**COMPARATIVE ANALYSIS OF DEVELOPMENT OF TOURISM AND HOSPITALITY IN THE REPUBLIC OF MACEDONIA**

**1. Introduction**

***General information***

The territoryof the country measures 25.713 км2. In the north it borders Serbia and Kosovo, in the west with Albania, in the south with Greece and in the east with Bulgaria. It is situated between 40o51’ and 42o22’ north latitude and 20o27’ and 23o05’ east longitude.

The population that permanently resides on this territory, according to the last census 2.022.547 inhabitants from diverse ethnic groups. The Macedonian population prevails with approximately 64% of the total number, but the multi - ethnicity represents a solid basis for a rich ethnographic capacity which is included in the tourism offer of the Republic of Macedonia (Marinoski, N. 2008 Tourism Geography of Macedonia, Faculty of Tourism and Hospitaliti - Ohrid). The city population is 59.78% from the total population.

The economy experienced a radical changes in its conditions. The most significant structural changes in the economic system is the transition from socialist self-governing to capitalism, which leads to a change of ownership from social to private and a clear determining of the title of ownership. Economic processes have an emphasized dimension of privatization as the basis of the transition process. Unfortunately the transition has been implemented in a way that many companies and economic systems from the real sector were put into bankruptcy and liquidated, and the overall economic conditionsinstead to be promoted, demonstrated a remarkable reduction of their development. The downturn of the economy can not have the function to support development of tourism. The declining ofth population’s standards of living affects the mobility of domestic tourists and the declining of the domestic tourism market.

Furthermore, it is a fact that these processes of liquidation contributed in the Republic of Macedonia the number of unemployment to be increased. A great number of employees in the industry have lost their jobs so that they were forced to be engaged in other activities. The most significant structural changes in the economic system is self-governing transition from socialism to capitalism, leading to a change of ownership from social to private and clearly the title of the property. Economic processes are emphasized dimension of privatization as the basis of the transition. Unfortunately this has been implemented in a way that many companies and economic systems from the real sector were put into bankruptcy and liquidated, and the overall economic similarities rather than promote, demonstrate a remarkable reduction of development. The backwardness of the economy may not be in order to support tourism development. Declining living standards of the population affects the mobility of domestic tourist clientele and declining domestic tourism market. Also, the fact that these processes of liquidation contributed in the country to increase the number of unemployment. A number of employees in the industry have lost their jobs so that they were forced to engage in other activities.

Gross Domestic Product (GDP) is an important indicator of the economy of the Republic of Macedonia. According to data of the State Statistical Office, derived from the annual accounts from business entities and other sources, the gross domestic product in 2014 amounted to 525.620 million denars or 9.727 million US $ while compared to 2013 it increased by 4.7%. The real growth rate of GDP, compared to 2013 was 3.5%. The final expenditure in 2014, compared to 2013, increased by 1.9% and in the structure of GDP it accounted for 86.8%. The share of exports of goods and services in GDP in 2014 was 47.8%. (Department of statistics of Republic of Macedonia, 2015)

Tourism resources of natural and cultural character are abundant in the region

The *natural values ​​*have basic, complex and complementary features. Mountains represent exceptionally significant tourist potentials. The hilly - mountainous area accounts for 92.2% of the country’s surface area. The average height of the country is 1404 m above sea level. The country is mountainous with the highest peak measuring 2764 m. There are 34 mountains on which exist 6 major winter - sports centers. Also veryattractive are the 14 larger gorges and canyons. Volcanic landscape forms are extinguished and there is only one active solfatara. The climate is continental, whereason the mountainsit is mountainous and towards the open space of the Aegeanand Adriatic Seas the climate is mediterranean. The Republic of Macedonia is landlocked, but there are tectonic, glacial and artificial lakes. The river network consistsof three major river basins whereas thermo-mineral springsrepresent the basis for locating 8 spa centers. There are plant species that are characteristic for the Mediterranean and the Euro - Siberian regions.Forest areas and forest land in a total of 1.288.915 hectares, or 50% of the country’s complete territory. The most significant protected areas are the 3 national parks. The game as the base for hunting activities is represented by the classes of mammals (mammalia) and birds (aves). There exist a total of 47 registered hunting associations, which have their own hunting areas. On the rivers as well as on the shores of tectonic and artificial lakes 9 major fishing centers are located. (Zikov M., Vasil A. 1997 Natural heritage of Macedonia and means for its protection, Association of ecologists of Macedonia, Skopje)

*Cultural tourism resources* are presented by a rare abundance of archaeological sites that dating back to the Paleolithic, Neolithic, Eneolithic, Bronze and Iron Age, as well as to the period of ancient Roman culture, to the early Christian period and to the Middle Ages. Churches and monasteries are a real treasure and an important destination for visitors. They date back to the IX till the XIX century. Mosques date back to the XIV till the XIX century. Secular architecture is represented by the built fortified cities, towers, bridges, bazaars, inns, baths and caravan - palaces, monuments of culture in the form of old urban architecture and distinguished old urban groupings and individual houses, monuments and memorial - landmarks of the recent history and culture, museums and cultural centers, theaters, labour universities and major libraries, cultural or sports halls and archives. Ethnographic values ​​include the traditional: architecture, traditional economic activities, crafts, food, folkloricclothing as well as folk songs and dances. The most important events are the cultural, entertainment, sports, economic and scientific events.

The political structure of the Republic of Macedonia has undergone remarkable changes. The country went through different political systems. After the Second World War it was a part of the Yugoslavian federation, so that the policies were mainly made at the central level whereas the republics aligned their decisions to them and they suggested their own individual policies to the Central Committee of the Communist Party and to the bodies of the federation. The political system was characterized by statist and socialist characteristics although the beginnings of the self-governing system were introduced since 1953. Significant changes occurred in 1974 when the self-governing system implied a greater decentralization and increase of the individualpowers of the republics. During this period the Republic of Macedonia gained more autonomy. There wasan improved decentralization of power towards the local level so that the municipalities also became a significant political structure within the country. Starting from 1980 the Republic of Macedonia entered the transition period which resulted from the breakup of Yugoslavia. It was the only Yugoslavian republicthatpeacefully gained its independence. Since 1991 the country is an internationally recognized state and a member of the United Nations (UN). In 2001 occurred a military conflict that was relatively quickly resolved by the signing of the Ohrid agreement. This agreement, among other solutions, provided employment of minority communities to participate according to the representation of the overall population in the state administration.

The administrative - territorial structure of the state suffered significant changes which were in line with the autonomy and the transition of theself-governing system towards the capitalistic system. The separation of the legislative from the executive and thejudicialauthority is guaranteed by the constitution. The single party system transformed into a multiparty system and the rule of law was established. State governing is a parliamentary democracy. The highest legislative authority is the Parliament in which representatives are elected by parliamentary elections. It elects the Government of the Republic of Macedonia. The President of the country is elected by direct elections, leads the foreign policy and is the commander in chief of the armed forces. The Ministries besides participating in the decision making of the government through its ministers, they also have regional and local departments in major community centers through which operationally it implement the state policies.

The local departments for self-governing in the country have an important place in the development of economic and social development of the country. They decide for the local infrastructure and its improvement as well as for the adoption of spatial and urban solutions that are of great importance for the development of tourism. The bodies of the local self-governance are managed by the mayor who is elected with local elections. The mayor presents his plans and their implementation to the Council which adopts these documents. The council members are also elected with local elections. In a political sense the local departments for self-governing are autonomous in their decision-making. On the state level they are organized in an association (Association of Local Government Units - ZELS), which plays a significant rolein the inter-municipal cooperation as well as the presentingto state institutions when they have common interests.

On the regional level there exist regions in which all municipalities are grouped. They are managed by Centers whose executives are elected by representatives of the units for local self-governmance. They also enable the balanced economic development of the Republic of Macedonia and they do not have executive authority.

The Republic of Macedonia covers an area of ​​25.713 km2. The population is a total of 2.022.547 inhabitants. Changes in the economy are due to the inadequate capital privatization as well as due to the bankruptcy of significant commercial entities. The increase of unemployment is a consequence of these processes. The Gross Domestic Product in 2014 amounted to 525.620 million denars or 9.727 million US dollars. Although the country has a relatively small territory typical is the existence of rich resources, attractive funds, which occurs as a natural and cultural heritage. These are the basis of tourism development in the Republic of Macedonia.

In a political sense, in the Republic of Macedonia numerous changes were conducted. The country went from a socialist to a capitalist system, the public ownership changed into private ownership, the federal structure transformed into a unitary state. Also the country had many turbulent periods of gaining independence and military conflict in order to establish a multiparty system and a general policy towards Euro-Atlantic integration processes. The legislative is separated from the executive and judicial authonomy. Representatives are elected throughparliamentary elections as members of the Council which is appointed by the Government of the Republic of Macedonia. The President is also elected through presidential elections. Regionsare established as functional territorial administrative units. The decentralization processes in an administrative sense, are realized by the Mayor and the Council for local-governance who are also elected through local elections.

**2. Hospitality and Tourism Development**

***2.1. Tourism development before the Transition***

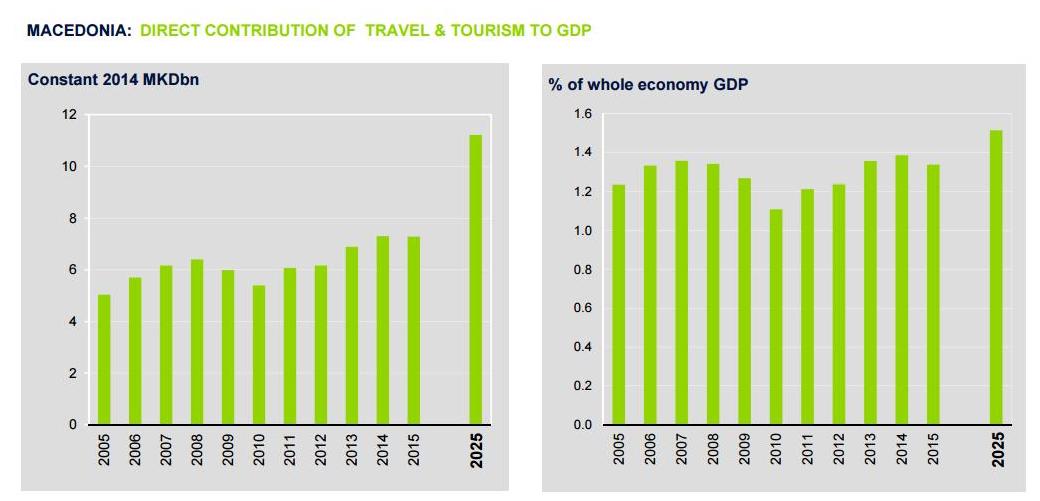
The period from 1980 to 1990 is the pre-transitional period. It is also the last period before the Republic of Macedonia gained its independence as a sovereign state, which is recognized by the United Nations Organization. Tourism development in this period experienced the highest level of development. The number of tourists reached the highest figures. The total number of tourists and visitors in 1987 was at a record high and consisted of 1.183.160 with an index increase of 165 compared to 1976. The number of domestic tourists in 1986 was 508.903 was at a record high in the entire period of tourism development in the Republic of Macedonia. The increase of the index was 193 which was an increase of almost twice the value compared to the basis year of 1976. During this period, tourist arrivals achieved the best results for foreign tourists that arrived. It reached a total number of 257.968 in 1990. A record number was achieved in 1987 of 450.661 foreign tourists coming from the countries that belonged to the Socialist Federal Republic of Yugoslavia (SFRY). This year can be considered as the record year for the number of realized overnights as for domestic tourists such as for foreign tourists from the republics of former SFRY as well as from other foreign countries. These results are considered as a planned achievement for the government in its strategic documents.

The final years of this period was characterized by turbulent political processes. During this period began the transition process which resulted in a decrease of the overall tourist mobility of the population from the countries of Yugoslavia and in this context also the population from Macedonia. Therefore there was also a reducing of the realized tourist turnover. In the domain of ​​tourism infrastructure there occurred a significant stagnation. The number of available tourist beds decreased. In 1990 the beds were a total of 82.411 and in 1988 there was a record of a total 85.284 beds. This number is not reached in the last 25 years of the country’s development of tourism. (Panov M. *Geography of Macedonia,* Prosvetno delo, Skopje). Overnights generated by tourists in the 90-s had an average number of 2.542.562. During this period there were 436.286 people employed in tourism.

***2.2. Tourism economic importance***

The importance of tourism for the economy is reflected in its share in the total GDP and the total employment of the country. In this sense, significant improvement has not been achieved. The contribution of tourism in the GDP of the Republic of Macedonia in the 90-s was 1.3% (Last available information is for the period 1997-2000 in Petreska B. *Tourism Contribution to Economic Development in Macedonia*, 2013).

Direct tourism share in the GDP is represented by the following chart:

Chart no. 1 – Direct share of tourism in the Gross Domestic Product 

Source: WTTC - Report on the Economic Impact 2015 Macedonia

The chart contains parameters for the direct share of tourism in GDP in denars and its percentage share. The following changes can be noticed:

- In 2005 a direct participation of tourism was realized which was 5 billion denars or 1.2%. In 2008 it increased to a total 6 billion denars, or a share of around 1.35%. After that in 2010 a decline happened, the achieved level as in 2005, and in 2015 it reached about 7 billion denars or a share of about 1.4%. The generated revenues in 2015 from tourism amounted to 240.672.000 USD, while the total expenditures were 155.237.000 USD. The net revenues from tourism measured 85.435.000 USD.

The contribution of tourism in the total export of the Republic of Macedonia in 2015 was 5.6%, while the total contribution to GDP was 5.6%.

The share of tourism in employment is given in the following chart:

Chart no. 2 –Share of tourism in employment



Source: WTTC - Report on the Economic Impact 2015 Macedonia

From the chart a similar contribution of the share of tourism in employment can be seen as the share in the GDP of the Republic of Macedonia. A total of 6.000 workers were employed in 2005 with a percentage share of 1.1%. In 2008 a significant growth was recorded, and in 2010 a decline on the almost same level as in 2005. After that, in 2014 occurred a significant growth, which reaches about 7.000 employees, or a percentage share of about 1.2%.

The total contribution of Travel & Tourism to employment (including wider effects from investment, the supply chain and induced income impacts) was 33,000 jobs in 2014 (4.7% of total employment). This is forecast to fall by 3.3% in 2015 to 32,000 jobs (4.5% of total employment). (WTTC - Report on the Economic Impact 2015 Macedonia)

The increase of absolute and percentage share of tourism in the Gross Domestic Product and in the employment is due to the undertaken measures of subsidizing foreign tourism by the government in the last period of 2013 – 2015.

Changes in tourism development occurred because of historical circumstances, political conditions and economic reforms. The beginnings of tourism development are registered only from the period before World War II when the Republic of Macedonia did not have state-territorial status. In this period the first organizational structure and the first forms of intermediaries in tourism occurred, the first accommodation facilities were built and the first promotional materials were published. The firsttourism trip was organized in the form of a students’ colony. In the period of 1953 when introduction of the self-governing system happened, the general policies referred to domestic tourism, while foreign tourism almost didnot exist. In the period until 1963 significant measures were introduced, such as premiums and incentives for attracting and acceptingforeign tourists. These incentives resulted in the increase of the number of beds and intensive growth of tourism market at different levels.

The fatal earthquake that happened in Skopje in 1963 slowed down the intensity of tourism development. But the tourism development in the forthcoming period already experienced visible results. Grants and investments such as the strengthened grants for investments, the approval of construction loans and purchasingof tax incentives should be pointed out as significant positive measures. Measures related to opening of the country towards other countries implied convertibility of the currency, loans and so on, with foreign countries, as well as independence in the repayment of external debts and the construction of accommodation facilities for foreign tourists.Tourism can be seen as a factor of increasing incomes of foreign exchange, with tax and credit policies that stimulate investments of foreigners and the Diaspora, charging of tourism services inforeign currency and defining a certain quota for purchasing foreign currency. In the context of the planned development of foreign tourism was also changing the parity of the dinar taxation incentives, enabling loans from abroad and introducing beneficial interest rates.

These measures resulted in the overall development of tourism until the transitional period. In the period from 1980 to 1990 the most significant results wereachieved in the country’s tourism development.In the history of tourism development of Macedonia record results were achieved in 1987.

**3. Hospitality and tourism demand**

The transition period lasted a relatively long period from 1990 to 2016. This period coincides with the independent development of the Republic of Macedonia

Changes during the transitional period which followed the tourism development was the result of numerous social, economic and political changes. The following was characteristic for this period:

- Armed conflicts within the immediate surroundings of the Republic of Macedonia;

- Blockades and sanctions;

- Privatization and unsettled ownership relations;

- Military conflict in the Republic of Macedonia and

- Organizational restructuring.

*Armed conflicts* which occurred during this period happened while the Republic of Macedonia became an independent state and was accepted by the UNO. Although no war happened, during the process of disintegration of the Federation, the war was still in its immediate vicinity which had a significant impact on tourism development. Many countries located the space of the Republic of Macedonia in different areas, which paralyzed the tourism market towards foreign tourists. This situation very negatively affected tourism in the Republic of Macedonia for a longer time period. Although there was no immediate risk, the proximity of military conflicts deterred tourists away from the country. Tourists from the emerged states from SFRY reduced their tourism mobility, some because oftheir involvement in armed conflicts and others because of the political misunderstandings.

*Blockades and sanctions* are factors which reflected the transition period. At this time Greece started a blockade of the border towards the Republic of Macedonia, which had negative impact on the circulation of tourists and goods. This reflected directly on the visits and stays of tourists from this country, and immediately created a sense of political instability.

Towards the Socialist Republic of Yugoslavia as a remnant of SFRY sanctions were imposed that paralyzed the flow of goods and tourists, so that a large number of people that regularly visited Macedonia previously, stopped travelling. This continuity could not be preserved. In addition, Yugoslavia imposed outbound taxes for its citizens, which further contributed to reducing the tourism trade of this country.

*Unresolved property relations* over a longer time period had a negative impact on tourism development. During this period social development was based on privatization. This process of privatization could not be performed in a relatively short time; therefore certain stagnation in the development of the economy occurred, as well as in the context of tourism development. Unlike many other industries, the period of transition in tourism did not contain rapid change. During this period the number of tourism companies increased significantly increased while the existing catering enterprises transformed from social ownership into limited liability companies and shareholding companies. But despite the absence of negative impacts in hospitality and catering businesses, the interest of foreign tourists to visit the Republic of Macedonia declined. Because of the increase of unemployed and the increase of inhabitants that received social welfare, a decrease in the number of domestic tourists occurred.

The transitional process and the privatization in tourism started because of the assumption that they will enable an inflow of foreign capital. However, in the period until 1997 foreign investments in this sector were only symbolic.

The reason for such relations should be sought in external influences, especially in the political sphere. It is evident that the absence of foreign investment had a negative impact on tourism development.

*The armed conflict in Macedonia of 2001* further jeopardized the planning of dynamic tourism development. The consequences were a decline in turnover due to safety reasons, weak investment activities, and thereby reducing the number of available accommodation facilities.

*Organizational restructuring* significantly influenced the tourism development. Namely, because of the dissolution of the Federation, the tourism organizational structure operated in horizontal and vertical sense. Therefore it was possible to connect the links which enabled the functioning of organizational systems in tourism.

With the dissolution of the Federation the functioning of the Tourism Association had only marginal significance. At the same time, tourism offices abroad stopped operating, so that their role was undertaken by certain representatives of various economic entities. Their role could not be identified with the role that tourism offices had.

The Tourism Directorate was established by Law, which was planned to take over certainauthorities. Today the support and promotion is carried out by a specialized agency at the state level. Various projects and strategic documents are realized with it. The agency also has a role as implementer of measures for subsidizing foreign tourist visits and stay.

Structural characteristics and their dynamics included conjuncture of the whole transition period since 1995 until 2015. The analysis should take into account the achievements during the pre-transitional period and on that basis the positive and negative changes to be identified.

Tourism visits in the tourism turnover in the Republic of Macedonia should reflect the characteristics of tourism development of the transition period. This development period lasted from 1990 to 2015.

The changes in this regard occur through the rapid decrease in the numbers of visitors. This primarily refers to the total visits, the visits by tourists from the former countries of SFRY as well as other foreign countries. The indexes showed a decrease in the first five-year period, or they were 63 of the total tourism visits, 40 for foreign visits by tourists from other countries and 27 visits by tourists from SFRY.

The level of 1987 has not been achieved throughout the total development period. On the contrary, a permanent reduction in the number of visitors occurred, and in 2001 the total visits reached the lowest level of 333.308 tourists. Particularly worrying were visits by foreign tourists, which amounted to only 98.946 visitors. These changes were primarily due to the conflict which emerged in the Republic of Macedonia.

Another change was the slight increase in the number of visitors, so that in 2015 it exceeded the levels registered in 1991 (710.278 tourists) and reached number of 816.067 visitors.

The overnights show similar characteristics, because they were a result of the same influences mentioned previously. In 2015 there were 2.394.205 overnights generated by tourists. Interestingly, 43.64% from the total number of overnights were generated in hotels (this data is for 2014 – the year of last official and available information).

The length of stay of tourists in the Republic of Macedonia represents an indicator of the level of attractiveness, the quality of services and reasons for visiting tourist destinations. In the total development period a different length of stay was registered. Domestic tourists stayed longer in the Republic of Macedoniacompared to foreign tourists. Also typical for this period wasthe slight decrease of the tourists’ length of stay.

The average stay of the total number of tourists decreased to 2.93 days in 2015 compared to 1990 when the length of stay was 3.2 days. The longest stay of the total number of tourists was realized in 1994 and measured 4 days

The longest average stay of domestic tourists was also realized in 1994 and it measured 5 days. In the following period a decrease in this number happened, so that in 2015 it decreased to 4.11 days.

The length of stay among foreign tourists was constant and ranged from 2.25 days in 2005 to 2.13 days in 2015.

The average daily expenditure of tourists measured 590.35 Euros.

According to the last survey conducted by the State Statistical Offica of the Republic of Macedonia in 2009, tourists who visited Macedonia travelled mainly by car and by plane. Private cars as means of transport had 46.12% of the total number of visitors. A large percentage was achieved through air-travel – 38%. On the last places were travelling by bus (14.5%) and by railway (0.46%).

This refers to the recreational component that is present for domestic tourists whilefor foreign tourists the level of quality of tourism services decreased, so that the interest for visiting and staying was not on the expected level andduring this period it was not improved.

Seasonality can be illustrated by the attendance and the nights spent by domestic and foreign tourists in a monthly distribution. The analysis shows that there were no significant deviations in this regard. The highest attendance and stay during all developmental periods were realized in the months of July and August. In the months May, June, September and October the number of tourists decreased, and the lowest attendance was registered during the remaining months. In this sense it can be intervened in the domain of quality of the content of tourism offer during the off-season period, but significant changes were not implemented.

The main tourist markets are determined through visits by foreign tourists and tourists from countries of its environment. Influenced by social, political and economic conditions, certain changes in this domain occurred; therefore it was important to permanently monitor them.

The following table contains the most significant emitting countries from which tourists came.

Table no. 1 – Number of visitors by country of origin

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Country** | **1980** | **Rank** | **1990** | **Rank** | **1995** | **Rank** | **2000** | **Rank** | **2005** | **Rank** | **2010** | **Rank** | **2014** | **Rank** |
| Greece | 35504 | 1 | 24909 | 2 | 3429 | 5 | 21304 | 4 | 33080 | 2 | 26843 | 2 | 42677 | 2 |
| Germany | 35169 | 2 | 62853 | 1 | 7908 | 3 | 10349 | 5 | 6995 |  | 9573 |  | 15542 |  |
| Italy | 15212 | 3 | 14202 | 5 | 3683 | 4 | 4410 |  | 4259 |  | 6181 |  | 10213 |  |
| France | 14658 | 4 | 8747 |  | 1965 |  | 4768 |  | 3017 |  | 4858 |  | 5378 |  |
| Holland | 10845 | 5 | 15803 | 4 | 1959 |  | 6809 |  | 4218 |  | 6612 |  | 26111 | 5 |
| Serbia\* |  |  |  |  | 48423 | 1 | 35522 | 1 | 39147 | 1 | 35840 | 1 | 41013 | 3 |
| Bulgaria |  |  | 21992 | 3 | 21992 | 2 | 27623 | 2 | 17462 | 3 | 15513 | 5 | 26480 | 4 |
| Albania |  |  | 7983 |  |  |  | 24747 | 3 | 16868 | 4 | 17110 | 4 | 17561 |  |
| Turkey |  |  |  |  |  |  |  |  | 7379 | 5 | 20047 | 3 | 63567 | 1 |

\**Until 1999 tourists from Serbia are considered as domestic tourists, and from 2000 it existed as Serbia and Montenegro*

Source: Statistical Yearbook of 1981, 1995, 1999, 2003, 2007, 2015

Based on the table above it can be concluded that the most important markets were the listed countries. As the top 5 countries were the following: Serbia, Greece, Bulgaria, Germany and Turkey.

Tourism arrivals according to the main reasons are determined by the highest share of business travel for the last relevant year of 2009. In a conducted survey on foreign tourists about the reasons for visiting the country the most important reasons were vacation and recreation with a share of 36.9% while on the second place were business trips (33.16%). They are followed by attendances at congresses (10.23%), holiday with a short stay (7.84%), transit stays (4.89%), residence during round trips (3.02%) and health reasons (0.81%), religious rituals (0.47%) and other causes (2.69%). Changes in this structure are reflected in the rapid reducing of business reasons and the increase of interest for leisure and recreation activities as well as attending congresses (State Statistical Office, 2009).

As a general feature in tourism for this period was the permanent stagnation and also regression of the expected progress. Although tourism in this period is seen as a priority activity, the disorganization, the environment, the slowness of the transition processes and the absence of foreign capital are the reasons for the evident stagnation and regress of tourism development.

Arrivals permanently decline until 2001 when it reaches the minimum. This is a period with expressive political and structural ambiguities and even the appearance of an armed conflict. After that an increase in the number of visitors occurred in 2015 which was greater than registered visits in 1991. This is due to the undertaken measures such as tourism subsidies. But still the levels of highest realization reached in 1987 were not achieved.

Similar are the indicators also for the nights spent as well as for the length of stay of tourists. Seasonality shows a constant concentration which is not changed. The highest attendance and stay occurs during the summer months while the lowest during the winter months.

The most important top 5 markets for tourism in the Republic of Macedonia are determined: Serbia, Bulgaria, Greece, Germany and Turkey.

The main reasons for the arrivals of tourists are variable, but basically holiday and recreation as well as business reasons prevail.

**4. Hospitality and tourism supply**

***4.1. Main hospitality snd tourism services***

The main tourism and catering services are analyzed in the domain of transport, accommodation, restaurant services or catering, employment in tourism and global tourism regions.

-**Transport** is distinctive because of the fact that in the Republic of Macedonia there are international and domestic routes, air, rail and road traffic. This allows development of tourism activities because Macedonia as a tourist destination is connected with the emitting countries. The total number of transported passengers in 2014 using air traffic in the Republic of Macedonia was 1.279.327 passengers. This was the highest turnover of this type of services. Rail traffic showeda significant stagnation and in tourism in Macedonia it only had symbolic meaning. Also before the transition period and during the transition period the number of passengers has been steadily declining, so that in the last 5 years of the transition period it decreasedto only 803.000 from the previous 1.512.000. There are a total of 384 sleeping cars. The highest number of passengers was transported in the road traffic. Motels are represented with the offer of 699 beds. (Statistical yearbook of Republic of Macedonia 1981, 1995, 1999, 2003, 2005, 2007, 2015, Department of statistics of Republic of Macedonia).

**- Accommodation capacities**

The number of beds since 1980 till 1990 showed a permanent increase. So that in 1980 the increased from 52.399 to a total number of 85.284 beds in 1988. Then a significant decrease of the number of beds happened which reached a number of 82.411 beds in 1990. During the transition period a permanent decrease of the number of beds. The minimum was reached in 2010 when they were reduced to 69.102 beds. In the last analyzed year (2014) the total number was 71.225 beds. It is obvious that during the transitional period no improvementwas achieved, on the contrary, there was a noticeable decrease in this type of material base for the development of tourism. For the last available year (2014) the total number of accommodation establishments in the Republic of Macedonia was 1.124.

In the structure of accommodation capacities domestic accommodation capacities prevail. This number is constantly increasing so that in 2014 it reached 26.042. The number of beds in the hotels is relatively lower which can be considered as a negative conjuncture. This number was 15.543 beds. The number of boarding houses was 109, motels 699, lodgings 336, spas 1289, mountain houses 45, workers’ resorts 3.911, children and youth resorts 6.590, youth hotels 48, camps 8.993, temporary accommodation capacities 1.369, sleeping cars 384 and the number of beds in uncategorized facilities was 5.869 beds

The structure of hotels is shown in the following table:

Table no. 2 – Structure of hotels in the Republic of Macedonia

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| ***Type of accommodation*** | ***1980*** | ***1995*** | ***2000*** | ***2005*** | ***2010*** | ***2014*** |
| *Hotels* | 8187 | 13455 | 14468 | 14369 | 12374 | 15543 |
| *Hotels –category А or \*\*\*\*\** | 1691 | 3904 | 4276 | 4229 | 1251 | 2152 |
| *Hotels – category Bor \*\*\*\** | 4648 | 8394 | 9402 | 9132 | 3150 | 4483 |
| *Hotels – category C or \*\*\** | 700 | 576 | 422 | 423 | 2072 | 4323 |
| *Hotels – category D or \*\** | 1148 | 581 | 526 | 585 | 3565 | 2753 |
| *Hotels \** |  |  |  |  | 2336 | 1832 |

Source: Department of statistics of Republic of Macedonia 2015

In the structure of hotels prevail hotels with 4 and 3 stars, followed by hotels with 2 stars and with 5 stars and the lowest representation are shown among the hotels that have 1 star. The increase of the number of beds in hotels with the highest category should be emphasized as significant changes before the transition period. This number reaches its highest level in the year 2000 (4.276), and afterwards a decline occurred. The decrease was evident until 2010 when a minimum was reached (1.251). This was due to the introduction of standardization in the categorized facilities.

The utilization and trends in any volume are given in the following table

Table no. 3 – Usage of capacities in volume and percentage

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **1980** | **1995** | **2000** | **2005** | **2010** | **2014** |
| *Using of capacities in days* | **58,81** | **23,08** | **26,31** | **21,02** | **29,24** | **30,83** |
| *Percentage of usage* | **16 %** | **6,32%** | **7,21%** | **5,76%** | **8,01%** | **8,45%** |

Source: State statistical Office of the Republic of Macedonia, 2015

The utilization of capacities during the transition period registered a decrease compared to the pre-transition period due to the already mentioned processes of political and economic implications.

**- Restaurants**

The number of economic entities and employment is dynamically shown in the following table:

Table no. 4 – Number and dynamics of economicentities

|  |  |  |
| --- | --- | --- |
| **Type of capacity** | **1980** | **2014** |
| Number of economic entities | 1043 | 842 |
| Employed staff | 12645 | 10462 |

Source: State statistical Office of the Republic of Macedonia, 2015

The number of economic entities during the transition period declined compared to the pre-transition period. In 2014 there were 842 entities which show a decrease from 1.043 entities registered in 1980

The number of jobs can be expressed by the number of employed staff. This also declined from 12.645 workers to 10.462 workers in 2014.

The distribution by types of facilities in catering units is given in the following table:

Table no.5 – Number of available seats distributed by types of catering units

|  |  |  |
| --- | --- | --- |
| ***Type of entity \**** | ***1979*** | ***2014*** |
| *Hotels* | 29324 | 31387 |
| *Motels* | 5384 | 2650 |
| *Lodges* | 164 | 222 |
| *Classic restaurantz* | 14816 | 20082 |
| *Coffee houses* | 6992 | 2278 |
| *Cantinas* | 14471 | 1704 |
| *Guest houses and inns* | 6953 | 2091 |
| *Conditories* | 1561 | 1353 |
| *Spa and healing resorts* | 1440 | 1931 |
| *Holiday resorts* | 4477 | 3245 |

\*Only the most important entities are shown

Source: State statistical Office of the Republic of Macedonia, 2015

Data from table no.5 show that the highest number of seats is registered in hotels in which there was an increasing in their scope, as well. After hotels follow restaurants, spa and climate resorts with evidenced increase, and than follow motels, inns and taverns with decreasing trend.

The *trends* show that the number of seats increases in the most important structures.

The introduction of standards will contribute to take account of the quality of services.

The *certification* is carried out within the chamber associations and assemblies in the field of catering. Informal education is very low represented in the Republic of Macedonia and it almost has occasional features.

Working Licenses are issued by the Ministry of Economy of the Republic of Macedonia, and market inspection controls the quality of work of restaurants.

The *number of employedin the restaurants* is presented in table no. 6. It shows that in the last year of analysis (2014) the total number of employment was 16.2016, out of which employers contribute with 19.93 % , employees as workers with 67.2 %, self-employees 7.58 % and unpaid family workers with 5 29 %. The highest employment is noted in restaurants, garden restaurants and summer gardens. Then followed coffee bars, snack bars, aperitif bars and others, after which followed dairy restaurants, kebab restaurants, grills, pizza restaurants, pastry shops and kiosks and other facilities.

Table no. 6 – Number of employed staff by type of capacity

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Type of capacity** | **Number of employees** | | | | | | | | |
| **Total** | **Employer** | **%** | **employed** | **%** | **Self-employed** | **%** | **Unpaid family employee** | **%** |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| **TOTAL** | **16216** | **3232** | **19.93** | **10897** | **67.20** | **1229** | **7.58** | **858** | **5.29** |
| Restaurants, restaurant gardens, summer gardens | 3916 | 588 | 15.02 | 3073 | 78.47 | 130 | 3.32 | 125 | 3.19 |
| Express restaurantsand restaurantswith self-service | 227 | 38 | 16.74 | 188 | 82.82 | 1 | 0.44 | - | - |
| Diary restaurants and similar entities | 1436 | 328 | 22.84 | 941 | 65.53 | 91 | 6.34 | 76 | 5.29 |
| Guest houses and community kitchens | 715 | 160 | 22.38 | 482 | 67.41 | 40 | 5.59 | 33 | 4.62 |
| Cantinas | 593 | 127 | 21.42 | 350 | 59.02 | 75 | 12.65 | 41 | 6.91 |
| Kebap restaurants, grills and other similar entities | 1201 | 295 | 24.56 | 675 | 56.20 | 142 | 11.82 | 89 | 7.41 |
| Taverns | 727 | 175 | 24.07 | 332 | 45.67 | 128 | 17.61 | 92 | 12.65 |
| Coffee bars, Snack bars, Aperitif bars and other similar entities | 2964 | 631 | 21.29 | 2025 | 68.32 | 183 | 6.17 | 125 | 4.22 |
| Night clubs, dancing clubs, cabaret bars | 272 | 43 | 15.81 | 216 | 79.41 | 3 | 1.10 | 10 | 3.68 |
| Disco clubs | 164 | 8 | 4.88 | 148 | 90.24 | 2 | 1.22 | 6 | 3.66 |
| Pubs | 96 | 11 | 11.46 | 83 | 86.46 | 1 | 1.04 | 1 | 1.04 |
| Pizza restaurants and other similar entities | 1096 | 202 | 18.43 | 830 | 75.73 | 28 | 2.55 | 36 | 3.28 |
| Tea shops | 706 | 119 | 16.86 | 165 | 23.37 | 273 | 38.67 | 149 | 21.10 |
| Kiosks and other similar entities | 916 | 265 | 28.93 | 546 | 59.61 | 73 | 7.97 | 32 | 3.49 |
| Social restaurants | 144 | 7 | 4.86 | 134 | 93.06 | 3 | 2.08 | - | - |
| Students’ restaurants | 37 | 4 | 10.81 | 33 | 89.19 | - | - | - | - |
| Conditories | 1006 | 231 | 22.96 | 676 | 67.20 | 56 | 5.57 | 43 | 4.27 |

Source: Department of statistics of Republic of Macedonia 2015

*Main tourist regions and attractions* according to the State Statistical Office are presented in the following table 7:

Table 7: Number of visitors by statistical regions in the Republic of Macedonia

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2010 | 2011 | 2012 | 2013 | 2014 |
|  |  | | | | |
| **TOTAL** | **586 241** | **647 568** | **663 633** | **701 794** | **735 650** |
| Vardar Region | 10 572 | 12 064 | 15 867 | 17 196 | 20 667 |
| East Region | 13 054 | 13 615 | 18 865 | 20 747 | 23 035 |
| Southwest Region | 234 665 | 249 746 | 251 462 | 264 826 | 269 547 |
| Southeast Region | 84 856 | 108 555 | 106 978 | 109 982 | 124 707 |
| Pelagonija Region | 69 712 | 76 469 | 72 054 | 70 312 | 65 527 |
| Polog Region | 31 828 | 29 153 | 29 884 | 30 823 | 29 143 |
| Northeast Region | 3 098 | 3 803 | 4 446 | 5 584 | 6 937 |
| Skopje Region | 138 456 | 154 163 | 164 077 | 182 324 | 196 087 |

Source: Statistical Yearbook of Republic of Macedonia 2015 , State Statistical Office of Republic of

Macedonia

Analysis of table no. 7 indicates that dominant place in all developmental period has Southwest Region, follows Skopje Region, while the other regions are evidently behind these two regions. As most important attractions have to be mentioned the tectonic lakes (Ohrid, Prespa and Dojran Lake), Skopje as capital city and cultural center, mountain centers (Popova Shapka, Mavrovo, Pelister and Krushevo), spa centers (Kosovrasti, Banjishte, Banjsko, Negorci and Katlanovo) (Stojmilov A. 1993 *Tourism geography,* Prosvetno delo, Skopje).

**4.2. Tourism packages**

The number of tourist agencies indicates to a sharp increase in the transition period. This confirms the view that, the loss of jobs in the closing process of companies orient the employees to the tourist-agency operation. In Macedonia there are 519 Travel Agencies (Register of Travel Agencies of Macedonia, 2015). Regarding the tourist arrangements, prevail outgoing rather than incoming. Incoming is characterized by dominant offer of Ohrid region, than mountain centers, Berovo-Maleshevo region and visit to Skopje.

It can be concluded that the supply of tourist and catering services is very comprehensive, and in this period it is characterized by the following significant components:

In the field of ​​transport services improvements are made at the airports, in terms of increased number of passengers. It enabled increased turnover in the catering facilities at airports that are mainly restaurants. On the cross borders there were also improvements, but there are still lacking forms of catering offer.

Turnover on highways is usually performed in auto - camps and motels. The number of beds in these facilities shows no significant change compared to the period before the transition period which means that it opens possibilities for further interventions

Accommodation facilities recorded noticeable changes in the volume and quality. Since 1990 when the transition period has started, there was an increase in the number of beds, after which this number decreases. In 2015 the evidenced number is 71.225, that is less than before the transition period, but with a tendency to increase the number.

Service quality in hospitality is improved, although the structure is not on a level that would mean remarkable change. Similar characteristics have catering facilities where the number of seats evidence increase. Employment shows certain decrease.

**5. Main tourism types (products) and destinations**

The most important types of tourism in the Republic of Macedonia are lake, city, mountain and spa tourism. Lake tourism is related to the long tradition of sunbathing activities in Ohrid, Struga, Prespa and Dojran. City tourism is mostly related to business trips and visits of cultural-historical attractions, and in this respect dominates Skopje as economic, administrative and cultural center. Mountain tourism is present in the above mentioned mountain winter-sport centers with dominant skiing activities. Spas are in the group of potentials that are not enough used for tourist offer ((Stojmilov A. 1981 *Debar spa, Banjishte, Kosovrasti,* Travel guides for geography, Geographical society of Socialist Republic of Macedonia, Skopje).

In the structure of visits there has been changes, and in recent period leading destination is Skopje, while lake tourist destinations are on second place. Skopje as capital city is center of economic activities and possibilities for business communication so that these trips took in its dynamics. In the last analyzed year the most visited are the lake and other tourist places that were visited by 318,972 visitors. The second is Skopje, with 181,835, unspecified places are visited by 140,604 tourists, mountain places with 64,707, and spa area with 29,532

Certain changesoccurred in different tourist destinations. As highlighted are attractions that are evaluated in the mountainous places.. Among them is the winter- sports resort Kozuf, that may become a remarkable potential. But it records very low attendance due to poor road infrastructure. In mountainous centers Popova Shapka and Mavrovo standardization of accommodation has reached a higher level. In spa centers the most progress has been made in Kosovrasti and Katlanovo, while Spa Bansko as the most developed spa center in Republic of Macedonia trailed in terms of standards and service quality. A remarkable development is evidenced in Ohrid Lake and DOjran Lake, while Prespa Lake has stagnation in this manner (Jeremic D. *Tourism regions in the Republic of Macedonia,* Economic institute, Skopje)

Reasons for such changes should be looking in the still undeveloped mechanism of spatial planning dismissal relations and relatively weak inventiveness of investors to invest in these sectors.

According to the resources that are present in Republic of Macedonia, there are still not enough differentiated resources. The changes are more evidenced in the creation of arrangements which include the types of alternative tourism which in the past were not sufficiently involved in the tourist offer.

Spa tourism in the pre transition period was characterized by a striking stagnation, while in the transition period it already experienced a boom in terms of quality and resource use. The development of tourism in Dojran is due to the intervention of the environmental plan when the lake is more exploited for tourism activities with arrangement and facilitating the destination to increase the interest of tourists. On other hand,

The collapse of the tourist resort Oteševo was ​​main reason for stagnant relations in this sphere of Prespa Lake. City tourism in Skopje is in constant growth because it enables development of business tourism activities related to the fact that it is an economic and cultural center that has marvelous natural surroundings.

**6. Hospitality and Tourism Capital**

Total employment in the hospitality and tourism industry in 1978 amounted to 7.747, and in 2014 20.076 . Tourism in Macedonia is characterized by high seasonality. Thus the employment has vivid appropriate values.

According to the National Classification of Republic of Macedonia chefs ( 3434. ) belong to the group of professional associates for art, culture and gastronomy (343) with occupations chef ( 3434.01 ) and main cook (3434.02 ). The following workers in service sector and sales ( group 5) are included:

- Travel companions and stewards (5111) with occupations: steward / stewardess of aircraft, ships, airport, sleeping car, bus and travel companions.

- Tourist guides (5113) with occupations: tourist guides, museum guides, archeology, hunting, mountain guide, caving, sports, information and gallery guide

- Conductors (5112)

- Chefs (5120.) occupations: chef, assistant chef, grill master, pizza master,

- Waiters (5131.) occupations: chief waiter, bartender and waiter

- Barmen (5132.) with occupations: bartender, head of night bar and head of hotel service.

Senior executives and management belongs to the subgroup 14 and cover minor groups: executives of catering and hotel businesses (141), and single groups are:

- Hotel directors (1411) with occupations: Director of the hotel enterprise, small hotel, motel, camping, resort, company for renting rooms or houses, and for purchasing food for hotel

- Restaurant directors (1412) occupations: Director of the restaurant, a small restaurant, catering enterprises, bar, disco bar, night bar.

In the subgroup of Directors for transport, storage and communications (1324) are included director of service enterprise as tourist agencies (1324.11) and travel agencies (1324.12), director of travel agency (1324.18)

In subgroup commercial specialist for sale (3322) are included travel adviser (3322.09) and Inspector of Tourism (3322.16).

In office supervisors (3341) is included tourist animator (3341.03)

In counter clerks in travel and tourist agencies and related occupations (4221) are included counter clerk in travel and tourist agencies, sellers of bus tickets, the travel accounts clerk, trips organizer, trips officer.

In teaching staff for secondary education (2330) are included professors of Hospitality and Tourism (2330.43)

In administrative staff in informational contact centers (4222.) is included officer for informative contact centers

In subgroup counter clerks for information (422) are included clerks in travel and tourism agencies and related occupations (4221).

In subgroup hotel receptionists (4224) is included head reception (4224.01). Subgroup 4226 is receptionist (4226.01)

In subgroup cleaners and office, hotels and other establishments assistants (9112) include occupations rooms cleaner and maids.

In subgroup assistants for food preparation (94) the following groups are included:

- Assistants for preparing food (941) with occupations fast food preparers and kitchen assistants (assistant in kitchen and dishwasher)

In servers for food and assistance to clients (5246th) are included food servers, salad servers, coffee bar assistant, a buffet worker.

Supervisors for the maintenance of buildings and housekeepers (515) includes monitors for household cleaning in offices, hotels and other establishments with the housekeepers of the resort , the mountain house, and hostel.

The group security (5414.) includes guard, doorman, wardrobe officer, guard luggage serve,r amusement park server, receptionist, ticket officer, parking officer and suppliers.

The group of hotel and office housekeeping (911) includes cleaners and assistants in offices, hotels and other establishments with servants, toilet cleaners, room cleaners, room maids, couriers, suppliers, carriers and doormen (9621) server in a lift, a hotel porter, room service deliverer.

In specialists in university and higher education in the social sciences are lecturer in hospitality and tourism, university professor and teaching assistant (National classification of employees and workplaces in Republic of Macedonia, 2011)

Organizations and institutions responsible for certification and qualification are the following:

International association of mountain guides ( UIMLA ), IATA - (T.A. Savana - Skopje) Certificates ( for running a travel agency, tour guides and companions ) Faculty of Tourism and Hospitality, certificates for Slow-food - business chambers and associations.

Macedonia has a consistent national classification covering all occupations and jobs in tourism and hospitality. Despite higher educational institutions, certificates of improvement of work processes in this area are provided by secondary schools, associations, chambers and associations and international institutions in the field of travel and tourism. Certificates for professional courses are delivered by employment agencies.

.**7. Tourism Policy, Marketing and Management**

As responsible and competent governmental institution for tourism development is *Ministry of economy.* Within this Ministry, the *Department for tourism and hospitality* is responsible authority for realization of tourism policy, legal regulations within the Law for tourism and Law for hospitality, categorization for accommodation facilities, restaurants, and inspection.

Agency for promotion and support of tourism of Republic of Macedonia is independent body of the Government of Republic of Macedonia.

Changes in the period of transition are remarkably indicative. During the pre-transition period the most responsible and competent government institution was Republic Committee for general economic issues and market. Changes were with political system’ character and with regulation in transferring competencies in the field of tourism and hospitality.

The period of transition is characterized by establishment of the Government of the republic of Macedonia instead of the previous Executive Committee as socialist body. Because in that time there were not any Ministries it was a form similar to the ministry with all competences. Although not very formal, it had very important essential dimension. Tourism became to be treated as economic activity where it really belongs.

- In the pre-transition period, the main activities for promotion and marketing of tourist offer, as well as business relations with foreign business partners were the responsibility of Tourism Association of Socialist Federative Republic of Yugoslavia. Within the frames of this Association, was the Tourism Association of Socialist Republic of Macedonia, along with Tourism Associations of other Yugoslav Republics. This Association was nongovernmental. The responsibilities for tourist promotion of Macedonia within Yugoslavija and abroad were transferred by governmental executive organs of nongovernmental sector with tourist attributes (Manual for information issues in tourism, 1988, Tourism association of Yugoslavia, Belgrade).

-After the independence of the Republic of Macedonia, a travel agency had competences to represent the country abroad in the field of tourism, which was one of the biggest anomalies in this sector. Soon, this problem was identified and eliminated by transferring the activities to the Sector for tourism that transferred its competencies to the Direction for tourism. But, this Direction was closed soon, as well.

- Establishment of the Agency for promotion and support of tourism was next step with head office in Struga, as city in the Lake Ohrid region as most developed tourist region of the country, and after few years it was transferred in Skopje, the capital city, but most of the sectors remained in Struga.

Committee for tourism is national coordinative body with the biggest responsibility, constituted in 2009. This body is managed by the Prime Minister of the Republic of Macedonia, based on the strategic orientation that tourism is amongst the most important development priorities of Macedonian economy. The Committee has a function to align program objectives in the field of tourism with other ministries of the Government. In the structure of this body participate representatives of ministries, and experts who have an advisory importance.

In Republic of Macedonia there is no National Tourism Organization, but its function performs the Agency for promotion and support of tourism. It performs operational activities, participates on international tourism fairs and presentations, prepares and realizes sub-strategies, adopts and implements programs for tourism development, and implements government measures such as for example subsidies payments for tourism and hospitality. The Agency reports for proposals related to program activities and present the adopted documents to the Committee as the coordinating body.

Tourism law is adopted in parallel with the Law on hospitality within the transition period. By this time there was a law of hospitality and tourism as one. The main change is that the first time in the normative legislative hospitality was divergеd from tourism activity. This law was enacted in 2004 with made changes ​​in 2008 (Law on tourism activity, 2004, Law on hospitality activity, 2004). The most significant changes relate to the following: regulating the procedure for issuing licenses related to positive solvency of the company, it introduces the obligation for acquiring a certificate for managing travel agency, acquiring a tourist guide certificate and travel companion as a condition for obtaining a license, regulates courses that allow such certifications and specifies the conditions for obtaining a license A and B for travel agencies. Further development of tourism is regulated by the Law on tourist development zones, 2012.

Republic of Macedonia has differentiated regionalization in terms of tourism. Namely, it is divided into planning regions, but these regions are not determined by spatial defined units from a functional standpoint, but have administrative character. During the transition period these regions are established as statistical regions. Tourism in them is determined as an opportunity for balanced economic development. They have no political-organizational nature with the epithet of local or regional development, but the nature of the connection of interest in tourism from the local to the state level. They don’t possess executive bodies in tourism and don’t have separate departments for tourism.

The role of local and regional authorities in tourism development and policy is different. Local authorities have a high degree of autonomy in tourism policy realization. This function is delegated to specific sectors established as Sectors of tourism and local economic development. They are responsible for issues related to communal problems, spatial landscape and promotional activities at local level, and they perform with interests that fit the general national interests. It is characteristic for planning regions that the implementation of policy is with responsible to the Council of municipalities. The planning regions have a dual responsibility: to local governments and the Ministry of Local Self-Government. They adopt strategies, programs and feasibility studies on a regional level for different issues of tourism development.

Some of the adopted tourism strategies in the Republic of Macedonia in recent years are: Strategy for regional development of the Republic of Macedonia, 2009, National Strategy for rural tourism in the Republic of Macedonia, 2009 and 2012, Strategy for rural development of the Republic of Macedonia, 2010, Strategy for sustainable development of the Republic of Macedonia, 2010, Sub-strategy for tradition and events in the Republic of Macedonia, 2014, Sub-strategy for sports tourism in the Republic of Macedonia, 2014, Strategic plan for development of tourism in the North-east Planning Region, 2011. Also important are the tourism marketing strategies, such as the Strategy for promotion and marketing in tourism in the Vardar Planning Region, 2011.

Destination management organization on lower/local level is transferred to the Local economic development Departments and Touirism clasters.

Tourism policy in Republic of Macedonia is lead by the Ministry of Economy as the most responsible institution. Tourism is regulated by the Department for tourism and hospitality, and it that deals with the implementation of policies. Promotion and support of tourism is responsibility of the Agency for Promotion and Support of Tourism as an independent body. Committee on Tourism of the Government has a coordinating role at the highest level. Republic of Macedonia does not have a national tourist organization, and this responsibility has the Agency for Promotion and Support of Tourism.. Laws of Tourism and Hospitality exist as separate legal acts. Tourism regionalization is still an open issue, and the planning regions undertake and perform different activities and actions for balanced development of tourism in the country. In local government, Sectors for local tourism and economic development are responsible for local tourism development. Destination management is closely related to this organizational structure. Changes in these sectors are made in the transition period in line with accelerating tourism development.

**8. Tourism impacts and their manifestation in the transition period**

It was expected that during the transition period there will be a noticeable impact on tourism. From *economic* point of view it came to relative stagnation until 2010 when economic measures were adopted to promote tourism. It contributed to achieve positive effects, for which nowadays income from tourism are about 200,000,000 USD, unlike the pre- transitional period when the performances were below US $ 100,000,000 . (Stojmilov A. 1983 Tourism potentials and development of tourism, MANU, Skopje).

In the field of social impact in the last 5 years are taken certain social measures, among which opportunities for free travel to pensioners in tourist areas, particularly spa centers, and subsidizes of the trips of socially disadvantaged people, and pensioners to stay at tourist sites.

Spatial planning solutions are adopted that enable spatial zoning of areas for tourism development with communal and infrastructural planning. Different strategic documents are adopted at the national level and in the planning regions, and there are ongoing local strategies.

Tourism is an important factor in the acceleration of economic processes because it gets the highest position in prioritization of activities. Economic performance evidenced remarkable increase. Tourism contributed to a social balance of categories that could be included in the tourist activity. The increase of tourism due to economic measures among which subsidizing of foreign visits has a dominant position in achieving economic results.

**9. Hospitality and Tourism Education**

Tourism and hospitality education in the Republic of Macedonia is organized at all levels. Secondary education is organized within two levels:

Three year secondary education that includes cook, waiter, confectioner

Four year secondary education that includes tourist technicians for travel agencies and for reception.

The number of secondary schools is 10, 6 of which are specialized school centers, and others are classes for tourism-catering vocations. Certain changes are undertaken related with the increase of the number of classes established within secondary education centers.

Tourism and hospitality education at university level is realized in three levels. First level of education includes undergraduate studies from the field of tourism and hospitality. Second level is for postgraduate master studies, and third for PhD studies. There are 6 higher educational institutions in the country that are accredited for tourism and hospitality higher education.

Changes in the field of tourism-hospitality education are more than evident. In the pre-transition period there was only one Faculty of tourism and hospitality, and during the transition the number of higher educational institutions in this field was increased.

We can conclude that the scope of different levels of tourism-hospitality education can satisfy educational needs for these professions in the Republic of Macedonia. During the last period the changes are more than evidenced in the number of classes in secondary education centers and in the number of faculties.

**FH Fondation impact on Hospitality and Tourism Education in Macedonia**

The Faculty of tourism and hospitality from Ohrid has joined La Foundation pour la Formation Hoteliere in 2011. Since then the FH activities have influenced the Faculty and the tourism industry in Macedonia as follows:

1. **Train the trainers seminars**

Seminars on Case Studies for Management Education and Training were held in our Faculty in November 2011 they were run by Elisabeth Inneson and Adrian Barsbey (MMU), and Maria Vodenska (Sofia University) and Nikolina Popova (International Businesss School).

1. **Students working in the industry – cultural dimensions**

Seminars for Students working in the industry – cultural dimensions were held in our Faculty in March 2012 they were run by Elisabeth Inneson and Maria Vodenska (Sofia University).

1. **Culinary arts, service quality & Food and beverage Management**

Seminars for Culinary arts, service quality & Food and beverage Management were held in our Faculty in Jun 2014 they were run by Elisabeth Inneson and Adrian Barsbey.

1. **Gastronomy seminar**

In Gastronomy seminar in Opava, June 2014 was our professor of gastronomy Vasko Cuculeski.

1. **Guest satisfaction, business ethics and culture, and service quality**

Guest satisfaction, business ethics and culture, and service quality seminar were held in our Faculty in 12 May 2016 they were run by Adrian Barsbey (MMU).

1. **Kitchen Equipment Donation**

A special grant was awarded for the donation of complete kitchen equipment to the Faculty of tourism and hospitality - Ohrid in 2013.

1. **Conferences**

The FH Conferences play a key role for all Eastern European Universities and Schools, incl. Ohrid University through giving the opportunity present papers, discuss research results, exchange information and create co-operation. Representative of Faculty of tourism and hospitality, prof. Mirjana Sekulovska, PhD, participated at the Portoroz FH Conference in Slovenia in 2015. In Manchester FH Conference in 2014, Bucharest FH Conference 2013 and Vilnius FH Conference 2012 with Dr. Angela Vasilevska.

1. **Research**

The Faculty of tourism and hospitality - Ohrid appreciated the idea for a joint partner – institutions research project which was` generatedin Portoroz (Slovenia) in 2015 on Hospitality and Tourism in Transition ( in the Eastern European Countries).

Macedonia project is successfully prepared.

In his preparation worked next team prof. Mirjana Sekulovska, prof. Naume Marinoski, prof. Ivanka Nestoroska and ass Msc. Michael Ristevski.

**Conclusion**

Being a member of FH Foundation is very useful.

Faculty of Tourism and Hospitality in Ohrid has great benefits from the implemented activities in the educational process and in the practical management in the hotel industry sponsored by FH Foundation. Faculty of Tourism and Hospitality - Ohrid expressed gratitude to FH Foundation for her contribution to sustainable development of tourism and hospitality in Macedonia.

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