

Table 1 Original model for estimating effects on cigarette sales

Legal domestic cigarette sales	Coefficient	t value	P value	Penalized coefficient by ridge regression
Intercept	-1227.133	-0.337	0.750	-14.379
Year	0.659	0.363	0.732	0.055
GDP growth (annual %)	0.661	1.176	0.292	0.639
Tobacco inflation rate	0.168	1.621	0.166	0.130
Per capita income	-0.0005	-1.304	0.249	-0.0004
Cigarette price	-0.708	-2.615	0.047	-0.618
Excise duty	0.643	2.157	0.083	0.487

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