

## **Abstract**

The importance of international trade cannot be neglected as it represents an important channel of wealth creation in the actual globalised world. Thus, the present writer aims to identify how the commercial flows have changed after the adoption of Euro and once the financial crisis has burst. Furthermore the main factors that influence trade are researched by using the gravitational econometric model and employing panel data for 14 EU member countries. The results show that the intensity of commercial exchanges are highly influenced by the level of development (GDP) of the country and the amount of FDI that are attracted, while the use of a common currency appears to be not too significant. At the same time, indicators are more sensible during the crisis period than the stable one, hence even small changes in independent variables can lead to higher decrease in trade.

**Key words:** European trade, liberalization, competitiveness, financial crisis, contagion, Euro, gravitational model.