

## Abstract

This thesis investigates the presence of the cross-border shopping for automotive fuel between the Czech Republic and neighbouring countries over the time period from January 2005 to December 2012. Tax rates on fuels were described as one of the main source of price difference between countries that induces cross-border shopping. Using monthly data for diesel and petrol we used error correction model and estimated both long-term and short-term relationships between consumption of fuel in the Czech Republic and prices in Czech Republic and neighbouring countries. We found the evidence of a negative relationship between prices of petrol in the Czech Republic and its consumption as well as a positive relationship between relative price of petrol in Germany upon the consumption of petrol in the Czech Republic, which indicates presence of the cross-border shopping from Germany to Czech Republic.