



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
The current version has much improved from the previous one. However, some issues still remain: - Figure 1: is not what is actually described in the text - Methodology: please also mention FDI in the last paragraph in section 4.0, otherwise only 5 instead of 6 variables are mentioned; The authors mention the issue of choosing between RE and FE models; why do not they provide a Hausman test to substantiate their choice? - Section 5.0: equation (3) in section 4.0 suggests a growth approach; however, in this section all variables are in (log) levels, so, is the model estimated in growth rates or levels? I urge the authors to make that clear! - Section 5.0: in table 6, where estimation results for group A are presented, no constant is reported for the FE-approach? Furthermore, the number of observations drops by 26 observations? Why is that? What variable(s) has/have been dropped? Please make that clear! - Furthermore, for this group of countries, negative coefficients emerge for CAP and LAB This is a very interesting finding and strongly contrasts to findings for the group of oil-importing countries. This requires some more discussion in section 6.0! - Section 5.0: in table 6 where estimation results for group B are presented for the FE-approach, is not the coefficient for OPV significant at the 5% level? So in both, oil exporting and importing sub-Saharan African economies, a significant positive relationship with GDP growth(?) emerges! - Section 5.0: the interpretation of the results is full of causality issues. The econometric approach does not allow for any causality inferences, only correlations are observable! Please correct! - Section 6.0: when discussing results for group A, the authors should make clear that they are actually referring to oil-exporting countries in SSA NOT all of SSA (one sentence reads as follows: "In other words, the volatility of oil price has a positive effect on economic growth in sub-Saharan Africa." Which is not the case: in this case, this only holds for oil-exporting countries in SSA). - Section 6.0: when discussing results for the group of oil-exporting SSAs, the authors try to come up with an explanation for the positive coefficient for OPV and mention investments ... but now that their model also includes CAP and FDI, these two variables should to some extent capture this 'investment' channel. However, both variables turn up negative, at one point or another (depending on the methodological approach taken). Some other channel seems to be at work here! - Finally, please perform a language check!	The description has been done in line with figure 1 Foreign direct investment (FDI) has been included. We can not adopt Random effect because we made use of unbalanced data. We can only perform Random perform when our data is balanced. It has been corrected. The exclusion of the constant is purely omission and it has been included. While the number of observations is mistake and it has been corrected. It has been included Yes, it has been corrected. I did the interpretation based on the results of the model used. The panel pooled OLS, fixed effect and dynamic model is not for determine causality. I only interpreted based on the results of the model and the word causality is not even used anywhere. Other channel is now included. It has been corrected This is has been done