



**THE DETERMINANTS OF FOREIGN DIRECT INVESTMENT
IN MALAYSIA**

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JUNE 2015

ACKNOWLEDGEMENT

I am very grateful to be able to prepare this research successfully. I would like to express my highest appreciation to my respective advisor Puan Ruziah Binti Latiff for her excellent guidance, patience and providing me with a great atmosphere throughout the process of finishing my research paper. Her useful comments and suggestions were very helpful for the completion of this research paper.

I would also like to express my gratitude towards Encik Syamsul Bin Samsudin for his indirect guidance and effort in order to make sure that the students able to do their research successfully. Not to forget thank you so much to all my fellow friends. I also would like to acknowledge to the parties that helping me in preparing this research either directly or indirectly. Last but not least, special thanks for our beloved parents and family who always support and advices. Without their encouragement, we would not have to finish this research paper.

Thank You.

ABSTRACT

This paper is made to finding out the relationship between the determinants of foreign direct investment (FDI) which are GDP, exchange rate, interest rate, infrastructure and export with the foreign direct investment flows in Malaysia. This research paper used the secondary data which is mostly gathered from the Central Bank of Malaysia's (BNM) website which comprised the data ranged from 2005 to 2014 on quarterly basis. This study used the Multiple Linear Regression for the research methodology with the secondary data retrieved from Central Bank of Malaysia's websites and others. The dependent variable for this study is the foreign direct investment flow in Malaysia while for the independent variables are gross domestic product (GDP), exchange rate, interest rate, infrastructure and export. Based on the variables, this study aims to discover the relationship the GDP, exchange rate, interest rate, infrastructure and export towards the foreign direct investment flows in Malaysia. Thus, the results of this study could help the investors especially the large firms in making their decision regarding the investment they will make in the future.

LIST OF TABLES

Table 3.0	Summary of Units for Variables
Table 4.0	Summary of Unit Root Test at Level and 1 st Difference
Table 4.1	Result of Correlation Matrix (1 st Model)
Table 4.2	Result for Regression OLS Method (1 st Model)
Table 4.3	Summary of Individual t-test (1 st Model)
Table 4.4	Result for Serial Correlation LM Test (1 st Model)
Table 4.5	Result for Heteroscedasticity Test (1 st Model)
Table 4.6	Result for RESET Test (1 st Model)
Table 4.7	Result for Multicollinearity Test (1 st Model)
Table 4.8	Result for Regression OLS Method (2 nd Model)
Table 4.9	Summary of Individual t-test (2 nd Model)
Table 4.10	Result for Serial Correlation LM Test (2 nd Model)
Table 4.11	Result for Heteroscedasticity Test (2 nd Model)
Table 4.12	Result for RESET Test (2 nd Model)
Table 4.13	Result for Multicollinearity Test (2 nd Model)

LIST OF FIGURES

- Figure 3.0** Theoretical Framework
- Figure 4.0** Result for Normality Test (1st Model)
- Figure 4.1** Result for Normality Test (2nd Model)