

Abstract

The thesis tries to investigate which impact the new Silk Road announced 2013 by the Chinese president has on EU-China trade potentials. The so called OBOR initiative is an infrastructure project that aims to promote trade facilitation along the ancient Silk Road. The initiative includes more than 60 countries. The gravity model of trade will be applied to run a simulation exercise to estimate trade potentials from the EU to China and vice versa. The results suggest that China can increase its trade potential to the EU. Among the EU countries there are winners and losers. Those countries which participate in the initiative will benefit from an increased trade potential others will lose trade potential.