

**RELATIONSHIP BETWEEN FOREIGN DIRECT INVESTMENT (FDI) OF
THE SERVICE SECTOR AND GDP IN MALAYSIA**
(Hubungan antara Pelaburan Langsung Asing (FDI) Sektor Perkhidmatan dengan KDNK di Malaysia)

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ABSTRACT

Foreign direct investment (FDI) has been an important source of economic growth for Malaysia, bringing in capital investment, technology and management knowledge needed for economic growth. Among the sectors in Malaysia, service sector is the main contributor of FDI from other countries. Thus, this study aims to analyse the trend of contributions of FDI from foreign countries in Malaysia. The study also finds the relationship between FDI in service sector and GDP in Malaysia for the year 2010 to 2020 using time series data. Autoregressive Distributed Lag (ARDL) model and empirical analysis are conducted by using quarterly data on FDI in service sector and GDP in Malaysia. The results provide evidence that there is a positive and significant long-run relationship between FDI in service sector and GDP in Malaysia which LFDI rate increase by 1% will lead to the LKDNK rate to increase by 0.15%. However, the empirical evidence has proven that no short-run relationship between FDI in service sector and GDP in Malaysia. Diagnostic tests showed that the residual is normally distributed, free from autocorrelation and heteroscedasticity. This confirms the validity of the ARDL model which is ARDL(3,4).

Keywords: foreign direct investment (FDI); service sector; autoregressive distributed lag (ARDL)

ABSTRAK

Pelaburan langsung asing (FDI) merupakan sumber yang penting dalam pertumbuhan ekonomi di Malaysia. FDI telah membawa masuk modal pelaburan, pemindahan teknologi dan pengurusan sistematik yang diperlukan dalam pertumbuhan ekonomi. Sektor perkhidmatan merupakan penyumbang utama FDI dari negara asing dalam ekonomi Malaysia. Justeru, kajian ini bertujuan untuk menganalisis trend sumbangan FDI dari luar negara di Malaysia. Kajian juga akan mendapatkan hubungan antara FDI dalam sektor perkhidmatan dan KDNK di Malaysia bagi tahun 2010 hingga 2020 menggunakan data siri masa. Model Autoregresif Lat Tertabur (ARDL) dan analisis empirik dijalankan dengan menggunakan data sukuan tahunan bagi data FDI dalam sektor perkhidmatan dan KDNK di Malaysia. Hasil kajian membuktikan bahawa wujudnya hubungan jangka masa panjang yang positif dan signifikan antara FDI dalam sektor perkhidmatan dan KDNK di Malaysia. Peningkatan sebanyak 1% dalam LFDI akan menyumbang kepada peningkatan sebanyak 0.15% dalam LKDNK di Malaysia. Walau bagaimanapun, hasil kajian empirik juga membuktikan bahawa tiada hubungan jangka masa pendek antara FDI dalam sektor perkhidmatan dan KDNK di Malaysia. Ujian diagnostik menunjukkan residual bagi anggaran model adalah tertabur secara normal, bebas daripada masalah autokorelasi dan heteroscedastisiti. Hal ini telah mengesahkan anggaran model ARDL iaitu ARDL(3,4) adalah sesuai digunakan dalam kajian.

Kata Kunci: pelaburan langsung Asing (FDI); Sektor perkhidmatan; Autoregresif Lat Tertabur (ARDL)

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