

Peer Review

Review of: "Testing Baumol's Cost Disease in Tourism: Productivity, Prices, and Labour Costs in Selected EU Countries Post-COVID"

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The paper is methodologically sound and provides relevant insights for economic policy in tourism. Further exploration of the long-term effects on the competitiveness of the sector would add further value.

1. Firstly, the use of the **Panel Difference-in-Differences (PDiD)** model allows for a differentiated analysis of the impact of productivity on wages and prices in tourism compared to other sectors, both before and after the COVID-19 pandemic. Secondly, the application of the **Panel-Corrected Standard Errors (PCSE)** method ensures the robustness of statistical inferences by addressing issues of heteroscedasticity, cross-sectional dependence, and serial autocorrelation, which is crucial for panel datasets, particularly in the economically interdependent context of the European Union.
2. To enhance the value of the study, it would be beneficial to analyse the long-term impact of rising costs on the competitiveness of European tourism, particularly in relation to emerging regions. Automation and digitalisation could serve as solutions to **Baumol's Cost Disease**, yet they may fundamentally transform labour demand and employment structures in the sector. Additionally, the economic sustainability of tourism in the context of climate change and the influence of European economic policies on industry competitiveness are essential aspects that warrant further exploration to understand the future of this sector.

Declarations

Potential competing interests: No potential competing interests to declare.