



**IMPACT OF ECONOMIC DETERMINANTS ON FOREIGN DIRECT INVESTMENT
(FDI) IN MALAYSIA**

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JUNE 2019

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ACKNOWLEDGEMENT

The deepest appreciation to those who that involved in completion of this thesis paper by provided idea and suggestion. Special gratitude to final year project advisors, Madam Zuraida Mohamad and Dr. Noorhayati Yusof Ali for every contribution in giving suggestion, encouragement and helped to coordinate this research and writing this thesis. Many thanks go to Faculty of Business and Management and University Technology Mara for giving chance and permission to carry out this research for the last semester. Furthermore, acknowledgement with many appreciations towards UiTM librarians, that gave guidance in collecting data and guidelines to find for the material to finish this study. Special thanks also to all family members who continuously supporting during the writing process, as well as spiritually throughout life, not to forget the long listed friends that contributes for some comments and ideas to improve this writing.

ABSTRACT

In past decades, world's FDI have been increase tremendously. However, fluctuations keep on occurring as the FDI flows continue to rise and decline. Nations viewed FDI as one of the crucial parts for their economic improvement. The objectives of study are to determine if there is relationship FDI with exchange rate, GDP, inflation and trade openness as well as to measure the most significant determinants of FDI in Malaysia. Annual data from 1977-2017 was analyzed using OLS discloses that GDP is positive and highly significant. In parallel, other variable such shows mixed results. Hence, Malaysia government can enhance and prosper the country's GDP. Product and services produced are main component of GDP, thus government can make sure the product and services of Malaysia have high marketability in order to increase GDP as well as FDI.

Keywords: FDI, Exchange rate, GDP, Inflation, Trade Openness