THE ROLE OF THE FOREIGN TRADE AND THE FOREIGN TRADE EXCHANGE OF MACEDONIA IN LAST DECADE (2007-2016)

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Abstract: After the World War Two, the countries needed a new world order for a new sophisticated system of international organizations, where the disputes and conflicts between countries were resolved on a peaceful path. Regarding the trade, autarchy and protectionism were not seen as the proper trade strategies that should be applied by the countries in order to increase their power. Therefore, considering all the circumstances, there was a need for cooperation between the countries in the field of trade, where emerged a need to establish an international organization that would deal with the rules and principles of trade at the international level. Following the failure of the establishment of ITO (International Trade organization), the United States and several other countries decided to sign the General Agreement on Trade and Customs (GAAT). After a series of rounds, at the end of the Uruguay round in 1995, with the Marrakesh Agreement was decided to establish the WTO (World Trade Organization). The WTO principles and rules generally relate to issues of trade of products, services and intellectual property.
The countries' benefits from being a member of this organization are of a different nature, ranging from benefits on international level and up to the benefits of the final consumers. The WTO role in liberalization of the international trade is evident with the gradual reduction of customs tariffs and establishment of agreements in the fields of agriculture, industry, textile and so on. Additionally, the WTO plays an important role in solving many disputes that arise between countries as a result of friction of interests, whereby a considerable number of complaints and lawsuits are presented annually that appear before the Dispute Resolution Panel, as a competent body within the WTO.
Keywords: foreign trade, exchange, Macedonia.

1. FOREIGN TRADE AND ITS EFFECT ON ECONOMY

1.1 The theory on foreign trade

Foreign trade is a commodity exchange activity between countries. This part of economy is older than the formation of states. For the bigger part, the world economy can be identified with the international exchange of products, capital, ideas and people. For centuries the foreign trade has been in the center of attention. Even today, in contemporary conditions, it occupies an important place, because nations, countries, people are united through it. Experiences and knowledge are created, interests are realized, the activities expanded. Foreign trade is presented in three types: export, import and transit.[122]

Exports and imports are beneficial for the market, the consumers, because to a certain extent they fulfil the inadequacies and satisfactions with the products that do not exist, or are not the same by the quality or the prices of local products. Different theories and approaches have been developed regarding the importance of foreign trade. The era of mercantilism (mercantile=trade) that lasted from the XV until the XIX century, is characterized by the foreign trade priorities, from where a country will be supplied with gold and silver, which were means of payments, and thus the country will be enriched.

This theory is later supported by neomercantilists, i.e. the followers of the theory of mercantilism. Meanwhile, Adam Smith, known as the father of the modern economy, in his book "The Wealth of Nations" published in 1776, highlights the needs for economic cooperation between the countries, namely the trade exchange between two or more countries.

1.2 The benefits of foreign trade

The benefits are reflected to manufacturers, workers, consumers, traders. The manufacturers benefits emerge through imports and exports. Many companies rely on imported raw materials, as day to day materials for the process of production. They depend from the import of machines and technologies. Therefore, the trade cooperation with the companies abroad enables utilization of capacities, utilization of modern technologies, knowledge and working methods, advanced management etc. Utilization of capacities is primarily related to the market. Placing products and services in foreign markets increases the production efficiency, creates competitive skills, and the production volume can be greater thanks to utilization of capacities. This is how the company

[122] www.publishyourarticles.net/knowledge-hub/...importance-of-foreign-trade/791/

advantages are enhanced. The employees also have benefits because the success of company's business also favors the employees, both in terms of higher salaries and working conditions. Consumers also realize their benefits. Through the imports, the consumers have the opportunity to choose and buy types of products that they would never been able to enjoy them, as they are not manufactured by domestic companies. It's about rare, exclusive products, etc.[123]

1.3The impact on foreign trade

International trade affects the integrations, in one part of the activities and life, all that in order to create prosperity and social welfare. Traders are a category that finds their own interests through the exchange of goods in both directions, the sales abroad and the purchases abroad. They become specialized and have more information, not just for one market, but for many of them. Foreign trade. Though it contains the lowest level of forms of cooperation with the world, foreign trade is developed more rapidly than any other form within the economic relations. It makes the countries at the same time more dependent and closer. All the changes on international trade exchanges are recorded. The kept records of exports and imports constitute the trade balance.[124]

The trade balance precedes the balance of payments, as well as the reflections of surpluses and deficits. Commonly, when exports have a greater volume than imports, financial surpluses are expected. And the opposite, a greater import than export in volume is a source of financial deficits.

1.4 International Marketing

International marketing exceeds the limits of world trade, because for the thrift of exchanges it preliminary makes the necessary market research in order to identify the consumers demands and their reactions. This is how an interest and opportunity is found for where can be exported and what can be imported.[125]

Exports can be effective and massive due to conditions that exist in the exporting country, even in rationalizing and reducing the costs. Some absolute priority conditions should be considered as a gift of nature, tailored without any great sacrifice for a successful exchange of products in different countries. When there are numerous types of products, innumerable offers, the absolute advantages remain limited compared to the spectrum and range of products in broader terms.

The absolute advantages are created through sophisticated, modern technology, advanced management, scientific knowledge and motivation for quality production.

2. FOREIGN TRADE EXCHANGE OF MACEDONIA IN THE LAST DECADE

2.1. Foreign trade exchange of Macedonia by countries (2007-2016)

2.1.1. Macedonia's export in the period 2007 – 2016

Official data from the National Bank of Macedonia and the State Statistical Office regarding Macedonia's export to foreign countries from 2007 to 2016.

Remark: Because the financial institutions have not yet fully completed the general data on exports of goods in the last quarter of 2017, this year's data are not set on the final assessment.[126]

Table 1: Data on Export (The listed data are in millions/euro)

Country	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Germany	**365.74**	**382.93**	**327.66**	**537.28**	**893.10**	**917.10**	**1,157.90**	**1,545.49**	**1,798.28**	**2,033.97**
Serbia	**469.17**	**631.44**	**246.60**	**205.86**	**241.91**	**231.81**	**204.29**	**196.17**	**185.59**	**194.25**
Monte Negro	**20.32**	**26.33**	**17.76**	**20.86**	**24.52**	**24.48**	**24.75**	**24.00**	**23.68**	**24.90**
Greece	**309.62**	**358.43**	**209.42**	**186.58**	**156.22**	**146.83**	**161.29**	**170.72**	**150.13**	**147.74**

[123] http://www.publishyourarticles.net/knowledge-hub/business-studies/what-are-the-importance-of-foreign-trade/791/.

[124] http://www.greenworldinvestor.com/2013/02/05/12-reasons-why-foreign-trade-is-necessary-for-the-growth-of-an-economy/.

[125] Dr.Neritan Turkeshi, "Brand management", FON University, Shkup, 2014.

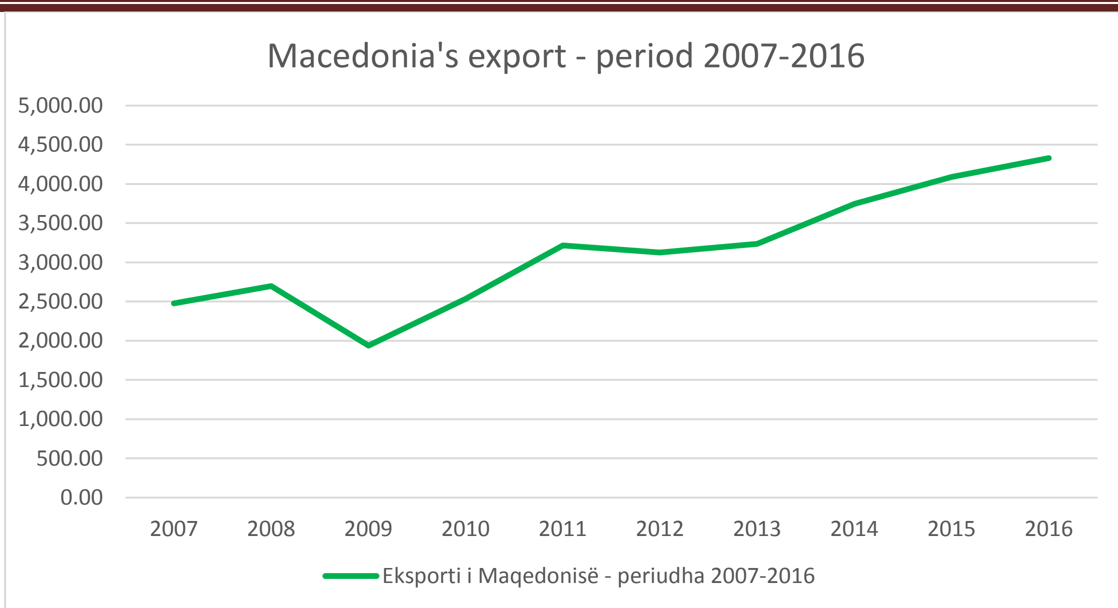
[126] For more see *www.stat.gov.mk/OblastOpsto_en.aspx?id=23*

Italy	**255.32**	**219.55**	**155.69**	**178.70**	**208.92**	**218.80**	**215.98**	**232.51**	**167.95**	**158.42**
USA	**37.96**	**7.61**	**6.75**	**10.73**	**26.76**	**43.48**	**34.23**	**40.71**	**36.58**	**46.11**
Netherlands	**53.57**	**47.86**	**44.12**	**53.17**	**62.73**	**51.42**	**51.37**	**53.68**	**55.14**	**55.73**
Croatia	**119.74**	**156.52**	**110.06**	**93.40**	**99.98**	**76.72**	**75.69**	**70.54**	**72.31**	**80.71**
Switzerland	**7.87**	**10.89**	**12.28**	**14.22**	**22.57**	**25.94**	**31.70**	**39.48**	**38.86**	**28.22**
Britain(UK)	**55.63**	**47.96**	**30.53**	**44.67**	**39.01**	**49.00**	**60.88**	**52.05**	**42.51**	**52.69**
Slovenia	**50.47**	**43.76**	**24.46**	**52.62**	**63.23**	**58.06**	**44.83**	**42.84**	**50.38**	**59.62**
Bulgaria	**177.29**	**255.24**	**154.04**	**222.32**	**221.27**	**223.52**	**245.20**	**247.38**	**245.05**	**222.99**
Spain	**128.11**	**51.40**	**27.44**	**56.29**	**48.12**	**36.39**	**33.75**	**53.39**	**96.73**	**106.22**
Bosnia	**64.74**	**71.06**	**61.91**	**64.41**	**66.75**	**65.81**	**71.87**	**70.37**	**71.77**	**74.12**
Russia	**17.21**	**22.61**	**15.98**	**20.23**	**28.51**	**25.92**	**23.76**	**31.94**	**31.70**	**44.39**
Belgium	**130.12**	**75.07**	**25.85**	**60.23**	**45.19**	**32.83**	**50.87**	**114.07**	**129.96**	**170.94**
France	**11.75**	**16.43**	**9.03**	**10.53**	**14.80**	**15.87**	**19.23**	**29.59**	**36.74**	**22.82**
Albania	**53.27**	**72.82**	**60.06**	**54.65**	**62.56**	**59.01**	**59.16**	**56.70**	**59.58**	**56.71**
Turkey	**39.11**	**21.19**	**29.46**	**38.52**	**52.74**	**51.90**	**54.13**	**50.93**	**66.59**	**63.91**
Austria	**14.60**	**15.24**	**13.60**	**28.06**	**27.46**	**38.03**	**35.66**	**38.77**	**37.18**	**39.03**
Sweden	**11.17**	**6.41**	**6.76**	**9.95**	**12.49**	**8.84**	**9.56**	**11.53**	**11.07**	**12.19**
Argentina	**0.00**	**0.00**	**0.00**	**0.03**	**3.41**	**2.95**	**0.02**	**3.35**	**0.79**	**1.68**
Denmark	**2.71**	**9.54**	**1.58**	**3.46**	**8.54**	**5.51**	**7.23**	**7.17**	**6.55**	**4.62**
Liechtenstein	**0.03**	**0.00**	**0.00**	**0.04**	**0.00**	**0.01**	**0.00**	**0.02**	**0.00**	**0.48**
Romania	**14.04**	**22.40**	**14.12**	**41.26**	**33.13**	**41.02**	**65.44**	**71.39**	**99.20**	**121.80**
Czech	**8.18**	**9.70**	**6.66**	**11.67**	**16.19**	**27.22**	**21.58**	**24.47**	**26.39**	**38.35**
Hungary	**4.91**	**4.84**	**2.71**	**6.45**	**5.98**	**7.05**	**6.22**	**13.63**	**19.68**	**40.85**
Australia	**2.60**	**2.24**	**2.72**	**2.77**	**3.55**	**3.92**	**4.34**	**4.30**	**4.61**	**5.05**
Cyprus	**2.21**	**3.85**	**0.16**	**0.41**	**0.44**	**0.74**	**1.02**	**0.77**	**0.69**	**0.65**
Ukraine	**1.48**	**1.98**	**7.36**	**16.28**	**68.32**	**14.05**	**17.03**	**7.16**	**6.04**	**6.04**
Canada	**1.29**	**0.91**	**0.97**	**1.53**	**2.75**	**2.74**	**3.47**	**4.11**	**4.79**	**3.79**
Poland	**8.13**	**11.36**	**5.85**	**18.22**	**18.14**	**14.14**	**14.20**	**14.07**	**24.94**	**29.27**
Japan	**0.49**	**0.86**	**2.24**	**0.71**	**0.78**	**1.16**	**1.21**	**0.92**	**1.01**	**0.63**
China	**0.40**	**1.06**	**2.23**	**67.35**	**91.39**	**124.14**	**80.32**	**70.81**	**132.14**	**43.48**
Hong Kong	**0.02**	**0.06**	**0.30**	**0.44**	**0.54**	**0.99**	**2.10**	**2.07**	**2.68**	**3.58**
Belorussia	**1.94**	**1.99**	**0.49**	**2.39**	**3.59**	**4.29**	**5.82**	**5.52**	**3.90**	**1.90**
Brazil	**0.07**	**0.03**	**0.00**	**0.77**	**1.39**	**1.71**	**3.41**	**3.26**	**2.75**	**2.46**
Korea	**0.00**	**0.21**	**3.16**	**1.35**	**14.19**	**45.03**	**0.50**	**0.11**	**0.64**	**0.66**
Bolivia	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.01**	**0.00**	**0.00**
Kosovo	**0.00**	**0.00**	**219.35**	**331.77**	**396.06**	**305.15**	**208.70**	**174.62**	**177.84**	**188.58**
Total 1:	**2,441.27**	**2,611.79**	**1,859.38**	**2,470.15**	**3,087.24**	**3,003.58**	**3,108.70**	**3,580.60**	**3,922.43**	**4,189.55**
Other countries	**35.87**	**85.78**	**77.65**	**64.74**	**127.68**	**120.37**	**126.51**	**166.01**	**165.15**	**139.72**
Total 2:	**2,477.14**	**2,697.56**	**1,937.04**	**2,534.89**	**3,214.91**	**3,123.95**	**3,235.21**	**3,746.61**	**4,087.58**	**4,329.27**

Source: http://www.nbrm.mk/ (National Bank of R. of M.)

The countries with which Macedonia has had the biggest export in the last decade are: Germany, Serbia, Greece, Kosovo, Italy, Bulgaria, etc.

Remark: Customs data for Kosovo and Serbia are not relevant for the 2007-2008 period, because until 2008, with Macedonia's legislation, Kosovo was an administrative part of Serbia and the data of goods exchange were only made in behalf of Serbia.



2.1.2. Macedonia's import in the period 2007 – 2016

Official data from the National Bank of Macedonia and the State Statistical Office regarding the Macedonia's import with foreign countries from 2007 to 2016.

Remark: Because the financial institutions have not yet fully completed the general data on the import of goods in the last quarter of 2017, this year's data are not set on the final assessment.[127]

Table 2: Macedonia's and other countries import

Country	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Germany	**387.03**	**445.34**	**374.26**	**464.84**	**523.92**	**493.22**	**522.33**	**608.76**	**732.43**	**750.20**
Greece	**303.61**	**346.69**	**315.09**	**336.27**	**409.88**	**627.83**	**526.29**	**502.15**	**450.97**	**449.73**
Serbia	**328.99**	**361.56**	**284.97**	**316.95**	**358.45**	**375.36**	**393.21**	**451.26**	**445.97**	**459.75**
Monte Negro	**0.98**	**0.85**	**1.26**	**1.09**	**1.54**	**2.14**	**2.80**	**2.93**	**4.35**	**5.20**
Russia	**462.81**	**624.53**	**357.11**	**419.64**	**491.52**	**278.46**	**123.29**	**106.34**	**139.28**	**129.29**
Bulgaria	**197.06**	**222.21**	**175.00**	**228.50**	**328.13**	**316.95**	**276.02**	**289.98**	**307.86**	**281.63**
Slovenia	**113.39**	**138.34**	**136.76**	**124.61**	**132.91**	**116.83**	**126.07**	**119.53**	**116.47**	**125.46**
Italy	**227.76**	**265.30**	**263.87**	**253.74**	**305.65**	**312.71**	**324.13**	**346.03**	**352.75**	**347.99**
Ukraine	**76.32**	**136.47**	**60.05**	**88.87**	**112.76**	**67.26**	**69.63**	**79.86**	**46.04**	**41.77**
USA	**57.22**	**68.75**	**78.98**	**77.74**	**63.88**	**64.57**	**93.54**	**107.89**	**91.54**	**135.42**
France	**65.85**	**84.95**	**65.39**	**64.44**	**90.45**	**67.47**	**71.49**	**79.31**	**92.57**	**87.77**
Netherlands	**54.74**	**64.17**	**50.57**	**51.95**	**49.80**	**50.32**	**61.82**	**72.86**	**103.14**	**74.77**
Turkey	**144.19**	**184.96**	**181.34**	**197.76**	**247.79**	**252.91**	**237.92**	**284.81**	**291.38**	**315.80**
Croatia	**80.81**	**93.76**	**84.75**	**85.66**	**95.49**	**94.15**	**86.75**	**84.04**	**89.45**	**92.02**
Austria	**74.54**	**81.60**	**71.77**	**71.49**	**95.50**	**92.72**	**108.12**	**108.38**	**122.49**	**118.63**
Japan	**29.75**	**39.47**	**39.51**	**34.32**	**37.43**	**37.72**	**42.02**	**48.55**	**51.15**	**69.09**
Hungary	**39.85**	**54.75**	**36.52**	**35.99**	**35.69**	**40.86**	**41.70**	**63.33**	**63.77**	**126.54**
Britain(UK)	**38.61**	**47.71**	**45.12**	**214.99**	**432.77**	**436.04**	**547.03**	**671.91**	**558.71**	**654.68**

[127] www.stat.gov.mk/OblastOpsto_en.aspx?id=23

Poland	**117.99**	**178.51**	**59.96**	**52.84**	**59.01**	**78.59**	**76.43**	**76.63**	**86.42**	**107.50**
Brazil	**54.99**	**82.63**	**44.92**	**45.39**	**48.21**	**48.35**	**45.89**	**35.68**	**37.62**	**38.91**
China	**177.90**	**216.60**	**207.43**	**217.88**	**254.72**	**291.14**	**285.76**	**326.78**	**355.65**	**381.53**
Switzerland	**82.35**	**198.48**	**90.93**	**74.01**	**124.52**	**114.87**	**98.18**	**57.33**	**49.09**	**54.63**
Bosnia	**25.40**	**35.47**	**33.28**	**37.23**	**64.43**	**55.48**	**47.81**	**48.46**	**57.21**	**66.58**
Sweden	**39.89**	**36.30**	**22.54**	**25.87**	**23.14**	**19.84**	**21.44**	**24.24**	**21.69**	**26.42**
Belgium	**23.48**	**28.70**	**24.17**	**23.74**	**28.25**	**27.26**	**37.03**	**53.80**	**67.50**	**85.92**
Spain	**38.02**	**38.00**	**35.15**	**45.63**	**45.11**	**58.69**	**50.68**	**65.30**	**69.16**	**66.05**
Korea	**40.03**	**39.32**	**27.46**	**32.85**	**32.96**	**17.98**	**21.95**	**24.60**	**23.75**	**21.80**
Bolivia	**0.00**	**0.00**	**0.02**	**0.01**	**0.01**	**0.01**	**0.04**	**0.08**	**0.19**	**0.12**
Czech	**46.61**	**44.53**	**37.26**	**38.81**	**43.60**	**55.45**	**68.24**	**69.57**	**70.53**	**89.81**
Romania	**70.71**	**78.01**	**77.17**	**95.20**	**68.12**	**93.07**	**95.23**	**158.28**	**187.19**	**192.86**
Denmark	**14.18**	**15.40**	**14.02**	**15.64**	**15.48**	**19.08**	**28.50**	**30.38**	**13.43**	**15.83**
Argentina	**9.75**	**10.14**	**10.60**	**11.14**	**10.96**	**10.53**	**10.59**	**12.13**	**14.50**	**12.93**
Australia	**2.51**	**2.31**	**2.26**	**1.82**	**3.20**	**2.32**	**1.41**	**1.69**	**1.55**	**2.75**
Canada	**11.49**	**11.92**	**16.58**	**11.68**	**15.68**	**17.15**	**24.08**	**8.95**	**7.43**	**5.13**
Cyprus	**1.35**	**2.77**	**0.85**	**0.51**	**0.58**	**2.75**	**1.11**	**0.84**	**0.90**	**0.70**
Belorussia	**0.27**	**1.01**	**0.76**	**0.53**	**1.63**	**3.22**	**6.49**	**9.69**	**3.55**	**1.98**
Liechtenstein	**0.20**	**0.11**	**0.06**	**0.01**	**0.02**	**0.06**	**0.11**	**0.10**	**0.19**	**0.04**
Hong Kong	**9.66**	**10.96**	**1.78**	**2.20**	**2.10**	**3.16**	**2.07**	**2.30**	**2.23**	**2.22**
Albania	**14.26**	**24.21**	**17.22**	**17.53**	**28.19**	**27.42**	**28.92**	**36.01**	**40.71**	**37.55**
Kosovo	**0.00**	**0.00**	**6.71**	**16.75**	**25.81**	**22.19**	**22.42**	**27.19**	**22.81**	**29.93**
Total 1:	**3,464.57**	**4,316.80**	**3,353.46**	**3,836.14**	**4,709.30**	**4,696.13**	**4,628.54**	**5,097.93**	**5,193.63**	**5,506.92**
Other countries	**369.04**	**347.64**	**283.34**	**300.94**	**343.64**	**374.48**	**354.74**	**406.60**	**607.52**	**599.81**
Total 2:	**3,833.62**	**4,664.44**	**3,636.80**	**4,137.07**	**5,052.94**	**5,070.61**	**4,983.28**	**5,504.52**	**5,801.14**	**6,106.73**

Sources:

The countries with which Macedonia has the largest import of goods are: Germany, Great Britain, Greece, Serbia, Italy, China, Turkey, Bulgaria etc.

Remark: Customs data for Kosovo and Serbia are not relevant for the 2007-2008 period, because until 2008, with Macedonia's legislation, Kosovo was an administrative part of Serbia and the data of goods exchange were only made in behalf of Serbia.

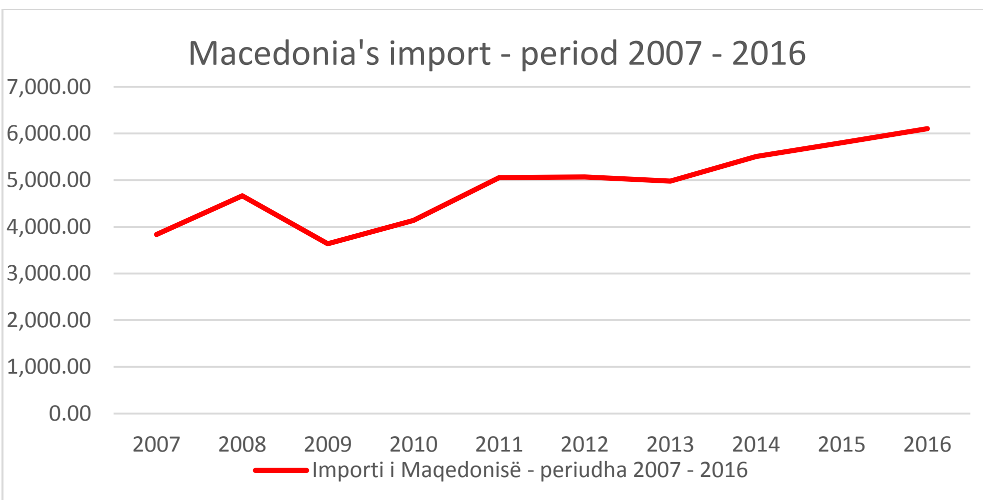


Table 3: Macedonia's export-import difference in the last decade

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Export	**2,477.14**	**2,697.56**	**1,937.04**	**2,534.89**	**3,214.91**	**3,123.95**	**3,235.21**	**3,746.61**	**4,087.58**	**4,329.27**
Import	**3,833.62**	**4,664.44**	**3,636.80**	**4,137.07**	**5,052.94**	**5,070.61**	**4,983.28**	**5,504.52**	**5,801.14**	**6,106.73**
Deficit	**-1,356.48**	**-1,966.88**	**-1,699.76**	**-1,602.21**	**-1838.03**	**-1946.66**	**-1,748.07**	**-1,756.91**	**-1,713.56**	**-1,777.46**

Source: http://www.nbrm.mk/ (National Bank of R. of M.)

From the official data tables, we can see that Macedonia's export and import have a trend of continuous growth from year to year.

Figure 1:

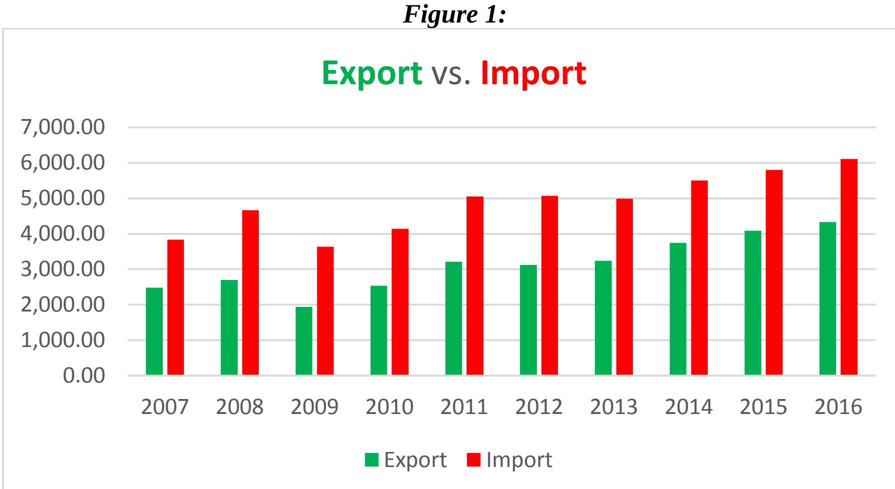
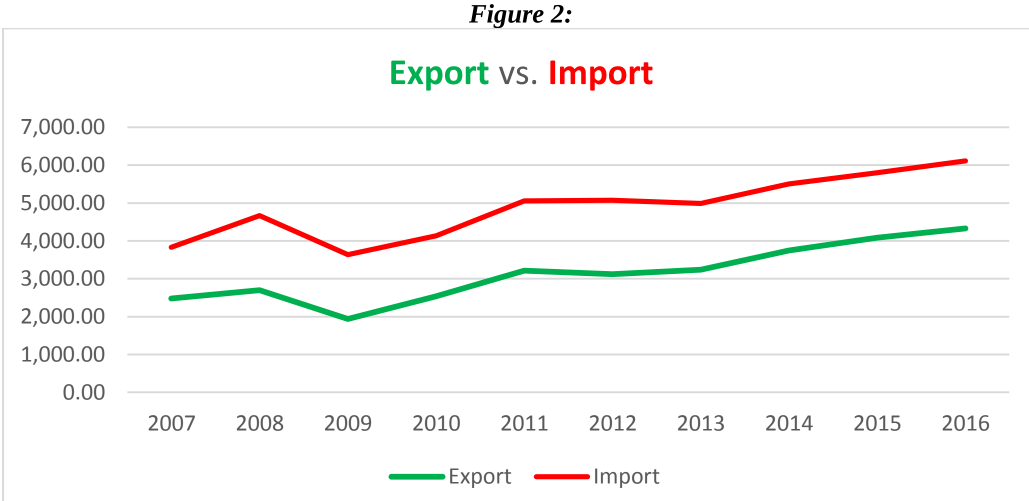


Figure 2:



2.2 Foreign trade exchange of Macedonia by type of goods (2007-2016)

2.2.1. Macedonia's export and import for the period 2007 – 2016

Table 4: RM export in the last decade

Type of goods	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Food products	182.1	210.2	202.5	248.8	267.4	264.5	275.2	293.5	306.2	314.5
Beverages and tobacco	152.7	148.8	141.3	153.5	169.7	185.4	203.4	168.0	144.9	177.6
Raw materials (other than derivatives)	124.3	182.8	123.2	196.4	206.6	206.4	209.7	202.0	195.2	187.5
Mineral oils, lubricants	120.1	210.7	144.5	195.1	279.4	201.0	80.3	65.9	55.5	49.8
Animal and vegetable fat	1.7	8.5	5.9	8.4	12.8	12.1	7.3	9.4	18.3	18.4
Chemical products	96.9	123.4	122.9	288.2	537.7	528.9	630.4	795.9	923.0	1,036.7
Products classified by material	1,104.8	1,079.2	551.2	750.5	884.8	808.1	775.8	726.0	724.4	622.9
Machines and transport equipment	109.9	126.7	110.0	150.3	254.1	310.4	429.4	789.4	1,008.6	1,204.7
Various ready-made products	583.3	606.5	534.9	541.9	600.4	606.3	621.2	693.3	710.4	713.0
Transactions and commodities not declared	1.3	0.9	0.6	1.8	2.0	0.7	2.5	3.2	1.1	4.1
Total export	**2,477.1**	**2,697.6**	**1,937.0**	**2,534.9**	**3,214.9**	**3,124.0**	**3,235.2**	**3,746.6**	**4,087.6**	**4,329.3**

Table 5: Macedonia's import in the period 2007-2016

Type of goods	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Food products	376.8	424.0	401.2	421.2	483.4	529.8	513.1	517.8	551.7	554.3
Beverages and tobacco	27.9	34.8	36.9	43.7	49.3	57.6	58.8	54.0	60.2	72.9
Raw materials (other than derivatives)	216.0	236.5	144.6	219.2	263.0	232.0	161.8	202.7	189.6	127.3
Mineral oils, lubricants	705.3	956.1	583.1	729.3	1,035.1	1,079.9	808.3	789.7	633.5	548.1
Animal and vegetable fat	33.9	45.7	33.0	39.1	54.5	61.6	51.1	42.6	52.6	53.3
Chemical products	357.2	416.1	407.6	500.4	596.2	575.8	657.4	624.0	688.3	723.7
Products classified by material	1,099.2	1,256.5	868.3	1,047.6	1,412.9	1,427.1	1,536.4	1,883.2	2,063.5	2,273.0
Machines and transport equipment	757.7	985.7	873.2	830.8	842.7	798.3	871.7	1,030.7	1,168.7	1,302.2
Various ready-make products	258.4	308.0	281.6	300.2	309.0	303.6	320.4	355.1	388.5	444.7
Transactions and commodities not declared	1.3	1.2	7.3	5.6	6.9	4.8	4.2	4.7	4.6	7.4
Total import	**3,833.6**	**4,664.4**	**3,636.8**	**4,137.1**	**5,052.9**	**5,070.6**	**4,983.3**	**5,504.5**	**5,801.1**	**6,106.7**

Sources: http://www.stat.gov.mk/

CONCLUSION

Absolute advantage expresses the ability of a country with the same sources to produce a larger amount of products than other countries.

The comparative advantage represents a principle according to which a country can specialize in production and export of those goods that it can produce with relatively lower costs and to import those goods that can produce with e relatively higher costs.

Disproportions in foreign trade generate macro-economic disproportions with long-term implications in sustainability of the economic growth and macroeconomic stability in Macedonia. Hence, reducing these disproportions should be a long-term priority. Macedonia has a very small export base – several times smaller than import – and the exports are much concentrated.

Both in the regional market and in the European Union market, Macedonia is competing with the other countries of the Southeastern Europe which not only have a stronger export sector, but also a better overall investment climate, a key element to attract export-oriented FDI.

Improving the position of Macedonia's exports within the competition will require investments in infrastructure, legislative improvements and institutional capacity building, including:

- Investing in transport infrastructure in order to meet the growing demands;
- Increase of efficiency of institutional infrastructure dealing with trade;
- Development of "infrastructure of quality" (standardization, accreditation and meteorology) to ensure that the product can meet the requirements of international and European Union standards. The economic policies to overcome this situation should focus on increasing the manufacturing businesses, increasing the competitiveness and promotion of export. The design and implementation of integrated export promotion strategy requires the coordination of activities by the Government, business entities and other actors in several important areas.

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