

## **Abstract**

This thesis explores the comparative advantages between the Czech Republic and China in the context of the Belt and Road Initiative (BRI) and the "14+1" framework. The ongoing implementation of these initiatives suggests a potential increase in trade volume between the two countries. Currently, China is the fourth largest trading partner of the Czech Republic, although it also contributes to the highest trade deficit for Czechia in 2022. The Czech Republic constitutes a small portion of China's overall trade but remains the second-largest trading partner among the Central and Eastern European countries (CEEC). The main focus of the trade between the Czech Republic and China is machinery and transport equipment (SITC7 or HS84-87), which has been observed consistently between 2010 and 2021.

By calculating the Revealed Comparative Advantage (RCA) index, this thesis reveals that both Czechia and China have competitiveness in these sectors. Furthermore, the Grubel-Lloyd index highlights a remarkable trade complementary relationship between the two study objects under this category. Applying the trade gravity model, this thesis uncovers that bilateral trade flow between Czechia and its trading partners is proportional to their population, the GDP of Czechia and its partners, and the common border. However, geographical distance, oil prices and free trade agreements negatively affect the trade volume. The comparison of the trade relation between Czechia-Germany and Czechia-China indicates that Germany's GDP plays a significant role in bilateral trade. In contrast, the Czech Republic's and China's GDPs mutually determine their commodity exchange. Finally, the thesis finds that the European financial crisis and the pandemic strongly impact trade volume in the respective years.