

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 type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments:

This proposal suggests building a database for GDP price levels across provinces. It suggests using the expenditure approach for the calculation of GDP, which means that the PIs have to construct consumption price levels in each province, the gross capital formation price levels in each province, and the export and import price levels in each province.

I think that the construction of such a database is very valuable. As the PIs motive well in their proposal, while price indices are readily available, for many questions, such as the measurement of inequality and poverty or for a comparison of living standards, absolute price levels are necessary. As there are huge differences between China's provinces, to construct such a database for China is even more plausible and valuable.

2. Please comment on the Research Design and Methodology.

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

Comments:

The description of the research design and methodology is very clear. I have only two comments to it. First, the authors only cite one paper, and this is their previous paper "Spatial Price Differences in China: Estimates and Implications", published in Economic Development and Cultural Change 55(1), 2006, pp. 43- 86. In this papers the PIs focus on provincial consumption price levels. In the current proposal, they suggest to extend this approach to GDP. While there is nothing wrong with that per se, I would have liked to read more about embedding into the literature and contribution to the literature. I hope and expect that this will be done in the paper that will be written about the data. As the proposal here is mainly about creating a database, I would not count that shortcoming too heavily. Second, on many instances the PIs are themselves a bit sceptical about the feasibility of their suggested ways to create the data ("It is questionable if these data are of any use in this project, but it is still worth checking." (p. 7), "The earlier creation of the dataset was elaborate and time-consuming work, and provincial flow of funds tables are no longer available in summary compendia." (p. 8)). Further, they mentions some restrictions for some data concerning coverage. I like that the PIs are upfront about possible difficulties and limitations, but strongly hope that they do not use the expressed problems as excuse at the end of the project for delivering a dataset that could have pushed further in terms of quality and coverage.

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:

Given the previous experiences of the investigators and the description of the project and the work plane, I think that the proposal is feasible.

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 innovative aspect is to create a new data set of GDP price levels across provinces. This dataset will then be available for future research.

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

The budget seems reasonable in all respects. The principal investigator plans to employ a senior research assistant. The argumentation is that a senior research assistant is necessary which has "[...] sufficient experience and time, [and] who can take full responsibility for organizing and re-organizing data and data work in a transparent fashion." Given that the dataset shall afterwards be made publicly available and obviously the PIs made bad experiences with postgraduate students, I think it is reasonable to ask for a senior research assistant.

One additional comment to the budget: The PIs ask for more than the typical HK\$20,000 per annum travel expenses. They also split up these expenses into "Travel for PI and Co-PI to meet" and "Miscellanea". As the co-PI is in Canada, I think this is well justified. However, for sure the last judgment whether this is feasible and according to the rules has to be on your side here.

6. Overall Comments

Overall Comment : I think constructing a database of GDP price levels across provinces is valuable. It will open up the door to empirically explore different questions, and thereby contribute to the academic and policy debate. However, I have to mention that I do not see a high academic output for the project itself.

Strength: The major strength of the proposal is the clear goal to construct a new database and the clear description how to do that.

Weaknesses: The major weakness of the proposal is that it is not well embedded into the literature. Further, the direct academic output potential may be quite limited.

Suggested improvements: I think the proposal is fine as is. The main question concerning the decision to fund the project or not is whether you find the creation of GDP price levels across provinces for China worth funding.

Section B : Summary of Assessment

The project :

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

The principal investigator :

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