TOURISM AND SMALL AND MEDIUM-SIZED ENTREPRISES IMPACT ON THE EMPLOYMENT IN THE REPUBLIC OF MACEDONIA AND IN THE MUNICIPALITY OF OHRID[1]

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Abstract

Tourism is the world's largest industry and makes a major contribution to the economies of most developed and developing countries. Tourism generates income from consumption of goods and services by tourists as well as taxes on businesses in the tourism industry, provides employment in services related to tourism, but also creates jobs in the tertiary sector; also, tourism generates growth of primary and secondary sectors of the industry as a result of multiplicative effects of tourism spending. Since tourism sector is labor absorbing sector, it is relatively more effective in creating jobs than other sectors. Tourists expenditure provides direct or indirect employment opportunities in this sector. On the other hand, the data shows that Macedonian enterprises are micro, small or medium-sized. The aim of this paper is to point out the tourism and small and medium-sized enterprises impact on employment in the Republic of Macedonia and in Municipality of Ohrid. For this purpose, in the paper will be used the method of linear regression, the correlation coefficient and the coefficient of determination to determine the strength and the direction of the relationship between the tourist arrivals and the employees in the SMEs.

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[1] original scientific paper

INTRODUCTION

Tourism generates income from consumption of goods and services by tourists as well as taxes on businesses in the tourism industry, provides employment in services related to tourism, but also creates jobs in the tertiary sector; also, tourism generates growth of primary and secondary sectors of the industry as a result of multiplicative effects of tourism spending (Ardahaey, 2011; Önder, & Durgun; Pavlic, Tolic, & Svilokos, 2013). Since tourism sector is labor absorbing sector, it is relatively more effective in creating jobs than other sectors (Turner & Sears, 2013). Tourists' expenditure provides direct or indirect employment opportunities in this sector. Consequently tourism affects total employment in a country. Direct employment in tourism sector refers to total number of employees in the activities that constitute the tourism industry i.e. the total number of employees in the businesses that come in direct contact with tourists and serve their needs face to face (hotels, restaurants, travel agencies…). Indirect employment refers to the total number of employees in activities related with tourism; these businesses supply tourism with various goods and service i.e. the total number of employees in the activities that indirectly satisfy the needs of tourists (employed in agriculture, in manufacturing, in public services…). Induced employment refers to the additional employment in economy created through re-spending of the income gained through direct and indirect employment methods. This money creates new employment opportunities by spending this acquired income in other sectors of the economy. Accordingly, multiplier effect of tourism is main catalisator of induced employment.

In this paper, firstly will be analyzed the tourist arrivals in the Republic of Macedonia and in the municipality of Ohrid, than the number of persons employed in the small and medium-sized enterprises in the total economy and especially in the tourism industry, and at the end the impact of tourism to the employment. For this purpose, will be used the method of linear regression, the correlation coefficient and the coefficient of determination, to determine the strength and the direction of the relationship between the tourist arrivals (as independent variable) and the employees in the SMEs(as dependent variable).

TOURISM IN THE WORLD, REPUBLIC OF MACEDONIA AND IN THE MUNICIPALITY OF OHRID

The sector of Travel & Tourism grows at a faster rate than both the wider economy and other significant sectors such as automotive, financial services and health care. This sector generates US$ 7,2 bn or 9.8 % of the global GDP for 2015, and 284 million jobs in 2015 are in tourism, that means 1 in 11 jobs are in tourism on a global scale (WTTC, 2016a). The foreign tourists spending in 2015 generates US$ 1,308.9 bn or 6.1% of the total export value in the World, and investment numbers for Travel & Tourism in 2015 were US$ 774.6 bn or 4.3 % of the total investment in the world (WTTC, 2016b).

According to the State Statistical Office of the Republic of Macedonia, the number of tourists and the number of nights spent in the country in general, as well as in the Municipality of Ohrid, are growing year by year (Table 1). The total number of tourists in Macedonia for 2014 was 735 650 and the total number of overnight stay was 2 195 883. The total number of tourists in Macedonia in 2014 increased by 58.2% compared to 2004, while the number of overnights stay increased by 17.7% compared to the previous year. In 2014, Macedonia was visited by 425 314 foreign tourists that is an increase of 157.3% compared to the number of foreign tourists in 2004. The number of overnights stay by foreign tourists in 2014 was 922 513 i.e. notes an increase by 155.8% compared to 2004. The number of domestic tourists in 2014 was 310 336 and is increased by 3.5% compared to 2004, while the number of overnights stay of domestic tourists is decreased by 15.4% compared to 2004 and it is 1 273 370 (State Statistical Office of the Republic of Macedonia, 2004-2015).

Table 1: Tourist arrivals and nights spent in the Republic of Macedonia, 2004-2014

Year	Tourist arrivals			Tourist nights spent		
	total	Domestic	Foreign	total	Domestic	Foreign
2004	465015	299709	165306	1865434	1504845	360589
2005	509706	312490	197216	1970041	1527053	442988
2006	499473	297116	202357	1917395	1474550	442845
2007	536212	306132	230080	2019712	1501624	518088
2008	605320	350363	254957	2235520	1648073	587447
2009	587770	328566	259204	2101606	1517810	583796
2010	586241	324545	261696	2020217	1461185	559032
2011	647568	320097	327471	2173034	1417868	755166
2012	663633	312274	351359	2151692	1339946	811746
2013	701764	302114	399680	2157175	1275800	881375
2014	735650	310336	425314	2195883	1273370	922513

Source: State Statistical Office of the Republic of Macedonia

By analyzing the data for tourism visits in the municipality of Ohrid (Table 2), it might be noted that the total number of tourists in 2013 was increased by 25.8% compared to 2004 and was 191 504, while the number of overnights stay in 2013 was decreased by 1.5% compared to 2004. The number of foreign tourists in Ohrid in 2013 increased by 163.5% compared to 2004 and was 98 867, while the number of overnights stay of foreign tourists increased by 196.3% compared to 2004 and was 271 039. By analyzing the domestic tourist data in the municipality of Ohrid in 2013, we can note decreasing in the number of domestic tourists (19.2%) as well as in the number of overnights stay (26.8%) compared to 2004.

Table 2: Tourist arrivals and nights spent, Municipality of Ohrid, 2004-2013

Year	Tourist arrivals			Tourist nights spent		
	total	Domestic	Foreign	total	Domestic	Foreign
2004	152174	114652	37522	806117	714656	91461
2005	160707	111143	49564	904396	774670	129726
2006	167394	114754	52640	896660	767561	129099
2007	181310	123854	57456	961211	813716	147495
2008	202104	139643	62461	1046836	874071	172765
2009	189699	122258	67441	951254	774424	176830
2010	165109	105213	59896	791991	644415	147576
2011	178277	102730	75547	810795	592886	217909
2012	183335	99850	83485	823666	575308	248358
2013	191504	92637	98867	793757	522718	271039

Source: Municipality of Ohrid – tourism department and The State Statistical Office of the Republic of Macedonia

ACTIVE BUSINESS ENTITIES DATA ANALYSIS: THE REPUBLIC OF MACEDONIA AND MUNICIPALITY OF OHRID

The number of active business entities in the Republic of Macedonia in 2015 is 70 139. The majority of them belong to the categories of micro and small enterprises. The number of active micro enterprises in the Republic of Macedonia in 2015 is 63 590 i.e. 90.66% of the total number of active enterprises in the country. The number of active small enterprises is 4 970 i.e. 7.098%, the number of active medium enterprises is 1 339 i.e. 1.91%, while the large enterprises are represented with only 0.33% of the total number of active enterprises in the Republic of Macedonia for 2015 and their number is 231 (Table 3) (State Statistical Office of The Republic of Macedonia, 2004-2015). The entities of accommodation and food service activities are represented with 6.5% (4 535) in the total number of active business entities in the Republic of Macedonia in 2015 (Table 3), entities in the field of arts, entertainment and recreation are represented with 1.7% (1 212), and entities

in other service activities with 6.1% and their number is 4 265The total number of employees in the accommodation facilities and food service capacities in the Republic of Macedonia in 2014 is 24 722 i.e. 3.6% of the total employment in the country. The number of employees in the enterprises in the field of entertainment and recreation is 9230 i.e. 1.4% of the total employment and the number of employees in other service activities is 10 315 i.e. 1.5% of the total employment in the country in 2014 (Table 4)

Table 3

Number of active business entities by sectors of activity according to NKD Rev.2 and by number of persons employed, by years, in the Republic of Macedonia

Year	Sector	Total	Share in %	0 persons employed or no data available	1-9 persons employed	10-19 persons employed	20-49 persons employed	50-249 persons employed	250 or more persons employed
2010	All sectors	75 497	100.0	10 756	59 276	2 483	1 568	1 211	203
	Acc. and food service activities	4 433	6.0	424	3 683	225	74	23	1
2011	All sectors	73 118	100.0	6 674	60 620	2 754	1 698	1 187	185
	Acc. and food service activities	4 313	5.9	215	3 738	261	79	18	2
2012	All sectors	74 424	100.0	7 158	61 053	2 937	1 795	1 280	201
	Acc. and food service activities	4 611	6.2	278	3 922	311	78	20	2
2013	All sectors	71 290	100.0	4 415	60 599	2 989	1 787	1 291	209
	Acc. and food service activities	4 482	6.3	138	3 918	300	102	23	1
2014	All sectors	70 659	100.0	3 972	60 215	3 092	1 869	1 305	206
	Acc. and food service activities	4 493	6.4	67	3 652	325	125	23	1
2015	All sectors	70 139	100.0	7 329	56 261	3 032	1 947	1 339	231
	Acc. and food service activities	4 535	6.5	408	3 665	313	120	28	1

Source: State Statistical Office of the Republic of Macedonia

Table 4: Performance of enterprises by industrial activities and size class by number of persons employed, by NKD REV.2 in the Republic of Macedonia

Sector	All sectors						Accommodation and food service sector					
Year	2009	2010	2011	2012	2013	2014	2009	2010	2011	2012	2013	2014
Number of employees												
Total	315 021	316 745	328 316	335 771	339 346	353 312	15 501	16 881	18 515	17 141	19 479	19 821
0-9	109 312	113 064	110 970	113 179	115 515	116 232	8 893	9 823	10 141	9 770	10 386	10 498
10-19	27 999	31 256	32 821	34 313	35 209	35 523	2 543	3 137	3 649	3 483	3 865	3 937
20-49	35 157	38 884	40 098	39 516	41 491	43 217	1 875	2 159	2 379	1 850	3 197	3 244
50-249	66 802	63 235	70 033	70 531	72 613	69 868	1 868	1 200	2 039	1 471	1 747	1 874
250+	75 751	70 306	74 456	78 232	74 518	88 473	322	562	307	567	284	268
SMEs	**239 270**	**246 439**	**253 860**	**257 539**	**264 828**	**264 839**	**15 179**	**16 319**	**18 208**	**16 574**	**19 195**	**19 553**
Turnover in million denars												
Total	733 825	804 357	924 227	947 410	972 639	1 012 301	10 067	10 417	11 815	10 848	13 326	14 211
0-9	207 131	217 939	236 671	250 283	252 454	251 595	4 176	4 373	4 535	4 174	4 984	5 369
10-19	86 700	90 597	104 202	105 192	103 489	104 741	1 810	2 193	2 809	2 673	2 958	3 072
20-49	89 372	105 152	119 462	122 348	133 036	139 992	1 797	2 045	2 135	1 687	3 116	3 202
50-249	142 526	153 581	195 633	168 322	182 960	190 614	1 791	1 062	1 880	1 560	1 858	2 198
250+	208 093	237 086	268 439	301 265	300 702	325 358	492	744	456	754	410	370
Vallue added at factor cost in million denars												
Total	206 018	224 363	209 592	197 989	209 070	213 205	3 872	4 592	4 233	4 245	4 796	4 914
0-9	532 202	53 776	49 472	49 676	50 192	48 885	1 551	1 754	1 644	1 552	1 712	1 739
10-19	19 651	21 108	22 190	20 139	21 327	20 671	703	868	823	822	927	914
20-49	22 280	24 464	24 674	22 719	26 500	26 623	646	807	643	738	1 016	1 041
50-249	33 620	48 229	41 793	37 294	40 617	42 889	576	693	787	713	846	949
250+	77 267	76 789	71 468	68 160	70 433	74 139	396	469	336	420	295	270

Source: State Statistical Office of the Republic of Macedonia

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The total number of active business entities in the Municipality of Ohrid in 2015 is 2 663. Micro enterprises are 73.4% of them (1 956), small enterprises are represented with 25.3% (675), medium-sized businesses are represented with 1.0% (26) and large enterprises are 0.2% (6) (Table 5).

Table 5: Active business entities by size, Municipality of Ohrid, 31 December

Year	Total	Micro	Small	Medium	Large
2009	2 691	1 473	1 196	20	2
2010	2 758	1 554	1 179	21	4
2011	2 845	1 855	968	19	3
2012	2 910	2 143	742	21	4
2013	2 757	2 023	708	22	4
2014	2 696	1 979	688	24	5
2015	2 663	1 956	675	26	6

Source: State Statistical Office of the Republic of Macedonia

The number of entities of accommodation and food service activities in the Municipality of Ohrid in 2015 count 301 and they represent 11.30% of the total number of active businesses in the Municipality of Ohrid in 2015. Entities in the field of arts, entertainment and recreation are represented with 1.84% (49), while entities in the field of other services with 5.89% (157) (Table 6).
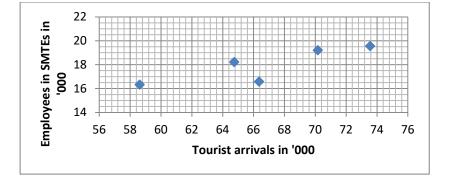
Table 6: Active business entities by sectors of activity according to the National Classification of Activities – NKD Rev.2, Municipality of Ohrid, yearly data

Year	Total	Accommodation and food service activities		Arts, entertainment and recreation		Other service activities	
		Number	%	Number	%	Number	%
2010	2 758	277	10.04	50	1.81	150	5.44
2011	2 845	288	10.12	50	1.76	168	5.91
2012	2 910	325	11.17	46	1.58	165	5.67
2013	2 757	301	10.92	43	1.56	172	6.24
2014	2 696	293	10.87	47	1.74	163	6.05
2015	2 663	301	11.30	49	1.84	157	5.89

Source: State Statistical Office of the Republic of Macedonia

TOURISM IMPACT ON THE EMPLOYMENT IN THE   REPUBLIC
OF MACEDONIA

To determine the impact of tourism to the employment in the Republic of Macedonia i.e. the strength and the direction of the relationship between the tourist arrivals and the employees in the SMEs will be used the method of linear regression, the correlation coefficient and the coefficient of determination. The tourist arrivals is independent variable and the employees in the SMEs is dependent variable.

Step 1 in this analysis is to construct the scatter diagram for the given data set to see any correlation between the two sets of data (the tourist arrivals and the employees in the SMTEs). The scatter diagram is used to graphically represent and compare these two sets of data . The independent variable (the tourist arrivals) is plotted on the X axis. The dependent variable (the employees in the SMTEs) is plotted on the Y axis. By looking at a scatter diagram, we can see whether there is any connection (correlation) between the two sets of data. A scatter plot is a useful summary of a set of bivariate data, usually drawn before working out a linear correlation coefficient or fitting a regression line. It gives a good visual picture of the relationship between the two variables, and aids the interpretation of the correlation coefficient or regression model.

These results suggest a linear relationship between these two variables (the tourist arrival and the employees in the SMTEs) i.e. that the more points tend to cluster around a straight line and a higher correlation (stronger linear relationship between these two variables).

Step 2: Set out a table and calculate all required values $\sum x$, $\sum y$, $\sum x2$, $\sum xy$ and $\sum y2$ as it is done in the table 7 .

Table 7

Year	Tourist arrival in '000 x	Employees in SMTEs in '000 y	x^2	xy	y^2	Regression values
2010	58.6241	16.319	3 436.78510081	956.6866879	266.309761	16.067
2011	64.7568	18.208	4 193.67627396	1 179.1245888	331.531264	17.416
2012	66.3633	16.574	4 404.08758689	1 099.9053342	274.697476	17.770
2013	70.1764	19.195	4 924.72711696	1 347.0359980	368.448025	18.609
2014	73.5650	19.553	5 411.80922500	1 438.4164450	382.319809	19.354
N=5	$\sum x$ =333.4874	$\sum y$ = 89.849	$\sum x^2$ = 22 371.08530362	$\sum xy$ =6 021.1690539	$\sum y^2$ = 1 623.306335	

Step 3: Calculate the correlation coefficient using this equation:

$$r = \frac{n\Sigma xy - \Sigma x \Sigma y}{\sqrt{\{n\Sigma x^2 - (\Sigma x)^2\}\{n\Sigma y^2 - (\Sigma y)^2\}}}$$

$$r = \frac{5 \, x \, 6021.1690539 - (333.4874 \, x \, 89.849)}{\sqrt{\{5 \, x \, 22371.08530362 - (333.4874)^2\}\{5 \, x \, 1623.306335 - (89.849)^2\}}}$$

$$r = \frac{30105.8452695 - 29963.5094026}{\sqrt{\{111855.4265181 - 111213.84595876\}\{8116.531675 - 8072.842801\}}}$$

$$r = \frac{142.335867}{\sqrt{641.580559 \, x \, 43.688874}}$$

$$r = \frac{142.335867}{\sqrt{28029.9322178}}$$

$$r = \frac{142.335867}{167.4214210}$$

$$r = 0.85016 \approx 0.85$$

The correlation coefficient is: r = 0.85
The value of r is such that $-1 \leq r \leq 1$. The strength of the correlation according to Evans (1996) is presented in Table 9.

Table 9

Value of r	Interpretation
-1.0	A perfect downhill (negative) linear relationship
(-0.80) - (-1.0)	A very strong downhill (negative) linear relationship
(-0.60) - (-0.79)	A strong downhill (negative) linear relationship
(-0.40) - (-0.59)	A moderate downhill (negative) linear relationship
(-0.20) - (-0.39)	A weak downhill (negative) linear relationship
(0.00) - (-0.19)	A very weak downhill (negative) linear relationship
0	No linear relationship
(0.00) - (0.19)	A very weak uphill (positive) linear relationship
(0.20) – (0.39)	A weak uphill (positive) linear relationship
(0.40) – (0.59)	A moderate uphill (positive) linear relationship
(0.60) - (0.79)	A strong uphill (positive) linear relationship
(0.80) – (1.0)	A very strong uphill (positive) linear relationship
+1.0	A perfect uphill (positive) linear relationship

$$R^2 = (0.85016)^2$$
$$R^2 = 0.72277 \approx 0.72$$
The coefficient of determination is: $R^2 = 0.72$

The coefficient of determination represent the percent of the data that is the closest to the line of best fit i.e. coefficient of determination is a measure of how well the regression line represent the data. The coefficient of determination is such $0 \leq r \leq 1$ (Table 10)

Table 10

Value of R^2	Interpretation
0	No correlation
0.00 - 0.25	A weak correlation
0.25 - 0.64	A moderate correlation
0.64 - 1	A strong correlation
1	A perfect correlation

The values of $r = 0.85$ and $R^2 = 0.72$ show a very strong linear relationship between the tourist arrivals and the number of employees in the SMTEs in the Republic of Macedonia.

 Step 4: Now we want to use regression analysis to find the line of best fit to the data. The regression equation for y on x is: $y = a + bx$ where:

a = The intercept point of the regression line and the y axis

b = The slope of the regression line

N = Number of values or elements

x = First score

y = Second score

We use the following equations to find a and b:

$$b = \frac{\{(N\Sigma xy) - (\Sigma x)(\Sigma y)\}}{\{(N\Sigma x^2) - (\Sigma x)^2\}}$$

$$b = \frac{\{(5 \times 6\,021.1690539) - (333.4874) \times (89.849)\}}{\{(5 \times 22\,371.08530362) - (333.4874)^2\}}$$

$$b = \frac{30\,105.8452695 - 29\,963.5094026}{111\,855.4265181 - 111\,213.84595876}$$

$$b = 0.22185 \approx 0.22$$
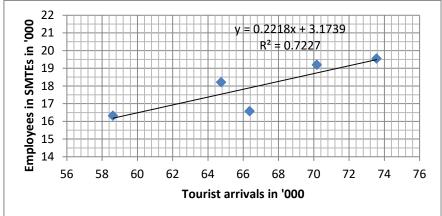
$$a = \frac{\{(\Sigma y) - b(\Sigma x)\}}{N}$$

$$a = \frac{\{(89.849) - (0.22185)\text{x}(333.4874)\}}{5}$$

$$a = \frac{(89.849 - 73.98417969)}{5}$$

$$a = \frac{15.86482031}{5}$$

$$a = 3.1739641 \approx 3.17$$

Step 5: Substitute *a* and *b* in the regression equation formula $y = a + bx$
$$y = 3.17 + 0.22x$$

So, the equation of the regression line is: $y = 3.17 + 0.22\text{x}$
We can conclude that there is a very highly significant positive correlation between the tourist arrivals and the employees in the SMTEs in the Republic of Macedonia. When a scatter plot indicates that there is a strong linear relationship between these two variables (confirmed by high correlation coefficient), we can fit a straight line to this data which may be used to predict a value of the dependent variable (the number of employees in the SMTEs in Macedonia), given the value of the independent variable (the tourist arrivals in the Republic of Macedonia).
So, the graph of the regression line is: $y = 3.17 + 0.22\text{x}$ (picture1).

Picture 1: The graph of the regression line

When analyzing the impact of tourism on employment in the SMEs in all sectors of the Republic of Macedonia using the same methodology, it can be concluded that there is greater dependence between the tourist arrivals (as independent variable) and the number of employees in the SMEs total in all sectors in Macedonia (as dependent variable), since the correlation coefficient is 0.9751; the coefficient of determination is 0.95 and the equation of the regression line is y = 167.975.1.342x.

Due to the lack of data about the number of persons employed in the SMEs as well as in the SMTEs in the municipality of Ohrid, the impact of tourism to the employment in the municipality of Ohrid using the method of linear regression, correlation coefficient and coefficient of determination cannot be determined. However, based on previous analyzes can be expected that tourism will positively affect on the increasing the number of employees in the SMEs as well as on the increasing the number of employees in the SMTEs in municipality in Ohrid too, so the relevant authorities should continuously take measures which will contribute to increase the tourist trade both in Macedonia and in the municipality of Ohrid.

Direct and total effects of tourism towards the employment in Macedonia in absolute and relative terms from 2000 to 2015 are given in Table 11 (WTTC, 2016v). The travel and the tourism in 2014 directly creates 8 100 jobs in the Republic of Macedonia, which represents 1.2% of the total employment in the country (Table 11). This number is expected to rise year by year with a presumption that in the year of 2035 the number of direct jobs in the field of tourism will be 13 000 jobs i.e. 2.1% of the total employment in Macedonia. The total contribution of tourism to employment in Macedonia including indirect employment in the year of 2014 was 33 000 jobs (4.5% of total employment in Macedonia). The estimated total contribution of tourism to employment in 2035 will be 48 800 jobs i.e. 7.9% of total employment in Macedonia.

Table 11: Direct and Total Contribution of Tourism to Employment in Macedonia

Year	Direct contribution of tourism to employment			Total contribution of tourism to employment		
	Thousands of jobs	% share	Real growth %	Thousands of jobs	% share	Real growth %
2000	8.1	1.4	48.4	28.6	5.2	58.6
2001	6.2	1.0	-23.7	23.3	3.8	-18.3
2002	5.8	1.0	- 6.5	22.2	3.9	-4.8

2003	6.0	1.1	4.4	23.0	4.2	3.5
2004	5.9	1.1	- 2.5	22.2	4.2	-3.5
2005	6.3	1.1	7.9	23.5	4.3	6.1
2006	7.2	1.2	14.1	26.4	4.6	12.4
2007	7.5	1.2	3.9	27.4	4.6	3.6
2008	7.8	1.2	3.9	28.7	4.7	4.6
2009	7.6	1.2	-3.4	28.7	4.5	0.0
2010	7.1	1.2	-6.4	26.7	4.2	-6.8
2011	7.4	1.2	4.0	27.2	4.2	1.7
2012	7.8	1.2	5.9	28.7	4.3	5.2
2013	8.1	1.2	3.2	29.8	4.5	4.0
2014	8.1	1.2	0.1	30.0	4.5	0.5
2015	8.3	1.2	2.4	30.7	4.6	2.4
2016	8.4	1.2	1.1	31.1	4.6	1.3
2017	8.4	1.2	0.8	31.4	4.7	0.9
2018	8.5	1.2	0.7	31.7	4.7	0.8
2019	8.5	1.2	0.6	31.9	4.7	0.7
2020	8.6	1.2	0.1	32.0	4.8	0.3
2021	8.6	1.3	0.3	32.2	4.8	0.3
2022	8.6	1.3	0.4	32.4	4.9	0.7
2023	8.7	1.3	0.7	32.7	4.9	0.9
2024	8.7	1.3	0.2	32.9	5.0	0.6
2025	8.8	1.3	0.4	33.2	5.0	0.7
2026	9.5	1.4	8.5	35.7	5.4	7.5
2027	10.1	1.5	5.8	37.6	5.8	5.4
2028	10.5	1.6	4.3	39.2	6.1	4.1
2029	10.9	1.7	3.5	40.5	6.3	3.4
2030	11.3	1.7	3.3	41.8	6.5	3.1
2031	11.6	1.8	3.3	43.1	6.8	3.2
2032	12.1	1.9	3.7	44.7	7.1	3.5
2033	12.5	2.0	3.7	46.2	7.4	3.4
2034	12.9	2.0	3.0	47.6	7.6	2.9
2035	13.0	2.1	0.8	48.8	7.9	2.4

Source: www.wttc.org

According to the World Travel & Tourism Council, Republic of Macedonia is ranked on the 159th place out of 184 countries in the world in 2014 by the direct absolute contribution of travel and tourism on employment, and on the 153rd place by the total absolute contribution of travel and tourism on employment. According to the direct relative contribution of the travel and tourism on employment, the Republic of

Macedonia is ranked on the 174th place in 2014, and according to the total relative contribution on the 156th place (relative contribution is presented in percentage). Long term data analysis by World Travel & Tourism Council (2015-2025) of direct contribution of the travel and tourism to the employment shows that Republic of Macedonia is ranked on the 140th place with the yearly growth rate of 1.2%. The long term yearly growth rate of the total contribution of the travel and tourism on employment in the Republic of Macedonia for the period 2015-2025 is 1.1%. According to this growth rate, the Republic of Macedonia is ranked on the 140th place.

CONCLUSION

Republic of Macedonia is a destination which has always attracted tourists with its natural and cultural-historical monuments. In this context, one of the most important and most visited tourist destinations in the Republic of Macedonia is Ohrid. According to the data of the State Statistical Office of the Republic of Macedonia, the number of tourists and the number of nights spent in the country in general, as well as in the Municipality of Ohrid, are growing year by year. In order to meet the needs of tourists in total and to ensure the best touristic experience, it is necessary to increase the number of accommodation objects and the number of additional services which will meet traveler needs in various ways. In this context, it is quite logical to increase the number of employees in the tourism industry (direct employment) as well as the indirect and induced employment. The data in this paper clearly shows that the increase of the tourism visits in the Republic of Macedonia as well as in the Municipality of Ohrid, results with increased employment in the areas of tourism industry (the correlation coefficient is 0.85 which shows very strong and positive linear relationship between the tourist arrivals and the employees in the SMTEs in the Republic of Macedonia) as well as in the activities that are directly or indirectly related to tourism, and thus increases the total employment in the country and in the Municipality of Ohrid.

Seeing the fact that small and medium enterprises in the country in general and in the tourism sector especially employs most of the active working population, have the largest share in the realizing of turnover and in the generating of value added, it can be concluded that these enterprises have great importance for the economy and for economic development of the Republic of Macedonia. Therefore, it is necessary to take measures and actions for further development of these enterprises such as: introducing incentives to encourage investment in tourism facilities, investment in tourism product (in many types of tourism), education of employees in the field of tourism (with particular education regarding the application process

for obtaining available funds from IPARD), encouraging others branches that stimulate tourism and vice versa, and professional (university) education for managers and other employee in the tourism that will ensure the required level of quality in offering tourism and catering services.

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