


<p>THE ESTABLISHMENT OF QUALITY STANDARDS AND TRADE RELATIONS AMONG THE EU, THE REPUBLIC OF NORTH MACEDONIA AND KOSOVO FOR THE YEARS 2018, 2019, AND 2020</p>			<p>Economics</p> <p>Keywords: Quality, standards, quality management, international trade, European Union.</p>
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<p>Abstract</p>			
<p>People trust and are happy with a business when its products and services are good. It is highly important for the quality management system to work well in every part of a company, from the top levels of management to the lowest levels of operations. Every person, no matter where they live, has the right to get safe, high-quality goods. Because of this, businesses have a duty to help their customers by using a long-term strategy to improve and follow international standards. This will make sure that the items they sell meet the requirements set by those standards. This study looks at how quality standards have changed and how they have affected commerce between the European Union, the Republic of North Macedonia, and Kosovo from 2018 to 2020. The goal is to find the best ways to harmonize technology and encourage people to use international processes for quality assurance by looking at statistical data and applied standards. There is a lot of competition in the European market, and companies sell a lot of the same products. They also run big marketing efforts. In this case, there is a direct and two-way link between quality standards and trade success. For any modern society to work well, it is important to make sure that results are dependable and long-lasting.</p>			

1. INTRODUCTION

Businesses are compensated not for altering clients, but for fulfilling their needs (Drucker, 2012). Ristevska-Jovanovska articulately defines quality from a marketing standpoint: "Quality is a process in which only our consumers continue to return, not our products" (Ristevska-Jovanovska S. 2010). The quality of a product or service may now be more readily assessed from a marketing standpoint; if it is in demand within the market, it is deemed to be of high quality. Quality comprises a collection of attributes of a product or service that facilitate the fulfillment of consumer requirements (Shuklev B., 2013). From a technical standpoint, quality can be described as a product that fulfills its specified parameters. Quality is the assessment of the capacity of particular attributes of a product, system, or process to fulfill the requirements of customers and other stakeholders. The most prevalent quality standard is the Quality Management System, which aids in defining quality products or services and is directly linked to marketing. Product quality is characterized by its multidimensional and complex nature, encompassing factors such as materials and craftsmanship, shape and form, composition, construction, color, and classification markers. An objective evaluation of production quality necessitates a system of indicators that accurately represents the manufacturing process and the demand for a given product (Sekovska B., 2008).

Quality is typically defined as the collection of features and characteristics of a product or service that pertain to its capacity to fulfill the stated or inferred demands, requirements, and expectations of consumers. Consequently, it is essential to perform market research to identify the product attributes that define quality based on consumer perceptions (Gale, 1988).

Companies that effectively differentiate their products by quality might command greater pricing than their rivals. The corporate management need insight into consumer rankings of its items and the potential fluctuations in these rankings. The comparative benefit of quality is a significantly more dependable method for augmenting market share than reliance exclusively on pricing. Empirical evidence indicates that firms with superior quality and substantial market share attain greater profit margins than those with inferior quality and limited market share. (Gale B. T. dhe Klavans R., 1984).

It is crucial for a firm to have a quality management system, as this gives clients with more assurance regarding the products and services offered. A corporation seeking to implement an international standard must fulfill its requirements and manage all procedures that contribute to effective quality management. For a corporation to achieve success, it must execute all requisite processes across its divisions, commencing with the initial interactions with clients and culminating in the supply of products or services. The methodology employed by the organization to execute procedures till the finalization of the product or service is crucial. It must strategize the path to implement its product or service, ensuring that this planning facilitates the execution of the intended product or service.

Subsequent to these processes, to attain client pleasure, it is vital to assess feasible actions and subsequently implement measures to introduce the products to the market. By adhering to the outlined procedures, the organization illustrates its provision of products or services that do not engender customer discontent, and substantiates that the methodologies employed are systematically evaluated and validated in alignment with the quality management system. The company's upkeep of the quality management system offers crucial help in delivering excellent products or services to customers, who aim to achieve satisfaction and fulfill expectations.

A corporation proficient in market research and marketing strategies can gain a competitive advantage and secure a larger market share. A concentration on quality signifies that the quality provided aligns with the expectations of the target market, and the enhancement in quality should positively influence the company's profitability (McDaniel C. and R. Gates, 2004).

The selection of quality standards in the food business is more prevalent today than ever, with food items consistently checked across national boundaries at every phase of the food supply chain, from production to consumption. International standards foster confidence in the consumables we ingest, guaranteeing the uniform application of food quality and safety regulations globally (International Organization for Standardization, 2012, www.iso.org).

Juran defines product and service quality as its suitability for use, but Kotler and Twigg characterize quality as the aggregate of attributes that influence consumer acceptability of a product. The European Organization for Quality Control defines quality as the degree to which a product satisfies consumer requirements.

The product's excellent quality cannot be reliably guaranteed through a defective production procedure. A continual cycle of quality assessment and process enhancements must be implemented. Six Sigma pertains to the application of a methodology known as DMAIC (define, measure, analyze, improve, control). In Lean, the PDCA cycle is discussed, encompassing: plan, do, check, act. A quality system necessitates a specified methodology. Consequently, we must initiate the utilization of a recognized procedure, which represents the optimal course of action for the majority of us.

The product's quality is contingent upon physical properties, including manufacturing precision, environmental conditions, and temperature resilience, as well as physicochemical properties such as moisture content, chemical composition, acidity, mechanical attributes, sanitary-hygienic characteristics, and organic properties. The consumer can assess various quality of items and services based on numerous aspects. Consequently, determinants of quality encompass user education, tradition, environmental effect, age, religious affiliation, alongside economic and technical issues, among others.

From the manufacturers' perspective, the quality of products and services might be nebulous and predominantly economic. Quality products and services, in a functional context, denote the utility derived from products and services for a particular user. Economic quality encompasses more than mere abstraction, as it incorporates both the utility of items and services and their acquisition cost. From the distributor's viewpoint, product quality encompasses more than only its physical, chemical, and functional attributes, together with the distribution method (Gramatikov D., 2004). Ensuring product quality is a fundamental objective of marketing services; initially, it is essential to establish the quality level that will facilitate the preservation of market position and consumer loyalty through the product's functional efficacy. This encompasses detailed information regarding the product, precision, operational simplicity, usability, and other pertinent attributes. For each chosen market, the corporation must strategically position its products and/or services concerning quality and price. An in-depth individual analysis of market positioning strategies indicates the potential to categorize them diagonally into three groups (Ristevska-Jovanovska S., 2010).

2. Establishment of quality standards and commerce concerning the EU

All nations in the Western Balkans are progressing towards European Union membership, which offers a substantial market, yet simultaneously serves as a platform for the competitiveness of the strong. For the nations in the Western Balkans to endure competition and effectively access EU markets, it is essential to consider additional factors that impact economic development, alongside numerous economic and political elements. For the Western Balkan countries to access and compete in European and international markets, the quality of products and services is crucial, necessitating compliance with national legislation, market standards, and international standards, primarily ISO 9001 and ISO 22000 for food.

Consequently, organizations striving for appropriate standardization to attain the requisite international level for entry into the "big" market must recognize that compliance with these standards transcends mere technical formality. They must fundamentally prepare themselves, as they need to recognize that European enterprises already meet worldwide quality standards, and entering the European market is reciprocal: our markets will also be accessible to competition. The table below illustrates that, alongside the increase in enterprises certified with ISO standards, there is a concurrent rise in imports and exports between the Balkan countries and the European Union.

The outcomes involving the European Union, the Republic of North Macedonia, and Kosovo are presented in the tables below:

Table 1
European Union, Trade with Macedonia and ISO

Years	Imports Million euro	Exports Million euro	Total Million euro	ISO 9001	ISO 22000
2018	7669	5861	13530	436	61
2019	8437	6430	14867	502	54
2020	7630	5811	13441	629	110

Source: (European Union, Trade flows by SITC section 2018– 2022 / Source Eurostat Comext). And ISO.org survey 2018,2019,2020.

An intriguing dynamic is evident in the trade relations between the European Union and the Republic of North Macedonia, based on statistical data regarding goods trade and the evolution of quality and food safety standards for the years 2018, 2019, and 2020. The ISO 9001 standard for quality management and ISO 22000 for food safety are pivotal in this context. Trade between the parties had a decrease in 2020 relative to 2019 and 2021, a phenomenon directly attributable to the effects of the COVID-19 epidemic. Nonetheless, in that same year, there was a significant rise in the number of organizations that embraced the ISO 22000 standard, indicating a heightened commitment to food safety amid the global crisis. Simultaneously, the ISO 9001 standard has consistently expanded each year, underscoring its strategic significance for compliance and competitiveness within the European market. Table 2 indicates that commerce between the European Union and the Republic of Kosovo from 2018 to 2020 exhibited a variable trend, with a notable decrease in exports from the EU to Kosovo in 2020.

Table 2
European Union, Trade with Kosovo

Years	Imports Million euro	Exports Million euro	Total Million euro
2018	97	1037	1133
2019	130	1284	1414
2020	165	1163	1328

Source: (European Union, Trade flows by SITC section 2018,2019,2020/ Source Eurostat Comext).

This reduction may stem from external influences, including the COVID-19 epidemic and restrictions on the transportation of products. The advancement of international standards has

progressed positively, exhibiting a consistent increase during this period. The advancement has been significantly aided by the financial and technical assistance of international organizations, including the European Bank for Reconstruction and Development and the World Bank, which have enhanced institutional capacities and aligned standards with European practices.

3. CONCLUSIONS AND RECOMMENDATIONS

The establishment of quality standards in production and service industries is a crucial instrument for enhancing global competitiveness and expediting regional and European economic integration processes. These standards explicitly convey the institution's dedication to quality while enhancing operational efficiency, bolstering client trust, and broadening access to foreign markets.

In nations with emerging economies and constrained production capabilities, such as the Republic of North Macedonia and Kosovo, the implementation of international standards like ISO 9001 and ISO 22000 has been notably significant. Alongside technical and legal alignment with European Union standards, these certifications establish a valid foundation for the adoption of domestic products in competitive global markets. The strategic advantages of standardization encompass enhancing firm reliability, bolstering capabilities for international partnerships, and safeguarding interests in a progressively intricate commerce landscape. Consequently, quality is increasingly seen as a fundamental element of the long-term development strategies of enterprises in both nations.

In a modern society marked by intense competition driven by knowledge and technology, only the specialized application of knowledge, customized to the particular requirements of sectors like the food business, can guarantee sustainability and enduring success. Investment in quality, innovation, and standardization is a crucial determinant for economic development and expediting integration into the single European market.

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