

LEGISLATION FOR WINE AND TOURISM DEVELOPMENT IN THE F.Y.R.O.Macedonia

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Abstract

The aim of the paper is to proceed and analyze Law for wine in FYROMacedonia, and to compare, what quality of wine and wine products are producing, its characteristics, its incorporation in the tourism offer and the mode of that, and its placement in domestic and foreign market, and other important aspects of wine production.

Wine tourism development as a specific type of selective tourism is increasing and particularly important for FYROMacedonia, regarding its geographical position, climate which is very suitable for wine growing. Production of organic wine as a world new trend is suggested.

Wine and wine products, as a part of tourist product of the country are attracting specific clients, who want to know about process of production of wine and its products and also degustation and enjoyment in that.

Including of wine and wine products in total tourism offer, attracts tourists in places where grape is growing and wine and its products are producing. With that, increasing number of visits in such destinations is gained and that affects positively to the tourism development.

Key words: Wine and wine products, Legislation for wine, tourism development, wine tourism, organic production of wine

1. INTRODUCTION

Law for wine in FYROM, from 2010, with amendments from 2011, 2012, 2013 and 2015 regulates planning and management with potential for wine grape production, wine production, wine market and turnover, classification of wines, branding and protection of wine with geographical name and description, marking of wine, and association of wine producers.

The objective of this Law is to protect interests of producers of wine grapes and wine and wine consumers, improving the quality of wine and other products made from wine grapes and good functioning of the internal and external market of wine grapes and wine.

Law is made up of 10 main parts, even it is numbered with 9, but there is two parts in seventh, 7 and 7A:

1. General provisions
2. Planning and management with productive potential for wine grape production
3. Wine production
4. Wine market and turnover
5. Wine classification, production, marking and protection of wine with geographical name
6. Description, marking and protection of wine
7. Surveillance
- 7A. Criminal punishment provisions
8. Offence provisions
9. Transitional and ending provisions

In FYROM, renowned grape types that enable production of high quality wine and wine products are grown. Wine and wine products, as a segment of the overall tourist offer of the country with its distinctiveness and quality attract tourists, and through their traditional way of production and the part of production in tourism, make it possible to develop wine tourism within the rural tourism, and ecotourism through organic production of grape and wine.

Viticulture and winemaking as important industries and the wine and wine products have a large contribution to the creation of the tourist offer in the country. Wine tourism is still at its beginning, stands out as a special type of tourism supported by the wine products, and is also found within the rural tourism. FYROM has excellent climatic and soil conditions for growing vine, and thus the production of high quality wines.

Most of the wineries in Macedonia, offer tasting of wines which are produced, tours of wineries where wine is produced, traditional hospitality services, opportunities to buy, and only few of them offer accommodation services and organizing wine trails which allows full realization of wine tourism, as well as factors for the development of tourism in general in the country. Law for wine with its regulations completely should be implemented, in order wine and wine products to have quality global standards, and to be able to fit to the tourist offer.

Perspectives for development of wine tourism in the country are perceived exactly in organic production of vines, wine and wine products. FYROM has

excellent conditions for this type of production, but it is not enough accepted by producers. Reasons for that are lack of funding and investment by state, indifference and skepticism of producers of vines, because for this mode of production should be met certain standards and requirements of the producer, areas for production different from normal as well as special technology of cultivation. The producers should be educated „with great patience”, not to use artificial fertilizers in order to preserve the ecosystem, which is the goal of organic production. Organic production is the future of wine and wine products, because today in the world there is a tendency to preserve the environment and human health.

Wine tourism whose main beneficiary is the wine and wine products, is a selective type of tourism and it can exist in the country, because it has all resources and opportunities that would fully satisfy the sophisticated, differentiated, special travel needs and requirements of visitors.

In order wine and wine products to be put in function of tourism in the country, it is first necessary to understand the role of the wine tourism in general, through education, to pay more attention to oenology and the rise of wine culture in order to build a cult for a wine. The largest part of this promotion of wine in the country and abroad, is participation in fairs, festivals and other events for wine, which will gain new experiences and improve the quality of wine, which will enable the development of wine, rural, eco-tourism, and tourism in general.

2. DEFINING THE TERM WINE

The term "wine" means the product obtained by fermentation of grape juice (must) with the help of yeast - *Saccharomyces cerevisiae*, followed by an appropriate period of aging. It is considered that wine is the product only of the family *Vitis vinifera* - vine from which a wine is derived.

According to the Oxford English Dictionary, the word wine comes from the old english word *win* that is associated with the latin word *vinum*, and which is derived from the greek word *oinos* and ancientgreek word *woinos*.

various products are obtained from grapes such as: juices; musts-concentrated juice; compotes, jams, marmalade; wines (red, white, table, quality, top); special wines (sparkling, liqueur, dessert, flavored, medical); distillates (Como and grape brandy, brandy, cognac, wine distillate); seed oil; vinegar; marc; wine lees and many others.

Law of wine with its regulations define conditions and standards for wine and wine products, in its general provisions. The Law of wine stipulates that:

- Wine is a product obtained exclusively by full or partial fermentation of fresh grapes, crush or not-crush, or musts;
- Products from wine are: new wine still in fermentation, wine suitable for obtaining table wine, table wine, regional wine, wine with controlled and guaranteed origin, liqueur wine, sparkling wine, aerated sparkling wine, semi-sparkling wine, aerated semi-sparkling wine, vinegar, wine lees and wine stone, wine fortified for distillation, wine distillate and wine of overripe grapes

- Wine distillate is product derived from the distillation of wine and wine products with a minimum strength of 55%. There are following distillates: brandy-rakiawithan alcoholic strength of 35-55%, wine distillate with an alcoholic strength of 55-85% and wine distillate with 95% alcohol. Brandy is distilled wine obtained from must. Only brandy produced in the Cognac area in France can carry the name "cognac". Cognac is an alcohol produced with double distillation of wine and the process of double distillation of wine is called "*charentais*". Cognac is the most famous brand of brandy and it is a basis for evaluation and quality to other types of brandy.

3. METHODOLOGY

In this paper first is used general research method "desk research", then, statistical data, data that are coming through electronic research about overall operation of wineries in FYROM, and strategies for viticulture and enology, legislation of wine through which it recognizes the present state of viticulture and winemaking in the country, and comparative approach. From special scientific methods, method of interview-oral poll, comparative method, the method of analysis, and case-study are used.

4. IMPORTANCE OF WINE AND WINE PRODUCTS FOR TOURISM DEVELOPMENT IN THE REPUBLIC OF MACEDONIA

Many wine regions around the world promote wine tourism, and hence viticulture and winemaking because they are aware of their positive impact on the local economy. In these regions, viticulture and hospitality associations have invested large funds to promote wine tourism. Among the proposals FYROM is one of destinations for developing a wine tourism.

As it mention above, Law for wine is consist from 10 parts, which worked-out appropriate provisions from this issue.

1. In first part - **General provisions**, objective, goals and definition which are used in Law are worked-out, also provision for subsidiary usage of Law for general administrative procedure in situations if procedures are not regulated with Law of wine.

2. Second part is related to **Planning and management with productive potential for wine grape production**, and has provisions for National strategy for development of viticulture and winemaking, Procedures, authorizations and priorities for planting, the National Register of vineyards, its quantity, reporting of harvested, bought and sold grapes quantities, the price of wine grapes.

3. The third part is for **Wine production**, and it talks about the raw materials for the production of wine, various bans on wine producing, oenological means and procedures, methods of physical-chemical analysis of wine, the classification of the different grape varieties, subscribing of wine production, and the Register of wine producers, as well as provisions for the functioning of the macedonian association of wineries.

4. **Wine market and turnover** is forth part, and it has provisions for putting wine into circulation, sampling, physical-chemical analysis and super-analysis of the wine, organoleptic evaluation of wines and legal act-Decision for putting wine into circulation, import of wine and the Register of importers of wine.

5. Fifth part is dedicated for **Wine classification, production, marking and protection of wine with geographical name**, and it has provisions for wine classification, indicate the production area, origin of wines with geographical name, protection of geographical indications of wines, registers, records list of wine grape varieties, areas of vinification, as well as provisions for declassifying.

6. Sixth part is named as **Description, marking and protection of wine** and it has provisions for description, labeling and protection.

7. **Surveillance** is the seventh part, and in this part, provisions for it performing from authorized body-Ministry for agriculture, forestry and water economy are analyzed. State inspectorate for agriculture is authorized for inspection surveillance, as well as for educational procedure related to provisions from this problematic. In this part is set out provision for need of Quarterly reports performed by Inspectorate.

7A. Seventh A-part is for **Criminal punishment provisions**, which is de-facto eighth part of the Law, and in it, is providing criminal liability for the responsible person from the wine producer in specified cases punishment with imprisonment of 1-5 years.

8. Eight part, de –facto ninth is for **Offence provisions**, which lists situations for different major or minor offenses committed in connection with this process and varying amounts of fines that can be imposed for legal entities and individuals, as well as officials, and ranging from 500, 1000, 3000, 5000, and 15.000 € in denars.

9. And in the end, as it is practice in other laws there is the part for **Transitional and ending provisions**, and in it provisions for technical character are set, in relation with entering into force and validity of law, and duties for adaptation of some provisions and passing some bylaws which are deriving from legislation.

5. RESULTS AND DISCUSSION

This part of the paper is separated on some subheadings and in it appropriate data for state of this field in FYROM are analyzed, and appropriate recommendations for development are given in this direction.

5.1. Grape production in FYROM

Viticulture as an industry branch in the country, together with the wine production contributes about 17%-20% of the agricultural gross domestic product. On the territory of FYROM today there are about 25,000 vine farms, and 70% of them are private, and 30% are agricultural firms.

Table 1. *Grape production in FYROM, period 2010-2015 (int)*

Year	Grape production (int)		
	Agriculture enterprises and cooperatives	Individual agricultural farms	Total
2010	48525	204847	253372
2011	52815	182289	235104
2012	49891	190570	240461
2013	55844	236231	292075
2014	49855	146033	195888
2015	64019	260751	324769

Source: <http://www.stat.gov.mk/Publikacii/5.4.16.01.pdf>

According Table 1., total grape production from 2010 till 2015 is relatively stable. This production is significantly more presented on individual agricultural farms in opposite from agricultural enterprises and cooperatives. The structure of the wine types is varied. Although climatic characteristics in FYROM are more favorable (4) for the production of red wine grapes types, still white wine grapes in the country is presented with over 50% of the vineyard areas. The most local wine types are: Vranec (50% of total production of red grapes) and Kratoshija, while from white grape types – on Smederevka belongs 60% of total production of white grapes. In recent years remarkable increase of international types in the area under vineyards are planted such as Cabernet Sauvignon, Merlot, Black Burgundy for red wines and Riesling, Chardonnay and Sauvignon for white wines.

5.2. *Wine production and more important wineries in FYROM*

Wine production in FYROM for period 2010-2014 is presented in Table 2.

Table 2. *Wine production, period 2010-2014 (inhl)*

Year	Quantity inhl
2010	921.465
2011	789.949
2012	939.788
2013	1251.759
2014	747.211

Source: <http://www.stat.gov.mk/PublikaciiPoOblast.aspx?id=8&rbrObl=19>

In Table 2, it can be seen that production of all types of wines, from all varieties, types and qualities, bulk and bottled have different trend. All that depends from grape production which is shown on Table 1, but on that quantity, imported quotes must be added, which pointed out to fact that need for increasing of vineyards must be done in the country, because it has such capacities and possibilities. Different measures from different institutions are in that direction, which stimulate this development.

In FYROM there are 89 wineries, and this number constantly increases.

Wine production in FYROM is performed in 89 officially registered wineries with total capacity for grape processing of 2.338.467 hl. Total capacity for pouring wine bottle production is approximately 650000 hl per year, but unfortunately it is not used in total, and also that is enough to cover the entire production of wine in the country. Capacity for pouring wine bottles remain unused because most of the wine is exported in bulk. The geographical representation of the wineries in FYROM is identical to the representation of vineyards, where most companies are located in the central region of the valley of the Vardar, in particular Skopje, Tikvesh- Gevgelija- Valandovo wine region.

89 officially registered wineries have a total processing capacity of grapes almost more than double the total production of wine grapes. The increasing of wineries from 28 in 2003 to almost 90 (mainly SMEs), is the result of focusing on producing to high quality wines in bottles, control and monitoring of wine production, sophisticated technology for producing and selling wines, and with that it makes it more competitive in the domestic and foreign markets.

In recent years, new wineries are mostly producing plants with small and medium size. These wineries tend to focus on production of bottled and quality wines and through strict control of selection of varieties, vineyard management and harvesting, transport and delivery of wines. In addition, they invest in sophisticated equipment for finishing and processing, bottling and marketing technologies and with that are more competitive in domestic and foreign markets.

More important wineries in FYROM are: „Tikvesh“, „Bovin“, „Dudin“, „Kamnik“, „Popova Kula“, „Stobi“, „Povardarie“, „Skovin“, „Еленов“, „Chateau Sopot“, „Temov“, „Divino“, „Dalvina“, „Izvorno“, „Imako“, „Grkov“, „Pivka“, „Kartal“, „Popov“, „Lozarpelisterka“, „Kabranov“, „Chekorovi“ and other wineries, which with own production contribute for development of viticulture and winemaking.

Table 3. Offer of more important wineries in FYROM

Wineries	Accommodation	Hospitality services	Degustations	Other
„Tikvesh“		✓	✓	Wine tours
„Skovin“			✓	Specialized wine shop
„Popova Kula“	✓	✓	✓	Wine tours, Wine shop
„Bovin“		✓	✓	
„Stobi“		✓	✓	Wine tours
„Chateau Sopot“				
„Elenov“				
„Izvorno“				Wine shop
„Grkov“				Organic production
„Pivka“			✓	
„Kamnik“	✓	✓	✓	Wine shop

„Chekorovi“			✓	
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Source: www.economy.gov.mk

From Table3, it can be noticed that its contribution for construction and forming of wine tourism is very small, only wineries „Popova Kula“ and „Kamnik“ can to somewhere to meet needs of tourists which are included in this kind of selective tourism. Other wineries should work hard and make knowledge, money and effort, in order to be able to become part of the tourist offer.

Wine areas in the country are concentrated in 3 regions, mainly stretch near the highway E-75, i.e. Corridor 10, where there is a large flow of transit tourists, which is of great importance for the promotion of wine tourism in the tourist offer of the country.

Producers need to constantly visit hospitality facilities and other local businesses and invite local employees to visit its wineries. Thus, the experience of this collaboration, hospitality workers will convey to consumers.

Each winery should put accent on market research. It is necessary to research macro and micro market, and the whole wine industry through national and international trends in wine consumption, and consumption of a specific geographic location.

In FYROM, wine tourism is developing in recent years, the number of private wineries increases significantly. Wine tourism is developing and strategically, at the state level through the establishment of various organizations, chambers and associations that support producers and particular needs of tourists who pursue this type of such type of tourism and the development of wine routes enables development of wine tourism in world trend.

5.3. Possibilities and perspectives for wine tourism development in FYROM

The development of wine routes is in this context. The meaning of the wine routes is in the location and operation of wineries themselves. Forming a wine route or wine club is with passports, whereby each customer receives a stamp and brochure with signature of the winery. After consumer visit determined number of wineries on the wine route, he receives a special gift.

Wine routes allow wineries jointly to held an event and thus share the cost of advertising, and consumers are directed to all wineries along the whole area of the wine route.

In terms of organic production of vines, wine, wine products, perspective and the development of wine tourism in FYROM should be noted that organic farming as one of the latest production systems in agriculture has an important role in the development of the agricultural sector in the country. It contributes to the protection of ecosystems, sustainable use of natural resources, social justice and development of rural regions. Organic farming, and other integrated agroecological practices directly contribute to rural development.

Organic wine is wine made from grapes which are not treated with the use of chemical fertilizers, pesticides, herbicides and fungicides with special technology.

Organic wine is a product that is based on strict standards and legislation. It is necessary to obtain certificate for organic production. Composting of vineyards is exclusively done with animal and natural fertilizer. In the technological procedure, winebran is permitted since exclusion can organoleptic changes the wine to the level of free radicals in it, which is quite the opposite tendency of organic significance. Other additives for fining and filtering are not allowed. Yeasts for fermentation are mandatory, but without genetic modification. Nature in wine is respected (8).

FYROM can be important winner of organic production, even now this production is currently on small scale, but still exists and is maintained, given the fact that worldwide only 10% of the wineries producing organic wine.

The positive trend of increased production and export of table grapes and wine in the past, and interest in investing in the sector continued in after 2014. In the past, the sector successfully copes with the negative effects of the global economic crisis and exceeded the serious challenges caused by the sudden loss of markets, particularly German market where it placed most of the quantities of wine exports. The crisis on the other side influenced the increased orientation of wineries to improve wine quality and diversification of export destinations.

As in past years also in next period, improvement of marketing and increasing of the average export price of Macedonian wine remains the main goal. It is expected in the coming period the part of export of bottled wine to increase by another 20% in total exports and to be about 40%, while the part of exports to other export destinations outside traditional markets of Southeast Europe and the EU, to increase at least double in terms of the positions of 2013.

In this direction, despite the promotion of Macedonian wines in markets of the former Soviet Union, China, USA and lower-represented EU countries, available benefits through bilateral agreements with EFTA agreement should be used, and also Switzerland and Turkey. Increasing the consumption of wine in the country should also contribute to the image to be as a wine country.

Building recognition of the wine should be based on two main strongest comparative advantages - authenticity and uniqueness of the most common type Vranec, and origin of the geographical region of Macedonia as a traditional wine region from which derives the overall wine production from the country.

The implementation of the protection of geographical names is one of the instruments to generate greater added value to the wine. The quality of the wine, besides through investments in modernization of production facilities and technologies in the production of wine should be improved by changing the structure of vineyards in terms of their age and variety representation and by training of farmers on proper handling and manipulation with wine grapes.

Parallel with improving the structure of exports, it must be used all natural conditions for increasing the production of grapes and wine in the country. Regionalization of areas suitable for vineyards for wine and table grapes based on modern scientific methods should allow mapping of surfaces in areas with favorable production and pedo-climatic conditions of production which can be transferred to arable land for raising crops. This should provide conditions to meet the growing interest in raising new plantations, including the participation of foreign capital.

In conditions of almost complete separation of viticulture from winemaking from the corporate aspect that creates differences in the planning of production and purchase, vertical integration and trust among participants must be improved by respecting legal provisions regulating the market prescribed in the Law of wine. It must take into account, areas that are suitable for growing grapes that have a capacity of about 50.000 *ha*, and the until now, the largest area under vineyards was recorded in 1981 from 38.000 *ha*. In recent years, used areas planted with vines, ranging in the interval of 21,000 to 23,000 *ha* which is insufficient and more areas of grapes must be planted, because the market demands it, and the natural conditions are rarely suitable for it.

Also unused are potentials and opportunity for the development of the production of raisins as a product that is almost exclusively imported. A particular challenge remains production of domestic certified vine planting material, investments in dryers for grapes, cores from base material and constructing of modern facilities for wine tourism.

6. CONCLUSION

In accordance with theoretical and practical analyzes in this paper, it can be concluded that:

1. In the Law for Wine European and world standards are fully incorporated, and it is in fact normal and desirable because developed legislation for wine and wine products, which is in accordance with European and world standards of this field, contributes for tourism development.
2. The incorporation of the wine and wine products in the overall tourism offer allows attracting tourists in places where it is grown and where the grapes, wine and its products are produced. Because the wine and wine products are with top quality, through the affirmation of this segment of the Macedonian tourism product, increasing of country's reputation will be achieved beyond its borders.
3. In order to be included in the overall tourist offer, wine as a final product, it is needed of the state to support more financially viticulture and winemaking. Also through IPARD program wine producers should be more motivate
4. Organic production of vine and wine should have more financial aids.
5. Approximately 70% from whole wine production are exported, and from that export, approximately 90% from whole export is belonging to the export of bulk wine, and on bottled wine almost 10%, and this ratio

should be changed. Particular accent should be pointed out on the export of bottled wine. All wineries should be equally included in wine export and equally to be represented on foreign wine market. The state should allocate more funds for promotion. Tourist brochures that are made by travel agencies, hospitality facilities, wineries, should include wine as a segment of the tourist offer of the country.

6. Manifestations associated with the wine should be numerous, and to attract the attention of domestic and foreign tourists. The outstanding cooperation between wineries and travel agencies which should offer its arrangements, and created wine routes, enables the development of wine tourism.
7. To develop and maintain wine tourism, wineries should enable tourists sightseeing the vineyards and the mode and duration of production of wine, and experts-sommeliers employees in wineries will tell tourists about the importance of the winery and wine. These tours around the winery should lead through wine cellars, restaurants where tourists can taste wines in harmony with the traditional macedonian food.
8. The accommodation capacities within the wineries play an important role in the development of wine tourism, but in the country it is really rare. The state should financially support their construction, but also and the owners of the wineries because they are mostly in private properties.
9. Each winery should have wine shops in the winery, but also outside and abroad, from which tourists will be able to purchase their wine and wine products.
10. Wineries need to promote their products at home and abroad, by developing appropriate and user-friendly websites and printed materials for their facilities and products. Overall offers that meet demands of sophisticated travelers needs, are very few. Most importantly between wineries is not to have competition, but with joint efforts to rival the foreign wine producers.
11. Wineries should have smooth cooperation with all hospitality facilities and wineries should organize wine workshops several times a year, on which hospitality managers and workers will be familiar with characteristics of wines, the way of serving and harmonization of wines and food. Each hospitality facility should offer a wider range of wines from national wineries, and also foreign wines, because it's a very low representation of foreign wines in our country.

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