

Abstract

The main focus of this thesis is to estimate the fuel demand elasticity on excise tax levied on gasoline and diesel. This work utilizes and subsequently develops the model and data set already published in the literature devoted to fuel taxation. The main contribution is the close analysis of the data from the Czech Republic and following comparison with the results from other countries. Furthermore, this paper extends the model by allowing it to filter out interstate shifts in purchases induced by different fuel price levels in neighboring countries. The relationship between interstate price differences and domestic fuel demand is consequently analyzed.

JEL Classification C23, H23, L91, Q31

Keywords fuel, demand elasticity, car fuel tax, Europe, price

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