Table 1. Insights for the Saudi Arabian economy and Tadawul\*

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|   | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| GDP at Current Prices (m) |  250,347  |  315,333  |  356,160  |  381,467  |  468,800  |  429,093  |  526,800  |  669,520  |  711,040  |  748,448  |
| Debt to GDP % | 11.4 | 18.4 | 21.0 | 12.3 | 33.0 | 14.0 | 8.5 | 5.4 | 3.7 | 2.7 |
| Inflation % (Consumer Prices) | 0.3 | 0.7 | 2.2 | 4.1 | 9.9 | 4.1 | 3.8 | 3.7 | 2.9 | 3.5 |
| Foreign Exchange Reserves, Including Gold (m) | 29,304 | 157,387 | 228,957 | 309,287 | 451,279 | 420,984 | 459,313 | 556,571 | 673,740 | 737,797 |
| FDI Inflow (m) | -334 | 12,107 | 17,140 | 22,821 | 38,151 | 32,100 | 28,105 | 16,400 | 13,732 | 9,298 |
| FDI Outflow (m) | 300 | -350 | -48 | -135 | 3,498 | 2,177 | 3,907 | 3,442 | 3,333 | 4,443 |
| FDI Net Inflows (% of GDP) | -0.1 | 3.7 | 4.9 | 5.9 | 7.6 | 8.5 | 5.5 | 2.4 | 1.7 | 1.2 |
| Population (m) | 22.68 | 23.21 | 24.04 | 24.8 | 25.5 | 26.17 | 26.81 | 27.45 | 28.08 | 29.99 |
| Unemployment % | 11.0 | 11.5 | 12.0 | 11.0 | 9.8 | 10.5 | 10.0 | 12.4 | 12.1 | 11.7 |
| Number of Listed Firms | 73 | 77 | 86 | 111 | 126 | 135 | 146 | 150 | 158 | 161 |
| Market Value (m) | 306,293 | 650,176 | 326,896 | 519,040 | 246,533 | 318,800 | 353,440 | 338,880 | 373,413 | 467,467 |
| Number of Investors (m) | 1.38 | 2.57 | 3.58 | 3.67 | 3.80 | 3.99 | 4.05 | 4.10 | 4.22 | 4.34 |
| Number of Transactions (m) | 13.32 | 46.61 | 96.10 | 65.67 | 52.14 | 36.46 | 19.54 | 25.55 | 42.11 | 28.97 |
| Number of Trading Volume (m) | 10,298 | 12,281 | 54,440 | 57,829 | 58,726 | 56,685 | 33,255 | 48,545 | 82,545 | 52,306 |

*\* All numbers in US$*.

Source: SAMA (2014), UNCTD (2013), and The World Bank (2015).

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| Table 2. The 10 major stock holders in Tadawul\* |  |
| Name | Ownership value\*\* | Category  |
| Public Investment Fund | 108,689 | Government |
| General Organization for Social Insurance | 34,837 | Government |
| Public Pension Fund | 24,264 | Government |
| Al-Waleed Al-Saud | 22,438 | Royalty |
| Sabic | 13,649 | 75% Government |
| Al-Rajhi Family | 5,611 | From Najd |
| Sultan Al-Saud | 3,545 | Royalty |
| Al-Rajhi Family | 2,398 | From Najd |
| Al-Tayyar Family | 927 | From Najd |
| Al-Rabiah Family | 826 | From Najd |
| *\* Figures as in July 2014.*  |  |  |
| *\*\* Numbers are in US$ million.* |  |  |
| Source: Al-Eqtisadiah (2014). |  |  |

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| Table 3. Descriptive Statistics and Correlation Analysis a |   |   |   |   |   |   |   |
|   |   | Mean | S.D. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 1 | ROA | 4.76% | 8.71% | 1 |  |  |  |  |  |  |  |  |  |  |
| 2 | Sales b | 1,093 | 4,293 | 0.211\* | 1 |  |  |  |  |  |  |  |  |  |
| 3 | Firm Age | 22.25 | 14.49 | 0.332\* | 0.194\* | 1 |  |  |  |  |  |  |  |  |
| 4 | Number of Directors | 8.49 | 1.56 | -0.033 | 0.161\* | -0.099\* | 1 |  |  |  |  |  |  |  |
| 5 | Number of Meetings | 5.17 | 1.94 | 0.017 | 0.090\* | 0.204\* | -0.013 | 1 |  |  |  |  |  |  |
| 6 | Number of Board Committees | 3.04 | 0.80 | -0.145\* | 0.140\* | -0.235\* | 0.179\* | 0.085\* | 1 |  |  |  |  |  |
| 7 | Independent | 50.80% | 18.20% | -0.117\* | -0.102\* | 0.058 | -0.074 | 0.028 | 0.051 | 1 |  |  |  |  |
| 8 | Insiders | 11.52% | 10.57% | 0.171\* | -0.058 | 0.112\* | -0.066 | -0.090\* | -0.229\* | -0.224\* | 1 |  |  |  |
| 9 | Najd | 60.28% | 26.33% | 0.188\* | 0.138\* | 0.191\* | -0.071 | 0.084\* | 0.015 | 0.118\* | -0.063 | 1 |  |  |
| 10 | SGRDs | 9.21% | 14.88% | 0.164\* | 0.214\* | 0.139\* | 0.131\* | 0.327\* | 0.105\* | -0.088\* | -0.169\* | 0.278\* | 1 |  |
| 11 | Royalties | 3.14% | 7.51% | 0.059 | 0.018 | 0.102\* | -0.012 | 0.038 | -0.066 | 0 | 0.046 | -0.248\* | -0.052 | 1 |
| a: *n = 652. Pearson's Correlation is significant at.05 level (2-tailed).* |
| b: Million US$. |  |  |  |  |  |  |  |  |  |  |  |  |  |

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| Table 4. Hierarchical regression analysis of board structure impact on ROA a |  |  |  |
|   |   |   | Model 1 |   | Model 2 |   | Model 3 |   | Model 4 |
| Constant |  |  | -0.027 | (0.025) |  | -0.031 | (0.024) |  | -0.006 | (0.024) |  | -0.024 | (0.024) |
| **Control Variable:** |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Firm Size b |  | 0.010\*\*\* | (0.002) |  | 0.008\*\*\* | (0.002) |  | 0.009\*\*\* | (0.002) |  | 0.008\*\*\* | (0.002) |
|  | Firm Age |  | 0.002\*\*\* | (0.000) |  | 0.001\*\*\* | (0.000) |  | 0.002\*\*\* | (0.000) |  | 0.001\*\*\* | (0.000) |
|  | Board Size |  | -0.001 | (0.002) |  | -0.001 | (0.002) |  | -0.002 | (0.002) |  | -0.001 | (0.002) |
|  | Board Meeting Attendance | -0.002 | (0.002) |  | -0.003\* | (0.002) |  | -0.003† | (0.002) |  | -0.003 | (0.002) |
|  | Board Committees | -0.007† | (0.004) |  | -0.008\* | (0.004) |  | -0.008\* | (0.004) |  | -0.008\* | (0.004) |
|  | Independent Directors | -0.043\* | (0.017) |  | -0.042\*\* | (0.017) |  | -0.033\* | (0.016) |  | -0.041\* | (0.016) |
|  | Inside Directors | 0.090\* | (0.036) |  | 0.109\*\* | (0.034) |  | 0.099\* | (0.034) |  | 0.098\*\* | (0.034) |
| **Explanatory variable:** |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Outside Najd Directors (H1) |  |  | 0.043\*\*\* | (0.012) |  |  |  |  | 0.041\*\*\* | (0.012) |
|  | SGRDs (H2) |  |  |  | 0.069\*\* | (0.025) |  | 0.045† | (0.026) |  | 0.027 | (0.026) |
|  | Outside Royal Directors (H3a) |  |  | 0.072 | (0.045) |  | -0.050 | (0.042) |  | -0.011 | (0.042) |
| **Interaction term:** |  |  |  |  |  |  |  |  |  |  |  |  |
|  | SGRDs X Outside Royal Directors (H3b) |  |  |  |  | 1.341\*\* | (0.486) |  | 1.307\*\* | (0.479) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| R2 |  |  | 0.168 |  |  | 0.201 |  |  | 0.208 |  |  | 0.221 |  |
| adj. R2 |  |  | 0.159 |  |  | 0.188 |  |  | 0.196 |  |  | 0.207 |  |
| F |  |  | 17.23\*\*\* |  |  |  15.85\*\*\* |  |  |  14.07\*\*\* |  |  |  14.98\*\*\* |  |
| a: † p < 0.1; \* p < 0.05; \*\* p < 0.01; \*\*\* p < 0.001. Robust Standard errors are in parentheses. n = 652.  |
| b: Logarithm. |  |  |  |  |  |  |  |  |