

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):	Mgr. Michal Paulus

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

1) Theoretical background:

The thesis is mainly empirical but the methodological approach is well based on the gravity model theory. However, some questions concerning the theoretical underpinnings of the estimated specification are described in the methodological section of this report.

I evaluate the theoretical background of the thesis as above-average.

2) Contribution:

The thesis contributes to the empirical literature on the impacts of OBOR on tourism flows. The author presents up our knowledge the first simulation of the OBOR impacts on tourism flows applying a gravity model.

I evaluate the contribution of the thesis as strong and highly policy relevant.

3) Methods:

The methodology of the thesis is based on an application of a gravity model on tourism flows. The basic technical aspects of a gravity model for trade flows are well and in detail explained in the literature review. However, I would welcome at least general discussion about the differences between the micro-founded gravity model presented in the chapters 2.4.1-2 and applied gravity models on tourism industry (chapter 2.4.3). The Anderson and Wincoop (2003) micro-founded model was originally derived for a trade data. A reference on a theoretical background for a "tourism gravity models" can be found on page 30. However, this shall be clarified at the beginning of the chapter 2.4.3 and in more details.

On the page 36 the author claims that Morley et al. (2014) justifies the application of AW (2003) model on tourism flows. That shall be explained in more details because it is a crucial part in the logic of the author's research.

The author uses country fixed effects to cope with the MRT. I just miss here a reference on the seminal paper on that topic written by Baldwin and Taglioni (Baldwin, Richard, and Daria Taglioni. Gravity for dummies and dummies for gravity equations. No. w12516. National Bureau of Economic Research, 2006.).

Did the author consider an inclusion of the OBOR dummy into your specification?

I evaluate the methodology of the author as above-average but one related question shall be addressed during the defense.

4) Literature:

The author presents an extensive literature review. I would have just one remark on that chapter. The author describes the state of tourism flows in the main OBOR regions together with the existing OBOR projects. However, I would personally add also some papers analyzing the impacts of the OBOR initiative on those regions – at the contemporary state the chapters 2.2 and 2.3 are more a summary of existing and planned projects.

Again, I find the state of the literature review above-average with one discussion remark which shall be addressed during the defense.

5) Manuscript form:

I would center the tables in the chapter 4. Also, one larger summarizing table for all continents which would substitute smaller tables 7-10 can be presented.

I would personally move the chapter 4.1 to the Data section because it is not a presentation of the results but data description.

I evaluate the manuscript form of the thesis as above-average.

***Box for the thesis supervisor only.** Patrick has been continuously working on the thesis and took several quantitative classes at IES concerning international trade (JEB039) and econometrics (JEM062) to understand gravity modelling. Even though there was a pause in our mutual communication in autumn 2018 I evaluate the approach of Patrick as very good and cooperative.*

Suggested questions for the defence are:


- The literature review describes the OBOR projects across continents. However how would you analyze the impacts of the OBOR projects on those countries? Are those projects beneficial for the recipient countries or can you identify any negative effects?
- How would you explain the difference between the Anderson and Wincoop (2003) micro-founded model for a trade data and micro-founded gravity models for tourism flows? You claim (page 36) that Morley et al. (2014) justifies the application of AW (2003) model for tourism flows. Can you explain their justification?
- You conclude that the OBOR initiative should increase tourism flows from the EU. You mainly explain the flows via infrastructural factors. However how would you assess also the role of the political factors? Are they relevant? Could the “human rights” agenda of the EU have an impact on the mutual tourist flows between EU and China?

I recommend the thesis for final defence.

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

CATEGORY	POINTS
<i>Theoretical background (max. 20 points)</i>	18
<i>Contribution (max. 20 points)</i>	20
<i>Methods (max. 20 points)</i>	17
<i>Literature (max. 20 points)</i>	18
<i>Manuscript form (max. 20 points)</i>	19
TOTAL POINTS (max. 100 points)	92
The proposed grade (A-B-C-D-E-F)	A

DATE OF EVALUATION: January 20th 2019



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.