

In this thesis, we focus on the impact of the single European currency on the trade volumes of EMU countries and the Czech Republic. We built on Rose's gravity model, which explains to us, although not very accurately, possible impact of the single European currency on the trade volumes. We centre our research on trade among 25 countries, including EU countries, Switzerland, Russia, Ukraine, USA, Canada and Mexico.

We use gravity model and do regression, to compare and analyze data for 8 chosen EU countries, including those, that were in EMU and using Euro from the beginning, those that declined Euro and the Czech Republic, which has not adopted Euro yet. The main contribution of this thesis is a prediction of possible impact on trade in the Czech Republic, if we accepted Euro. This prediction will be based on analysis from other countries and its comparison.