

The Correlation of Economic Variables on Domestic Investment

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Abstract : This paper aims to investigate the relationship between economic variables, e.g., inflation rate, interest rate, trade openness and the growth rate of GDP, with domestic investment. The present study also draws on conceptual economy related theories to verify the negative effect of interest rates on domestic investment. However, trade openness and growth rate had a positive correlation, and the inflation rate may have a positive or negative impact on domestic investment.

Keywords : inflation rate, growth rate of GDP, interest rate and trade openness, domestic investment

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