

There is an error in the paper as published. On p.15 the alternative form of $M3$ is incorrectly derived from the previous line. This should read as follows:

The full model is:

$$y_{ij,t} = \lambda_{1j}SFC_{ij,t-1}(1) + \lambda_{2j}Adj_{ij,t-1} + \beta_{1j}Y_{ij,t-1} + \gamma_{1j}e_{ij,t-1} + v_{ij,t}$$

If we subtract the Final Forecast ($SFC_{ij,t-1}(1) + Adj_{ij,t-1}$) to each side of the previous equation, we obtain:

$$e_{ij,t} = (\lambda_{1j} - 1)SFC_{ij,t-1}(1) + (\lambda_{2j} - 1)Adj_{ij,t-1} + \beta_{1j}Y_{ij,t-1} + \gamma_{1j}e_{ij,t-1} + v_{ij,t}$$

where

$$e_{ij,t} = y_{ij,t} - (SFC_{ij,t-1}(1) + Adj_{ij,t-1})$$

The error has no substantive consequences in terms of the results reported.

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