



**THE IMPACT OF EXCHANGE RATE, FOREIGN DIRECT
INVESTMENT (FDI), IMPORT AND EXPORT ON THE
GROSS DOMESTIC PRODUCT (GDP) IN MALAYSIA**

**NABILAH BINTI SABTU
2014450648**

**BACHELOR OF BUSINESS ADMINISTRATION
(HONS) FINANCE
FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
SEGAMAT, JOHOR.**

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ABSTRACT

Economic growth is one of the aspects that use to measure the economic development of a country. There are so many variables that can influence or contribute to the economic growth. This research comes out with several problem statements about the factor that can give an impact to the gross domestic product (GDP) in Malaysia. This study is to examine the relationship between the exchange rate and GDP to know whether the changes in exchange rate can give an impact to the GDP either in positive or negative way. Other than that, this study were conducted to know how foreign direct investment effect GDP. This research also were observed to look at the effect of import and export of goods and services towards GDP to know whether the changes in import and export of goods and services can give an impact to the GDP either in positive or negative way. The main research objective of this study are to identify the significant relationship between exchange rate and Gross Domestic Product (GDP), to identify the significant relationship between foreign direct investment and GDP, to identify the significant relationship between import of goods and services with GDP and to identify the significant relationship between export of goods and services with GDP. In this research, gross domestic product (GDP) act as a dependent variable while exchange rate, foreign direct investment, import of goods and services and export of goods and services act as an independent variables. All the data used in this research acquired from World Bank database and also Bank Negara Malaysia (BNM) database and the data were analyzed using the multi regression model, stationary test, descriptive analysis, normality test, autocorrelation test, heteroskedasticity test, Ramsey test, multicollinearity test and all tests are run using eview.

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