



**UNIVERSITI TEKNOLOGI MARA**

**INFLOW FOREIGN DIRECT INVESTMENT  
RELATIONSHIPS IN MALAYSIA**

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Final Year Project Paper submitted in fulfillment  
of the requirements for the degree of  
**Bachelor of Business Administration  
(Investment)**

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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**

When the government values constructive the inflow on the foreign direct investment as one of the effort in the growth and development of the economy in Malaysia. Foreign direct investment brings benefits towards the country in terms of new job creation, stellar growth in economy, as well as driving valuable technology and skills transfer. This paper aims to identify the equilibrium relationship between the inflows of foreign direct investment and their determinants which is the broad money supply, consumer price index, exchange rate, gross domestic product and trade openness. The study would test on the unconditional error correction approach, the regression analysis and the stationary test. Annual data covers from 1975 to 2017. The observation found out reject the null hypothesis of no co-integration between the series. The result show that broad money supply, exchange rates, gross domestic product and trade openness have a positive impact towards the inflows of foreign direct investment.

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