



SDI Review Form 1.6

Journal Name:	South Asian Journal of Social Studies and Economics
Manuscript Number:	Ms_SAJSSSE_55296
Title of the Manuscript:	Linkages between External Reserves and Economic Performance in Nigeria, 1981-2018: Bounds Test and ARDL Approaches
Type of the Article	

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. To know the complete guideline for Peer Review process, reviewers are requested to visit this link:

(<http://www.sciencedomain.org/page.php?id=sdi-general-editorial-policy#Peer-Review-Guideline>)

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		
Minor REVISION comments	Format of the paper is required to be corrected according to the Template or designe format for the jornal.	
Optional/General comments	This study explores a two-way short- and long-run relationships between Nigeria's economic performance measured by the GDP and foreign exchange reserves, from 1981-2018. Preliminary tests showed that both macroeconomic variables achieved stationarity after first differencing confirming both to be I(1) series. Empirical Bounds test of cointegration resulted to the conclusion that cointegration existed for the foreign reserves model that used GDP as an explanatory variable, but similar cointegration was not established for the GDP model that used foreign reserves as an explanatory variable. Following this finding, a short-run (ARDL) model was estimated for the GDP while a long-run (error correction) model was estimated for the external reserves, after determination of the optimal lag lengths. Even though the short-run model revealed a positive relationship between GDP and external reserves, only the previous year's GDP provided significant explanation of the variations in the current levels of GDP. For the external reserves, the error correction and adjustment coefficient returned the desired negative sign, implying that previous periods' errors would be corrected by adjustments in the subsequent periods, and long-run convergence was attainable. Nevertheless, the Granger-Causality test result revealed a unidirectional causality that runs from GDP to the external reserves, but not in the reverse direction, which align with the result of the estimated long-run FER model. Both the short-run GDP model and the long-run FER model passed all relevant diagnostic tests in line with recommended best practice.	

PART 2:

	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)
Are there ethical issues in this manuscript?	<i>(If yes, Kindly please write down the ethical issues here in details)</i>	



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