



**THE DETERMINANTS OF SAVING BEHAVIOUR
IN MALAYSIA**

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DECLARATION OF ORIGINAL WORK



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“DECLARATION OF ORIGINAL WORK”**

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ABSTRACT

This study aims to investigate the determinants of household saving behaviour in Malaysia. This study takes data of 48 number of observation year from 1970 to 2017. In this study, the dependent variable is gross domestic saving. The independent variables are gross domestic product, household expenditure, real interest rate and age dependency ratio. In this study, the model estimation is regress using Ordinary Least Square (OLS) method to find the significant relationship of dependent variable and the independent variables. The unit roots of variable is observe by using two different tests which are Augmented Dickey-Fuller (ADF) test and Kwiatkowski-Philips-Schmidt-Shin (KPSS) test. This study concludes that gross domestic product give positive significant result towards the gross domestic saving. Household expenditure give negative significant finding towards the gross domestic saving. However, real interest rate show insignificant relationship towards the gross domestic saving. Lastly, age dependency ratio and gross domestic saving have positive significant result. The model also has existing of autocorrelation and heteroscedasticity problem in the regression model.