

Referee Report on “A new and benign hegemon on the horizon? The Chinese century and growth in the global South?”

This paper provides an analysis of the impacts of trade with China on GDP of South countries. The main finding is that imports from China have a positive effect on GDP whereas exports do not.

This is generally a good paper. The paper is well-written, fairly clear in its exposition and acknowledged for its technical rigor. The paper is not innovative in the techniques and no theoretical contribution is presented, but the authors study an interesting question regarding how trade with China will impact on GDP for countries grouped in the so-called Global South. Even the title of the paper is very suggesting (with the exception of a required capital G in “global”) and suitable. The main finding of the paper that imports from China contribute positive to GDP growth in the Global South economies, but exports from these countries to China have limited effects on GDP growth.

My main point of conflict with the paper is about the frequency of the data. The authors are wrong about the statistical meaning of a sample period. They try to increase the sample period (2000 to 2016) just by increasing the frequency of the data (using quarterly data instead of yearly data. No matter if the frequency is quarterly or annual, the sample period is 17 years. Using more data for the same years, by increasing the frequency of the data to quarterly or monthly frequency, do not means more data, as higher levels of auto-correlation exists. The authors should verify if similar estimation results for the different econometric specifications are obtained by using annual data, consistent with the available information for capital stock and labor.

Additional comments:

1. I think that the introduction section could be improved. The introduction of the paper is not only too short, but little informative about the motivation and contribution of the paper.
2. The result that geographical distance is not a relevant variable in explaining imports from China should be elaborate in more detail.

In summary, the paper is a nice attempt to investigate the implications of trade with China on Global South countries. Accordingly, I recommend publication of the paper with the modifications suggested above.