



THE IMPACT ON FLUCTUATION OF  
MACROECONOMIC VARIABLES TOWARD  
ECONOMIC GROWTH IN MALAYSIA

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## ABSTRACT

This study examine the relationships between economic growth (GDP) and the exchange rate (EXC), foreign direct investment (FDI), inflation rate (INF) and interest rate (INT) from the year of 1985 to 2015 which is contain yearly data. This paper applies Ordinary Least Square methods in order to define the statistical relationship among the variables. Besides, there are steps involved in the research begin with ordinary least square methods and proceed with Descriptive Analysis, Diagnostic Checking, Unit Root Tests, Multiple Linear Regressions.

In Diagnostic Checking, some test done to check the significant presents of multicollinearity, autocorrelation, heteroscedasticity, the normality of data distribution and model specification. The result show foreign direct investment and inflation rate have a positive relationship toward economic growth in Malaysia while interest rate and exchange rate is found to be negative relationship towards economic growth in Malaysia.