



SDI FINAL EVALUATION FORM 1.1

PART 1:

Journal Name:	British Journal of Economics, Management & Trade
Manuscript Number:	2014_BJEMT-12921
Title of the Manuscript:	IMPACT OF OIL PRICE VOLATILITY ON ECONOMIC GROWTH IN SUB-SAHARAN AFRICA

PART 2:

FINAL EVALUATOR'S comments on revised paper (if any)	Authors' response to final evaluator's comments
Unfortunately, the revised version does not fundamentally differ from the previous version. Apart from some editing, hardly any of the comments were addressed properly. The paper remains confusing and unclear. For instance, what is the underlying theoretical basis (no rationale is provided why a standard Solow-approach is not taken, why the approach taken from the MA-thesis appears appropriate or why no other control variables are included), is it estimated in first differences (i.e. growth rates) or log-levels? What is the dependent variable: real GDP per capita (as state on page 6) or GDP (as stated on page 7)? Do the descriptive statistics refer to log-levels or growth rates? Is the inflation rate logarithmized or not? What is the motivation to conduct the unit root test? What are the implications? Why do the authors use pooled OLS; FE und GMM? (no explanation is provide: and 'since they were not used to examine the relationship between volatility and economic growth' is not a scientific one); the paper suffers from causality issues in its interpretation! There is still no discussion of how crude-oil price developments/volatility enter into the inflation rate (this is particularly relevant for oil-importing countries); There is no discussion of GDP-developments in the two groups (the major focus of the paper) and how they relate to oil price developments; Some minor comments: no data sources underneath the figures are provided; Figure 1 is unclear! What does the second bar capture? No legend is provided and no explanation in the text! All in all, it is not a paper that helps the reader understand the potential relationship between the volatility of oil prices and real GDP (per capita?) (Growth?). It still raises too many questions and has too many issues.	We have adopted standard Solow-approach, and other variables have been included. It was estimated in growth rates. The GDP used is the GDP per current US Dollars. It has been corrected. The GDP used is the GDP per current US Dollars. This has been corrected. All the variables are in log as it is indicated in the model. The descriptive statistics are in growth rates. The justification and the importance of all econometric techniques used in the study i.e. unit root test, the pool OLS, fixed effect and Generalized Method of Moment has been included. The motivation and implication of conducting unit root test has been included. The reason for using fixed and GMM has been included. Figure 1 has been modified. Discussion on oil price development and economic growth has been included and also discussion on inflation and volatility of oil price has been included. Figure 1 has been modified.