Comments on

Vertical Production Networks: Evidence from France

Bv

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- 1. The comparison with the HMS study is the wrong direction to take.
 - The question of the relationship between multinational parents, their affiliates, and un-related parties is an interesting one. Much work has been done using US data and it is therefore interesting to consider comparative work using data for other countries.
 - However, because data, particular micro-data, are often collected on dissimilar bases according to national approaches, it is unfruitful to pursue an empirical strategy that is the same as one by other authors that use a different national data set.
 - Therefore, the authors should start fresh with their data and consider the appropriate questions to test based on the data they have, rather than start by trying to compare their approach and data with HMS.
- 2. The paper is too long, in part because of the approach of comparing with the US and HMS.
 - Section 1 could be shortened. Eliminate Section 1.1, Table 1, Figure 1, all of which could be treated with just a shortened text integrated into section 1.2
 - Section 2 should be recast. Only review appropriate theory, and don't spend time on HMS since, in the end, you can't use that.
 - Eliminate Section 3.2
 - Eliminate Section 4.1
 - Section 4.5 could be treated in a footnote.
- 3. Data problems need a different resolution.
 - Strategies of the 'super-affiliate' (with 4 product categories) is questionable.
 - Assuming that affiliate productivity is equal to parent productivity (so as to deal with the turnover problem, section 4.2) violates most assessments of these data when they are available.
- 4. An alternative direction
 - Authors should start fresh with what they do have and work with it. Table 10 appears to use data and yields interesting results. The paper should be written around that Table.
 - Another interesting questions would be how French MNC trade varies with new members vs. non-members of the EU. The 1999 benchmark data make this difficult, but the authors should consider to what extent some version of their data would allow this analysis.