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The Multiplier Effect of Micro Finance Banks in the Sub-Sectors of the Economy.

Abstract

Over the years the micro finance banks sector has been bedeviled with inability to achieve sustainable economic security and financial inclusion of Nigeria banking population. Therefore, this research aimed at understudying the net effect of micro finance banks loans to sub-sectors of the economy in Niger State. A survey research design was adopted whereby questionnaires were administered; index analysis was carried out on economic variables while 2006 was used as the base year. Three null hypotheses were tested; access to productive capital is not enough to enable people out of poverty, there is no positive net effect on sectoral allocation of loans and there is no relationship between financial intermediation of micro finance banks and GDP. The study postulated that vibrant micro finance banks are panacea to creating net positive effect that will consequently contribute to real Gross Domestic Product (GDP). The findings were as follows; net cumulative effect was so little to leverage the economy due to the people social cultural lifestyle and creating access to productive capital was not enough to enable people out of poverty. The study concluded that economic security can be improved through the formal sector by strengthen the micro finance banking system. It therefore recommended that the provision of access to other micro financial services to help people cope with unpredictable shocks and emergences and loans should be associated with increase in asset (income generating asset).

Keywords: Multiplier, Microfinance, informal Finance, Bank, and Emerging Economy.

1.0 Introduction

There is increasing level of poverty in Nigeria, most especially in the northern part, this single factor has contributed to the financial exclusion of most Nigeria banking population (Central Bank of Nigeria (CBN) report, 2008). In most emerging economy of the world access to conventional formal financial institutions for many reasons is directly related to income. That is, the poorer you are, the less likely you have access to funds. Nevertheless, the strategic marketing of commercial banks which focuses on high net worth depositors have not helped the situation but rather created a wider gap in the market. These created a gap for informal financial institutions known as 'Esusu', 'Bam', 'Adashi' and others to function. Fund, which is the latent capacity of the poor for entrepreneurship would be significantly enhanced through the provision of micro finance services. This will enable them engage in economic activities and be self-reliant, increase employment opportunities, enhance household income and create wealth. Therefore, this research aimed at understudying the net effect of micro finance banks loans to sub-sectors of the economy in Niger State. The survey approach is adopted for data collection from 27 micro finance banks in Niger state, Nigeria. This paper will contribute to the literature on micro finance banks by providing a better understanding of the metrics to measure economic impact in developing countries using economic variable, income. The paper is organized into sections as follows. In sections 2 and 3, the research objectives and literature review and theoretical basis are stated. Section 4 represents the methodology while section 5 the discussion and conclusion.

2.0 Objectives of the Study

The specific objectives of this study are to investigate sectoral allocation of fund and examine the resultant increase of loans to key sectors in the sub-economy. Consequentially, it enables us to measure the net effect on households, individual and enterprises in Niger State. To analyze the impact of enterprises and individuals supported by micro finance banks to gross domestic product of Niger state through financial intermediation.

3.0 Literature Review

3.1 What is microfinance bank?

According to CBN report (2011) micro finance bank is a deposit taking Institution owned by individuals, groups of individuals, community, associations, private corporate entities, NGO-MFIs or foreign investors.

There are three categories of micro finance bank

1. A unit micro finance bank is established to operate in one location. The minimum paid up capital is N20million (Twenty million naira) and is prohibited from having branches and cash centers.
2. A state micro finance bank is established to operate in one state or the federal capital territory (FCT).The minimum paid up capital is N100million(one hundred million)and is allowed to open branches within the same state or federal capital territory.
3. A national micro finance bank is established to operate in more than one state including the federal capital territory(FCT).The minimum paid up capital is N2billion(Two billion naira) and is allowed to open branches in all states of the federation and federal capital territory.

According to Fischer (2008) the money multiplier measures how much the money supply increase in response to change in the monetary base. In macroeconomics, a multiplier is factor of proportionality that measures how much an endogenous variable changes in response to a change in some exogenous variable. In context of the study, monetary microeconomics and banking, the multiplier measures how much the individuals, households and firms income increase in response to change in micro finance banks lending

3.2 The Rationale for establishing Microfinance Bank

The strategic marketing of commercial banks which focuses on high net worth depositors have not helped the situation but rather created a wider gap in the market. This created a gap for the informal financial institutions known today as 'Esusu', 'Bam', 'Adashi' and others to function. As was outlined in Central Bank of Nigeria Revised micro finance policy (2011) the following reasons were deduced for introduction of micro finance banks:

1. Weak Institutional Capacity

The prolonged abysmal performance of many community Banks, micro finance and development finance institutions due to incompetent management, weak internal control and lack of deposit insurance school. In addition, poor corporate governance, lack of well-defined operations, restriction, regulatory and supervisory requirements, contributed.

2. Absence of Technological Platform

The absence of appropriate network platform for information communication technology affects operational cost and achieves economies of scale. This became a major impediment to profitable operations by these banks.

3. The existence of a huge un-served market

The size of the un-served market by the existing financial institutions is large. A survey conducted on access to finance in 2010 Enhancing Financial Innovation and Access(EFInA) revealed that 36.3 percent of total populations is served by formal financial market-thereby leaving 63.7 percent to informal financial institution.

4. The increasing interest of local and international investors in micro finance

Prospective local and international investors have interest in investing in the country's micro finance sub-sectors. Therefore the establishment of a micro finance policy framework for Nigeria provides an opportunity for them to participate in financing the economic activities of low income households and the economic activities of the poor.

5. The need for increased savings opportunity.

Against the general held motion that rural dwellers have poor saving Culture is a fallacy. This is due to inadequate and appropriate saving opportunities saving opportunities and products. The micro finance policy provides the window of opportunity and promotes the development of appropriate (safe, less costly and easily accessible). Savings products that would be attractive to rural clients and improve the saving level in the economy.

6. Economic Empowerment of the Poor.

In Nigeria, the employment generating potentials of small businesses have been seriously constrained by lack of access to finance either to start, expand or modernize their present scope of economic activities. Therefore the bailout option would require multiple channels of financial services which an improved microfinance should provide.

7. The need for increased saving opportunity:

The microfinance policy provides the window of opportunity and promotes the development of appropriate (safe, less costly and easily accessible) savings product that would be attractive to rural clients and improve the saving level in the economy.

8. The increasing interest of local and international investors in microfinance:

Many local and international investors have expressed interest in investing in the country microfinance subsector. The establishment of a microfinance policy framework for Nigeria provides an opportunity for them to participate in financing the economic activities of low income households and the economically active poor.

9. Urban bias in banking services:

Most of the existing banks are located in urban centers and several attempts in the past at encouraging them to open branches in the rural areas did not produce the desired results with a high proportion of the Nigeria population still living in the rural areas. It has become imperative to develop an institutional framework to reach the former unserved population with banking services.

3.3 The Roles of Microfinance Banks in Economic Development.

UNCDF (2004) explained that previous studies such as India, Indonesia, Zimbabwe, Bangladesh and Uganda have shown that micro finance banks play three key roles in an economy development.

1. It helps very poor households meet basic needs and protects against risk.

2. It is associated with improvement in household economic welfare.

3. It helps to empower women by supporting women’s economic participation thereby promoting gender equity.

3.4 Microfinance bank and its impact on development

Kabeer (2003) stated that impact should not be confined to individual or household analysis but should be extended to community, market/economy and national/state level. In addition, he stressed that these represent the domain of impact in the societies which comprises of different institutional domains each with their own rules norms and practices which can be influenced by micro finance bank intervention in different ways. Zohir and Martin(2004) made a similar assertion by stating that the impact of micro finance banks interventions is being under-estimated by conventional impact studies which do not account the possible positive externalities on spheres beyond household. They purpose that impacts should be examined from cultural, economic, social and political domains at individual, enterprise and household level

1. **Impacts at Individual level:** According to Marconi and Mosely (2004) showed positive impacts on income of less poor and negative for the poorer client. In addition, he stated that this should be a surprise since poorer clients are more risk adverse and less likely to invest in fixed capital so are more vulnerable to having to sell productive assets in the event of shock. Wright (1999) argues that by increasing the income of the poor, micro finance banks are not necessarily reducing poverty. But all depends on what the poor do with the money. Often times, it is gambled away or spent on alcohol.in addition, he was of opinion that offering them a variety of financial services tailored to their needs so that their net wealth and income security can be improved.
2. **Impacts on firms:** As was captured in Wrenn (2005),Zohir and Matin (2004) stated that many micro finance banks loans are used for agricultural production,trading,processing and transport, resulting in an increase in the use of agricultural inputs and increased output of agricultural production. This in turn leads to increase in employment

opportunities in these sectors for the wider community and a reduction in the prices of such produce due to increased supply.

3. **Impacts on household:** Lindenberg (2002) stated that it help family or community to maintain and improve its income, assets and social well-being from year to year.in addition, Robinson (2011) upheld the assertion that micro finance banks help family to diversify their livelihood, security strategies and thereby increase their income. Nevertheless, Naponen (2005) supported the view that micro finance banks help women to be the largest income provider or joint provider in the home.

3.5 Theoretical Framework

3.5.1 Institutional Theory: Lim et al (2010) the institutional arrangement and entrepreneurial cognitive school of thought is of the view that the less complexity demonstrated by a country's financial system will result to higher level of venture creation development. In addition, they identify over regulation of a system through its legal process will impend on a country's ability of venture creation development.

3.5.2 Money Multiplier Theory: Fisher (1996) John Maynard Keynes stated how money multiplier can be used to calculate a change in money stock as a result of N1 change in quantity of monetary base. He went further to illustrate using a simple model that banks desired ratio of cash reserves to total deposit determines how much they will multiply up at any given cash reserves and the larger will be the money supply which will in turn affect individual households income and growth of small medium scale enterprise. While the lower the private sectors desired ratio of cash in circulation to private sector bank accounts, the larger will be the money supply for any given quantity of money stock issued by the central bank.

3.8 Element and Principle of Micro Finance Banks

These are the precepts on which micro finance system is built as was captured by Ehigiamusoe(2008):

1. Micro finance is a powerful instrument for poverty alleviation:

According to Ehigiamusoe (2008) the search for a development strategy which could lead to significant improvement in the socio economic conditions of members of poor households led to the focus on credit. The underlying assumption of credit for empowerment is that availability

Condition is critical to efforts at enhancing income- earning capacity of the recipient.

2. Micro finance must be able to build financial system that serve micro enterprises financial sustainability is necessary to reach a significant number of poor people:

According to Ehigiamusoe(2008) supporting the poor has always been on the agenda of developing agencies and governments. In addition, it has always been believed that the poor have peculiar needs, which require delivery approach. A common operating assumption of early nonprofit organization was that the poor are too disadvantaged to benefit from credit scheme operated by formal institutions micro financial provides financial services social service and health services

3. Microfinance provides financial services, social services and health services:

As point out by Ehigiamusoe (2008) early attempt at providing financial service to the poor or owner of micro enterprise emphasized credit, this is part, earned the practice its early micro credit appellation. This was understandable. Exclusion from mainstream financial institution was mainly in terms of deprivation of affordable credit facilities. Interventions were therefore directed at providing loans. Organizational structures and procedures of early microfinance institutions were designed for credit delivery. Maturity, innovation and competition have altered the mono-service nature of the practices, like others users of financial service the poor require a range of financial services. The poor have various priorities and needs, which should be met by variety of products. Micro financial institutions provide institutionalized arrangement for more tenure savings than informed savings group or deposits under a mattress. Micro-insurance has emerged to assist the poor address the problem of vulnerability is the bank of persons with limited means. The poor face enormous risks. For their paper- thin economic base, fire out-break, in the market or flood can wipe out gains of years of access to financial services. Therefore to hedge against these risks, micro financial institutions integrate responsive insurance services into their product mix.

4. Small micro financial services:

As pointed out by Ehigiamouse (2008) that usually financial service are often directed at owners of micro and small enterprises. Services are therefore structured to reflect the absorptive and debt capacity of micro enterprises is low. A loan size of 10000 naira could be all a client need to make a difference in her business volume and profitability. Sizes and frequency of saving are determined by ability of clients. There is no doubt about the ability of the poor to save, the size of amount they save is limited. Similarly, low-income people have relatively smaller amount to invest .This has implication for the level of transactional cost.

5. Collateral substitution:

As pointed out Ehigiamusoe(2008) microfinance practice is its disregards for tangible collateral requirement. Conventional banking practice places primacy on provision of collateral as condition precedent for credit. Tangible asset are pledged as security for credit facilities. This requirement is premised on the reasoning that a credible threat of loss of pledged assets serves as enough motivation for loan repayment. It is a ready means of transferring risk from the lender to the borrower. Exclusion of the poor and owners of microenterprises from institutional financial services is attributable to collateral requirement. Collateral requirement is often cited as the reason for the rise of modern micro finance.

6. Priority focuses on women:

According to Ehigiamuse (2008) women constitute greater proportion of client base of most microfinance providers. There are a number of explanations and opinions for this disproportionate representation of women in client base of most microfinance institutions. Many practitioners are of the opinion that female client exhibits better credit discipline than their male counter parts therefore microfinance institutions seeks them.

7. Financial Sustainability is necessary to reach significant numbers of poor people:

According (2008) the current attention is to build a permanent local financial institution which represent an important phase in the development of microfinance. The practice has gone beyond just putting money in the hands of the low income people. Early practitioners were pre-occupied with strategies to overcome obstacles against reaching the poor with appropriate financial services.

8. Sustainable credits are cheap:

According to Ehigiamusuoe(2008) stated that a continuous provision of financial services to identified clients has become a feature of micro financing. Loans of big magnitude and disbursed to clients in subsequent cycles. While small loans are disbursed at earlier cycles according to lower debt capacity of new clients. It also serves to test the credit worthiness of newer clients. Repeat loan ensure that impact of utilization of financial services is maximized. Micro enterprises require several cycles of financial support to grow to maturity.

3.9 Characteristics of Service Delivery

The following were outlined by Ogidan(2008) as the characteristics of service delivery in micro finance banks:

1. Transaction based lending (Hard Information):

Most micro finance bank adopt a transaction based lending which is similar to method of lending of conventional financial institution whereby the financial statement of the client is required, an asset is needed as collateral for the loan, a credit assessment is carried out on the customer to determine his or her credit worthiness. In addition, they also engage in retail lending to address individual need of their client which are mostly low income earners.

2. Relationship lending (Soft Information):

Micro finance adopts relationship lending which involves high demonstration of interest in their customers businesses and education of their children. Also the microfinance banker must be able to relate effortlessly with poor customers. She must not in language, dressing and general carriage intimidate her customers.

3. Institutional and Human Capacity building is Imperative:

Micro finance institutions provide non-financial services as enterprises development extension support and health care. Micro-business management training could be integrated into pre-loan training for potential clients. In some cases separate institutions are established or networked with to provide extra-financial services to clients.

4. There is need for Transparency and Good Corporate Governance.

Most micro finance institutions provide institutional structure for clients participation in governance inform of representation on the governing boards to promote transparency.

5. Taking the bank to the people with inadequate access to financial services including remote areas and low income neighborhoods

According to micro finance banks should extend its financial services to the underserved that are in the rural area with low income. Micro finance banker must be able to relate effortlessly with poor customer.

6. Regular contact with borrowers-weekly or monthly:

Microfinance practitioners should make regular contact in order to establish a relationship which goes beyond collection of loans and deposits. The microfinance bankers must demonstrate interest in their businesses and even in the welfare and education of their children.

7. Increasing use of groups for the purpose of accessing credit:

There is raising trend of provision of credit to group. Potential clients are assisted to organize into credit and savings group. Members hip of these groups is self-selecting with members sufficiently familiar with each other for convenience and peer support, groups are usually formed along commonality of business activities and location of residences and businesses service delivery to members could be done jointly whereby borrower collectively access utilize and repay loans. On the other hand, individual acting in a group takes individual responsibility for the utilization and repayment of his or her credit facility.

8. Sometimes services delivered to the door steps of clients.

Micro finance service providers take financial services to customers in their homes, business and meeting locations. The microfinance banker must be prepared to take banking to the clients rather than wait for them exquisitely furnished branch offices. Often than not, they are more comfortable with sometimes dusty or oily business environment for their financial transactions branches and credit locations are located near their dwelling places and business. These combine to reduce service access cost to borrowers and enhance their convenience.

3.10 Industry Criteria for Assessment of Micro Finance Banks Economic Performance

Current researches have suggested that micro finance banks have impact on the income of household. According to Littlefield, Murduch and Hashemi (2003) asserted that studies carry out in India, Indonesia, Zimbabwe, Bangladesh and Uganda showed that there were increase in income and assets and decrease in vulnerability of microfinance clients. Dicter (1999) supported the argument in a study; he carried out on number of micro finance institutions and showed a smoothing effect on consumption, signs of redistribution of wealth and influence within the household. In addition, Hulme and Mosley (1996) in a comprehensive study on the use of micro finance to combat poverty, argue that well-designed programs can improve the income of the poor and can move them out of poverty. Nevertheless, Zohir and Martin (2004) stated that many micro finance institution loans were used for agricultural production, trading, processing, and transport. The result led to increase in the use of agricultural inputs and outputs of agricultural products. They stressed further that, this development enhanced employment opportunities in these sectors for wider community and a reduction in the prices of such produce due to increased supply. Zohir and Martin (2004) proposed that impact should be examined from cultural, social, economic, and political domains at individual, enterprise and household level. McGregor et al (2000) expanded further that wider social and economic impacts can occur through the lab our market, the capital market, the market for goods consumed by poor people through production linkage and through client participation in social and political processes. Also in the work of Boom and Angell (2006) the economic performance of Bank rakyat Indonesia's unit Desa system were assessed on jobs created per year, amounted loaned/jobs created and loans to women. While the economic performance of micro financial institutions in sub-Sahara region, the work of Laufourcade et al (2005) measured the depth on the basis of average loan balance/gross national income per capital; Micro finance institutions achieve deeper outreach by targeting low income individuals and small medium scale enterprise. Fisher (1996) explained how money multiplier can be used to calculate a change in money stock as a result of N1 change in quantity of monetary base. He went further to illustrate using a simple model that banks desired ratio of cash reserves to total deposit determines how much they will multiply up at any given cash reserves and the larger will be the money supply which will in turn affect individual households income and growth of small medium scale enterprise. While the lower the private sectors desired ratio of cash in circulation to private sector bank accounts, the larger will be the money supply for any given quantity of money stock issued by the central bank.

3.11 Industry Criteria for Assessment of Micro Finance Banks Social Performance

As a result of clamour to assess the social impact of micro finance banks in Nigeria a task force was set up. According to Attah(2011) social Performance task force proffers solution to social performance measurement on the following basis; intent and design(do institutions have clearly defined social mission, who wrote the mission statement, is it well understood by members of the board, management as well as staff? do goal support institutions mission etc. Institution processes(are there existing internal system of activities designed for implementation as well as to evaluate and monitor achievement?) and outcome(how have activities translated into desired goals e.g. breadth, depth ,scope of outreach, transparency and client protection).He further stressed the need for client assessment using poverty assessment tool(PAT) and progress out of poverty index(PPI).

4.0 Methodology

Research Design:

The research study adopted a survey research design whereby a questionnaire was administered on micro finance banks in Niger State to collect the relevant data for the study which was non-existing.

Population:

The study population are as follows; Non-governmental organization including religious bodies, registered and unregistered microfinance institutions, 3(three) government agencies, and 27(Twenty-Seven) micro finance banks, 2(Two) international funding agencies, 15(Fifteen) commercial banks that have license for micro finance banking and commercial banks. All the institutions in this research study population are located in Niger State in Nigeria.

Sampling Method and Sampling Size:

The research used a non- probability sampling technique whereby purposive sampling was used to select the sample for the study. The sample for this study is micro finance banks in Niger State. The sample size is 27(twenty-Seven).The selected sample for this study is micro finance banks in Niger State. The rationale behind the selection of the sample is due to worst case scenario of poverty in the northern region of Nigeria. The number of micro finance banks as at 2015 in Niger state stood at 27 (twenty-seven).This is the sampling frame of the study. Therefore, census was adopted due to the size of the sample and to provide data about all the micro finance banks in Niger State

Method of Data Collection:

The research made use of primary data from the field and secondary data from the Central Bank Statistical Bulletin and Niger State Statistics Department.

Method of Data Analysis:

The research examined the net effect of sectoral allocation of loans to sub-sectors by community banks/microfinance banks after conversion of community banks to micro finance banks from 2006-2013.The year 2006 was used as a base year for the study because it was the period community banks converted to micro finance banks. The sectoral allocation of loans to sub - sectors was examined to measure the net effect of income accrued to individual, household and firms in each sector using the multiplier ratio.

5.0 Discussion of Findings:

Table I: This indicated the micro finance banks in Minna concentrated in allocating fund to only three sectors which comprises of agricultural and forestry, Transport/commerce and others. The Agricultural and forestry showed an increasing growth from 2006 to 2013 at an average marginal rate 0.55 per cent, which in real term translated in the sector. This accounted for the vibrant nature of the sector in the state. The same applied to transport/commerce sector; it indicated an increasing growth rate from 2006 to 2013at an average marginal rate of 0.55 per cent. This accounted for many small businesses sprouting up in Niger state in that sector. While other sectors fluctuated at a marginal rate between 0.01 per cent and 0.77per cent. The net cumulative effect was so little to leverage the economy of Niger State, and the people social cultural lifestyle contributed adversely, no wonder the National bureau of Statistics mentioned the state as poorest state in Nigeria. This assumes the hypothesis that creating access to productive capital is not enough to enable people out of poverty but provide access to other micro financial service to cope with unpredictable shocks and emergences. More so, when loans are associated with increase in asset, when borrowers are encourage to invest in low-risk generating activities and when the very poor are encouraged to save; the vulnerability of the very poor is reduced and their poverty situation improves. This supports Grammen and BRAC report on how credit to poor household was able to increase their investment opportunities.

Table II: The loan and advances to the various sectors in Niger state sub- economy indicated a positive net multiplier effect from 2006 to 2013.The positive net effect ranges between N379, 200 and N14, 574,300.This,however assumes the hypothesis, there is a positive effect of sect oral allocation of loans to household and enterprise income. The net cumulative effect was so little to leverage the economy of Niger State, and the people social cultural lifestyle contributed adversely, no wonder the National bureau of Statistics listed the state as the poorest state in Nigeria. This support the projects in India, Indonesia Zimbabwe, Bangladesh and Uganda which all show positive impacts of microfinance banks in reducing poverty.

Table III: The coefficient of multiple determinations R2 calculated showed 95.4 per cent and can be interpreted thus: This shows the combined effect of the two variables and indicates that 95.4 per cent of the movement in Gross Domestic Product is brought about by movements in Deposit saving and loans. This however assumes hypothesis that, there is significant relationship between the volume of activities of micro finance banks in Niger state and gross domestic product of Niger State.

5.1 Conclusion

The economic performance shows fund are not distributed to all sectors, therefore micro finance banks need to channel fund to other sub –sector to leverage the economy of Niger State. The micro finance banks in Niger state offered mono product to the under- served which was not enough to reduce or strength them from poverty. Therefore, the study concluded that economic security can be improved through the formal sector by strengthen the micro finance banking system.

7.0 Recommendation

The central bank should through moral suasion encourage micro finance banks to create access to productive capital to other sub-sectors to enable people come out of poverty. In addition, they should provide access to other micro financial service to help them cope with unpredictable shocks and emergences. More so, when loans are associated with increase in asset, when borrowers are encouraged to invest in low-risk generating activities and when the very poor are encouraged to save; the vulnerability of the very poor is reduced and their poverty situation improves.

Table I: Summary of sectoral allocation of loan and advance to sub-sector by Micro Finance Banks in Niger State (N Million).

Sectors	2006	2007	2008	2009	2010	2011	2012	2013
Agriculture & Forestry	61.194	70.29	97.15	106.5	126.44	155.27	179.94	190.25
Index	-	0.15	0.59	0.74	1.07	1.54	1.94	2.11
Mining& Quarrying	5.3298	-	-	-	-	-	-	-
Index								
Manufacturing &Food Processing	5.922	-	-	-	-	-	-	-
Index								
Real Estate	31.58	-	-	-	-	-	-	-
Index								
Transport/Commerce	59.22	89.82	129.94	140.35	186.78	199.94	255.30	286.86
Index	-	0.51	1.19	1.37	2.15	2.38	3.31	3.84
Others	86.86	99.94	133.57	186.86	166.81	100.22	120.81	130.22
Index	-	0.15	0.54	1.15	0.92	0.15	0.33	0.50
Total	197.40	260.05	360.66	433.71	480.03	455.43	556.05	607.33

Source: Authors Survey 2015

Table II: Summary of Net Effect of loan and advance on Sectoral Basis by Micro finance Banks in Niger State (N Million)

Sectors	2006	2007	2008	2009	2010	2011	2012	2013
Agriculture & Forestry	-	+0.3456	+1.3663	+1.7218	+2.4793	+3.5749	+4.5123	+4.9041
Mining & Quarrying	-	0.2025	0.2025	0.2025	0.2025	0.2025	0.2025	0.2025
Manufacturing&Food Processing	-	0.2250	0.2250	0.2250	0.2250	0.2250	0.2250	0.2250
Real Estate Construction	-	-1.20	-1.20	- 1.20	-1.20	-1.20	-1.20	-1.20
Transport/Commerce	-	+1.1628	+2.6874	+3.0829	+4.84728	+5.3474	+7.4510	+8.650
Others	-	0.4970	+1.3357	+3.8	+3.04	0.50768	+1.2901	1.6477
Net Effect	-	+0.37.92	+4.7619	+7.9772	+9.7391	+8.7524	+12.6259	+14.5743

Source: Authors Survey 2015

Table III: Summary of Multi Regression Estimates

Year	Y(GDP)	Y^2	X_1	X_1^2	X_2	X_2^2	X_1Y	X_2Y
2006	750300.10	562950240060.1	197.40	38966.76	64.32	4137.06	14,810,941.74	48259302.43
2007	800500.20	640800570200.4	260.00	67600.00	94.22	8877.41	208,130,052	75423128.84

2008	848901.90	720634435823.61	360.60	130032.36	114.98	13220.40	306114025.14	97606740.46
2009	882857.64	779437612506.37	433.70	188095.69	139.99	19597.20	382895358.47	123591241.02
2010	909343.64	826905855663.45	480.00	230400.00	155.39	24146.0	436484947.2	141302908.22
2011	948224.29	899129304146.00	455.40	207389.16	152.00	23104.00	431821341.67	144130092.08
2012	957372.59	9165622760.83	556.00	309136.00	285.10	81282.01	532299160.04	272946925.41
2013	976520.04	953591388521.60	607.30	368813.29	380.25	144590.06	59304062029.2	371321745.21

Source: Authors Survey 2015

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