COMPETITIVENESS AND ITS ADVANTAGE

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Abstract:
Ability to cope with this competition and demanding international markets, depending on certain circumstances, be appreciated on the basis of systemic.
An economy is competitive if it increases its market share because its prices, which have a relatively more favorable than those of competitors and the quality, diversity and timeliness of goods offered. Elements of value chain links made in the company not only internal but also vertically with suppliers and transporters, distributors, buyers, public and private administrations.

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Competitiveness is a complex concept, long discussed by economists around the world. He expresses an overall ability of individuals, businesses, economies, regions remain in the competition conducted at national and international level to obtain economic benefits from them. The competitiveness suggests safety, efficiency, quality, high productivity, adaptability, successful, modern management, superior products, low cost. A firm's competitive strength lies in competitive advantages and distinctive components in their possession in relation to other companies. To consider a competitive firm is required to conduct a thorough analysis of both the company and its business environment.

The term "competitiveness" encompasses a very wide area, so there are many definitions of competitiveness, as follows:

- competitiveness of a company is its ability to win in competitive conditions, competition, domestic or foreign. It is related to obtaining goods and services, conducting business operations or financial, high-quality services and reduced costs compared with competitors, which ensures penetration, maintaining and strengthening a particular market, compared with other products or similar services;
- According to the Washington University Professor Carbaugh "a firm is competitive if it produces goods or services of higher quality or lower price than its competitors, domestic or foreign," while "is the ability of a country's international competitiveness in terms free market and fair competition, to design, produce and sell goods and services is of higher quality or at a price below the products and services offered by other countries "
- in terms of a nation's competitiveness expresses a country's capacity and ability to effectively use the opportunities of the global market
- OECD define competitiveness as "the capacity of firms, sectors, regions, states or international organizations in competition, to ensure sustained a relatively high income recovery factors of production and a higher income from labor exploitation. " This definition clearly highlights the impact the competitiveness of a nation determined that it has on income levels and consequently the living

standards of the country concerned, so we focus on the social objective of increasing competitiveness;

Competitiveness should not be confused with the comparative advantages of development or elementary factors, such as abundant natural resources (agricultural) cheap labor (manufacturing sectors), sites or monuments of nature / landscape (tourism) access to cheap credits / incentives (for funding), better facilities from government (for geographical or sectoral approach), the exchange rate (export / import).

Competitiveness of an economy based on consumption of resources and energy. In this context, it should be special emphasis on efficient energy use. Romania is characterized by extremely high energy intensity compared not only with the EU average but also former communist countries in the region. Moreover, comparative analysis of selected indicators of competitiveness show that the energy intensity of competition is the factor with the largest gap to European Union countries. This gap may be a handicap for the competitiveness of national economy especially in light of the gradual increase in energy prices and their alignment to European levels.

New businesses are crucial in enhancing competitiveness. Innovative ideas, new products and services, new business models are often tested by start-ups. Creating an environment conducive to business financing, under a competitive financial markets is a qualitative and quantitative leap from previous approaches, based mainly on direct investment support. Financing on commercial terms involve more oversight from the donors, thus bringing additional expertise and validation process of "selection" of companies and competitive business models.

A product or service is competitive when it has the ability to prevail in a competitive market, ie to sell in quantities at least comparable to those that have sold competing products or services. Unfortunately, the current Romanian market is full of examples and cases showing that the goods and services produced in Romania are generally competitive, usually by their quality, but many times the price or deadlines. Thus, it appears that in developed countries, under pressure from consumer and convergent and competent actions of governments and economic agents, they offer products or services on the world market have become more diversified, quality and even cheaper.

Determinants of competitiveness can be divided into:

- technical factors that include the technical characteristics of the product or service;
- financial factors such as price or payment terms;
- support factors: Ancillary services associated with a product or service in order increase its added value (eg through maintenance, training, consultancy, supply of spare parts, etc..)
- factors outlets / sale, such as delivery time, delivery terms, methods of distribution / sales etc..

All these factors should in principle be facing in the utmost satisfaction to the demands, requirements and expectations. In a market economy, it is conceivable that a trader should not identify their clients and do not know the requirements and feedback, with the market, products or services he is able and willing to perform, but not take account of customers or their reactions and expectations. Romania's primary national interest ought to be developing a competitive economy through quality, able to cope with current trends in international trade (globalization of markets through the establishment of strong regional markets and their strong growth, based on international standards and regional and multilateral agreements Cooperation).

Also in the category determinants of competitiveness and policy is also found "material" or "generic resources, such as space, location, physical infrastructure and communication factors such as" intangible ", such as innovation, informing, knowledge, human resource quality, ability to learn ("specific resources" that are redefined in dynamic within their production process).

Another very important factor is the economic competitiveness. Michael Porter defines the economic environment by the following factors: general conditions (human resources, natural resources, abundance, accessibility and cost, level of knowledge, capital resources, infrastructure), demand conditions (related to consumer needs), related industries and support industries (presence or absence of bidders in the national economy industries), business strategy (in which conditions can be created, organized and managed companies, the nature of domestic rivalry), industry structure and rivalry and government policies.

If our country can find a situation unfavorable to several factors that influence competitiveness. Despite progress on privatization, efficiency and financial sector regulation, companies' access to capital is still very limited. The use of outdated technologies and equipment drastically reduces productivity in most industries. Management and Development Institute defines competitiveness as "an area of the economy that expresses the actions and policies that describe a nation's ability to create new value and maintain an environment that continues to give valuable support to its companies and more prosperity for the population .

A broader meaning of international competitiveness is reflected by the definition that takes into account the economic capacity to achieve high levels of employment and productivity or GDP per capita. It should be noted that this broad definition avoids the mistake of restricting the economy's external situation assessments. The definition does not exclude any form of international importance for evaluating the competitiveness of the current account, trade balance, real exchange rate or unit labor costs calculated in foreign currency, but focus on stimulating economic growth and productivity. From this perspective, the goal of economic policy should be to maintain competitiveness despite high real wages. Implications at the micro level are related to the fact that firms can not solely to preserve the comparative advantages of low cost. Cost reduction measures must be accompanied by strategic positioning and innovation, with the ultimate goal of creating favorable fundamental business skills.

Relevant indicators such as GDP per capita, employment levels, wages, inflation and exchange rate helps assess the macro-competitiveness. As for industrial competitiveness, the report focuses on specific features of supply side, grouped into two broad categories: cost and quality. On cost competitiveness is the result of two components, the level of productivity and factor prices and other supply side variables (such as investment and organization) are also relevant. Competitiveness for quality is given by the level of profitability while maintaining the same cost.

According to World Bank, the concept of competitiveness cumulative elements that confer a high position of an economic entity from its competitors. The ability to reduce prices is the best description of competitiveness in markets with homogeneous goods and services. Product differentiation tends to become more widespread, so the notion of competitiveness is extended to take into account, besides the ability to reduce prices, and other factors, such as advertising, ability to adapt to changes in demand conditions or trademarks. Thus, the comparative advantage arising as a result of relatively low intensity is a key factor of competitiveness.

Next, we analyze four indicators of international competitiveness, namely:

- ☑ the revealed comparative advantage;
- ☑ added value per unit, both at market prices and the social opportunity costs;
- ☑ Unit labor costs, both at market prices and the social opportunity costs;
- ☑ Cost of internal resources.

The indicator compares the revealed comparative advantage in an industry some share in the total exports of goods with the share of total imports. Calculation for an industry indicator takes into account, on the one hand, domestic production and exports, on the other hand, import competing domestic production (and not the import of intermediate goods for production in industry). High values of the indicator indicates a comparative advantage for industry.

Value added is the weight unit that holds the value added in total production. Unit labor costs represent the share of labor costs in production or value added. Labor costs include wages after taxes and payroll taxes.

According to the Romanian national accounts methodology, including wages after taxes and social contributions.

Domestic resource cost indicator compares the costs of labor and capital evaluated at social opportunity costs, value added evaluated at social opportunity costs. The comparison is only relevant for industries that produce tradable goods. If the indicator is calculated as the ratio, then a sub-par level indicates the presence of comparative advantages. In this case, labor costs and capital evaluated at social opportunity costs are lower than the value added evaluated at social opportunity costs, so that the industry recorded a positive operating surplus evaluated at social opportunity costs. For non-tradable goods sector, value added evaluated at social opportunity cost is the sum of labor costs and capital evaluated at social opportunity costs, so that the indicator is unit cost of internal resources.

Competitiveness indicators measure the strengths of territorial units based on potential and performance you register on global markets. The Romanian economy has a relatively low level of competitiveness in the European context and Romania has attracted less investment than other countries in the region because of the absence of a transparent legal framework and due to increased regional competition. Competitive gap with the rest of the EU can not ignore the importance of the European market in Romania. This gap is likely to increase given the prospect of further trade liberalization and global integration, leaving the Romanian exporters in a critical condition.

Romania's strategic priority must now be competitive advantages, develop capacity and competence of the exporting sectors, attracting local and foreign investment and create an economy able to grow under conditions of free trade in a market increasingly globalized. FDI is a source of capital, know-how, technology and managerial skills and stimulate economic growth. Romania must become a contender for best absorption of direct foreign investments, especially those oriented towards export. Romania must become internationally competitive and should be seen as friendly to investors as having an efficient business environment. This can be achieved through design and action plan and the National Export Strategy requires a complex but coordinated.

CONCLUSION

In conclusion, Romania's competitiveness can be increased by:

- increasing private sector capacity to generate economic growth and development;
- promote human resource development skills required to achieve continuous economic development, science and technology
- integration in planning and socio- economic;
- promote dynamic indigenous technical capabilities and innovative;
- identifying and developing new sectors that create, capture and retain high value added and provides the basis for future economic development of Romania;
- encourage inter and intra-sectoral links leading to development of clusters and industrial clusters;

- efficiency of the national business environment in the one that is competitive internationally;
- ensure adequate provision of infrastructure needed to give industry the ability to become more competitive internationally;
- contribution to regional development, employment generation and poverty reduction to encourage a more equitable income distribution;
- reducing dependence on non-tariff barriers and tariff preferential market access to support export development;
- exposure to international opportunities for Romanian companies Business

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