REPORT ON THE MASTER THESIS

IEPS – International Economic and Political Studies, Faculty of Social Sciences, Charles University

Title of the thesis:	China's One Belt and One Road Initiative and its potential for the tourism industries in Africa, Asia and Europe: a gravity model approach
Author of the thesis:	Patrick Jannaschk-Schmitz
Referee *(incl. titles)***:**	Doc. Ing. Vladimír Benáček, CSc.

Comments of the referee on the thesis highlights and shortcomings (following the five numbered aspects of your assessment indicated below).

1) Theoretical background:
The author dedicated nearly a half of the thesis (some 30 pages) to the theoretical underpinnings of his research. The thesis is highly original in its topic covering the quantification of services (tourism in fact) vis-à-vis the changes in infrastructure due to OBOR.

2) Contribution:
Most probably that by topic this was the first such study in the published research. This is a real academic contribution.

It would be good to have a more balanced description of the BRI and look more critically at OBOR. Indeed, there are also serious negatives in the BRI expansion. See e.g. the article by M. Hart, 2018.[1] Many of the BRI project values are inflated. Many burden the recipient countries with debts and losses of control over national assets.

3) Methods:

The gravity model itself, as well as the problems with estimation (zero observations and endogeneity), have been carefully and clearly explained.

It would be useful to have an informative table with data on outgoing and incoming tourism for the countries grouped by regions. Plus a table about 2-way tourism with China.

It was rather too restrictive in claiming on p. 29 that IV technique was not "rewarding" in the past GM studies. In reality the IV have been used widely and relatively successfully.

The list of GM variables used in the study on p. 34 comes rather out of the blue. There is a missing transition section describing how the theoretical model (of Anderson-Wincoop or Morley?) was transferred into the model specification. This is one the few real shortcomings of the thesis.

Somehow I missed the explanation why dummies D_ORIGIN and D_DESTI were added (compare it with the Table 4). This would deserve more explanation than that on p. 38.

Page 44 with a remark on elasticities: The real elasticities require both variables (dependent and independent) to be in logs (or in %). In your case the coefficients for GDP and DIST (in logs) are mere semi-elasticities. Variables without logs have no elasticity content.

4) Literature:

The author built his argument on a vast list of literature, which includes both theoretical papers, and reports in the statistics and in the media.

I missed in the references an influential study by Austrian National Bank on BRI for Europe (Barisitz S., Radzyner A.: The New Silk Road (I. and II.). In Focus on European Economic Integration. Vienna, Q3, 2017).

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[1] A critical look at China's One Belt, One Road initiative. 2018. http://www.cadtm.org

5) Manuscript form:

The text is highly cultivated and readable, practically with no typos or confused sentences.

Table 11 shows (intuitively) highly credible results. However, you should add into the title the year and indication that you estimated a cross-sectional model.

Box for the thesis supervisor only. *Please characterize the progress in the working out of thesis.*

Suggested questions for the defence are:
Could you make a summary where on the one hand there is a list of quantified infrastructure improvements due to BRI and on the other hand there is a list of touristic gains by recipient countries?
Could you also explain how the Chinese BRI initiative changed the inflow of tourists within the EU countries? What your intuitive prediction would be?

I recommend the thesis for final defence.

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

CATEGORY	POINTS
Theoretical background (max. 20 points)	18
Contribution (max. 20 points)	18
Methods (max. 20 points)	18
Literature (max. 20 points)	19
Manuscript form (max. 20 points)	19
TOTAL POINTS *(max. 100 points)*	**92**
The proposed grade (A-B-C-D-E-F)	**A**

DATE OF EVALUATION: 12.1.2019

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Referee Signature

Overall grading scheme at FSV UK:

TOTAL POINTS	GRADE	Quality standard
91 – 100	**A**	= outstanding (high honour)
81 – 90	**B**	= superior (honour)
71 – 80	**C**	= good
61 – 70	**D**	= satisfactory
51 – 60	**E**	= low pass at a margin of failure
0 – 50	**F**	= failing. The thesis is not recommended for defence.