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Impact of MSME Output, Unemployment, and Inflation on Importation in Nigeria

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Abstract

The impact of private sector contributions to the sustenance of economies is not in doubt; from the developed to the developing world the impact is immense. In a bid to improve businesses, most developing countries resort to the importation of capital goods to aid or improve production. Importation is seen therefore as necessary for the economic development of countries. This paper empirically examined the impact of SME growth, inflation rate and unemployment on imports in the Nigerian economy between 1981 and 2018. The study used secondary annual time series data. Imports was the dependent variable while MSME output, unemployment and inflation were the independent variable. The stationarity of the variables was tested using the Augmented Dickey-Fuller unit root test. The ARDL bounds test procedure was used to establish the long run relationship among the variables of interest. The paper reveal that MSME output had a positive significant impact on Imports; unemployment had a

negative significant impact on imports while inflation had no significant impact on imports. The paper recommends that further growth in MSME output can be enhanced if government monitors imports to ensure that imports are only on manufacturing inputs and not on consumer goods that can be produced locally. Overtime the volume of these imports should reduce too. Imports from within African should be encouraged as this can help Nigeria reduce inflation caused by the fall in local currency value.

Introduction

The impact of private sector contributions to the sustenance of economies is not in doubt; from the developed to the developing world the impact is immense as seen in the contribution of trade to the Gross Domestic product and employment generation of nations. In today's economic systems which are majorly mixed (heavily tilting towards capitalism) there is this chance of better welfare for everybody as the capitalist expand while the government also concentrates better at providing public goods. In a bid to improve businesses, most developing countries resort to the importation of capital goods (Ngwudiobu, Aidi, and Fadeyi, 2018) to aid or improve production. Importation is seen therefore as necessary for the economic development of countries

Aside businesses dedicated to production, there are other businesses that handle importation of consumer goods. Overtime, local producers in the form of micro small and medium Enterprises (MSMES) develop home-made replacement for these imports. This can become an impediment especially it the government does not step in either cut or lower importation of products producible locally. MSMEs can make tremendous progress when there is some level of import restriction as generally agreed by economists and business people. However, it is also true that local MSMEs may not be able to meet up with demand which necessitates imports officially or smuggling unofficially (Ngwudiobu et al,

2018; Ngene, Nwele and Uduimoh, 2016) thereby exacerbating jobs loss and other negative impacts. This necessitates the encouragement of domestic production.

MSMEs are being given seniors recognition in Nigeria today as they play a very important roles in the process of industrialization and sustainable growth of the economy (Obokoh, 2008; Oladimeji & Muhammed, 2017). MSMEs make up the largest proportion of businesses all over the world and are significantly important in employment generation and better standard of living while also curbing the impact of imported inflation via imported goods (Ojeka and Mukoro, 2011). MSMEs are generally referred to as enterprises with up to 250 employees. They outnumber large firms and also employ more people .They play a very important role in employment. MSMEs are responsible for driving innovation and competition (invoice.ng, 2020). To reposition MSMEs in Nigeria, the Central Bank of Nigeria (CBN) launched the MSME Development Fund in 2013. All of these and more are done to improve the unemployment figures in the country.

According to the Invoice.ng(2020), MSMEs are known to contribute to an economy in terms of output of goods and services. They also create jobs at relatively low capital cost and improve forwards and backward linkages between the diverse sectors of the Nigeria economy while providing skills technological adaptations for the country. According to Muritala, Awolaja and Bako (2012) currently in Nigeria , MSMEs represent about 90% of industrial sector in terms of enterprise. Inspite of this fact, the level of unemployment and inflation is still high. Is it possible that import has a role to play in these or is it that imports has helped to improve MSME output growth and employment generation in Nigeria? Muritala et al (2012) lamented that SMES have not played the significant role they are expected to play Nigeria's economic growth and development. They concluded that the challenges and problems of the MSMEs in Nigeria are hydraheaded. Is it likely that importation still has a negative grip on MSME growth in Nigeria? With the increased commitment of government towards the growth of MSMEs, this research is meant to reveal empirically how MSME growth, unemployment and inflation have impacted on importation level in Nigeria

Following this introduction, the remaining part of this study is organized into review of literature; research methodology, model specification, presentation and analysis of result and lastly recommendations.

Literature review

Medium, Small and Medium Enterprises (MSMEs)

MSMEs are business entities defined in terms of the investment size they make. According to the Nigerian Bank of Industry (BOI) the categorization of MSMEs are as the acronym –micro, small and medium, and defined in the table bellow:

Table 1 Categorization of MSMEs by BOI

Category	*No. of employees*	*Total assets (Nm)*	*Annual turnover (Nm)*
Micro	≤10	≤5	≤20
Small	>11 ≤50	>5 ≤ 100	≤ 100
Medium	>51 ≤ 200	>100 ≤ 500	≤ 500

Source: Bank of Industry

Invoice.ng (2020) defined MSMEs as enterprises with up to 250 employees. They posit that MSMEs definition differs from country to country. From the Nigerian National Policy view, enterprises may be classified by size, sector, organization, technology and location and for the purpose of planning, size provides the most practical basis for classification (Smedan.gov.ng, 2020). By this classification, SMEDAN considers the table below to define MSMEs.

Table 2 Categorization of MSMEs by SMEDAN

Size category	*Employee number*	*Assets (Nm)*
Micro	Less than 10	< 5
Small	Between 10 and 49	Between 5 and 50
Medium	50 to 199	Between 50 and 500

Source: SMEDAN.gov.ng

They further explained that where a conflict exists between number of employees and assets criteria, the employee-based classification take

precedence. The National policy on MSMEs has addressed the issue of definition as to what constitutes MSME and this research upholds that. Therefore this research categorizes MSMEs as firms that employ below 200 persons irrespective of the strength of their asset base.

The impact of MSME growth, unemployment and inflation rates is become of great importance as Nigeria seeks to grow her economy through increased MSME output and employment generation while reducing imports to essential industrial inputs. Policy makers and users desire to know how much good or harm MSME growth has done to the volume of imports over the years.

Ngene et al (2016) examined the effect of imported manufactured goods on the performance of manufacturing sector in Nigeria. They used OLS method and Augumented Dickey-Fuller test on two models. The first model revealed a positive statistically significant relationship between domestic manufactured inputs, while the second model revealed that domestic manufacturing sector output contributes positively to economic growth of Nigeria respectively. They recommended fiscal policy measures to checkmate the influx of goods which can be manufactured domestically so as to create employment opportunities for Nigerians.

Ngwudiobu et al (2018) reviewed manufacturing sector and import penetration in Nigeria over the period 1981 to 2017 using OLS. Their findings revealed that import penetration has a statistically significant but negative relationship with the output of Nigeria manufacturing sector. Trade openness was also positively and statistically significant with manufacturing sector output. Inflation was not statistically significant in its relationship with manufacturing sector output. They recommended a near perfect mix between the import substitution strategy and the export promotion strategy of industrialization.

Sola, Obamuyi, Adekunjo and Ogunleye (2013) in their study examined the implications of manufacturing performance in Nigeria for sustainable development using panel data analysis over the period 1980 to 2008. Their result revealed a positive relationship between manufacturing and capacity utilization; manufacturing and import and a negative relationship between manufacturing on one hand and investment, exchange rate and exports on the other hand respectively. They recommended the provision of incentives to make firms more export oriented amongst others.

Oladimeji et al (2010) in their study examined the effect of international business on SMEs growth in Nigeria. They adopted OLS in their analysis which revealed that trade openness as a measure of competitiveness and Foreign Direct Investment (FDI) have no significant impact on SME growth in Nigeria. However exchange rate had a relatively high and negative significant effect on SMEs growth in Nigeria. They recommended policy formulation to encourage reduction of exchange rate to enhance competitiveness. Obokon (2008) reported a survey of the Nigerian experience of SME development under trade liberalization using a sample of 500 manufacturing SMEs in Lagos State. He used primary data obtained via questionnaire and interviews and secondary data obtained from the CBN. His survey revealed that majority of the sampled SMEs experience increase in production while 24% who experienced decreased production after trade liberalization said it was because they were producing goods that were close substitutes to cheaper imports. Only 8% of the respondents experienced increase in profits following liberalization. He highlighted amongst others that most SMEs are not able to employ skilled or professional manpower as a result of small budget size.

Mohler, Weder and Wyss (2018) in their work investigated international trade (changes in imports and exports) and unemployment in Switzerland using panel data of 30,000 individual firms covering 1991 to 2008. They found a positive (weak) relationship between low skilled individuals working in industries with relatively high level of imports and the probability of becoming unemployed. Fugazza Carrere, Olarreaga and Robert-Nicond (2014) in their research titled trade in unemployment set out to reveal whether international trade creates or destroys jobs. Unemployment was their dependent variable in a fixed effect model on 97 countries over the period 1995 and 2009. They report mixed results for the countries. Some countries like United States, Mexico and Brazil gave a positive and statistically significant impact of trade liberalization on unemployment. The impact was nil for Morocco and India, while in Algeria, Zambia and Madagascar trade liberalization led to a reduction in unemployment.

Jaewon (2011) empirically investigated if international trade had an impact on aggregate unemployment in the presence of labour market institutions over the period 1961 to 2008. He reported that an increase in international trade

increases aggregate unemployment in rigid labour markets institutions. In countries with average degree of labour rigidities, trade had no significant effect on unemployment. Felbermayr, Prat and Schmerer (2010) used panel data from 20 Organization of Economic Cooperation and Development (OECD) countries and cross sectional data on a larger set of countries. They reported a negative relationship between trade openness and aggregate unemployment and that trade openness does not increase structural unemployment in the long run. Aigheyisi (2019) in his work examined import competition and unemployment in Nigeria over the period 1980 to 2017 using Autoregressive Distributed Lag (ARDL) bounds test and error correction modeling. He reported negative but significant short run and positive but significant long run effect of import competition on unemployment in Nigeria. Their results suggest that although imports may mitigate unemployment in the short run, it exacerbates the problem in the long run. He therefore recommends a massive government investment in the productive sectors of the economy and government encouragement of private sector participation therein amongst others.

Ogba et al (2018) examined the impact of trade liberalization on small and medium scale enterprises growth in Nigeria as a strategy for diversification of the economy. They used SME output as dependent variable while trade openness, export, import and exchange rate were independent variables. They adopted ARDL estimation and found that trade openness was positive and statistically significant to SME output. The relationship between SMEs output and import was positive and statistically significant which means imports have significant impact on SMEs output. They conclude with a call on government to open the economy up for importation of more capital goods.

The literature supports the preposition that domestic production increases economic growth and even imports. There are also supports that imports reduced production and employment levels. This study is poised to examine the impact of MSME growth, inflation and unemployment on imports over the period 1981 to 2018.

RESEARCH METHODOLOGY

Theoretical framework

The theoretical framework of this study is based on the Ricardian theory of comparative advantage. The theory makes an assumption that there are two

countries and two commodities produced with one factor of production – labour. It is believed that to ensure international trade at a better level each country should produce the good for which they have an advantage in cost of production. However, as a country progresses, it is expected that this cost and better-ability-to-produce might become its advantage in a product it once imported. Such a country should begin to develop her production capacity and actually begin to produce if only to generate employment for her people. Ogba et al (2018) opined that as long as Nigeria has comparative advantage in certain commodities like cocoa and cashew nuts trade between Nigeria and other countries will be boosted via SME production as SMEs are the producers of such goods.

Empirical works abound pointing to the fact that there is a relationship between manufacturing output, SMEs output, international trade/imports and unemployment (like Aigheyisi (2019); Ogba et al (2018); Oladimeji et al (2017); Ngene et al, (2016); Jaewon, (2011) and Obokon (2008); to mention a few). This study examines empirically how MSME growth, inflation and unemployment have impacted on importation in Nigeria over the period under review.

Model Specification

Model for this study is an adaptation of the model used by Oladimeji et al (2017). Their theoretical framework was based on the Hescher-Ohlin theory of trade and their model was given as

SMEsGRWTH = f (EXCRAT, FDI, OPNSS) ...(3.1)

Where:

SMEs GRWTH = SMEs Growth

EXCRAT = Exchange rate

FDI = Foreign Direct Investment

OPNSS = Trade Openness

In this study, equation 3.1 is modified to become

IMP= f(SME, UNE, INF)

...3.2

In mathematical form is

$IMP = \beta_0 + \beta_1 SME + \beta_2 UNE + \beta_3 INF + \mu_t$.

....3.3

And taking log transformations becomes

$lnIMP = \beta_0 + \beta_1 lnSME + \beta_2 UNE + \beta_3 INF + \mu_t$.

...3.4

β_i's are the coefficient to be estimated. $\beta_1 < 0, \beta_2 < 0, \beta_3 > 0$,.

While IMP = imports,

SME= MSMEs output,

UNE = unemployment rate and

INF = inflation and

The Autoregressive Distributed Lag (ARDL) model is specified as

$$\Delta LnIMP_t = \beta_0 + \sum_{t=1}^{p} \beta_1 \Delta LnIMP_{t-1} + \sum_{t=1}^{q} \beta_2 \Delta LnSME_{t-1} + \sum_{t=1}^{q} \beta_3 \Delta UNE_{t-1} + \sum_{t=1}^{q} \beta_4 \Delta INF_{t-1}$$

$$++ \partial_1 LnIMP_{t-1} + \partial_2 LnSME_{t-1} + \partial_3 UNE_{t-1} + \partial_4 INF_{t-1} + \varepsilon_t$$

…3.5

Where p, q are the lag length of the dependent and independent variables respectively. The Error Correction Model (ECM) is specified as

$$\Delta LnIMP_t = \beta_0 + \sum_{t=1}^{p} \beta_1 \Delta LnIMP_{t-1} + \sum_{t=1}^{q} \beta_2 \Delta LnSME_{t-1} + \sum_{t=1}^{q} \beta_3 \Delta UNE_{t-1} + \sum_{t=1}^{q} \beta_4 \Delta INF_{t-1} + ECM_{t-1} + \mu_t$$

…3.7

This study relies on secondary data sources from various issues of the Central bank of Nigeria's Statistical Bulletin, and the National Bureau of Statistics website. The data used are annual time series data spanning from 1981 to 2018

Methods of data analysis

Using the augmented Dickey-Fuller unit root test, the stationarity of each series was determined. The optimum lag length was determined for the model. ARDL technique was employed to enable the performance of a bounds test as the series were a mixture of I(0) and I(1) variables. The variables were tested for co-integration using the Bounds F-test to determine the long run relationship

among the variables of interest. this produced an inconclusive result. The residuals for the ARDL model was computed and used to test for co-integration according to the Engel and Granger two-step procedure to test for co-integration described in Tinashe (2014). Least square was used to estimate the error correction model to determine the speed of adjustment after a shock.

DATA PRESENTATION AND ANALYSIS

Unit Root Tests Results

Table 3: Augmented Dickey-Fuller Unit root tests

Variables	*ADF computed value at level*	*5% Critical value*	*ADF computed value at 1st difference*	*5% Critical value*	*Conclusion*
LnIMF	-1.062675	-	-6.880942	-	I(1)
LnSME	-1.924297	2.945842	-3.198628	2.945842	I(1)
UNE	-0.829413	-	-4.529393	-	I(1)
INF	-3.167913	2.945842	-	2.945842	I(0)
		-		-	
		2.943427		2.948404	
		-		-	
		2.943427			

Source: Author's computation on Eviews

The table above shows that three series integrated of order oneo and one of order zero. LnIMP, LnSME and UNE are stationary after first difference while INF is stationary at level. The null hypothesis of the presence of unit roots is rejected for LnIMP, LnSME and UNE (decision rule being to reject the null hypothesis if the absolute value of the ADF statistic is higher than the corresponding 5% critical value) at level. An ADRL model is advised for models with different orders of integration, with the proviso that none be integrated of order 2 (Shrestha and Bhatta, 2018). Bounds test is therefore be used to test for co-integration.

Lag length criteria

The optimum lag length was selected to be 2 for the model as revealed in table 4.3 below by the Akaike Information criteria (AIC).

Table 4 VAR Lag Order Selection Criteria

VAR Lag Order Selection Criteria

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-344.1285	NA	5123.580	19.89305	20.07081	19.95442
1	-215.0034	221.3572*	8.04563 2*	13.4287 7*	14.3175 4*	13.7355 7*
2	-203.0136	17.81345	10.52382	13.65792	15.25771	14.21017
3	-193.0017	12.58638	16.40842	14.00010	16.31090	14.79779

** indicates lag order selected by the criterion*

Source: Authors computation on Eviews

Bounds F-test for co-integration

The ARDL method was applied to estimate the short run model after which the Bounds F-test was done. The result of the bounds test for co-integration are presented in table 5 below.

Table 5: ARDL Bounds F-test

Test stat.	*Computed value*	*Lag*	*Sig. levels*	*Critical values*	
				Lower bounds	Upper bounds
F-statistic	3.360188	3	10%	2.72	3.77
			5%	3.23	4.35
			2.5%	3.69	4.89
			1%	4.293.41	5.61

Source: Author's computation on Eviews

The result above shows the computed value of the F-statistic to be 3.360188. This lies between the lower and upper pounds of the 5% bounds with critical upper and lower bounds of 2.72 and 3.77 respectively. According to Engel and Granger (2014), when bounds test is inconclusive, we obtain the residuals of

the ARDL and apply the ADF test to the residuals. If the residuals are stationary, then there is cointegration. The result of the test is provided in table 6 below.

Table 6 Stationarity test for residual

Variable	*ADF computed value at level*	*5% Critical value*	*Conclusion*
ECM	-6.213445	-2.945842	I(0)

Source: Author's computation on Eviews

From the table above, ECM is stationary at level. So the null hypothesis of no co-integration is rejected and we conclude that there is co-integration.

Long Run Regression result

ARDL automatically produces a parsimonious model. The result is presented in table 7 below. From the results we see that the lag lengths selected for each series is different.

Table 7 Long run result
Dependent Variable: LNIMP
Method: ARDL
Selected Model: ARDL(1, 0, 0, 0)

Variable	***Coefficient***	***Std. Error***	***t-Statistic***	***Prob.****
LNIMP(-1)	0.396856	0.145830	2.721361	0.0104
LNSME	0.688756	0.159650	4.314154	0.0001
UNE	-0.019512	0.008545	-2.283341	0.0292
INF	0.000659	0.002905	0.226839	0.8220
C	-0.444578	0.215968	-2.058538	0.0478
R-squared	0.988666	Mean dependent var		6.423230
Adjusted R-squared	0.987249	S.D. dependent var		2.576481
F-statistic	697.8268	Durbin-Watson stat		2.097713
Prob(F-statistic)	0.000000			

The results above reveal that a 1% change in one period lag of the log of IMP produces about 40% change in log of IMP. This is positive and statistically significant at the 5% level of significance. Similarly, a 1% change in log of

SME makes the log of IMP to change by about 69%. This is also statistically significant at the 5% level of significance. SME is also seen to have a positive impact on imports. SME has a positive sign against apriori expectations. The sign is however in consonance with the findings/recommendations of Ogba et al (2018) that imports have significant positive impact on SME output and called on government to open up more for importation of capital goods. This is also corroborated by Ngwudiobu et al (2018). Our findings is against the view of Oladimeji et al (2017) who found that trade openness had no significant impact on the growth of SME in Nigeria. UNE is also statistically significant and has a negative impact on the log of IMP. It is important to note that this is according to apriori expectation. Our finding is in line with that of Fugazza et al (2014) who found negative relationship between unemployment and trade liberalization for Algeria, Madagascar and Zambia. Felbermayr et al (2010) also corroborates the findings of this study. However, Aigheyisi (2019) found a positive long run relationship between import and unemployment in Nigeria, while Jaewon (2011) found no significant effect between trade and unemployment. INF has a relatively low positive impact on IMP and this is not statistically significant at the 5% level of significance. This is also in line with the findings of Aigheyisi (2019). The overall model explained about 98.9% of the causes of variations in log of IMP; and this is statistically significant at the 5% level of significance (prob value of F-statistic = 0.0000). The DW statistics of 2.098 shows the absence of serial autocorrelation.

Short run/Error Correction Model (ECM) Results

The result of the overparameterized model is attached as Appendix. The result hereunder presented as table 8 is the summarized parsimonious short run/ECM.

Table 8: Parsimonious short run/ECM

Dependent Variable: D(LNIMP)
Method: Least Squares

Variable	*Coefficient*	*Std. Error*	*t-Statistic*	*Prob.*
D(LNSME)	1.060972	0.281344	3.771079	0.0007
D(UNE(-2))	0.043308	0.019861	2.180512	0.0369
C	-0.025220	0.078208	-0.322469	0.7493
ECM(-1)	-0.694905	0.189180	-3.673242	0.0009

R-squared	0.409482	Mean dependent var	0.209140
Adjusted R-squared	0.352335	S.D. dependent var	0.354525
F-statistic	7.165428	Durbin-Watson stat	1.830513
Prob(F-statistic)	0.000863		

Source: Authors computation on Eviews

From the result above the Error Correction coefficient has the expected negative sign (-0.694905). The systems returns to equilibrium after an exogenous shock with a speed of adjustment of 69.5% and this is statistically significant at the 5% level of significance. Current period of log of SME is statistically significant and has a positive impact on the log of IMP. The value of the R-square (0.409482) show a 40.95% goodness of fit for the model and this show there are more variables affecting IMP that the model failed to capture. The statistical significance of the overall model as measured by the F-statistic with a p-value of 0.000863 is statistically significant at the 5% level of significance. The DW statistic with a value of 1.83 shows the absence of serial correlation among the variables in the model.

Table 9 Diagnostic test

Test	***Value***	***Prob***
Normality (Jarque-Bera)	1.499481	0.472489
Autocorrelation	2.072444	0.1435
Heteroskedasticity	3.198165	0.0364
R square	0.409482	

The robustness of the model built and estimated in this study is not in doubt. The results in the table above show the Jarque-Bera statistic of 1.499481 with a prob value of 0.473 indicating normality in the distributions used for the model estimation. The Jarque-Bera is a goodness of fit test of whether the sample data have the skewness and kurtosis matching a normal distribution. The nearer it is to zero the more closer it is to a normal distribution. On the test for heteroskedasticity, with its probability value lower than 5%, we cannot reject the null and conclude there is heteroskedasticity in the model. With autocorrelation probability values greater than 5%, we accept the null hypothesis and conclude that the model does not suffer from autocorrelation in both the first and second lags.

The result from the Cummulative sum (CUSUM) and Cummulative sum of squares (CUSUMQ) charts respectively lie within the 5% boundaries as shown

in Appendix. Indicating a structurally stable model which can provide reliable estimates for policy simulation.

Summary, Conclusion and Recommendations

This study empirically examined the impact of SME growth, inflation rate and unemployment on imports in the Nigerian economy between 1981 and 2018. The study used secondary annual time series data. Imports was the dependent variable while MSME output, unemployment and inflation were the independent variable. The study was motivated by the need to see how much impact these variables have had on imports over the period under review. The stationarity of the variables was tested using the Augmented Dickey-Fuller unit root test. The ARDL bounds test procedure was used to establish the long run relationship among the variables of interest.

The study examined the impact of MSME output, unemployment and inflation on imports in Nigeria. Many works have been done to investigate the impact of imports on SMEs, unemployment, trade openness and the likes but this work was to investigate the reverse to reveal if both sides are true. The findings help conclude that MSME output and unemployment have significant impact on imports. Inflation was however revealed not to have any significant impact on imports.

Based on the findings and conclusion, the following recommendations are made:

a. Further growth in MSME output can be enhanced if government monitors imports to ensure that imports are only on manufacturing inputs and not on consumer goods that can be produced locally. Overtime the volume of these imports should reduce.
b. MSMEs should be encouraged to produce producer goods that are currently being imported as this will further boost job creation in Nigeria. Patronage of these should also be encouraged.
c. Imports from within African should be encouraged as this can help Nigeria reduce inflation caused by the fall in local currency value.

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Appendix

ECM result

Dependent Variable: D(LNIMP)

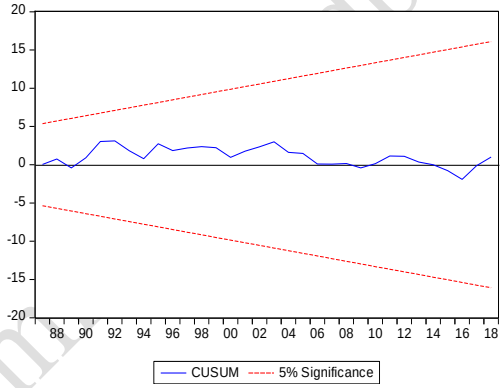
Method: Least Squares
Date: 07/01/20 Time: 18:39
Sample (adjusted): 1984 2018
Included observations: 35 after adjustments

Variable	Coefficient	Std. Error	t-Statistic	Prob.
D(LNIMP(-1))	0.439762	0.271409	1.620293	0.1177
D(LNIMP(-2))	0.128849	0.173847	0.741166	0.4655
D(LNSME)	1.157064	0.317445	3.644932	0.0012
D(LNSME(-1))	-0.376639	0.325866	-1.155809	0.2587
D(LNSME(-2))	0.452144	0.415825	1.087344	0.2873
D(UNE)	-0.024432	0.015573	-1.568854	0.1293
D(UNE(-1))	0.021804	0.019561	1.114627	0.2756
D(UNE(-2))	0.047413	0.021194	2.237102	0.0344
C	-0.187421	0.122247	-1.533141	0.1378
ECM(-1)	-1.214922	0.346332	-3.507970	0.0017

R-squared	0.547981	Mean dependent var	0.209140
Adjusted R-squared	0.385254	S.D. dependent var	0.354525
S.E. of regression	0.277968	Akaike info criterion	0.512336
Sum squared resid	1.931658	Schwarz criterion	0.956721
Log likelihood	1.034118	Hannan-Quinn criter.	0.665738
F-statistic	3.367491	Durbin-Watson stat	2.247938
Prob(F-statistic)	0.007812		

Stability and Diagnostic tests

CUSum test



Cusum sq