



## CES Colloquium Series on Economic Issues

# An Analysis of the Nonlinear Relationships Between Capital Flows and Real GDP: The Case of Malaysia

By

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**Presenter:** Ms Vinothiny Subramaniam,  
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**Discussant:** Mr Thurai Murugan a/l Nathan  
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**Time:** 10.30 am – 12.00 pm  
**Venue:** H109, Kampar Campus  
**CPD Hours:** 1.5 CPD Hours

### ABSTRACT

Despite the extensive studies in capital flows and real GDP, the nonlinear relationship between capital outflow and real GDP in Malaysia is still unclear. This study attempts to analyze this nonlinear relationship using secondary data from 1971 to 2010. The descriptive analysis, correlation and multiple regression models are used. Results reveal that there is nonlinear relationship between capital flows and real GDP. The capital inflow has the largest impact on services sector and the least impact on the agriculture sector. It is estimated that there is round 20% remaining of the highest possible effects of capital flows on real GDP.

**Staff and students are welcomed**