MASTER'S THESIS EXAMINER REPORT

IEPS – International Economic and Political Studies
Faculty of Social Sciences, Charles University

Thesis title:	**The Trade between the Czech Republic and China: An Investigation of Comparative Advantages**
Student's name:	**Jiali Huang**
Referee's name:	**Doc. Ing. Vladimír Benáček, CSc.**

Criteria	Definition	Maximum	Points
Major Criteria			
	Contribution and argument (quality of research and analysis, originality)	**50**	42
	Research question (definition of objectives, plausibility of hypotheses)	**15**	12
	Theoretical framework (methods relevant to the research question)	**15**	11
Total		*80*	65
Minor Criteria			
	Sources, literature	**10**	9
	Presentation (language, style, cohesion)	**5**	4
	Manuscript form (structure, logical coherence, layout, tables, figures)	**5**	4
Total		*20*	17
TOTAL		*100*	82

Plagiarism-check (URKUND) match score:
[NB:] If the plagiarism-check (URKUND) match score is above 15%, the reviewer has to include his/her assessment of the originality of the reviewed thesis in his/her review. The reviewer declares that the thesis is original and free of plagiarism.

Reviewer's commentary according to the above criteria (min. 1800 characters including spaces when recommending a passing grade, min. 2500 characters including spaces when recommending a failing grade):

First of all, I would like to stress the way how Miss Huang progressed positively with her thesis. I have been her supervisor for 12 months and could observe how her diligence and ceaseless learning raised her research ability in an unparalleled way. My B-grade reflects that achievement in the extent of relative improvement. Miss Jiali has shown how one can master some simple techniques (e.g. RCA, GL IIT or three types of gravity models) and derive meaningful economic interpretations from their results. I must note that Miss Jiali did not take any class in econometrics but learned gradually by DIY how to work effectively with it.

REVIEW:

The first 10 pages deal briefly with the theoretical fundamentals related to the thesis´ research question and comment widely on the past research in the given topic. One must appreciate the number of references and their highlights.

Next 22 pages discuss the trade structure of the trade between CN and CZ, separately for exports and imports. The chapter is underpinned by rich data from international databases. However, it is a pity that the author did not extend her fact-finding by more synthetic conclusions, e.g. by more extensive comparative reflections of the differences between these two countries.

Chapter 4 focuses on the analysis of competitiveness modelled by the RCA indices of HS 2-digit disaggregation of industries computed separately for CZ – China exports and imports. I must appreciate the comparison of RCA for four electromechanical industries in Visegrad 4 countries and China. In appendix, there is an endless list of tables with the trends of RCA evaluated as "increase" versus "decrease".

The chapter then analysis the GL indices of interindustry trade between CZ and CN during last 12 years. These extensive analytics would deserve more comments on the trends.

Chapter 5, estimating various types of gravity models, is technically and by contribution the most valuable part of the thesis. Miss Huang experimented a lot with the model specification set in the "naïve" form and estimated on the panel data in sufficient breakdown of countries and years. Notwithstanding the theoretical sedition, the results sound highly credible in their meaning.

The analysis is extended to a comparison of the trade between CZ and CN with the CZ trade with Germany. A very simple time-series were estimated by the OLS method. The results show that it is always the GDP of the larger country that determines the intensity of the Czech exports and imports to and from CN or DE.

A merit is due to the idea to estimate the gravity by using a simple cross-section model for the Czech trade in 2010 versus 2021, allowing for the comparison of trends.

CONCLUSION:

The author has proven her skills in working with large sets of data and ability to draw economic implications from the results. This required a lot of learning and discipline since the student did not specialize in the econometrics. I appreciate her progress and diligence by the proposed grade B.

Proposed grade (A-B-C-D-E-F): B

Suggested questions for the defence are:
   a) **Explain the methods which you used for the estimation of the gravity models.**
   b) **Is the trade between CZ and CN really advantageous for Czechia? Why? What about the huge Czech trade deficit?**

I recommend the thesis for final defence.

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Referee Signature