



UNIVERSITI TEKNOLOGI MARA

**DETERMINANTS OF FOREIGN DIRECT
INVESTMENT IN MALAYSIA**

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Final year project paper submitted in partial fulfillment
of the requirements for the degree of
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AUTHOR'S DECLARATION

I declare that the work in this final report 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 Post Graduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

This paper aims at finding out the Determinants of Foreign Direct Investment in Malaysia. The variables that will be analyzed is trade openness, market size, infrastructure, labor force and growth rate. Each of dependent and independent variables from 1990-2019 is included in the sample of this study on an annual basis which takes 30 years. Multiple Linear Regression using time series data sourced from the World Bank and the Global Economy is the approach used for this analysis. It is then appropriate to carry out econometrics tests to observe the determinants of foreign direct investment in Malaysia. The E-views interactive software package will be used to test and analyze the collected data. Findings from previous research papers, mainly on the developed market, suggest that economic conditions play an important role in deciding foreign direct investment. The outcome of this research paper will give us an indicative point of view and could form a significant basis for fostering economic growth for policy makers.

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