

This paper analyzes a relevant and timely issue, such as the impact of FDI divestment, for the case of Spain, a country that experienced higher FDI inflows since the 1960s followed by significant divestments in more recent years. The phenomenon of divestment, on the other hand, has become particularly important in last years, with emerging and transition economies increasingly becoming attractive destinations for FDI flows to the expense of more developed countries. The authors' methodology makes use of a CGE model, which means a novelty in the analysis of an otherwise not widely investigated topic.

Overall, the paper is well written and structured, the authors seem to know the methodology and the relevant literature, and the empirical analysis is competently done. Accordingly, my comments should be seen in this light, and will refer to minor issues.

In subsection 4.2, the last three paragraphs (from "To put in perspective..." on) look a bit odd in the context of the description of the model. They should be moved to another place or even dropped, since they don't add too much to the analysis in the paper. Also, it would be good to provide a listing of the equations in an appendix.

There is an erratum in p. 10, line 26: there should be "taxation, *and* social security contributions", instead of "taxation, *as* social security contributions" [my italics].

When commenting the numerical results along section 5, in the cases in which the value of a particular variable decreases, the authors write that the variable falls, or decreases, by " $-x\%$ ". However, a negative figure refers in this case to a *negative* increase, so that when a variable falls, or decreases, it will do it by " $x\%$ ", without the negative sign.

The sensitivity analysis in section 6 looks maybe a bit poor. In particular, a sensitivity analysis on the parameter  $\beta$ , measuring the flexibility of the real wage with respect to the rate of unemployment, would be of interest, since the inclusion of unemployment is one of the most relevant features of the model.

Finally, in the conclusions, it would be useful to provide some comments on the relation of the paper's results with the available informal literature on the subject, in particular the book of Myro et al. (2008).