



**OPENNESS, FOREIGN DIRECT INVESTMENT,
INTEREST RATE, INFLATION RATE AND
THEIR IMPACT ON ECONOMIC GROWTH**

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ABSTRACT

This study was focusing in the development of growth in ASEAN. The study likely to analyse the impact of several factor in the economic which is openness, foreign direct investment, interest rate and inflation rate as the explanatory variable while gross domestic product as the dependent variable. The objective of the study is to analyse the relation between all the explanatory variables and the gross domestic product in the positive and negative sight. Then, it also use to identify the major forces that will affect the changes in the gross domestic product. Additionally, it also important uses the result to compare with the theories that leave behind by the economists. Beside, it also the reasons behind this study also to clarify the use of foreign direct investment in the growth of the ASEAN countries.

The study was using the STATA application model to analyse the whole data to ensure that the data will be suit to achieve the objective and the hypothesis of the study. The data from all five countries have been collected which are all the variables data from Malaysia, Indonesia, Thailand, Singapore, and Philippines. The data was in the quarterly from the year 2000 until 2009 third quarter. All the data were coming from the various secondary sources including country website and the database from the UiTM . The result from the analysis generate have been followed using the ordinary least square and the result show that the impact of the independent variables was significant with the dependent variable. The objectives were analysing and all the objectives seem to be achieved and same with the hypothesis.