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Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	Ms_BJEMT_30175
Title of the Manuscript:	IMPACT OF FOREIGN DIRECT INVESTMENT ON THE ECONOMY: CASE OF THE ZAMBIA
Type of the Article	Review paper

General guideline for Peer Review process:

This journal's peer review policy states that **NO** manuscript should be rejected only on the basis of '**lack of Novelty**', provided the manuscript is scientifically robust and technically sound.

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PART 1: Review Comments

	Reviewer's comment	Author's comment (if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)
Compulsory REVISION comments	1. In the article the problem of the Chinese direct investments in Africa and Zambia is paid considerable attention. For example, section 3.1 "To what extent has Chinese FDI gone in Africa?" and questionnaire survey of employees of Chinese businesses in Zambia. However, in our opinion, it requires special substantiation. For example, it would be possible to show general structure of FDI to Zambia and share of Chinese direct investments in it. 2. It is necessary to add arguments why on the example of the Chinese FDI it is possible to draw conclusions about influence of FDI of other countries on national economy of Zambia. As authors fairly note, the Chinese FDI have peculiarities. 3. To clarify the attitude to hired employees in the Chinese firms questionnaire survey was carried out. In our opinion, the results are unique and of great interest. Unfortunately, there are no data provided in the article on how many businesses and employees took part in the survey. We would recommend to present the results of the questionnaire survey in more details. 4. Some mistakes in spelling take place. For example, LITERETURE REVIEW (261). Correct version LITERATURE REVIEW. In the title of the article word Zambia (4) without "the" before it	1. Thank you very much for your valuable comment, this section has been created. Thank you 3. Thank you, The questionnaire survey results have been included under the DISCUSSION AND RESULTS SECTION. 4. Corrections made in these lines. Thank you 1). This is true and thank you for clearing t up. However the reason why this section (<i>An open economy generally tends to appeal to proportionally more foreign capital</i>) was included in this manuscript is to show that as open an economy as Zambia is, there is no



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	In general, the article concerns a hot topic, it is original, contains the novelty connected with a ratio of positive and negative effects of influence of direct investments on economies of developing countries. The main results in reviewer's opinion are: 1) the author considers direct foreign investments in national economies of developing countries as a difficult and contradictory process that has both positive effects (<i>creation of employment, advancement in technology levels and general knowledge of employees</i>) and negative consequences (<i>in same foreign-owned firms, wages are higher than in locally owned firms; cheap labor with not so good working conditions are usually the kinds of jobs created in host countries</i>); 2) analyzing direct investments flows and rates of Zambia's economic growth the author calls into question popular belief that direct investments in developing countries promote their economic growth. Moreover, it formulates conditions when their positive correlation takes place; 3) the author illustrates the thesis, that the total capacity of capital flows is positively and strongly related to openness of an economy (<i>An open economy generally tends to appeal to proportionally more foreign capital</i>).	<i>doubt it will highly attract FDI inflow- but it is up to the concerned parties to put up appropriate regulatory institutions to control it as it does not come in in the best interest of Zambia. Or any developing country for that matter.</i> <i>2) this happens especially if the developing country in question has right policies in place and at the right time if economic strength. Let's take for instance just after economic crunch, investors might be reluctant to pay better wages as locals will be desperate for money to finance their families.</i> <i>3) This is true and that is where the policy factor comes in handy. This means for an open economy like Zambia, there is no doubt all sorts of FDI will be attracted. If the good type of FDI is to be attracted, (i.e. the good cholesterol) some regulating policies should be made available.</i>
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<u>Minor</u> REVISION comments	We are offering to specify the article's structure in the following way: INTRODUCTION takes about 20% of article and can be reduced without damage to content. It includes partially the review of literature which can be united with the section LITERATURE REVIEW. It will allow to strengthen the characteristic of the studied problem. We would recommend to replace LITERATURE REVIEW section into the second place after INTRODUCTION.	The introduction and LITERATURE REVIEW has been worked on. Thank you. Done. Thank you for this recommendation.
<u>Optional/General</u> comments	There is a mathematical model characterizing the link between GDPGR and FDI of Zambia on the p.10. It is significant result of this research. It relies on processing of statistical data. We would recommend to provide data on its verification. It is important because on the basis of its practical use the author draws conclusions about the link between GDPGR and FDI of Zambia.	Thank you. The title of the paper has been changed therefor the economic model has been done away with because it is no longer necessary.