

Bibliographic note

Macháček Martin. *Analysis of Free Trade Agreements Between European Union and Latin American Countries*. 35. Bachelor thesis. Charles University, Faculty of Social Sciences, Institute of Economic Studies. Supervisor Ing. Vilém Semerák M.A., Ph.D.

Abstract

The aim of this paper is to examine if free trade agreements between Latin American countries and the European Union have positive effect on trade flow between the two. For this purpose, we use gravity models, specifically Ordinary Least Squares and Poisson Pseudo Maximum Likelihood estimations with time and country-pair fixed effects. We apply these methods on five studied countries: Argentina, Brazil, Chile, Colombia and Mexico.

The results show that the agreements with the European Union for the first four mentioned countries have positive impact, although lower than the impact of other agreements signed by these countries. For Mexico, the effect is negative, which corresponds with the reports of the EU, which is negotiating modernization of their agreement.

JEL Classification C51, F12, F14, F21, H25

Keywords International trade, gravity model, European Union, Latin America

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