

**Table 3 Imposition of 70% excise duty on cigarettes applied as a percentage of retail price**

<b>Excise duty: 70%, effect on cigarette sales</b>	<b>Coefficient</b>	<b>t value</b>	<b>P value</b>	<b>Penalized coefficient by ridge regression</b>
Intercept	112.105	7.536	0.002	51.889
GDP growth (annual %)	0.679	0.841	0.448	0.834
Tobacco inflation rate	0.059	0.651	0.551	0.748
Per capita income	-0.0007	-2.155	0.097	-5.014
Cigarette price	-0.222	-2.466	0.069	-3.246
Excise duty 70%	-0.156	-2.466	0.069	-3.246

Source: Pakistan Bureau of Statistics (Pakistan Social and Living Standard Measurement Survey, Household Integrated Economic Survey), Federal Board of Revenue.