

The authors reply:

*“With over 20 exogenous regressors it is not feasible to estimate a VAR (even the simplest one) without assuming the non-existence of a number of variables in some equations (for the GDP, unemployment or CPI) since we have less than 70 observations in the series.”*

That’s a good point but it happens all the time. It is the “ $p > n$ ” paradigm that has boosted Bayesian attempts to deal with this problem. Here,  $p$  is the number of parameters and  $n$  is the number of observations. I do like the paper for what it delivers but, at least in my opinion, we have to deal (and in the near future we will have to deal even more) with situations where we have huge models and too few observations. The argument that we need large  $n-p$  simply does not apply. So, the real question is what can be said in these situations. We can either give up or try to squeeze out from the data as much information as we possibly can.

I admit this is not trivial in classical VARs and could be left for future research. Other than that I would have hoped that the model would be compared with some simpler alternatives. The purpose is always to see what can be gained by moving to elaborate models, not to estimate elaborate models and see how they perform.