Independent study title	DETERMINANT OF CAPITAL STRUCTURE DECISION FOR THE ENERGY SECTOR (POWER GENERATION): EVIDENCE FROM LISTED COMPANIES AND STATE-OWNED ENTERPRISES IN BRAZIL, INDIA, JAPAN, THAILAND, THE UNITED KINGDOM AND TURKEY
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ABSTRACT

This independent study investigates the determinants of capital structure decisions in the energy sector, focusing on power generation companies in Brazil, India, Japan, Thailand, the United Kingdom, and Turkey. The research examines the impact of financial, economic, and institutional factors on these decisions, emphasizing the differences between State-Owned Enterprises (SOEs) and private firms, as well as renewable and conventional energy firms. A dynamic panel data model with 2-step system Generalized Method of Moments (GMM) is employed to analyze data from 2013 to 2022. Key findings indicate that profitability, market-to-book ratio, firm size, and tangibility significantly influence leverage ratios, with variations across countries and ownership structures. The study also finds that SOEs adjust their leverage ratios more slowly than private firms, and firms using conventional resources adjust faster than those using renewable resources. Additionally, the analysis of the speed of adjustment toward optimal leverage ratios in the energy sector across various countries reveals significant regional differences, largely influenced by the unique economics and regulation.

Keywords: Capital Structure, Energy Sector, State-Owned Enterprises, Optimal Leverage Ratio, Power Generation