

PRODUCTS FROM FURNITURE PRODUCTION OF THE REPUBLIC OF MACEDONIA IN THE EXTERNAL - TRADE EXCHANGE

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INTRODUCTION

Foreign trade is one of the main goals of the macroeconomic policy of modern economies. The positive foreign trade stimulates the development of any economy.

Given that exports and imports are the main components of foreign trade their relationship is one of the key factors for the growth of gross domestic product, and therefore for the economic development. Export of products with high added value, unlike the export of raw materials and semi-products, brings profit to the economy, maintains competitiveness and higher employment.

Wood production as part of the Macedonian wood industry is exceptionally important both for satisfying the domestic market and also for export. The products from the Macedonian processing industry, and therefore the furniture industry are exposed to strong competition, which is especially expressed by the involvement of our country in the global processes, with the accession of the Republic of Macedonia to the World Trade Organization (WTO) and by signing the free trade between the Republic of Macedonia and the EU (CEFTA).

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SUBJECT AND OBJECTIVE OF THE RESEARCH


The subject of paper research is the export and import of furniture products in the Republic of Macedonia.


Analysis are based on data obtained from the Economic Chamber of Macedonia for the period 2010-2017. The structure of exports and imports is analyzed according to SITC, through the four main groups of wood furniture, as follows: wooden office furniture, wooden kitchen furniture, wooden bedroom furniture and other wooden furniture. Exports and imports by countries of export and import are according to the classification of products according to SITC.

The objective of this research is to identify the trends in the trade of products from the production of wood furniture, and thus to establish competitiveness of this production on markets in the immediate environment and beyond.

WOOD INDUSTRY AND FURNITURE PRODUCTION IN THE REPUBLIC OF MACEDONIA – more important data

 According to the data from the State Statistical Office (SSO) of the Republic of Macedonia (2017), wood industry accounts for less than 1% of the gross domestic product, or about 0,7%. The number of employees is steadily increasing, with about 1,3% of the total number of employees in the country.

 The share of the wood industry business entities in the total number of business entities in the processing industry of the Republic of Macedonia is about 14%. The share of the number of enterprises in the production of furniture in the total number of business entities in the wood industry is 57%. The average share of the number of employees in the wood industry in the total number of employees in the processing industry is about 6%, while the participation of the employees in the furniture production in the total number of employees in the wood industry is 64%.

 According to the same data in relation to the average share in the total export of wood industry products furniture production participate with 70%, while the import of furniture products is lower and it is 32%.

Export - import of wooden furniture

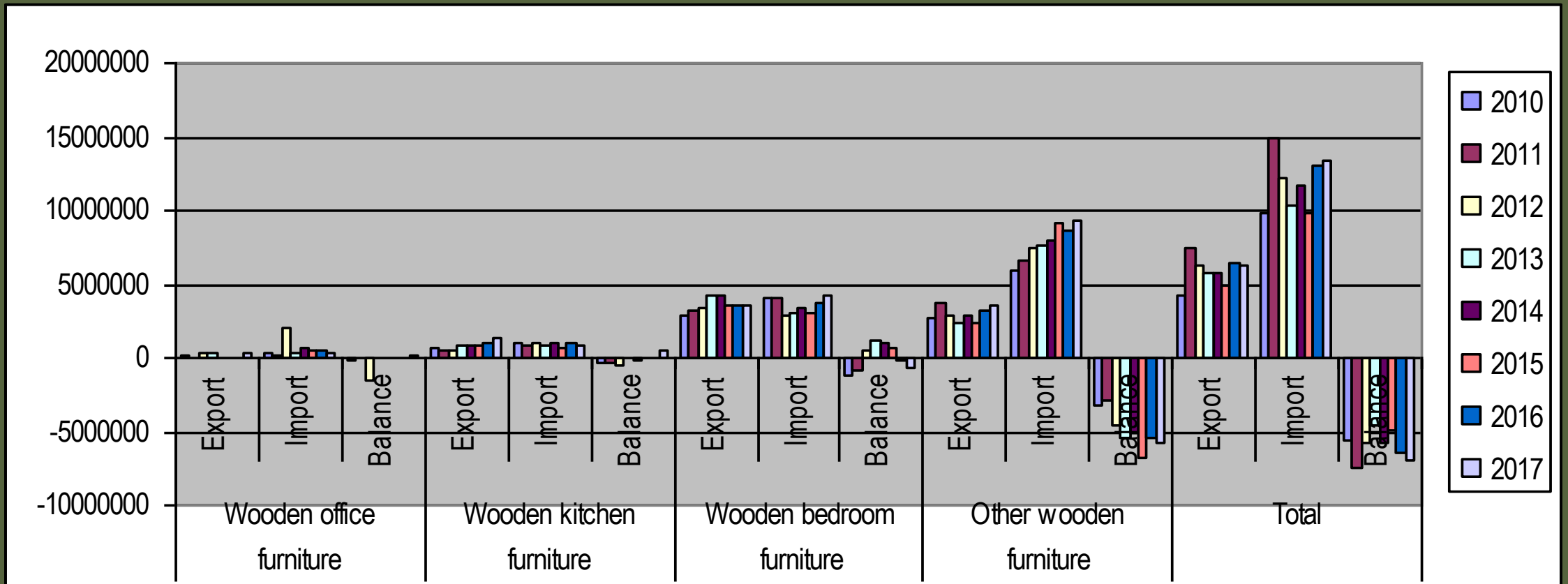
Export of wooden furniture (in US dollars)

	Wooden office furniture	Wooden kitchen furniture	Wooden bedroom furniture	Other wooden furniture	Total
2010	208052	700775	2866196	2786450	6561473
2011	/	568936	3288241	3732170	7589347
2012	391069	578606	3471068	2909266	7350009
2013	409452	852156	4289378	2289687	7840673
2014	/	797116	4294056	2914229	8005401
2015	/	810712	3632699	2448211	6891622
2016	/	1037369	3553650	3246389	7837408
2017	398974	1344977	3475037	3511487	8730475
Average	351887	836331	3608791	2979736	7600801
AAR	9,75	9,76	2,79	3,36	4,87
Participation (in%)	4,5	10,8	46,4	38,3	100,0

Import of wooden furniture (in US dollars)

	Wooden office furniture	Wooden kitchen furniture	Wooden bedroom furniture	Other wooden furniture	Total
2010	294497	966034	4136859	5956309	11353699
2011	183644	930506	4069127	6683162	11866439
2012	1959007	1013126	2938095	7464923	13375151
2013	420658	874243	3073072	7640708	12008681
2014	660639	940022	3340455	8007105	12948221
2015	579167	743778	3021568	9233369	13577882
2016	433283	953498	3746982	8639937	13773700
2017	304714	903530	4174659	9243686	14626589
Average	604451	915592	3562602	7858650	12941295
AAR	0,49	- 0,95	0,13	6,48	4,31
Participation (in%)	4,7	7,1	27,5	60,7	100,0

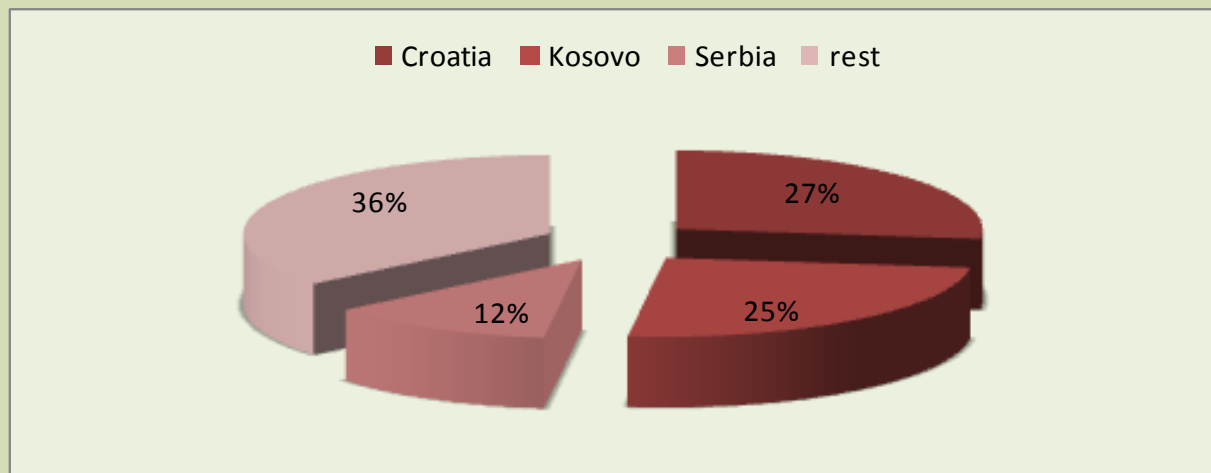
Trade balance of wooden furniture



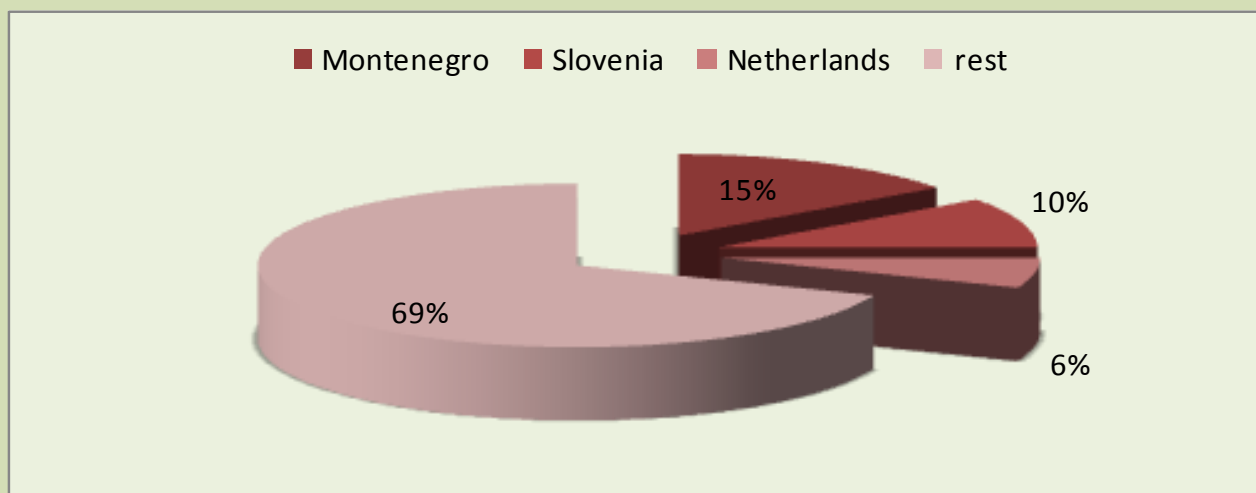
Foreign trade of wooden furniture with the important partner countries

According to data from the Chamber of Commerce of the Republic of Macedonia (2017), a review of the trade exchange of wooden furniture for the more important groups of furniture products which are distinguished by their presence are presented, like as the group of **other wooden furniture and the bedrooms of wood**.

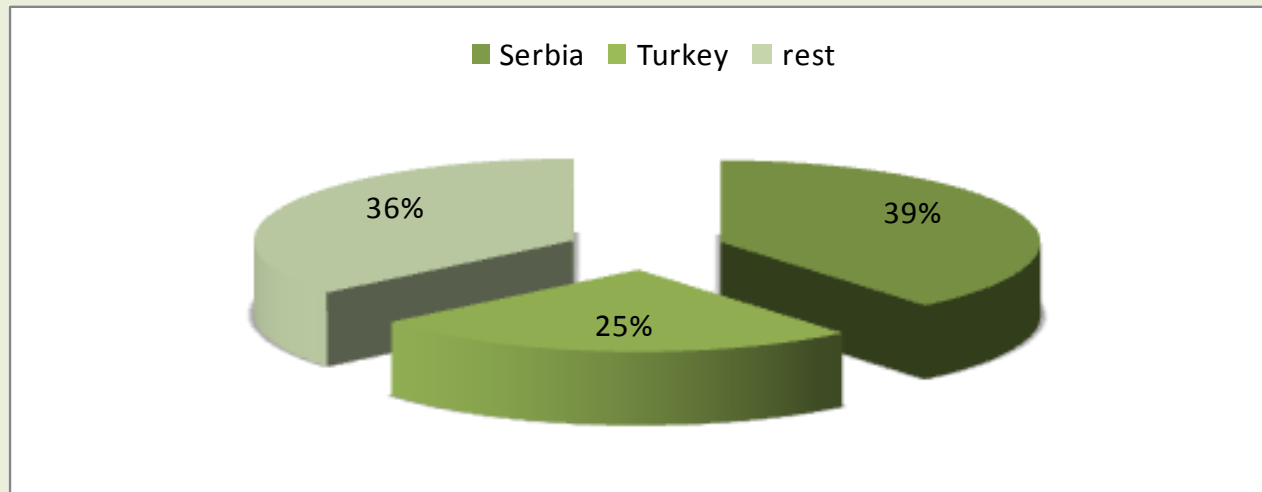
Export of wooden bedroom furniture



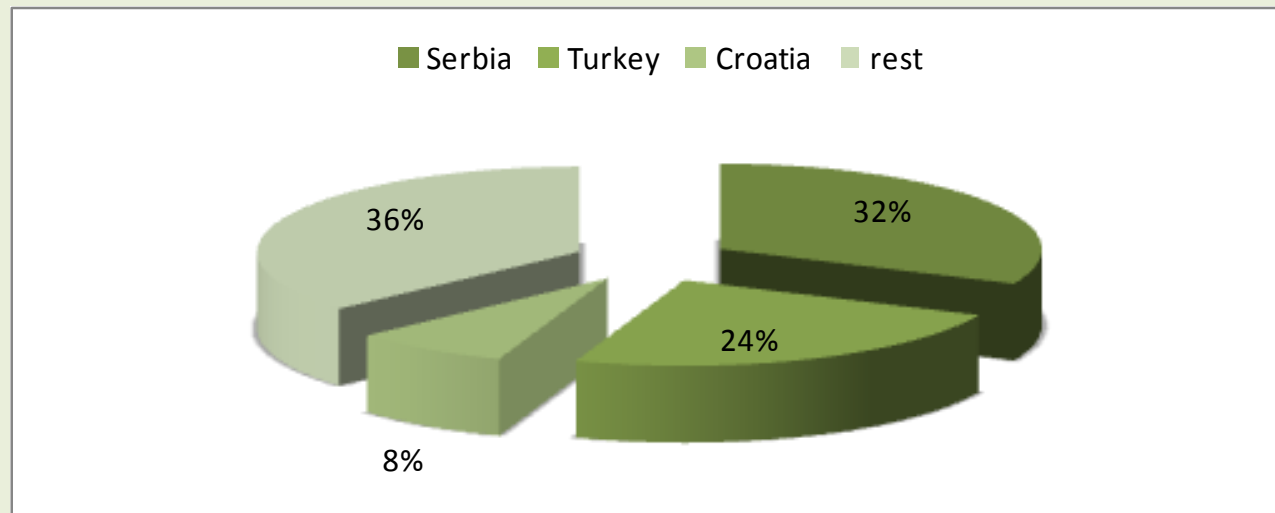
Export of other wooden furniture



Import of wooden bedroom furniture



Import of the other wooden furniture



CONCLUSIONS

The largest share in the exports has the wooden bedroom furniture, than follow the group of other wooden furniture, and the other groups of wood furniture. Imports are mostly imported with other wooden furniture, followed by furniture for bedrooms, kitchen and office furniture from wood.

According to the data for the period (2010-2017), the export of furniture is growing in all analyzed groups, the same happens with the import. Total for the export and import of furniture can be said to have a positive growth dynamics for the given period.

CONCLUSIONS

The trade balance in the four groups of furniture has variable dynamics, with the exception of the group of other wooden furniture where the balance is negative in all years of the analyzed period (2010 - 2017). The trade balance in total for the four groups of furniture has a negative sign, which means that during the given period more were imported than these groups of furniture were exported, i.e. we have a deficit of exports.

International trade in furniture from the Republic of Macedonia is not widespread in world markets. Almost the entire trade exchange for decades has been realized with neighboring countries. The reasons for such trade relations are due to the small transport costs, the good knowledge of the markets that is traditionally, and of course the already established interconnections dating back long ago. It can be said that this trend continues.

**THANK YOU FOR YOUR
ATTENTION**

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