

Report on Bachelor / Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Bc. Ondřej Sláma
Advisor:	PhDr. Jaromír Baxa, Ph.D.
Title of the thesis:	The Importance of Non-Price Competitiveness: Oil Downstream Sector in Europe

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

Please provide your assessment of each of the following four categories. The minimum length of the report is 300 words.

Contribution

The work presents clear contribution in several aspects: 1) checking of the Benkovskis and Wörz (B-W) index via estimating the index on Comtrade database and using the same and extended time window, 2) focus on the oil downstream sector. The thesis therefore offers sufficient and interesting contribution for a master thesis.

Methods

The thesis is based on a replication of the B-W method and extension of their analysis. The thesis shows that the author has done a great deal of effort to code the whole procedure and estimate the models. I would only welcome in some parts more detailed and transparent explanation of few steps – related remarks can be found in the “Manuscript form” section.

Literature

The literature review seems to me the weakest part of the thesis. It seems to me unbalanced when the author offers interesting and quite detailed description of the oil downstream market while the description of other competitiveness methods or related problematic issues (e.g. critical reactions on cited and influential paper by Rodrik (2008)) is very short and unsatisfactory according to my opinion (literature review in whole text is mainly focused on B-W).

The Literature Review chapter covers very shortly also papers discussing the state of competitiveness in the Czech Republic. However, the paper estimates index for whole CEE region and several other states (e.g. US or China). With respect to the coverage of states in the analysis the chapter 2.5 should be either extended to all analyzed countries or left out.

I would also recommend the Chapter 6 to be shifted to Literature Review part. It is mainly descriptive chapter presenting context of the petroleum industry which is partially distracting reader from analyzing the results of the thesis.

Manuscript form

In general, the thesis demands additional round of proof-reading to clear the writing style and typos. Several concrete comments concerning unclarity of the text are below:

- What is the difference between d and m in the equation (1)? Both terms are named as quality indicators. Equation (3) would imply that d stands for domestic goods and m for imported products.
- Explanation of the Herfindahl index is confusing and should be revised. The aim to use the index to test for concentration is clear however how can be this index used to examine quality? I would also welcome more detailed explanation how can be this index used to check the index developed by Benkovskis and Wörz? Why is the threshold 0.25 used as an indicator of a bias in the B-W index? Simply the application of the HI would demand more detailed and clearer explanation in the Methodology section.

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- On page 29 author promises following:
”...we investigate the drivers of the quality index (including price, variety, quality) for a specific sector, the oil downstream.“
However I have not found any empirical analysis revealing determinants of the quality sub-component of the B-W index. This should be clarified to avoid misunderstanding of the paper.

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
Contribution (max. 30 points)	25
Methods (max. 30 points)	28
Literature (max. 20 points)	14
Manuscript Form (max. 20 points)	14
TOTAL POINTS (max. 100 points)	81
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Mgr. Michal Paulus

DATE OF EVALUATION: August 29, 2017


Referee Signature