



SDI FINAL EVALUATION

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
1-Part 5.Data Analysis and Empirical Results The result of pooled OLS of panel A shows that the volatility of oil price is positive but statistically insignificant. The pooled OLS results also show that FDI is negatively signed and statistically significant at 10% which means that FDI has a negative effect on the economic growth of oil exporting countries in sub-Saharan Africa. The real exchange rate is also negative and statistically significant at 1% under pooled OLS. This also means that real exchange rate has a negative impact on the economic growth in oil exporting countries in sub-Saharan Africa. Labour and capital have a positive impact on economic growth as they are positively signed and statistically significant at 5% and 1% respectively. The results of fixed effect show that only the volatility of oil price has a positive impact on economic growth and statistically significant at 1%. On the other hand, the results of the volatility of oil price under dynamic GMM model is the same with those of the fixed result. In other words, the volatility of oil price has a positive effect on economic growth in sub-Saharan Africa. All other variables except for the lagged dependent variable have a negative impact on economic growth. The positive effect of the volatility of oil price on oil exporting countries found in this study may be due to the fact that the increases in oil prices will encourage and motivate investors to invest in the oil exporting countries, leading to an increase in the investment funds in African oil exporting countries. As a result, this oil windfall will create the opportunity to increase the government revenue in oil exporting country and will boost the economic growth in the oil exporting sub-Saharan Africa countries [23]. “Also it might also be due to currency appreciation which make interest payments on international debt less expensive if those debts are denominated in a foreign currency and the accumulation of this interest rate can be used for the expansion of the economy.” The sentence written in blue should be deleted completely. The author should not add other sentences after [23] because the paragraph finishes. 2- Part 6. Conclusion The negative and significant of labour in both groups might due to the high illiteracy rate and as well as lack of skilled workers leading to their low productivity. Also, it could be that the personnel management system in firms and enterprises does not allow well-educated employee to contribute	



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meaningfully to the enterprises. The positive and significant of capital in oil importing countries might have occurred through technological innovation. This might be as result of reallocating their revenue among different capital producing technologies or invention of new production processes and goods in an attempt to widen their sources of income. While it is otherwise in oil expoting countries as they majorly rely on oil revenue as main source of income and negneted other sectors.

The above paragraph in Conclusion should be deleted completely.

Reviewer Details:

Name:	Zeynep Ozbilge
Department, University & Country	Graduate of Marmara University, European Union Institute, Turkey