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Dividend Policy Of Pakistani Firms :*Trends and Determinants*

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We provide here a study of Pakistani Firms registered on the Karachi Stock Markets. We have examined many determinant variables of the dividend policy to shed light on the dividend trends of firms in Pakistan as an emerging market. Our sample is comprised of 108 companies that have been listed on Karachi stock exchange during 1999-2004. The starting point in our research has been an observation that most of the Pakistani firms were reluctant in dividend payments. Mostly, firms either did not pay dividends or their dividend per share ranged between 0 - 2.5 Rupees per share. We find that the non-financial sector has higher average dividend payout than the financial sector. Sector wise analysis indicates that Oil & Gas Exploration, Oil & Gas Marketing and Power Generation & Distribution Sectors have higher average dividend payments. We find evidence that former dividends play a major role in determining current dividends. For the whole sample, we find that firms with greater profitability have higher dividend payouts. We also find that investment opportunities, liquidity and leverage are negatively related to dividend payout for the whole sample. We conclude from the research that when non-financial firms invest more in fixed assets their dividend payout is negatively affected by that. We find also that larger financial firms pay larger amount of dividends. But, when these firms have investment opportunities they retain profits.

Field of Research: Corporate Finance

1. Introduction

"The harder we look at the dividend picture, the more it seems like a puzzle, with pieces that just don't fit together" Fischer Black (1976). To solve this puzzle an untold number of scientific papers have been written; many of them lacking strong empirical support define the current state of financial economists' attempts to explain the dividend phenomenon. Since Emerging equity markets add more pieces to the "dividend puzzle" we have tried to shed light on one of the emerging markets, Pakistan. The existent literature in this context is sparse and has

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inspired us to undertake a research on this theme, which is expected to guide the dividend policies of the corporate sectors in Pakistan.
These are the issues we attempt to address:

- To study the trends in the dividend payment of Pakistani corporate firms.
- To identify the prominent variables influencing the dividend policies of the select companies and to examine the extent to which these variables maintain their relative dominance over the periods under study.
- To study the non-financial and financial firms separately and examine which variables are influencing these firms.

Focusing our analysis on the current data i-e 1999-2004 of companies listed on Karachi stock market, it gives a current picture of the scenario of dividend policies of Pakistani companies. Data for some variables was not available, which prevented us from incorporating other potential determinants of corporate dividend policy in Pakistan.

Following the introduction the rest of the paper is organized as follows:

Section 2 gives the literature review of previous researches. Section 3 discusses our selected sample, data sources, variables and methodology of the research. Section 4 covers the descriptive as well as qualitative analysis of dividend policy of Pakistani firms. Section 5 draws the conclusion and recommendations based on the analysis.

2. Literature Review

We have focused on the factors affecting dividend policies and their trends for firms listed on Karachi stock exchange. To get a comprehensive of the dividend policies as exercised in different countries of the world we need to go thorough review of many relevant dividend policies literature to help us understand the significance of dividend policies, and hence add our contribution in this paper.

Based on the earlier work done by different researchers, Fisher Black's in 1976 conclude that "dividends" is a puzzle. This conclusion is a motivation to study the subject in more detail, specially the factors that would be helpful in determining the dividend policy for Pakistan as a country of emerging economy. A study on emerging countries including Pakistan is done by Aivazian, Booth and Clearly (2003). They find that profitability and Investment opportunities play an important role in determination of dividends. Similarly Hu and Liu, (2005) conclude that there is a positive relationship between the current earnings of a company and the cash dividend they pay, and a significant negative relationship between the debt to total assets and dividends. Also, an Industry analysis by Dhanani (2005) provides clear evidence that those companies in the financial and utility sectors

support the dividend signalling hypothesis more than their counterparts in other industrial, consumer and service industries. Japanese keiretsu firms are also found to cut dividends more often and respond to poor performance by cutting dividends more quickly than either U.S or independent firms according to Dewentner and Warther (1998). Higher revenue is another factor which negatively influences the dividends (Ramcharran 2001). However DeAngelo, DeAngelo and Skinner (1996) find no evidence of positive future earnings for firms increasing dividends where as Cash in excess of peer firms in their industry also have significant effect on dividend-increasing or repurchase firms Lie (2000).

Some researchers have also focused on emerging markets like Glen, Karmokolias, Miller, and Shah, (1997); who examine dividend behaviour in emerging equity markets and found that firms often have a target dividend payout ratio like their developed country counterparts.

In a comparative study on the dividend policy of Australian and Japanese firms Ho (2003) shows that Australian firms' dividend policies are positively affected by size but their counterparts in Japan have them positively affected by the liquidity, while risk has a negative effect. The dominant favourable tax effect of dividends in Australia, and the positive size effect suggest that transactions cost is a key determinant of distributing payments to shareholders in Australia but not in Japan, possibly because of its relatively small sized firms.

Another study about Egyptian firms shows that for non-actively traded firms, the accounting book value is important determinant for dividend policy. But, for actively traded firms, gearing ratio and the market to book value are more important determinant of dividend policy (Omran and Pointon, 2004). Whereas Holder, Langrehr and Hexter (1998) provide another important factor "corporate focus"; but it is negatively related to dividend payout ratios. Another study found on banks' dividend policy is provided by Dickens, Casey, and Newman (2000). They show that there is a negative relationship between dividend yields and investment opportunities, signalling, ownership, and risk and a positive relationship with size and dividend history (also see Omet, 2004). Barclay, Smith, Ross (1995) find investment opportunities and leverage where as Baker, Theodore, and Gary (2001) find that the pattern of past dividends, stability of earnings, and level of current and expected future earnings are the most important determinants of dividend decision; (also see Brav, Graham, Harvey, Michaely, 2005). Whereas, Fama and French (2001) state that the decline in the incidence of dividend payers is in part due to an increasing tilt of publicly traded firms toward the characteristics, small size, low earnings, and high growth, of firms that typically have never paid dividends,

There are also other interesting articles like that of Alli, Khan, Ramirez (1993) who find that Firms experiencing high issue cost, high growth level, and high risk,

and experiencing a high level of capital expenditure pay low dividends. Grullon, Michaely and Swaminathan (2002) state that firms increasing dividends experience also a significant decline in their return on assets, which indicates a decline in systematic risk. Anand (2004) results reveal that most of the firms that have target dividend payout ratio and dividend changes follow shift in the long-term sustainable earnings.

This brief review of literature shows that factors influencing the corporate dividend policy, according to them, may substantially vary from country to country because of inconsistency or variation in legal, tax and accounting policy between countries.

In view of these facts, the present study aims at identifying the factors/variables influencing corporate dividend policy in Pakistan.

3. Data and Methodology

For the purpose of identifying the factors affecting the dividend policy of Pakistani firms, a sample of 108 firms listed on Karachi stock exchange during 1999–2004 is taken. Out of the sample of 108 firms, 77 are non-financial and merchandising and 31 belong to financial sector.

Following Ho (2003) and Omran and Pointon (2004) we also use Dividend payout ratio defined as the dividend per share for a company divided by earning per share of that company, as our dependent variable. For the purpose of examining the affect of liquidity we will use current ratio which is calculated by dividing current assets by current liabilities (also see Omran and Pointon (2004)).

We hypothesize that Liquidity of a firm has negative relationship with dividend payout. Debt ratio can be used as independent variable because when a firm has relatively high financial leverage, its dependence on external finance is increased, thus, has low dividend payout ratios. (Also see Aivazian, Booth, and Cleary, 2003 and Ho, 2003).

Higher revenue firms should have lower probability of bankruptcy, and, therefore, should be more likely to pay higher dividends; Barclay, Smith, and Watts, (1995). We also think that size of firms, measured by log of sales, has an important contribution in explaining dividend policy of Pakistani firms since Larger firms have better access to market and therefore able to pay higher dividends.

Asset structure defined as total assets minus current assets divided by totals assets will be used to capture tangibility for non-financial firms and for financial firms change in total assets will be used. Investments in fixed assets for expansion purpose leave little out of profits to be paid to shareholders as

dividends. Therefore, we hypothesize these ratios to have a negative relationship with dividend policy. For example, Ramcharran (2001) also finds support that retentions (i.e. lower dividends) are associated with greater growth. (also see Ho, 2003, Aivazian, Booth, and Cleary, 2003, Omran and Pointon, 2004).

Like those by D'Souza and Saxena (1999), Aivazian, Booth, and Clearly (2003) and Barclay, Smith, and Watts, (1995) we also use the Market to Book value ratio (M/B) calculated by dividing the market price of a company by the book value per share of firm for capturing the effect of investment opportunities. We hypothesize a negative relationship between investment opportunities and dividend payout ratio. The measure of profitability in our case is return on investments, which is calculated by dividing the net profits after taxes for the firm by the total assets and hypothesize it to be positively related to dividend payout ratio. A previous study showed also that return on capital employed has a positive relation with dividend policy. (Aivazian, Booth, and Cleary, 2003 and Ho 2003).

Previous year's dividend may also be another independent variable to examine the effect of previous year's dividend payout ratio on current year's dividend payout ratio. This ratio has been used by many previous researches like Omet (2004). Looking at dividends pattern in general we find that firms have a tendency to follow the pattern of past dividends.

For the purpose of estimating effect of our independent variables over the firm's dividend policy we are using a regression model, which follows the methodology of Omet (2004), and Dickens, Casey and Newman (2000). We have also opted to use the Ordinary Least Squares method (OLS) and Generalized Least Square to investigate and analyse the factors affecting the dividend policy of Pakistani firms.

4. Analysis and Discussion

4.1 Trends in Dividend Payout Ratio (DPO)

From the figures in Appendix A we note that for the whole sample, as well as for the sub-sample of financial and non-financial firms, inconsistent trends in average dividend payout have been noticed which brings us to the conclusion that Pakistani firms have instability in dividend payments.

4.2 Dividends- Industry-wise Analysis

Table 4.1 in Appendix A shows the average dividend paid by firms in different sectors under the period of study. The table shows that on average Oil & Gas Marketing and Oil & Gas Exploration have paid the highest amounts of dividend

in all years of our study. The Power Generation & Distribution sector also is paying heavy dividends compared to other sectors. In the Cement sector, the percentage increase is over-all positive till 2004. Refinery and Engineering sector also have higher dividends and maintain consistency in dividend payments.

Table 4.2, shows the dividend per share of companies in different sectors over the period of study (1999 – 2004). The results show that the highest dividend per share was paid by Cable & Electric Goods sector during 2003 (26 Rs. Per share). In Oil & Gas Marketing and Oil & Gas Exploration sector also, dividend per share is higher than those of other sectors. In the year 2004, the highest dividend per share has been paid by investment banks and companies, (13.2 Rs. Per share).

Table 4.3 shows the average dividend payout ratio for different sectors listed on Karachi stock market. An overview shows that dividend policy of these firms is inconsistent and does not follow any pattern. We also note from the table 4.4 that most of the firms do not pay dividend. This is obvious from the percentages of dividend per share in different years. From that table we note that most Pakistani firms pay dividend per share within the range of 0 – 2.5 rupees per share. There are few firms paying more than 20 rupee per share.

4.3 Descriptive Statistics of Variables under Study

Table 4.5 shows the average and standard deviation of the different variables in the study. It also presents the minimum and maximum values of the variables. The descriptive statistics of all firms shows that the firms pay an average of 0.48 or 48% of their income as dividends. From the table we note that non-financial firms have higher average dividend payout as compared to financial sector. However the standard deviation in DPO for non-financial firms is higher than financial firms.

4.4 Quantitative Analysis

For the purpose of identifying the variables that are significant in determination of dividend policy Ordinary least squares and generalized least square regression is used for the whole sample and then, the sample is divided into meaningful categories for further analysis to determine the effect of our selected variables on the dividends policy of these firms. The following part of our research shows the results, and interpretation of the test that has been used.

The results for the model applied to whole sample shows that the independent variables bring about 14.51% variations in the dividend payout ratio, whereas for other sub-samples also it shows that the selected variables bring about less variation in the dividend policy and there may be some other factors like economic and political conditions etc that are determining the dividend policy of Pakistani firms.

From the results (table 4.6) we note that the market to book ratio (MB) shows a negative relationship with the dependent variable, dividend payout ratio (DPO) for whole sample and sub-samples. It indicates that when firms have more investment opportunities, they pay fewer dividends. The negative relation of MB ratio with DPO is consistent with Dickens, Casey and Newman (2000) who also found that Banks with greater investment opportunities conserved cash to fund those opportunities; and, therefore, paid fewer dividends so presumably greater investment opportunities result in lower dividend yields.

In contrast with the previous findings (Ho 2003) we have found a negative relation of liquidity of firms, with dividend payments for the sample of all the firms and Non-financial firms with a significance level at 5 and 10% respectively. The negative relation may be due to the fact that when firms have more liquidity; the profitability declines which is followed by a reduction in the dividend payout of firms. Where as tangibility and change in total assets remained insignificant factor in all most all the cases except for non-financial firms, however when we applied GLS financial firms show a positive relation. (Also see Omran and Pointon ,2004)

Size has not been an important variable except for financial firms; however the relationship is week positive. (also see Omran and Pointon, 2004 and Ho, 2003). The dividend payout of the previous year shows the strongest relationship with the current year's dividend payout ratio for all the sample and sub-sample The coefficient is positively related to DPO and highly significant which is consistent with the results of Omet (2004), Baker, Veit, and Powell (2001) and Dickens, Casey and Newman (2000) who found that firms use their dividend history to set dividend policy. Where as against our expectation profitability has not been very influential variable compared to dividend history. The positive relation however is consistent with Aivazian, Booth, and Cleary (2003).

5. Conclusion

We conclude that there is inconsistency in the dividend paying pattern of Pakistani firms with a substantial decrease in the average dividend payout ratio of all the firms in the 2004. Compared to other sectors oil & gas exploration, oil & gas marketing and power generation & distribution have higher average dividend payouts and dividend per share. We have observed that a large number of firms paid no dividends in the period of study, and most of the firms have paid dividends per share ranging within 0 – 2.5 rupee per share.

We find evidence that for the whole sample and the sub-samples of non-financial and financial firms, dividend history plays a major role in explaining current

dividends. Similarly profitability is positively related to dividend payout for most of the firms because Firms earning more profits are more likely to pay higher dividends compared to less profitable firms or loss making firms. We also find that except for when firms have greater investment opportunities, they conserve cash to fund those opportunities and, therefore, paid fewer dividends. However, Liquidity an important variable for whole sample has not been very significant for sub-samples.

More research is needed for an extended period of time and including a larger number of firms in Pakistan. Further studies are also needed to examine the market reaction to dividend announcements, and other possible determinants of dividend payouts such as flotation costs, macroeconomic factors and other firm-level factors. Well, there is much work left for further research.

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APPENDIX (A)

Figure (a)
Average Dividend Payout of All Firms during 1999-2004

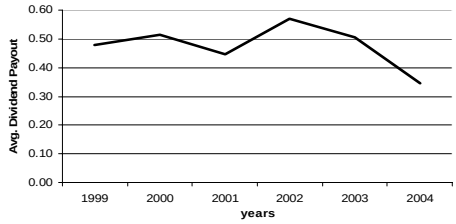

Figure (c)
Average Dividend Payout of Financial Firms during 1999-2004

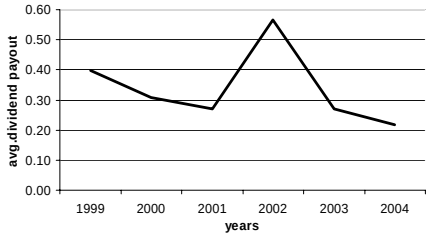

Figure (b)
Dividend Payout of Non-Financial Firms during 1999-2004

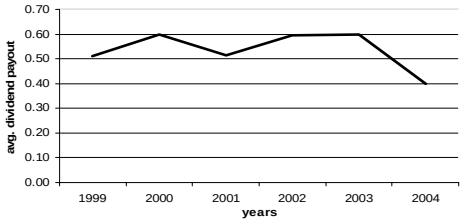

Table 4.1
Average Dividends Paid During 1999-2004 – Industry Wise (In Rs. Millions)

	1999	2000	2001	2002	2003	2004
Textile	33.15	55.52	32.00	17.04	21.46	20.93
Power Gen. & Distribution	25.97	17.05	650.33	1285.35	1003.92	597.85
Cement	24.07	41.48	24.07	30.08	60.30	203.98
Sugar	16.09	19.33	7.36	24.73	10.71	9.97
Synthetic And Rayon	77.64	62.47	119.85	97.81	80.29	82.02
Chemical	31.03	48.26	95.89	130.04	84.23	54.21
Pharmaceutical	13.10	16.82	22.70	14.01	36.68	36.99
Engineering	10.04	42.24	50.50	79.74	110.45	140.54
Automobile Assemblers	120.60	127.95	100.95	173.10	348.60	442.95
Oil And Gas Marketing	357.33	1762.83	1380.81	1438.97	1683.54	1752.10
Oil And Gas Exploration	76.05	456.30	1049.49	1314.14	1437.35	1642.68
Refinery	146.78	177.64	203.05	265.53	406.09	487.89
Food & Personal Care Products	13.61	12.02	13.40	8.54	10.23	14.03
Vanaspati And Allied Industry	0.00	0.00	0.00	2.45	0.00	2.04
Cable And Electric Goods	111.53	117.40	101.74	101.74	202.01	155.39
Paper And Board	153.66	172.86	213.92	332.76	404.07	404.07
Glass Ands Ceramics	18.75	20.62	21.56	21.50	21.56	21.56
Miscellaneous	26.67	18.45	30.00	30.00	31.67	31.67
Tobacco	0.00	0.00	0.00	204.40	255.49	255.49
Modarba	20.61	15.61	12.05	13.70	14.91	32.32
Leasing	23.31	25.16	9.45	8.60	28.09	18.76
Investment Banks	10.05	12.40	5.00	20.03	44.87	105.03
Banks	44.57	37.72	146.22	182.67	326.70	252.51

Source: Annual Reports of Firms during 1999-2004

Table 4.2
Average Dividend per Share during 1999-2004 – Industry Wise

Sector	1999	2000	2001	2002	2003	2004
Textile	3.18	5.5	2.51	1.77	1.74	0.94
Power Gen.& Distribution	1.33	0.97	0.88	1.8	2.06	1.26
Cement	0.5	0.88	0.5	0.51	0.53	2.00
Sugar	3.13	4.65	1.07	2.25	0.97	0.88
Synthetic & Rayon	1.43	1.63	3.06	2.38	2.06	2.25
Chemical	2.35	3.63	5.07	6.1	3.6	3.18
Pharmaceutical	1.75	2.33	3.83	2.5	4.83	4.83
Engineering	0.5	2.77	3.25	5.00	6.75	8.00
Automobile Assemblers	2.00	2.09	1.75	3.25	5.25	6.63
Oil And Gas Marketing	3.00	12.33	6.4	6.25	6.67	7.17
Oil And Gas Exploration	20.00	10.00	23.00	16.00	17.5	12.5
Refinery	2.5	3.2	3.75	5.25	7.5	8.7
Food & Personal Care Products	3.63	3.22	3.5	2.5	2.33	2.5
Vanaspati & Allied Industry	0.00	0.00	0.00	0.00	0.00	1.00
Cable And Electric Goods	14.25	15.00	13.00	13.00	26	20
Paper And Board	3.73	4.2	4.5	7.00	8.5	8.5
Glass Ands Ceramics	1.25	1.38	1.25	1.25	1.25	1.25
Miscellaneous	1.07	0.88	1.00	1.00	1.24	1.24
Tobacco	0.00	0.00	0.00	0.8	1.00	1.00
Mutual Funds	0.00	0.50	0.00	0.00	0.50	0.00
Modarba	0.94	0.59	0.5	1.29	0.58	1.24
Leasing	1.17	1.15	0.43	0.4	0.79	0.53
Investment Banks	1.51	2.65	1.00	3.68	7.4	13.2
Banks	0.33	0.24	0.78	0.87	1.05	0.94

Table 4.3
Average Dividend Payout During 1999-2004 – Industry Wise (In Rs.)

Sector	1999	2000	2001	2002	2003	2004
Textile	0.52	0.48	0.52	0.69	0.62	0.21
Power Generation And Distribution	0.18	0.42	0.21	0.73	0.57	0.33
Cement	0.42	0.32	0.32	0.22	1.81	0.48
Sugar	0.33	0.22	0.11	0.06	0.09	0.07
Synthetic And Rayon	1.54	0.56	0.51	0.58	0.77	0.42
Chemical	0.37	0.37	0.51	0.65	0.47	0.42
Pharmaceutical	1.19	0.46	1.01	1.26	0.49	0.28
Engineering	0.42	0.49	0.49	0.52	0.56	0.39
Automobile Assemblers	0.51	0.72	0.49	0.44	0.43	0.46
Oil And Gas Marketing	0.16	0.79	0.81	0.67	0.69	0.75
Oil And Gas Exploration	5.10	0.42	0.80	0.68	0.95	0.66
Refinery	0.56	0.70	0.71	0.34	0.51	0.41
Food And Personal Care Products	0.74	2.47	0.42	0.40	0.56	0.22
Vanaspati And Allied Industry	0.00	0.00	0.00	0.00	0.00	0.09
Cable And Electric Goods	0.98	0.44	0.40	0.26	0.58	0.38
Paper And Board	0.40	0.40	0.50	0.51	0.50	0.42
Glass Ands Ceramics	0.53	0.45	0.43	0.50	0.46	0.54
Miscellaneous	0.08	0.25	0.16	0.12	1.19	0.68
Tobacco	0.00	0.00	0.00	0.48	0.79	0.38
Modarba	0.79	0.43	0.53	2.59	0.31	0.40
Leasing	0.58	0.50	0.38	0.40	0.34	0.30
Investment Banks	0.45	0.30	0.04	0.21	0.22	0.16
Banks	0.12	0.07	0.22	0.21	0.20	0.13

Source: Annual Reports of Firms during 1999-2004

Table 4.4
Distribution of Firm's Dividend per Share (%) during 1999-2004

DPS	1999	2000	2001	2002	2003	2004
0	34.26	33.33	38.89	33.33	28.70	37.04
0 – 2.5	41.67	36.11	32.41	37.96	42.59	35.19
2.5 – 5	12.04	14.81	17.59	12.96	11.11	14.81
5 – 7.5	3.70	5.56	5.56	9.26	7.41	2.78
7.5 – 10	2.78	1.85	0.00	0.93	4.63	2.78
10 – 12.5	1.85	0.00	1.85	0.93	0.93	2.78
12.5 – 15	1.85	3.70	1.85	2.78	0.00	0.00
15 – 17.5	0.00	0.00	0.93	1.85	1.85	0.93
17.5 – 20	0.00	1.85	0.00	0.00	0.00	0.00
> 20	1.85	2.78	0.93	0.00	2.78	3.70

Table 4.5
Descriptive Statistics

	MB	CR	DR	FR/CTA	LOS	DPOP	ROI	DPO
Whole Sample								
Minimum	-8.06	0.04	0.00	0.00	20.01	-3.64	-1.46	-3.64
Maximum	10.83	17.73	2.91	0.97	25.87	9.48	1.45	9.48
Mean	1.04	1.97	0.65	0.36	20.27	0.51	0.05	0.48
S.D	1.63	2.38	0.32	0.26	3.11	1.05	0.14	1.00
Non-Financial Firms								
Minimum	-8.06	0.04	0.09	0.05	20.12	-3.64	-0.23	-3.64
Maximum	9.88	17.73	2.91	0.97	25.87	9.48	1.45	9.48
Mean	0.96	1.66	0.64	0.48	20.97	0.56	0.06	0.54
S.D	1.38	1.88	0.32	0.20	2.15	1.15	0.1	1.09
Financial Firms								
Minimum	0.03	0.09	0.00	-10.69	20.01	0.00	-1.46	0.00
Maximum	10.83	15	1.91	0.94	23.47	8.00	1.24	8.00
Mean	1.22	2.74	0.66	-0.07	18.53	0.36	0.03	0.34
S.D	2.14	3.19	0.34	1.24	4.26	0.73	0.20	0.68

Table 4.6
Dependent Variable: Dividend Payout Ratio (DPO)

	Ordinary Least Square			Generalized Least square		
Independent Variables	**Whole Sample**	**Non-Financial Firms**	**Financial Firms**	**Whole Sample**	**Non-Financial Firms**	**Financial Firms**
C	0.30	0.87	0.02	0.131	0.391	0.040
	(0.89)	(1.29)	(0.22)	(1.66)***	(2.65)*	(1.19)
MB	-0.07	-0.11	-0.01	-0.020	-0.143	-0.039
	(-2.96)*	(-2.92)*	(-2.05)**	(-3.29) *	(-3.87)*	(-4.58)*
CR	-0.010	-0.06	0.020	-0.018	-0.029	-0.004
	(-2.03)**	(-1.78)***	(0.86)	(-3.94) *	(-4.88)*	(-0.46)
DR	-0.09	-0.04	-0.29	-0.153	-0.005	-0.055
	(-2.05)**	(-1.05)	(-1.19)	(-5.76) *	(-0.41)	(-0.61)
FR / CTA	-0.010	-0.120	0.021	-0.019	-0.279	0.029
	(-0.08)	(-1.75)***	(1.54)	(-0.52)	(-4.11)*	(2.18)**
LOS	0.011	0.001	0.130	0.079	-0.001	0.013
	(0.96)	(-0.13)	(1.67)***	(1.527)	(-0.17)	(2.83)*
DPOP	0.32	0.36	0.12	0.440	0.400	0.339
	(8.22)*	(7.89)*	(3.05)*	(12.74)*	(9.39)*	(5.33)*
ROI	0.02	-0.02	0.09	0.106	0.087	0.133
	(1.78)***	(-0.05)	(1.18)	(1.969) **	(0.96)	(1.51)
No. of Firms	108	77	31	108	77	31
R^2	14.51	18.70	9.77	71.30	72.14	36.07
Adj. R^2	13.39	17.19	8.81	70.93	71.63	33.03
F-statistic	12.90	12.39	0.82	188.83	139.49	11.85
Prob(F-statistic)	0.00	0.00	0.00	0.00	0.00	0.00

(*t*-statistics is given in parenthesis) * *Significant at 1% ** Significant at 5% *** Significant at 10%*