

**FACTORS INFLUENCING OUTWARD  
FOREIGN DIRECT INVESTMENT:  
A STUDY OF MALAYSIA BASED MNCs**

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## ABSTRACT

Outward Foreign Direct Investment (OFDI) is playing a major role in expand the business. It is because certain countries have limited resources. Therefore, the MNCs should seek other resources from other countries such as a cheap labor, lower price of raw materials and others to produce the products and services more productive and efficiency. Then, the firms will import back the products to home country and export it worldwide.

This paper is to identify the most important factors influencing outward FDI by MNCs. Then, to obtain the result of this study we use a multiple regression analysis. The economic variables data had been tested is cover from 1980 to 2007. There are several independent variables had been chosen in this research, which is lending of interest rate, Gross Domestic Product, real wages, secondary of enrolment and consumption of crude oil. After running the regression analysis, only real wages is significant while the other independent variables are insignificant.