

Anonymous - Referee Report 1

October 18, 2018 - 07:57

see attached file

Jiang Yushi and Dinkneh Gebre Borojo - Response to referee 1

October 21, 2018 - 14:26

Thank you for your constructive comments. Here the response.

Anonymous - Referee Report 2

November 14, 2018 - 11:37

My report on the paper: the Impact of Institutional quality and infrastructure on overall and intra-Africa trade,

I find the paper very interesting and timely especially at the time when regional integration and African Continental free-trade debates have been reinvigorated in high level policy circles across the continent. The ...[more]

... distinction of extensive and intensive margins in the analyses adds more value. The work definitely adds value to literature and policy.

I think the literature review can be improved with more recent work on the subject and on Africa particularly. The most current literature the authors review is 2006, which is near obsolete in my view.

In the methodology, I would like a bit of theoretical foundation prior to equation 2.

In terms of the estimation technique, the authors prefer Hecmann for obvious reasons, after arguing the weaknesses of the PPML. They base their final choice of estimation technique on the analysis of the Mills ratio, which is sound. However, I think that the actual estimation should have included the PPML, and compare results for extra robustness. I would recommend this, perhaps only for one model.

I like the IV models that the authors include for robustness check.

Please check the last sentence of the paragraph above Table 3.

I recommend acceptance with minor corrections suggested above.

Jiang Yushi - Response to referee 2

November 22, 2018 - 14:25

We are grateful to the referee for the comments and detailed evaluation of our manuscript.

Anonymous - Referee Report 3

November 22, 2018 - 14:24

This is quite an interesting paper, adding some valuable knowledge on how border and transport efficiency interact with institutional and other factors to determine trade performance for African countries.

Indeed, Africa has numerous infrastructural challenges, including thick border compared to other regions. Many Regional integration initiatives aim to address ...[more]

... these challenges with the objective of increasing trade incidence and performance. This paper could therefore add value in these initiatives, in addition to the various trade facilitation measures by bilateral and multilateral donors.

The paper also focus on the quality of institutions. These are major causes of Non-

Tariff Barriers to trade, and source of inefficiency in facilitating trade. While it is relatively easier to fix a road or a border post once for all and be able to measure its impact on trade flows, but it is extremely challenging to fix attitude and practices of officials or control incidence of erratic policy decisions (such as export bans and regulatory measures) that have bearing on trade performance. It is therefore important to address both hard and soft infrastructure issues and explore their interactive effects. Recent research appears to suggest that, the benefits of improving procedures and operational efficiency in facilitating transit trade are much bigger than benefits resulting from improvement of transport infrastructure. It may be useful, as an extension to this research, to consider decomposing the effects arising from hard as opposed to soft infrastructure on trade performance.

On methodology, the paper employs simple analytical framework but with quite a comprehensive estimations for robustness and sensitivity analysis. However, utilizing principal component analysis, the results show that almost all variables are significant. From a non-technical perspective, it is not clear what implications are; in terms of estimation/analytical strategy or the drivers of results. Are we saying these factors are more important or are equally important to the standard factors? It would be useful to provide more analytical context to nuance what is driving the results out of host of other factors.

In conclusion, I recommend the paper for publication, and advise the author to consider extending the research along the lines of my comments.

Jiang Yushi - Response to referee 3

November 25, 2018 - 07:51

Thank you for your constructive suggestions and thoughtful evaluation.