

The United Kingdom is the first country ever to leave European Union. The aim of this bachelor thesis is to analyse the impact of Brexit on the Czech and Slovak Republic. This thesis characterizes the foreign trade of the Czech Republic and Slovakia with the assumption that most of the impact of Brexit will depend on indirect trade links and not only on the foreign trade of the United Kingdom with the Czech Republic and Slovakia. This effect is expected due to Germany being the main trading partner of the Czech Republic and Slovakia. Using Input-Output analysis and two symmetric Input-Output tables for these countries, the direct impact caused by the reduction in exports of the United Kingdom was estimated first. Using the World Input-Output Table, the direct and indirect impact on the Czech Republic and Slovakia was calculated. This impact is caused by the weakening of the trade relationships between the United Kingdom and the Member States of the European Union. The analysis confirms the expected increased impact of Brexit on the Czech Republic and Slovakia through indirect trade links. The analysis further identifies the production of motor vehicles, trailers and semi-trailers as the most affected sector, both in the Czech Republic and in Slovakia.