

Economic situation in the Central Europe is to a big extent influenced by the disparities between core regions (mostly the capitals) and the rest. If the gap between cores and peripheries is still widening, local governments of peripheral regions must come up with policies to protect their economies from the globalised world. This basic statement is examined in this work using two different methods: regionalised input-output analysis (for Czech regions) trying to discover structural differences between regions and its implications, and NEG equilibrium simulation method examining agglomeration forces in the Central Europe and evaluating possible outcomes of protective policies in terms of NTBs (limiting the openness). The results confirm the agglomeration tendencies and suggest mainly two ways of effective policies: regional specialisation and investments into infrastructure, which would lower the transaction costs within the peripheral regions. NEG simulation method has serious limits due to the problematic calibration.