



UNIVERSITI TEKNOLOGI MARA

**DETERMINANTS OF FOREIGN DIRECT
INVESTMENT IN JAPAN**

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AUTHOR'S DECLARATION

I declare that the work in this final year project paper was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results 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 Undergraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

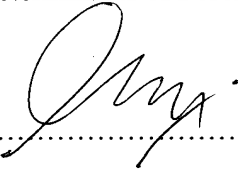
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ABSTRACT

The growth performance of Japan is strongly depending on the FDI of the country. By having a strong FDI, Japan can generate economic growth as FDI help Japan to increase the capital formation through the expansion of production capacity and the promotion of export growth. However, FDI in Japan is fluctuating every year and for last three years starting from 2016 until 2018, Japan FDI shows a decrease. Therefore, this study is done to examine the determinants of foreign direct investment in Japan from year 1983 until 2018 to help Japan government to focus on the important determinants that can help to boost back the FDI of the country. For this study, Multiple Linear Regression method with Time Series Data is being used. The data incurred from World Bank Database while software package which is E-View is used to test and analyse the data collected. The results for this study show that there is negative significant relationship between corporate tax, exchange rate and employment with FDI in Japan. However, the result is inversely for trade openness as it shows positive significant with FDI in Japan as if a country is easier to do a trade, the more the investment will be made by foreign investor to those countries. As for research and development, the result shows insignificant relationship with FDI in Japan. This study will provide an indicative view to help in forming an important basis for foreign investor to make investment strategies and help in making decision.

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TABLE OF CONTENTS

	Page
AUTHOR'S DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENT	v
LIST OF TABLES	vii
LIST OF FIGURES	viii
LIST OF ABBREVIATIONS	ix
CHAPTER ONE INTRODUCTION	1
1.1 Introduction	1
1.2 Research Background	1
1.3 Problem Statement	3
1.4 Research Questions	6
1.5 Research Objectives	6
1.6 Significance of the Study	7
1.7 Scope of the Study	7
1.8 Limitation of the Study	8
1.9 Summary	8
CHAPTER TWO LITERATURE REVIEW	9
2.1 Introduction	9
2.2 Literature Review of Foreign Direct Investment	10
2.3 Literature Review of Corporate Tax	10
2.4 Literature Review of Trade Openness	11
2.5 Literature Review of Exchange Rate	12
2.6 Literature Review of Employment	13
2.7 Literature Review of Research and Development	14
2.8 Theoretical Framework	16
2.9 Summary	16