



SDI Review Form 1.6

Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	2014_BJEMT_11913
Title of the Manuscript:	Cotton Lint Export Trade in the Midst of Distortion: What are the Competitiveness Statuses of Major Players in the Industry?Case of 12 Selected Countries
Type of the Article	Original Research Article

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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.

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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	Line 12: “... basing our decisions however on new thresholds proposed by the corresponding author in an earlier article.” Normal reference should be made here (Author, yyyy) and in the references list. “an issue usually ignored in most competitiveness assessments.” Authors cannot say that, as they are not sure to have read all papers published on this topic around the world. Line 25: “past three decades”. I think it is more than three decades (protection of agriculture started since Africa independence days, i.e. the early 60s for cotton producing countries), at least indirect subsidies. Otherwise, the attempts mentioned here should be well referenced. Reference 1 is not enough. Line 54-56: “In spite of the numerous researches conducted so far, very little has been done to ascertain the competitiveness statuses of these countries in the midst of prevailing distortions.” I am not sure! You should cite some of these studies. Authors may need to read WTO publications on the cotton subsidy/competitiveness agenda, and the related scientific literature? For example, Poulton and others have addressed the issue, though not with quantitative approach. Literature from French-speaking countries is quite abundant on cotton competitiveness in C4 countries. Line 64-70: Explain what “Nominal rate of assistance for cotton output” means. Figure 1 should be referred to in the text.	We highly appreciate the reviewer's comment and have made all necessary corrections. We however would like to put across the following issues: - In his/her comments, the reviewer placed an advice that Figure 1 should be referred to in the text. That was already addressed in the original work. To confirm this, we have highlighted that section with light-blue colour in the introduction. - Each of the periods 1980-1989, 1990-1999, 2000-2009 represents a decade (10 years) and not 9 years as stated by the reviewer in his/her comment. - The reviewer placed a suggestion that we should use shares rather than both value/volume and shares in Tables 1 and 2 to make our discussion easier and clearer. As writers and equally readers, we do believe that readers are not only interested in shares, but also in the absolute values. In addition, maintaining the values would help readers figure out how the respective shares and annual growth rates (formula included in the revised work) were computed. We therefore beg to maintain the tables as they are (although necessary rounding –off has been done). We have however revised that section by doing a decadal comparison as advised. In



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	Line 96: Improve presentation of table 1 by limiting the burden of huge numbers. For example, only world cotton lint total exports (in tons) would be kept and only the percentage figures (in brackets) would be presented for all subsequent lines. The title will then only mention shares in %. Line 102-125: This paragraph is too detailed. Consider reducing: Lines 102-110 and Lines 118-125 would be enough. Line 126-135: Comparing average annual growth rates would be more relevant. Moreover, the periods being compared should be of quite the same length. Now 1980-1989 is 9 years whereas 2010-2011 is only one year. Such comparison is not advisable (taking into account production and trade dynamics), unless authors make reference to a particular event which happened in 2010-2011 and never happened before. Why not simply take 2000-2009 (9 years) as the period to be compared with 1980-1989? Line 144: Remark made for table 1 is also applicable here. Avoid tables that are burdened with huge numbers. Line 156-161: Explain why reforms had negative impacts on cotton revenues in WCA countries compared to Eastern and Southern Africa countries. Line 247-251 and 275-283: Why use the three indexes CEP, ln(CEP) and SCEP at the same time if they would lead to a same result? If they would reveal contradictory results, it can be confusing. In both cases, it is better to use the best index in order to avoid floating interpretations. Line 316-317: The remark above applies. Why go back to discuss the results of RXA and ln(RXA) after you have presented their weaknesses and limitations and proposed better indices together with bounds to interpret them and more accurately inform decision-	addition, we have included annual growth rates as recommended. • Limitation of the study has been clearly stated and all other comments appropriately attended to and addressed.
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	making? Line 318-329: Present the results for only one index, the one you judge conceptually the best and the most relevant practically in the study's context. Line 337-340: It may be useful to mention that low production costs in C4 countries pertain to deliberate low wage rates, in violation of national labor laws prescriptions. Correcting CEP values for equity in resource use may lead to different results. However, mathematic specification of this is yet to be made. Line 364-375: The floating interpretations here confirm the need to choose the best index and work along it. Line 403-420:An analysis made using economic prices (i.e. market prices corrected at least for subsidies and taxes) may have been a wiser ground for comparison between countries. As some authors said, basic economic structure of a country or intrinsic drivers of productivity and of supply and demand – ignoring government interventions – is an important determinant of competitiveness. Authors of this paper may need to indicate that not using economic prices is a limitation of the study. Line 443:“Brazil was found “Weakly Competitive”, and China “Uncompetitive”. This is a very strong conclusion... I am afraid some other economists would require that the same analysis be done using economic prices or price correction techniques. This would be made under the assumption that internal productivity-based and organizational factors are the main drivers of market access and competitiveness. Then the results might be different.	
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Minor REVISION comments	Line 20: Remove “atmospheric” from “sensitive to climatic and atmospheric conditions” because “climatic” already includes “atmospheric”. Line 20-22: Break the sentence into two: first, the sensitiveness aspects, and second the conclusion (agriculture production and trade are therefore fragile). Line 33-35: Mention also the % agricultural labor force involved in cotton production (and marketing if possible). Line 80: Write “shown” instead of “show” Line 81-91: Indicate average annual growth rates, which would enhance the cross-regional comparisons. Mention data sources. Line 96: Align right figures in the columns. Line 110-113. Consider rephrasing. Break sentence into two. For example: Absolute export volumes increased both in West and Central Africa. On the opposite, share (%) steadily increased in the former whereas it fluctuated in the latter. Line 115-117: Country details are already in the table and should not be repeated here, albeit there a particular remark to make cross-country-wise. Line 210-217: Sentence is too long. Consider breaking into 2 or 3 sentences. Line 233: “RTA and RC” instead of “RTA an RC” Line 267: “RCA value of 1.0 in Kiwifruit” instead of “RCA value in Kiwifruit of 1.0”. Line 309: Rather write: “covers all years from 2005 to 2011”. Line 358: “Cotton market distorting countries” instead of “cotton-production distorting” Line 376: Align right the figures in the table. Line 452-455: Sentence is too long and quite difficult to understand. I suggest you reformulate the beginning as follows: “Although China is high cost producer and subsidy-levying economy, we made no	We appreciate the reviewer’s comment. All suggestions have been attended to and appropriately addressed
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	recommendation. The reason is that China is larger exporter with a ratio of cotton lint to total agricultural exports of 0.17...” Line 455: Write “This means” instead of “This signifies” Line 459-460: “Brazil...” Sentence is too heavy. Reformulate using the word “competitiveness” only once.	
<u>Optional/General</u> comments	Very interesting paper to be accepted. More data on countries’ basic economic conditions, especially country’s agricultural productivity and export market structure, would have helped introduce economic prices to correct the indexes used. Nonetheless, the paper has addressed a relevant development issue. Authors should highlight its limitations and make other corrections wherever it is possible. Justification for not doing some corrections should be provided.	