Dear Professor Mallick,

Thank you for your email and the detailed editor’s and two referees’ comments. We have addressed them all and uploaded a file that explains the revisions in detail, along with the revised and resubmitted paper. In particular, we clarified our main economic arguments.

We note that apart from Reviewer 1’s comments in the first two paragraphs on the need to identify the contribution of the paper more clearly, the other more-specific comments are prefaced by the acknowledgement that these are the reviewer’s earlier comments based on a review for another journal. In fairness, we need to stress that several of the specific comments on the wording in the original version of the paper (1. ii; 2. i, ii, iii and iv) no longer apply. We made significant changes to the paper before submitting it to Economic Modelling, and several of these specific concerns were removed, as is outlined in the responses to the reviewers’ and editor’s comments. Additional empirical work was also included, but there is no acknowledgement or comment on this by Reviewer 1, so it is not clear whether Reviewer 1 re-evaluated this version of the paper or whether the earlier review was just passed on to Economic Modelling from the other Elsevier journal.

We appreciate that reviewers’ comments often differ, but it is striking that the views of Reviewer 1 and Reviewer 2 are diametrically opposed. Whereas Reviewer 1 is dismissive of the paper’s contribution, Reviewer 2’s view is much more positive about the contribution and novelty of the paper and the clarity of the research question examined: “This [is] a comprehensive paper with a well-defined objective and research question. … The discussion of the results is detailed, and the paper is also well-motivated by the discussion of the importance of FDI in Asia. Overall, this is a well-structured and thought-provoking paper.”

We look forward to hearing back from you about our revised manuscript.

Sincerely,



Professor Alfred A. Haug

University of Otago, New Zealand