



UNIVERSITAS ANDALAS

**REVIVING THE GOLDEN AGE OF MALACCA STRAIT: AN ANALYSIS
OF *INDONESIA MALAYSIA THAILAND GROWTH TRIANGLE (IMT-GT)*
MEMBER COUNTRIES**

UNDERGRADUATE THESIS

**ARIEF SUHANDA
1810512010**

**FACULTY OF ECONOMICS AND BUSINESS
DEPARTMENT OF ECONOMICS
PADANG
2024**

**REVIVING THE GOLDEN AGE OF MALACCA STRAIT: AN ANALYSIS
OF *INDONESIA MALAYSIA THAILAND GROWTH TRIANGLE* (IMT-GT)
MEMBER COUNTRIES**

Written by

Arief Suhandu

Is submitted to the Department of Economics

At July 1st 2024 to fulfill the requirement of

Bachelor's Degree in Economics (S.E.)

Abstract

This thesis investigates the determinants of economic growth in the scope of Indonesia, Malaysia, and Thailand as the member countries of IMT-GT. Utilizing a Dynamic Panel Data of Generalized Method of Moments (GMM) analysis, the research explores the impact of capital, labor, education, trade, and foreign direct investment (FDI) on real GDP growth in the IMT-GT between 1993 and 2022. The findings reveal a strong persistence in economic growth, capital, labor, and education. While trade and FDI are not stronger enough compare to the rest of variables. The study concludes that the IMT member countries hold immense potential for economic growth and prosperity, emphasizing the need for member nations to prioritize policies and investments to enhance infrastructure, promote education and skills development, attract FDI, and address trade barriers. By focusing on these key areas and national data, policy recommendation for IMT-GT will influence to national economic growth of member countries reflecting to the historical role of Malacca's Strait to the nations around the strait.

Keywords: Malacca Strait, IMT-GT, Economic Growth

Thesis Advisor: Prof. Dr. Syafruddin Karimi, SE, MA