



SDI FINAL EVALUATION FORM 1.1

PART 1:

Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	Ms_BJEMT_30392
Title of the Manuscript:	Currency Devaluation and Importation of Rice in Nigeria
Type of Article:	Original Research Article

PART 2:

FINAL EVALUATOR'S comments on revised paper (if any)	Authors' response to final evaluator's comments
The authors have addressed some of my earlier comments, but they still have some confusion on econometric methodology. In Section 3.1, "Model specification", they propose a simple log-linear regression which, when estimated, will simply compute the slope of a linear trend passing through the (logs of the) data points. As Figure 1 show, it is obvious that the results will show a positive time trend, but this has nothing to do with the determinants of imports of rice in Nigeria, but simply show that this variable has been growing. However, the authors report this as a major finding also in the conclusions. In section 4.3 the authors switch to a different model, now investigating whether their variables have a stochastic trend. The linear trend is no longer mentioned. They find that imports of rice are cointegrated with the exchange rate, but they normalize the cointegrating vector as if imports of rice were determining the exchange rate, rather than the other way round (page 11, line 228). They don't report the results of their VECM estimate, but only those related to cointegration analysis. Such results are needed, because they help to understand the direction of causality among the variables, while the Granger causality test reported on page 11 is not appropriate for a model with I(1) variables. I would suggest removing sections 3.1 and 4.1, while placing the graphical analysis of Figure 1 earlier in the text. Section 4.2 can also be dropped. Results from cointegration analysis should be completed and presented. It is also	



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important to verify that the model is appropriate, i.e. that no other variables affect imports of rice (tariffs, income, etc.)

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