

# **OWNERSHIP PATTERNS AND PERFORMANCE: EVIDENCE FROM EGYPTIAN PRIVATIZED FIRMS**

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## **ABSTRACT**

This paper examines empirically the effect of the ownership patterns on the firm performance, measured by the return on equity, for 80 Egyptian public enterprises that were privatized during the period from 1994 to 2001. The paper tests two hypotheses related to two classifications of ownership patterns.

The first classification is based on the privatization methods. The paper utilizes the Kruskal-Wallis test and finds that the firms that were privatized through the initial public offerings outperform the ones that were privatized through both of anchor investor and employee shareholder associations, however the differences are insignificant.

The other classification is based on the types of investors who acquired a stake of the initial public offerings. The paper employs the linear multiple regression cross sectional analysis. The empirical results show negative significant effect for the institutional, individual, and government ownership.