



SDI Review Form 1.6

Journal Name:	British Journal of Economics, Management & Trade
Manuscript Number:	2013_BJEMT_8848
Title of the Manuscript:	Steadiness and mobility of trade patterns in the Baltic States
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 <i>(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)</i>
<u>Compulsory</u> REVISION comments	These are my comments: The manuscript about the trade flow dynamics for three Baltic States is a broad empirical analysis, in which different statistic techniques are used. The manuscript is well organized methodologically; the approach is valid and, of course, could be published. The theoretical framework presents a wide and brief overview of the factors that explain the process of how countries specialize. I think that's fine. However, the authors should emphasize the theoretical factors that empirical research focuses or how some of them are incorporated in their analysis. Regarding the distributions analysis about the comparative advantage indices for the three countries, the authors' empirical approach is right. In some circumstances there are no clear trends; nevertheless I agree with the statement that there is a lower concentration of products with comparative advantages. I do not know if the authors could present density functions for the three countries, using for example Kernel functions. These functions would make clear the results.	The aim of this empirical article was to analyse the development of specialisation structure overtime. I was concentrated on the formal analysis of the basic trends. The aim to link trade theories and their variables with the results obtained assumes completely different methods (first of all regression analysis) and is beyond the scope of this paper. The density functions are also beyond the methods used in this analysis. Analytical results of these functions might be similar to the results from the already used methods. In trade dynamic literature only some articles use this approach. Have been clarified (line 223)



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	If I understand the analysis of the Gini coefficients related to the comparative advantage indices, levels of trade specialization of the three Baltic countries are closer than distant with respect to the levels of trade specialization in other countries. I also note that there is a small tendency in the time to be further from the global average, but those differences are not large enough. This point could be clarified. In section 3.2 the authors should check the sign of the inequality in line 20 and the result interpretation of the Galtonian regression in line 207, that the result might be the opposed. Maybe for the authors is obvious the methodology for calculating the probabilities for the changes of the comparative advantage states for the construction of Markov transition matrices, but I think they could write a brief explanation on this point. In the conclusions should be clarified briefly about the results consistency of the four statistical methodologies used in the analysis. Finally, there are some references that are not related in the text, e.g. Shorrocks, 1978.	Corrected (line 201) Comment and reference have given in footnote (line 232) Have been clarified (line 332) Articles without links in the text have been removed from the list of references .
<u>Minor</u> REVISION comments		
<u>Optional/General</u> comments		