

After reviewing the **manuscript number 2013_BJEMT_3822** I think that the paper still needs some work before it can be published.

Although the author has introduced some changes, the proposed model shows several statistical problems related to specification, estimation and testing

- The specification problems, which have been described by referee # 2, persist in the revised version of the manuscript

- Stationarity analysis of the variables (p5-6) is quite confusing, including the reference to cointegration. Equations (2), (3) and (4) are redundant.

- The estimation output apparently includes the standard error results (), but the Note states that these values correspond to t-statistics

- There are also some mistakes referred to heteroskedasticity and multicollineality problems. More specifically, the author says (p8, 341) that “we assume the hypothesis that the error term is constant” and also (345) that VIF smaller than 10 “confirms that the variable could be considered as a linear combination of other independent variables

Furthermore, I think that the text should be revised by a native English speaker in order to avoid grammatical mistakes

My feedback

Thank you very much for very good comments and suggestion. I have read through my work and updated some parts based on the last comments. Actually, the equations (2), (3) and (4) from last one is one equation, so, I decided to merge them together.

Yes, the estimation output apparently includes the standard error results () and I already updated.

I have updated the parts that mentioned heteroskedasticity and multicollineality problems, I think now it is more concise and to the point.

For English grammar checking, I read through many times and also asked a friend who is native speaker to read again. I hope everything is fine.

Again thank you very much for your comments and I have learned a lot of things from all of you. I think this would be a good experience for me to improve my next papers. As said, I am from Laos, one of the poorest countries, I may not be able to compare with others, but I will work hard and do my best.