

UNIVERSITY OF TEKNOLOGI MARA

**THE FACTORS AFFECTING ECONOMIC
GROWTH OF SELECTED ASEAN COUNTRIES**

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Thesis submitted in fulfilment

of the requirement for the degree of

Bachelor of Business Administration (Hons) (Finance)

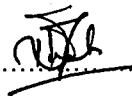
Faculty of Business Management

June 2017

AUTHOR'S DECLARATION

I declare that the work in this project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Universiti Teknologi MARA, regulating the conduct of my study and research.

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Project Paper Title	:	The Factors Affecting Economic Growth Of Selected ASEAN Countries
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LETTER OF SUBMISSION

04th June 2017

Prof. Madya Noor Izah binti Ismail
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Dear PM Izah and PM Shukri,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "THE FACTORS AFFECTING ECONOMIC GROWTH OF SELECTED ASEAN COUNTRIES" to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,


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Bachelor of Business Administration (Hons) Finance

ABSTRACT

The purpose of this research paper is to investigate the factors that have potential to give affect towards the economic growth on the selected ASEAN countries. Methodology used for this research paper is data from four ASEAN countries that are Malaysia, Indonesia, Thailand and Philippines. The data from selected ASEAN countries are pooled for 25 year from year 1990 until 2014. All the data are panel data which analyses using panel dynamic Ordinary Least Squares (OLS). In addition, the dependent variable in this study is Gross Domestic Product (GDP) as a proxy to the economic growth performance. While the independent variables in this study are inflation, domestic saving, government expenditure, trade balance, and foreign direct investment. The data obtained from World Bank National Account Data (World Data Bank), and International Monetary Fund (IMF). Limitation of this research paper is that the data is comprise only from ASEAN developing countries which means it only focus on countries that are developed and since the year observation is 25 years, lack of data that is needed. The expected finding from this research is that all the independent variables have significant relationship between the independent variable. First independent variable is inflation which have negative significant relationship toward economic growth. Second, gross domestic saving has positive significant relationship toward economic growth. Third, government expenditure has negative significant relationship toward economic growth. Fourth independent variable is trade balance which is have no significant relationship between economic growth. Fifth, foreign direct investment has positive significant relationship between economic growth.

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