



EXPORT-LED GROWTH HYPOTHESIS: EVIDENCE FROM MALAYSIA

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JUNE 2012

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ACKNOWLEDGEMENT

I am grateful to thanks to Allah S.W.T in giving me strength to completing this thesis on time without many barriers of health and many more. I also heartily thankful to my supervisor, Madam Sumaffiatie Sulong and also to Dr Imbarine Bujang, whose encouragement, guidance and support from the initial to the final enabled me to develop an understanding of the subject and hopefully can accept my precious work with better mark. Thanks to my family that always pray and wishes for the best to me, and also supporting me in financial and advices, thanks so much. Finally, thanks to all my friends that keep supporting and give opinion to finish this thesis. Thank you.

ABSTRACT

The studies about export-led growth hypothesis have been carried out by many researchers in the context of Malaysia. However, the result and finding by different studies are mixed and inconclusive. The previous researcher only focuses on the relationship between export and economic growth. This paper examine the relationship between exports and economic growth in Malaysia context using a time series model in which other relevant factors (import) is allowed to exert their influence on the two basic variables (export and economic growth). The result shows that both variables which is export and import are found to be significantly positive towards economic growth. Johansen cointegration test also shows the existing of cointegration between the variables. In addition, it is found export and import does Granger cause gross domestic product (GDP). The finding prove that export-led growth hypothesis still working for Malaysia.

Keywords: Gross Domestic Product (GDP), economic growth, Export-led Growth, Malaysia.