

OPPORTUNITIES AND CHALLENGES OF SME-s IN GLOBALIZATION ERA - ALBANIA CASE

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Abstract

In an era of globalizing economies many markets become increasingly international and competitive. We get more variety, better quality or lower prices because of globalization. In the context of globalization, SMEs tends to consolidate and the question of how SMEs manage the competition is intriguing. Besides larger competitors with visible, physical premises, other processes related to globalization are presenting SMEs with both opportunities and threats. In any case, the long term viability of SMEs in the local industry is at stake and this study covers, among others, what strategies are deployed by SMEs to remain profitable and competitive. A company's choice of countries for its operations should be determined by the interaction of its objectives, competencies and comparative environmental fit with conditions within different countries. It is hard for companies to formulate location strategies when they have to make assumptions about the future, such as political conditions in the foreign environment, cost and prices, competitor's reactions and technology. The aim of this study is to analyze the current status of the Albania local market and to identify what strategies are deployed by SMEs in order for them to manage the competition successfully in a fiercely competitive industry. We had analyzed opportunities and challenges in Albanian case.

Keywords: *globalization, sme, foreign direct investment, export, joint ventures*