

One may observe a growing trend of figure measuring the ration between export and gross domestic product that applies for almost all countries. In response to this phenomenon theories dealing with international trade becomes more important. The capability to identify some trends in commodity movements and determine advantages rising from bilateral trade are key aspects of economic growth and country development.

This thesis deals with the analysis of international trade between Czech Republic and Germany. Fundamental determinant of trade between countries is Heckscher-Ohlin Theorem and as my research instrument I choose Input-Output methodology. I decided to use two types of calculation, while evaluating the validity of mentioned theory. First is Leontief methodology from 1954, which led to famous Leontief paradox. Second and more modern approach is the one developed by Riedel in 1974. In quantitative part of my analysis I focused my attention on two calculations with purpose to state factor endowment and country's production intensity.

The meaning of this analysis is to confirm the validity of Heckscher-Ohlin Theorem, which would lead to conclusion that commodity movement between Czech Republic and Germany is driven by neoclassical theory of comparative advantage.