

**VIEW COMMENTS FROM EXTERNAL REVIEWER**

Project Number : 16600517

Project Title : Spatial Price Differences in China

PI Name : Prof Holz, Carsten A

Co-I Name : Prof Brandt, Loren

**Section A : Detailed Comments****1. Please comment on the objective(s) of the proposal, and whether the research agenda adequately addresses the objective(s)?**

Excellent	Very Good	Good	Fair	Poor
<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Comments:**

Drawing on a seminal paper on consumption price levels across provinces in China published in 2006 by the PI and the co-PI of the project, this proposal's objective is to expand this work and to construct GDP price levels across provinces in China. This research is of high importance for the academic community as well as more generally for the general audience, because it will make it possible to provide accurate analyses on regional economics in China. The topics that can be covered through the use of provincial deflators include both macroeconomic issues (regional development, international trade for instance) and microeconomic issues (poverty, inequalities for instance) that are of utmost importance to better understand the development of China as well as its impact on the world economy. The proposed research agenda, mostly based on collecting relevant data and constructing accurate indicators, spans over 2 years and is fully consistent with the general objective of the project.

**2. Please comment on the Research Design and Methodology.**

Excellent	Very Good	Good	Fair	Poor
<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Comments:**

The research design and the methodology are very clearly explained and motivated. The proposed methodology builds on the previous work done by the PI and the co-PI on consumption price levels, and incorporates additional components in order to establish provincial prices for GDP. These additional components are gross fixed capital formation (GFCF), exports and imports. For each component, the project indicates the data sources that are available and clearly points out their strength as well as the possible difficulties that the team may encounter in building each indicator. The project reflects a deep knowledge about data and related statistical issues, as well as a clear understanding on how to build upon available material to derive an indicator that is obviously of great importance for international research on China's regional economy.

**3. Please comment on the feasibility of the proposed research.**

Excellent	Very Good	Good	Fair	Poor
<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Comments:**

The work plan and the time schedule look realistic and I would not expect implementation problems. With no doubt, the most time-consuming part of the project is the data collection. It is planned to last for 1 year, which looks reasonable. Both the PI and the co-PI have excellent research expertise in the field, including the collection and the manipulation of Chinese data. They are both internationally renowned scholars in their field, and their previous paper on consumption price levels across Chinese provinces has proven to be a very important paper in the field. As highlighted by the PI, it is not only widely cited, but it is also widely used in applied research on China as the only source of provincial price deflator publicly available.

**4. What do you consider to be the most original or innovative aspect of the proposed research? What advances would the research result bring about to the related field if the proposed research is successful?****Comments:**

The project itself is highly innovative and will fill a gap in the economic analysis of China. Providing consistent GDP deflators at the province level in China is with o doubt of high importance for a better understanding of this economy. The impact of the project on the academic community is potentially huge because it will also allow all researchers worldwide to use the produced indicators for more accurate statistical analyses.

**5. Please comment on the reasonableness of the proposed budget and manpower planning and project duration.****Comments:**

The resources requested for the project are reasonable. The budget has two main components: 1) hiring 1 senior RA for data collecting and cleaning in year 1 and 2 (over 12 months); 2) expenses related to the joint research work by the PI and the co-PI (based in Toronto), and presentations of the project findings at international conferences.

**6. Overall Comments**

Overall Comment :

The project is of utmost importance for academic research as well as for a better understanding of the regional economics in China.

Strength:

- Excellent research experience of the research team.
- Highly topical (needed) project, with huge impact.

Weaknesses:

N/A

Suggested improvements:

N/A

**Section B : Summary of Assessment**

**The project :**

<b>Scientific/scholarly merit</b>	<b>Excellent</b>	<b>Very Good</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Duration Proposed</b>	<b>Too Long</b>	<b>Appropriate</b>	<b>Too Short</b>		
	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>		
<b>Impact of Research</b>	<b>High</b>	<b>Moderate</b>	<b>Low</b>	<b>None</b>	
	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

**The principal investigator :**

<b>Ability to undertake the proposal</b>	<b>Excellent</b>	<b>Very Good</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<b>Track record in field</b>	<b>Excellent</b>	<b>Very Good</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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