

Comments on “*Exchange rate Volatility and Growth Dynamics Evidence from Selected Sub-Saharan African Countries*”

The objective of this study is important and well defined. However, there are some minor and major revisions that have to be made and I will not report the minor revisions at this point. The Major problem is in the estimation period (1966-2006). The period used in the article covers three different periods in International Financial System. They are namely Bretton Woods, post-Bretton Woods and euro-zone period (2002 and onwards). Volatility in exchange rates in these periods differs significantly. Therefore any analysis which integrates these periods is not very sensible in economic terms. Another problem with the data is that Deutsche Mark is not in circulation after 2002. However, DM/US Dollar rates are continued to be used in data even after 2002. DM/Dollar rates do not actually represent the volatility in exchange rates after 2002.

As a result, I would simple suggest that the authors should re-estimate the model. They can do it two different ways. They can apply any of the methodology. It is possible to use either time series methods or panel data analysis.

- I. Depending on the availability of the long enough time series data (probably quarterly observations), authors may prefer to estimate their model for two sub-periods. The estimation periods can be divided into such as 2002-2011 and 1980-2001. However, it should be remembered that for the time interval after 2002 Euro/Dollar rates must be used. For the period before 2002 DM/Dollar rates can be used. Such a division will also help the authors to compare the coefficients in these two different periods and will help us to understand existence of any change or magnitude of the change in the volatility. This implication will increase the elegancy of this work.
- II. Alternatively, if the availability of the time series data is not enough to carry out the time series methods, panel data analysis can be employed. I believe that using panel data is much easier for the authors since they can easily utilize their existing data sets. The authors will simply convert their time series data sets into panel data sets. However, the authors should still estimate their model for two sub-periods as explained above (before and after 2002).

Author Feedback:-