

Review of: "Contribution of Indirect Taxes on Goods to Economic Growth of Pakistan (1972-2022)"

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Potential competing interests: No potential competing interests to declare.

Report Review on the paper

" Contribution of Indirect Taxes on Goods to Economic Growth of Pakistan (1972-2022)"

This paper aims to identify the empirical relationship between indirect taxes – i.e., federal sales tax, federal excise duty, and customs duty – and the economic growth of Pakistan.

The topic is important. However, the current version suffers from serious problems.

1. Although there is a literature review section, it is incomplete and very restrictive. Furthermore, the section is not well presented. The authors have merely listed out some studies without even creating a debate among them. Without that debate and thoughtful contradictions, the research gap cannot be substantiated. The literature review should be updated, organized, and improved. There are many recent studies that examined the relationship between taxes and economic growth. For instance:

<https://doi.org/10.1080/23322039.2022.2141423>

<https://doi.org/10.1080/23311975.2023.2213959>

<https://doi.org/10.55529/jpome.24.28.38>

<http://tsuijaf.com/index.php/tsuijaf/article/view/37>

<https://doi.org/10.1007/s40797-021-00149-0>

<https://doi.org/10.1016/j.eurocorev.2022.104157>

1. The methodology section needs more elaboration. The current presentation is not enough. The work needs to be restructured. The authors should explain the motivation behind adopting the Vector Error Correction Model. In the literature, the ARDL/NARDL approaches are more attractive and recent than the Johansen Cointegration approach used in this paper.
2. The authors used the ADF unit root test. This test does not allow for structural breaks. However, a major criticism of these tests is that they may suffer from power deficiency in the presence of structural breaks. Therefore, it is important to consider more recent and innovative tests that allow for structural breaks such as Zivot and Andrews (1992), Lee and

Strazicich (2013, 2003) LM tests, Narayan and Popp (2010), or RALS-LM (2014). These tests are more recent and more accurate compared to the standard tests.

3. No, comparison and discussion of the main findings with related literature.
4. The conclusion is not well written, and it doesn't effectively integrate the components of the paper.
5. The authors do not highlight the managerial implications of the results. How are the findings beneficial for policymakers?
6. References should be reviewed.
7. Lack of quality of structure. The work is not well structured and articulated.

The paper is not suitable for publication