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Journal Name:	**British Journal of Economics, Management & Trade**
Manuscript Number:	**2013_BJEMT_6979**
Title of the Manuscript:	**R &D Expenditures and Import Competition: Recent Evidence for the U.S.**
Type of the Article	**Research Paper**

General guideline for Peer Review process:

This journal's peer review policy states that **NO** manuscript should be rejected only on the basis of '**lack of Novelty**', provided the manuscript is scientifically robust and technically sound.
To know the complete guideline for Peer Review process, reviewers are requested to visit this link:

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SDI Review Form 1.6

PART 1: Review Comments

	Reviewer's comment	**Author's comment** *(if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)*
Compulsory REVISION comments	**The theme is quite interesting but the paper proposal is beyond the circumstances in which the work should be developed. A glance on United States Balance of Trade, United States Imports, and United States Exports shows that the behaviour had changed with the 2008's crisis.** **The use of panel data is presented very poorly. There is no reference on the methodology about articles or important references as:** **Arellano, M., 2002, Sargan's Instrumental Variables Estimation and the Generalizes Method of Moments, *Journal of Business & Economic Statistics*, v.20, n.4, 450-459** **Arellano, M., 2003, *Panel Data Econometrics*, Advanced Texts in Econometrics, New York: Oxford University Press.** **Baltagi, B. H., 2005, *Econometric Analysis of Panel Data*, New York: John Wiley & Sons.** **Baum, C. F.; M. E. Schaffer; S. Stillman, 2003, Instrumental Variables and GMM: Estimation and Testing, *Stata Journal*, v. 3, n.1, 1-31.** **Baum, C. F.; M. E. Schaffer; S. Stillman, 2007, Enhanced routines for instrumental variables/GMM estimation and testing, *Stata Journal*, v. 7, n.4, 465-**	

	506. **Hsiao, C.; 1999, *Analysis of Panel Data*, Econometric Society Monographs, Cambridge: Cambridge University Press.** **Lee, M-J., 2002, *Panel Data Econometrics: Methods-of-Moments and Limited Dependent Variables*, San Diego: Academic Press.** **Mikusheva, A. B.P. Poi, 2001, Tests and confidence sets with correct size in the simultaneous equations model with potentially weak instruments, *Stata Journal*, v.1, n.1, 1-11.** **Moreira, M. J., 2003, A conditional likelihood ratio test for structural models, *Econometrica*, v.71, n.4,1027-1048.** **Wooldridge, J. M., 2002, *Econometric Analysis of Cross Section and Panel Data*, Cambridge: The MIT Press.** **Scherer, F.M., 1992, *International High-Technology Competition*, Cambridge: The Harvard University Press. (is a very important citation)** **The author does not explain why the use of lag variables is not applied to the question because the use of instrumental variables involves many possibilities including trend and dependent variables lagged.** **Robustness estimations techniques that mean the use of instrumental variables in a 2SLS (Two Stages Least Square) for Generalized Method of Moments or Limited Information Maximum Likelihood methods**	

	for "weak instruments" (we don't know the quality of used instruments) with corrections of size tests, to correct endogenous bias is not discussed or inferred. **No indicator to start-up crisis is proposed.** **The structure of the paper also jeopardize their quality. (I - Introduction; II – Process and Product R & D Effort: A Conceptual Framework; III – not available; IV – Data, Sample and Empirical Results; V – Conclusion).** **The discussion of results is also poor and the author does not explore adequately the results. So, the paper was not investigative.** **Finally, the quality of citations undertakes the paper. Excess of working papers compared with important journals and book on subject.**	

SDI Review Form 1.6

Minor REVISION comments	**Starting with References the author do not cite in references Maskus, 1983 (line 41), Hughes, 1986 (line 42), Nelson, 1988 (line 42), Mansfield et al. (1979) (line 48), Scherer and Huh (1992), line (48), Kamien and Schwartz, 1982 (line 80), and Dorfman, 1987 (line 80). Also, Tassey (2010) is not founded in the body of text.** **I – Introduction:** **I missed the demarcation of the contribution to the paper proposes. Also, in the discussion on Mexico and Spain the author does not reveal the frequency of data and applied methodology. Whereas for Spain even the period analyzed is not presented.** **II – Process and Product R & D Effort: A Conceptual Framework:** **This part could appear as a theoretical perspective in literature and not a single conceptual framework** **III – not available: As not available I missed the absence of methodology with data and empirical strategy.** **IV – Data, Sample and Empirical Results:** **The beginning discussion on data it would be important to show data in the same period analyzed and with real values computed to most recent period of sample (not for 2005 as reference).** **V – Conclusion:** **The author could explore and examine three perspectives, as know:** **(i) Comparison with other period;** **(ii) Comparison with other countries (Mexico and Spain);**	

SDI Review Form 1.6

	(iii) Comparison with estimations.	
Optional/General comments	**I believe that this paper could be improved with these comments and critics. The structured missed out the tariffs influence on R & D expenditures and it is a big problem.** **Unhapply with these contents it must be rejected.**	

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Note: Anonymous Reviewer