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Former Yugoslav Republic of Macedonia (FYROM)

Tourism in the economy

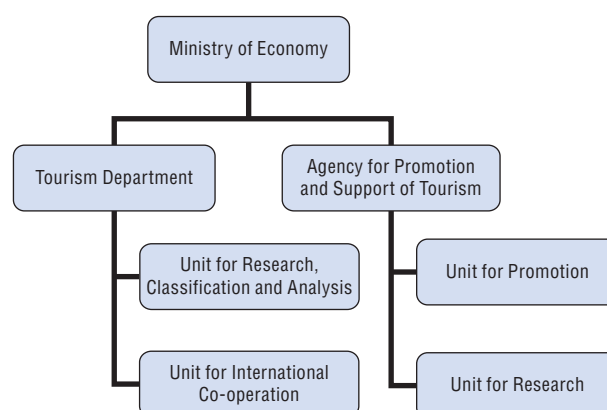
In 2012, it is estimated that tourism directly accounted for 1.2 % of GDP of the Former Yugoslav Republic of Macedonia (FYROM), that inbound tourism generated 22.3% of the country's services exports, and that government revenues from the tourism sector are worth EUR 182 million annually.

The number of tourist arrivals in 2012 reached 663 633, up from 586 241 in 2010 (+13.1%), of which 312 274 were domestic and 351 359 were from abroad. The number of nights generated totalled 2.2 million, up from 2 million in 2010 (an increase of 6.5%). Of these, 1.3 million were domestic and 811 746 were inbound.

Tourism organisation and governance

There are two departments dealing with tourism within the Ministry of Economy (Figure 1). The Tourism Department has two areas of responsibility – research, classification and analysis of the industry, and international co-operation in tourism. In addition, the ministry oversees an Agency for Promotion and Support of Tourism, which in turn looks after two units – one dealing with promotion and the other with market research issues.

Figure 1. **Former Yugoslav Republic of Macedonia:**
Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Economy, 2014.

Tourism budgets

The budget of the Tourism Department of the Ministry of Economy in 2013 is EUR 100 000, while the tourism marketing and promotion agency has a total budget of EUR 2 million (including funds for advertising, etc.). The ministry's budget is drawn from the national budget, while the marketing and promotion budget is funded by the national budget and an accommodation tax.

In addition, there are some special funds for tourism development, which come largely from European Union sources, such as the Instrument for Pre-accession Funds (IPF) to assist countries applying to join the EU.

Tourism-related policies and programmes

The Tourism Department is responsible for policies and regulations related to the law on Catering Activity and the law on Tourism Activity, both of which are harmonised with European Union legislation. Harmonisation concerns package travel arrangements, the integration of quality tourist services in agreements between suppliers and users of tourism services, and other conditions for tourist stays in the FYROM – at least with regard to catering and related activities.

The National Development Strategy 2009-13 has been revised to include a new Action Plan for 2012-18 and a variety of laws relating to the tourism sector covering activities such as catering, taxation and the establishment of a tourism marketing and promotion agency.

The FYROM has a programme for promoting the competitiveness of small and medium-sized enterprises, including those in the tourism sector, and is active in training tourism industry personnel in the hospitality sector, and via special courses at hospitality colleges.

The aim is to establish the country's image as a prime European destination for cultural and nature-based tourism, and to be recognised for its high quality, sustainable tourism products and services developed in line with global best practice.

A number of short to medium-term tourism development plans are in place to create a vibrant tourism sector that can expand its contribution to the economy. In addition to promoting the conventions and meetings sector, the plans aim to support the sector through a variety of programmes and initiatives, focusing on five different tourism clusters: lake tourism, cultural and religious tourism, rural tourism, wine tourism and mountain sports, with initiatives including:

- **Mountain tourism** will emphasise the attractions of winter tourism to skiers through the development of additional infrastructure for skiing, as well as mountain trails and similar facilities for the summer market.
- **Wine tourism** will involve the development of wine routes, together with the promotion of gastronomic trails coupled with incentives to international tour operators to offer this type of tourism in the country.
- **Cultural and religious tourism** will be based on the renovation of historic buildings, archaeological heritage and the promotion of religious tourism to the city of Ohrid, or the "Balkan Jerusalem".
- **Rural tourism** will focus on the development of traditional and local attractions in the country's smaller settlements, in association with EU development funds.

- **Lake tourism** will promote tourism at the three main lakes of Ohrid, Prespa and Dojran as well as near smaller lakes, encouraging infrastructure development and the development of accommodation and transport services, including lake ferries.

Training and human resource development in the tourism sector are considered as vital for the success of the country's tourism sector. The government plans to introduce a number of initiatives in this area, in order to accelerate the process, including:

- Mandatory practical work in the tourism sector for secondary school students and students in tourism faculties.
- Educating tourism managers through a programme of co-operation with international tour operators, whereby managers will spend one month for practical training.
- Supporting the creation of tourism training centres by developing a voucher system for tourism sector employees.
- Encouraging co-operation between national and international higher-education institutes to provide specialised tourism training.
- Providing 30 scholarships a year for the best students in the field of tourism, in co-operation with tourism and hospitality businesses.

In another effort to support the tourism sector, the government of the Former Yugoslav Republic of Macedonia reduced the rate of VAT applicable to tourist services and accommodation from 18% to 5% in 2011. In addition, it introduced new subsidies for tour operators bringing foreign tourists into the country.

Statistical profile

Table 1. **Former Yugoslav Republic of Macedonia: Domestic tourism**

	Unit	2008	2009	2010	2011	2012
Total domestic trips		..	..	..	..	..
Overnight visitors (tourists)	Thousand	350	329	325	320	312
Same-day visitors (excursionists)		..	..	..	..	..
<i>Trips by main purpose of visit</i>						
Business and professional		..	..	..	..	..
Holiday, leisure and recreation		..	..	..	..	..
Nights in all means of accommodation	Thousand	1 648	1 518	1 461	1 418	1 340
Hotels and similar establishments	Thousand	277	267	236	236	238
Other collective establishments	Thousand	391	364	288	261	240
Domestic travel receipts		..	..	..	..	..


Source: State Statistical Office.

StatLink  <http://dx.doi.org/10.1787/888932990824>

Table 2. **Former Yugoslav Republic of Macedonia: Inbound tourism**

	Unit	2008	2009	2010	2011	2012
Total international arrivals		..	..	..	..	..
Overnight visitors (tourists)	Thousand	255	259	262	327	351
Same-day visitors (excursionists)		..	..	..	..	..
<i>Top markets</i>						
Turkey	Thousand	16	17	20	39	50
Greece	Thousand	21	22	27	46	44
Serbia	Thousand	45	39	36	36	37
Netherlands	Thousand	6	5	7	22	27
Bulgaria	Thousand	22	24	16	19	20
Nights in all means of accommodation	Thousand	587	584	559	755	812
Hotels and similar establishments	Thousand	475	469	469	667	727
Other collective establishments	Thousand	74	76	50	45	43
Total international receipts		..	..	..	..	..
International travel receipts	Million USD	228	218	197	240	234
International passenger transport receipts		..	..	..	..	..

Source: State Statistical Office, National Bank.

StatLink  <http://dx.doi.org/10.1787/888932990843>Table 3. **Former Yugoslav Republic of Macedonia: Outbound tourism**

	Unit	2008	2009	2010	2011	2012
Total international departures		..	..	..	..	..
Overnight visitors (tourists)		..	..	..	..	..
Same-day visitors (excursionists)		..	..	..	..	..
Total international expenditure		..	..	..	..	..
International travel expenditure	Million USD	136	100	92	113	111
International passenger transport expenditure		..	..	..	..	..

Source: State Statistical Office, National Bank.

StatLink  <http://dx.doi.org/10.1787/888932990862>Table 4. **Former Yugoslav Republic of Macedonia: Enterprises in tourism**

Number of establishments

	2008	2009	2010	2011	2012
Total tourism enterprises
Tourism industries
Accommodation services for visitors ¹	3 246	2 851 |	2 928	2 694	2 748
Hotels and similar establishments
Food and beverage serving industry
Passenger transport
Air passenger transport
Railways passenger transport
Road passenger transport
Water passenger transport
Passenger transport supporting services
Transport equipment rental
Travel agencies and other reservation services industry	188	233 |	227	216	229
Cultural industry
Sports and recreation industry
Retail trade of country-specific tourism characteristic goods
Other country-specific tourism industries
Other industries

Note: Break in series. Since 2009, NACE Rev. 2 classification

1. Hotels and restaurants.

Source: State Statistical Office.


StatLink  <http://dx.doi.org/10.1787/888932990881>

Table 5. Former Yugoslav Republic of Macedonia: Employment in tourism
Number of employees

	2008	2009	2010	2011	2012
Total tourism employment (direct)	16 062	14 341 |	15 486	16 010	16 822
Tourism industries
Accommodation services for visitors ¹	15 448	13 573 |	14 656	14 953	15 767
Hotels and similar establishments
Food and beverage serving industry
Passenger transport
Air passenger transport
Railways passenger transport
Road passenger transport
Water passenger transport
Passenger transport supporting services
Transport equipment rental
Travel agencies and other reservation services industry	614	768 |	830	1 057	1 055
Cultural industry
Sports and recreation industry
Retail trade of country-specific tourism characteristic goods
Other country-specific tourism industries
Other industries
<i>Gender breakdown</i>					
Male (% of total tourism employment)
Female (% of total tourism employment)

Note: Includes self-employed. Break in series. Since 2009, NACE Rev. 2 classification.

1. Hotels and restaurants.

Source: State Statistical Office.



StatLink  <http://dx.doi.org/10.1787/888932990900>

Table 6. Former Yugoslav Republic of Macedonia: Key economic indicators
Percentage

	2008	2009	2010	2011	2012
Tourism GDP (direct) as % of total GDP ¹	1.9	1.4	1.0	1.0	1.2 p
Total tourism employment (direct) as % of total employment	3.0	2.6 |	2.8	2.8	2.9 p

1. Tourism GVA as % of total GDP.

Source: State Statistical Office.

StatLink  <http://dx.doi.org/10.1787/888932990919>

For more information

Official Macedonia tourism website

www.macedonia-timeless.com