

**Table 4 Effect of 70% excise duty on cigarettes applied as a percentage of retail price**

<b>Government revenue with 70% excise tax</b>	<b>Coefficient</b>	<b>t value</b>	<b>P value</b>	<b>Penalized coefficient by ridge regression</b>
Intercept	-47 060	-0.868	0.434	78 072.647
GDP growth (annual %)	-49.580	-0.017	0.987	-212.079
Tobacco inflation	684.07	2.087	0.105	6886.637
Per capita income	1.445	1.288	0.267	10 125.072
Excise duty	545.446	0.780	0.479	8137.079

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