

**DETERMINANTS OF DOMESTIC SAVINGS IN  
MALAYSIA**

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## **ABSTRACT**

Domestic savings in Malaysia continuously shows down slopping every year and 2018 showed the lowest domestic savings percentage. The low domestic savings give impact to economic growth and also investment that made by investor from both inside and out of the country. Therefore, this study aims to investigate the variables that are significantly affect domestic savings in Malaysia in the period 1999 to 2018. The research used four variables that explained the variation of the Domestic Savings which are Gross Domestic Product (GDP), Inflation (INF), Foreign Direct Investment (FDI) and Age Dependency Ratio (AGE). This study used descriptive analysis data and Augmented Dickey Fuller test that used to test unit root of the data. In addition, Normality test, Autocorelation, Heteroscedasticity, RESET test, and Multicollinearity test was used to investigate the significant and correlation between both variables. Multiple Linear Regression Model was used in order to reveal the relationship between the dependent and the independent variables that has been selected. The result suggested that gross inflation, foreign direct investment and age dependency ratio have positive and significant relationship. While for gross domestic product showed a negative and significant relationship with domestic savings.