



**A STUDY OF THE SIGNIFICANT INFLUENCE BETWEEN
MACROECONOMIC VARIABLES AND ECONOMIC
GROWTH IN MALAYSIA**

MOHD SYAMIRUL AMIER BIN IBRAHIM

2013863768

**BACHELOR OF BUSINESS ADMINISTRATION
WITH HONOURS (BUSINESS ECONOMICS)
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
KELANTAN**

JANUARY 2016

ABSTRACT

The study examines the significant influence between economic variables and the economic growth rate in Malaysia. The study focused on the relationship of poverty, foreign direct investment (FDI) and export production towards the economic growth rate in Malaysia. For testing the hypothesis, the study consists of annual data from 1984-2013 which covered the period of 30 years. SPSS was used to analyze the relationship between economic growth rate and poverty, foreign direct investment (FDI) and export production. The result shows that there is significant relationship which exists between macroeconomic variables and economic growth rate under this study. Apart from that, the test of hypothesis showed that only poverty and export production indicated a significant relationship with the economic growth rate. Some recommendations were also presented to reduce the poverty rate in Malaysia.

(word count: 131 words)

(Keywords: economic growth, poverty, foreign direct investment (FDI), and export production)

ACKNOWLEDGEMENT

Alhamdulillah, Praise is to Allah SWT with His love and guidance, I managed to finish up my research proposal under the topic **“A STUDY OF THE SIGNIFICANT INFLUENCE BETWEEN MACROECONOMIC VARIABLES AND ECONOMIC GROWTH IN MALAYSIA”** at the right time. I would like to sincerely acknowledge the following for their generous support, assistance and encouragement throughout my study.

First of all, I would like to express my deep and sincere thanks to my advisor, Miss Nik Azma Binti Nik Wail on her willingness to help and guide me in order to finish my research proposal. Her wide knowledge, understanding, encouraging, great personal guiding and showed me the right way when the direction seemed a bit lost. In addition, I am very thankful to her because her kindness support in terms of idea, time and advice that ensure me to complete this research very well. Besides, the thanks also for my second examiner, Madam Nor Sabrina Binti Zahari on her cooperation and guideline to me in completing this research proposal.

Moreover, special thanks also goes to my family, special mate of mine and friends that give valuable support to me in term of idea, courage and opinion, and finally, my father and my mother, who gave me love and education – I owe both of them so much. I have gone through various obstacles and difficulties in preparing the research proposal. Without moral from them, I will unable to complete the proposal on a given deadline. Thank you very much.

With highly hope and dreams, I would be honour if my research proposal can be used as reference and guidance for the next student related to this topic.

TABLE OF CONTENTS

	Page
TITLE PAGE	i
LETTER OF DECLARATION	ii
LETTER OF TRANSMITTAL	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF FIGURE	ix
LIST OF TABLES	x
ABSTRACT	xi
CHAPTER 1 INTRODUCTION	
1.1 Introduction	1
1.2 Background Of Study	2-3
1.3 Problem statement	3-6
1.4 Research Questions	6
1.5 Research Objectives	6
1.6 Theoretical Framework	7-8
1.7 Hypothesis	8
1.7.1 hypothesis 1	8
1.7.2 hypothesis 2	8
1.7.3 hypothesis 3	9

1.8	Scope Of Study	9
1.9	Limitation Of Study	9-10
1.10	Significance Of Study	10
	1.10.1 The Researcher	10
	1.10.2 The Government	10
	1.10.3 The Society	10-11
1.11	Definitions Of Study	11
	1.11.1 Economic Growth	11
	1.11.2 Poverty	11
	1.11.3 Export Production	11
	1.11.3 Foreign Direct Investment (FDI)	12
1.12	Conclusion	13

CHAPTER 2 LITERATURE REVIEW

2.1	Overview	14
2.2	Economic Growth	14-15
2.3	Poverty	16-17
2.4	Export Production	17-18
2.5	Foreign Direct Investment (FDI)	19-20

CHAPTER 3 RESEARCH METHODOLOGY

3.1	Introduction	21
3.2	Data Collection	21
	3.2.1 Secondary Data	22
3.3	Procedures Of Data Analysis	22
3.4	Regression Model	23
	3.4.1 Multiple Regression Model	23