



DETERMINANTS OF FOREIGN DIRECT INVESTMENT IN MALAYSIA

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DECLARATION OF ORIGINAL WORK



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“DECLARATION OF ORIGINAL WORK”**

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ABSTRACT

The paper investigates the determinants of foreign direct investment (FDI) in Malaysia, the strong growth performances experienced by Malaysia economy greatly on the FDI. FDI inflows enhance economic growth by increasing capital formation through the expansion of production capacity, promotion of export growth and creation of employment in Malaysia. FDI inflows of Malaysia started fluctuating from 1996 to 2010 and this high volatility of Malaysia FDI inflows drew the researchers to examine the relationship FDI inflows in Malaysia by using the annual data from year 1982–2018. Multiple linear regressions model is applied to study the relationship between explanatory variables (gross domestic product (GDP), consumer price index (CPI), unemployment and populations) and explained variable (Malaysia FDI inflow). Empirical results show that gross domestic product (GDP), consumer price index (CPI) and unemployment are significant in determining foreign direct investment in Malaysia. Conversely, population is insignificant in determining FDI in Malaysia.