Management, University Technology MARA. The researcher has selected a topic entitled "Contribution of Innovation in Agriculture Sector towards Malaysia Economy". The study will focus on the 8 years data duration which started from 2005 until 2012. The time duration gathered short because Malaysia only launched the restructured Ministry of Science, Technology and Innovation (MOSTI) in April 2004. Thus, the budgets allocated for innovation purpose are relevant to be collected since 2005. In the process of data gathering, it has been collected from Ministry of Agriculture and Agro-Based Industry (MOA), Ministry of Science, Technology and Innovation (MOSTI), Economic Planning Unit (EPU), Department of Statistic, Central Bank of Malaysia and Ministry of International Trade and Industry (MITI) and also Malaysia Treasury. The Multiple Linear Regression Analysis is used to estimate the functions related between independent variable (GDP, Export and Employment) and dependent variable (Innovation in Agriculture).

Based on the findings and result of analysis, the researcher can conclude that innovation in agriculture has a significant relationship between Export and Employment while innovation in agriculture has no significant relationship between GDP. Besides that, this study has achieved researcher objectives to analyze the relationship between innovation in agriculture and its impact to Gross Domestic Product which is less significant due to economic factor. Second objectives also already be identified to elaborate the effects of innovation in agriculture towards Malaysia's export which is significant to the economic theory and show the positive relationship. In addition, the last objectives also answered which to determine the linkages of innovation in agriculture and its significant contribution towards employment rate in agriculture sector.