SCIENCEDOMAIN *international*
www.sciencedomain.org

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. It is finally clear that the model is estimated in growth rates! However, some issues still remain:	
- **Section 5.0: since summary statistics on lnGDP are presented, please also make sure that the interpretation is in terms of levels, not growth rates ('*For example, the growth rate of GDP is very low over the period of this study as the mean value stands at 7.87%.*'). This occurs several times, please correct.**	**It is not lnGDP but it is dlnGDP I did not know that it was saved when I did the correction.**
- **Why present summary statistics for both, levels and growth rates? This is rather confusing! And why only for panel B?**	**Both panel A and B are all in growth rates unfortunately I did not know that it was not saved when I did the last correction.**
- **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! The authors talk about 'effect' or 'impact' … but NO causality can be inferred from their analysis, so please correct!**	**This has been corrected.**
- **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!**	**This has been corrected.**
- **Section 6.0: as an attempt to explain the negative coefficients for oil-exporting countries for both capital/FDI … could it be that oil-exporting countries less strongly rely on technology (either in terms of technology embodied in capital goods or via FDI) to foster growth but predominantly rely on oil income? So, together with the negative coefficient on labour that would be a serious concern for sustainable growth in these countries!**	**Thanks for the deep reasoning of the reviewer. It was this issue raised that forced me to go through the Eviews results again and eventually discovered that the coefficient of labour of GMM results is not negative as I indicated in table 7 but positive. To show the sincerity of this I will attach the results of GMM of oil exporting countries while submitting this form.**
- **Section 6.0: '*The results of fixed effect of panel B are little different from pooled OLS, the volatility of oil price result is the same with pooled OLS. Both labour and and FDI are negative but labour is statistically significant at 1%. This result is consistence with [7].*' Emerges twice! Please delete!**	**It has been deleted**
- **Section 6.0: what does this mean** '*The adjusted variable pooled OLS is 0.38 and 0.97 under fixed estimation*'	**It has been changed to coefficient of determinant**
- **Would it be possible to include some notes underneath the tables as to how the endogeneity issue is resolved via GMM? What variables are considered to be endogenous and how (with how many lags) did the authors instrument for these?**	**This has been done**
- **The final concluding paragraph should also be incorporated in the previous chapter where results are interpreted.**	**This has been done**
- **Section 6.0 & conclusion: is not there a contradiction: in section 6.0 the authors mention that** '*The results of pooled OLS in Panel B show that the volatility of oil price and the capital have positive signs but the volatility of oil price*	

is statistically significant at 5% under fixed model only. This effect of the volatility of oil price on oil importing countries may have probably occurred because such countries identify and explore alternative sources of energy so that they are protected from the impact of price volatility or they may adopt measures[1] to reduce the level of dependency on oil international markets.' **In the concluding section the authors highlight that** *'Moreover, the positive impact of the volatility of oil price shows that the oil importing countries should have alternative sources of energy to be protected against the volatility of oil prices. These countries should take necessary measures to reduce their level of dependency on international oil markets.'* **So, do these countries already make use of alternative sources of energy or do they have to make use of them in the future? Please clarify!**	**This has been modified under the conclusion**
- **Finally, please perform a language check!**	**This is also done.**

[1] The target of such measures is to transform and reform economic structures.