

# Report on Bachelor Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

<b>Student:</b>	<b>Dalibor Vágner</b>
<b>Advisor:</b>	<b>Lukáš Rečka</b>
<b>Title of the thesis:</b>	<b>Fuel Demand Elasticity on Car Fuel Taxes</b>

## **OVERALL ASSESSMENT** (provided in English, Czech, or Slovak):

Dalibor Vágner focuses in his bachelor thesis on complex estimation of fuel demand elasticity on car fuel taxes. After the introduction of the problem in chapter 1, chapter 2 reviews the relevant literature of fuel demand elasticity estimation and describes the drivers of fuel consumption.

In empirical part Daniel extends the original data by data from the Czech Republic and based on standard tests concludes the data does not fulfill the OLS assumptions. As a result, robust methods are applied to estimate the price and tax elasticities of fuel demand.

The thesis brings several original contributions to the field of fuel demand elasticities. First, tax elasticity of fuel demand has not been estimated for the Czech Republic before. Second, econometric tests have revealed that the original study by Dieler et al. (2015) has not applied the OLS method correctly and more robust methods have to be used. Last but not least, Dalibor has extended the original model by Dieler et al. (2015) by introducing the price differences between neighboring countries. This allows to analyse the effect of price differences between countries on fuel demand what could have important political implications for setting the excise duty primarily on diesel.

The thesis is on a similar or even higher level than some of the diploma theses I have refereed in the last years. Dalibor is currently preparing a manuscript based on this thesis for submission to Energy policy.

I recommend the thesis to be defended with grade 1 „excellent“.

Suggested question for defence:

Could you formulate a clear policy recommendation based on your results?

## **SUMMARY OF POINTS AWARDED** (for details, see below):

<b>CATEGORY</b>	<b>POINTS</b>
<i>Literature</i> (max. 20 points)	18
<i>Methods</i> (max. 30 points)	30
<i>Contribution</i> (max. 30 points)	28
<i>Manuscript Form</i> (max. 20 points)	15
<b>TOTAL POINTS</b> (max. 100 points)	<b>91</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>1</b>

**NAME OF THE REFEREE:** Lukáš Rečka

**DATE OF EVALUATION:** 25. 8. 2016



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**Referee Signature**