



**THE DETERMINANTS OF FOREIGN DIRECT  
INVESTMENT IN MALAYSIA**

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## **ABSTRACT**

This research aims to determine the factors that affect the Foreign Direct Investment (FDI) in Malaysia. As declared in government budgeting 2019, the FDI in Malaysia shows that our country was increased compare to last year. This research has investigated the dependent variable, FDI and the independent variables to be used are macroeconomic factors which are inflation rate (IN), stock market (SM), gross domestic product (GDP), and interest rate (IR). Several theories and researches relevant to the research objectives have been comprehensively reviewed throughout the literature review process. The theoretical framework has led the research towards the perspective of how to answer the research questions. The secondary data have been gathered through the journal, news and World Bank's World Development Indicators. This research covered 25 years which commencing from the year 1994 to 2018. The multiple linear regression tests have been undertaken, and the analyses of the findings have been discussed through regression analyses. Through the analysis, IN and SM show a strong positive relationship with FDI while GDP and IR show the negative relationship with FDI. Based on the findings analysed, the conclusion of the research study was developed. Finally, several recommendations were made in order to extend the research questions for future research.

# TABLE OF CONTENT

ACKNOWLEDGEMENTS.....	ii
ABSTRACT .....	iii
LIST OF TABLES .....	viii
LIST OF APPENDICES.....	x
LIST OF SYMBOLS.....	xi
LIST OF ABBREVIATIONS.....	xii
1.1 INTRODUCTION.....	1
1.2 BACKGROUND OF STUDY .....	1
1.3 PROBLEM STATEMENT .....	3
1.4 RESEARCH QUESTION .....	4
1.4.1 Main Research Question.....	4
1.4.2 Specific Research Question .....	4
1.5 RESEARCH OBJECTIVE .....	5
1.5.1 Main Research Objective.....	5
1.5.2 Specific Research Objective .....	5
1.6 SIGNIFICANT OF STUDY .....	5
1.6.1 Researcher .....	5
1.6.2 Investors .....	6
1.6.3 Government .....	6
1.7 SCOPE OF STUDY .....	6
1.8 SUMMARY .....	7
CHAPTER 2: LITERATURE REVIEW .....	8
2.1 INTRODUCTION.....	8
2.2 PREVIOUS STUDY.....	8
2.3 FOREIGN DIRECT INVESTMENT.....	10
2.3.1 Malaysia Foreign Direct Investment Overview.....	11
2.4 INFLATION RATE .....	12

2.5	STOCK MARKET .....	13
2.6	GROSS DOMESTIC PRODUCT (GDP).....	14
2.7	INTEREST RATE .....	15
2.8	SUMMARY .....	16
<b>CHAPTER 3: RESEARCH METHODOLOGY.....</b>		<b>17</b>
3.1	INTRODUCTION.....	17
3.2	DATA COLLECTION .....	17
3.2.1	Secondary Data.....	17
3.3	VARIABLE.....	18
3.3.1	Dependent Variable .....	18
3.3.2	Independent Variables.....	19
3.4	RESEARCH DESIGN .....	19
3.4.1	Purpose of the Study .....	19
3.4.2	Types of Investigation .....	19
3.4.3	Research Interference.....	20
3.4.4	Study Setting.....	20
3.4.5	Unit of Analysis .....	20
3.4.6	Time Horizon.....	21
3.5	RESEARCH FRAMEWORK.....	21
3.6	SAMPLING DESIGN.....	22
3.6.1	Sampling Size.....	22
3.6.2	Sampling Element – Formula.....	22
3.7	TESTS CONSIDERATE FOR DATA ANALYSIS .....	23
3.7.1	Descriptive Analysis .....	23
3.7.2	Test for Stationary: Unit Root Test.....	23
3.7.3	Normality Test.....	24
3.7.4	Correlation Test: Covariance Analysis .....	24
3.7.5	Autocorrelation – Serial Correlation Test .....	24
3.7.6	Heteroscedasticity Test – Variance of Error Term Test.....	25
3.7.7	Test on Functional Form .....	25
3.7.8	Multicollinearity Test.....	26

3.7.9 Multiple Linear Regression Model .....	26
3.8 HYPOTHESIS STATEMENT.....	27
3.8.1 Main Hypothesis Statement.....	27
3.8.2 Specific Hypothesis Statement .....	28
3.8.2.1 Inflation Rate.....	28
3.8.2.2 Stock Market .....	28
3.8.2.3 Gross Domestic Product .....	28
3.8.2.4 Interest Rate .....	28
3.9 SUMMARY .....	29
CHAPTER 4: DATA ANALYSIS .....	30
4.1 INTRODUCTION.....	30
4.2 DESCRIPTIVE ANALYSIS .....	30
4.3 TEST FOR STATIONARY: UNIT ROOT TEST .....	31
4.4 NORMALITY TEST .....	32
4.5 CORELATION ANALYSIS .....	33
4.6 AUTOCORRELATION TEST – SERIAL CORRELATION TEST.....	34
4.7 HETEROSCEDASTICITY TEST – VARIANCE OF ERROR TERM TEST ...	34
4.8 TEST ON FUNCTIONAL FORM.....	35
4.9 MULTICOLLINEARITY TEST.....	35
4.10 MULTIPLE LINEAR REGRESSION MODEL.....	36
4.10.1 Coefficients.....	36
4.10.1.1 Inflation Rate.....	37
4.10.1.2 Stock Market .....	37
4.10.1.3 GDP .....	37
4.10.1.4 Interest Rate .....	38
4.10.2 F-Test.....	38
4.10.3 Coefficient of Determination ( $R^2$ ) .....	38
4.10.4 Adjusted R2 .....	38
4.11 SUMMARY OF HYPOTHESIS STATEMENTS.....	39
4.11.1 Main Hypothesis Statements.....	39
4.11.2 Specific Hypothesis Statements.....	39
4.11.2.1 Inflation Rate.....	39