

RELATIVE COMPETITIVE ECONOMIC ADVANTAGE IN TRADE DYNAMICS

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Abstract

In the era and process of free trade globalisation the classical and neo-classical theories of comparative and competitive advantages have become short-termed because of new actors and devices in the modern techno-economic advancement. Hence, a new approach seems necessary, respectively the one of relative advantages that are related to economies of scale and marketability, as today, the macroeconomic concept is the concept of Multinational or Transnational, and no longer a national one. At the same time, the micro-concept may be used as concept of an entire international economic sector or branch. Due to these new developments the relative advantages approach focuses more on cost-reduction functions of commodities and services and it plays an important role in both theoretical and practical investigation. The examples presented in the paper are built on three competing Asian countries: China, South Korea and post-emerged Japan.

Key words: *comparative advantages, competitive advantages, multinational, relative advantages*

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