

## **FISCAL POLICY EFFECTS ON EXPORTS AND IMPORTS. THE CASE OF ALBANIA**

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### **Abstract**

Exports and imports are key parts of a country's economic activity, but to have an acceptable level of them, it is necessary a fiscal policy that stimulates both exports and imports. The enhancement should happen in particular to exports, because for the stage in which is now the Albanian economy, favoring imports would not be necessary, for the fact that imports in Albania have very high levels compared to exports. In this paper there is an effort to analyze the fiscal policy that our country is applying, and also the level of exports and imports mostly for the period from 2010 until 2015. One part of the analysis is focused on the fiscal policy objectives, the instruments of this policy, fiscal policy and in the actions in some specific aspects of the economy. There are also treated VAT and excise as part of the fiscal policy but what is appointed in particular is the comparison between VAT and excise. An other aspect of this paper is the analysis of these two important parts of trade balance appart from one an other and the effects of the process of reforms in the fiscal policy in the whole albanian economy and specially in the performance of exports and imports. One of the conclusions of this topic, which could be expected is the inverse ratio between exports and imports. In this paper are analized also the reasons why this ratio is inverse. Another issue that is addressed in this paper is the connection between the faison industry and the level of exports in our country. They are provided some recomendations about the actions that have to be implemented in order to increase exports. In this issue we are also focused on climate analysis that our environment offers to international companies. Other important conclusions are rised in this paper which we consider as most important in this matter.

**Keywords:** *business climate, exports, imports, fiscal policy, economic growth, trade balance*