

## **Responses to the Associate Editor's Comments on "Long Run Macroeconomic Relations in the Global Economy" by Stephane Dees, Sean Holly, M. Hashem Pesaran and L. Vanessa Smith**

We would like to thank the Associate Editor and the two referees for their constructive comments from which our paper has benefited greatly.

### **Reply to the points raised by the Associate Editor:**

#### *General Comments*

1. In addressing the issue of the readability and accessibility of the main results of the paper, we have relegated the proof of what is now named Remark 2 to the Appendix as suggested. We have also made a number of editorial changes to improve the exposition and to clarify the nature of our contributions in the present paper as compared to that of DdPS in JAE (2007).
2. We now provide a more detailed account of the theory-based long run relations and provide references to the literature. In particular, we clarify the theoretical basis of the output convergence equation.

#### *Comments of an Editorial Nature*

1. The font size of the text and references have been changed to a standard 12 point size, apart from those of the Appendix which have a font size of 11.
2. The equations on pages 8 and 9 as well as all other equations that did not fit into the page bounds have all been dealt with.
3. Tables 7-9 have been dropped while the sizes of Tables 10 and 11 have been reduced by reporting the data every second quarter as suggested.
4. On page 22, line 1, "Tables" is no longer capitalized. "Figures" has been removed completely as we have dropped the corresponding figures.
5. The unnecessary "the" on page 17, line 4 has been removed.