

Former Yugoslav Republic of Macedonia

Tourism in the economy

In 2010, it is estimated that tourism accounts for 1.8% of GDP, that inbound tourism generates 6% of the country's services exports and that government revenues from the tourism sector are worth EUR 180 million annually.

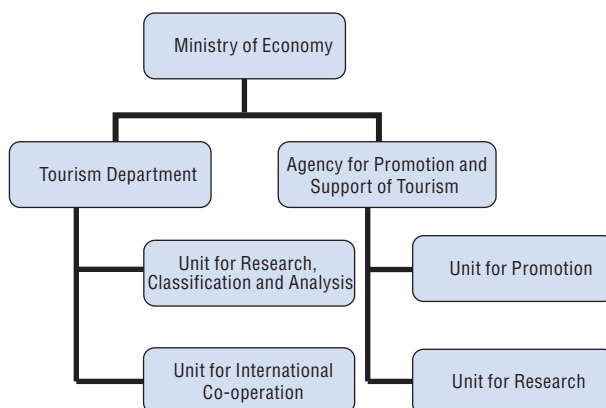
Approximately 4 million visitors come to the Former Yugoslav Republic of Macedonia (FYROM) annually, with the five leading origin markets being Serbia, Greece, Turkey, Albania and Bulgaria. Many of these are same-day visitors. The number of nights spent in all forms of tourism accommodation (domestic and inbound) totalled 2.02 million on 2010, 5.4% up on 2006, although since then the figure has remained broadly static. The number of tourists staying in accommodation totalled 586 000 in 2010, 17.4% more than in 2006 but 3.2% below the recent peak year of 2008.

Employment in the tourism sector in 2010 was estimated at approximately 20 000, of whom 18 800 worked in the hotel and restaurant sectors; this represents an increase of 1.5% on 2009 and of 10.2% on 2006. Tourism employment contributes 3.3% of total employment, a figure that has remained broadly constant since 2006.

Tourism organisation

There are two departments dealing with tourism within the Ministry of Economy (Figure 4.44). The Tourism Department of the ministry has two areas of responsibility – operating a unit for research, classification and analysis of the industry, and operating a

Figure 4.44. **Former Yugoslav Republic of Macedonia: Organisational chart of tourism bodies**



Source: OECD, adapted from Ministry of Economy, Tourism Department, 2012.

second unit dealing with international co-operation in tourism. In addition, the ministry has an Agency for the Promotion and Support of Tourism, which in turn also has two units – one dealing with promotion and the second with research issues.

Tourism budget

The budget of the Tourism Department of the Ministry of Economy is EUR 1 million, and for the tourism promotion agency it is EUR 150 000. The ministry's budget is drawn from the national budget, while the promotion budget is supported by an accommodation tax.

There are also some special funds for tourism development, largely from EU sources.

Tourism-related policies and programmes

There is a National Development Strategy 2009-13, and a variety of laws relating to the tourism sector covering tourism activities, catering, tourism taxation and the establishment of a tourism promotion agency.

The country 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.

By 2013, the FYROM would have established its image as a prime European destination for environmentally enriched culture and nature-based tourism and intends to become recognised for its high quality and sustainable products and services developed in line with global best practice.

FYROM has a range of tourism development plans stretching forwards until 2014 and beyond. The aim is to create a vibrant tourism sector that can expand its contribution to the economy, to support the sector through a variety of programmes and initiatives, and to develop specific tourism sub-sectors such as cultural, lake-based, hunting, rural, archaeological, mountain and wine tourism, in addition to promoting the congress sector.

Supporting policies

The government in 2011 reduced the rate of VAT applicable to tourist services and accommodation from 18% to 5%. In the next few years, the tourism promotion and support agency within the ministry will be reorganised, an integrated tourism web portal will be established, and a range of investments undertaken along various tourism “corridors”. This will include the development of hotels and motels, signage, the construction of an aqua park and, in association with local government, the development of a tourism zone on the shores of Lakes Ohrid, Prespa and Dojran, where land will be made available at advantageous rates to hotel developers.

Human resources

Training and human resource development in the tourism sector is seen as vital for success. The government will introduce a variety of initiatives in this area, including:

- mandatory practical work in tourism for secondary school students and students in tourism faculties;

- educating tourism managers through a programme of co-operation with international tour operators with whom Macedonian managers will spend one month for practical training;
- supporting the creation of tourism training centres by a voucher system for tourism sector employees;
- encouraging co-operation between national and international higher education institutions to provide specialised tourism training; and
- providing 30 scholarships each year for the best students in the field of tourism, in co-operation with tourism and hospitality businesses.

Branding

Efforts are being made to develop and strengthen the branding of tourism in FYROM, via the creation of a single, strong brand for the country. This initiative will be undertaken in conjunction with the private sector as a public/private partnership, and will include the extension of the brand to all marketing and promotional campaigns. In this context it is proposed to hold regular “Macedonia Sundays” in key foreign markets, to promote the country under the slogan of “Macedonia Timeless” and to open foreign tourism promotion offices in a number of important origin markets including the Netherlands, Sweden, Serbia, Kosovo, Russian Federation, Israel and Turkey.

Niche tourism

There will be a focus on six niche tourism sectors – eco- and mountain tourism, spa and health tourism, wine tourism, cultural and religious tourism, rural tourism and lake tourism. Each niche will attract a variety of development initiatives. For example:

- eco- and mountain tourism will emphasise both the attractions of winter tourism to skiers via the development of additional ski infrastructure, and will also develop mountain trails and similar features for the summer market;
- spa and health tourism will include the commercialisation of hot springs via accommodation and infrastructure development and will also promote dental tourism;
- wine tourism will see the development of wine routes for tourists together with promotions of gastronomic trails and the encouragement of specialised international tour operators to offer this type of tourism in the country;
- cultural and religious tourism will be based on historic building renovations, the archaeological heritage and the promotion of religious tourism to the city of Ohrid as the “Balkan Jerusalem”;
- rural tourism will focus on the development of the traditional and local attractions available in the country’s smaller settlements, in association with European Union development funds; and
- lake tourism will focus on the three main lakes of Ohrid, Prespa and Dojran as well as on smaller lakes, based on infrastructure development, water treatment and improvements, and accommodation and transport services, including lake ferries.

In 2012, the country is launching the Eco Macedonia project that will position the country as a tourist destination offering unspoiled nature, high-quality services and organic food supplies.

Statistical profile

Table 4.261. **Former Yugoslav Republic of Macedonia: Internal (domestic and inbound) overnight tourism**

	Units	2006	2007	2008	2009	2010
Number of overnight stays ¹	Thousands	499.5	536.2	605.3	587.8	586.2
Number of nights spent ¹	Thousands	1 917.4	2 019.7	2 235.5	2 101.6	2 020.2

1. Includes hotels, camps, private accommodation and other type of accommodation.

Source: National Statistical Office

StatLink  <http://dx.doi.org/10.1787/888932633662>

Table 4.262. **Former Yugoslav Republic of Macedonia: Inbound tourism – International arrivals and receipts**

	Units	2006	2007	2008	2009	2010	2011
Total international arrivals	Thousands	..	230.1	255	259.2	261.7	327.5
Total nights spent	Thousands	..	518.1	587.5	583.8	559	755.2
Top 5 markets							
<i>Greece</i>	Thousands	..	28.6	21.1	22.3	26.8	45.5
<i>Turkey</i>	Thousands	..	8.9	15.6	17	20.1	39.3
<i>Serbia</i>	Thousands	..	..	45.1	38.7	35.8	35.7
<i>Bulgaria</i>	Thousands	..	18.9	21.9	23.6	15.5	18.5
<i>Albania</i>	Thousands	..	17.6	19.3	19.8	17.1	13.2
International travel receipts	Million USD	..	..	228.46	217.77	197.27	239.39
International transport receipts	Million USD	..	..	..	..	..	..

Sources: National Statistical Office, Central Bank.

StatLink  <http://dx.doi.org/10.1787/888932633681>

Table 4.263. **Former Yugoslav Republic of Macedonia: Outbound tourism – International departures and expenditure**

	Units	2006	2007	2008	2009	2010
Number of tourist trips	Millions	..	..	..	..	..
International travel expenditure	Million USD	..	136.31	100.18	91.98	111.98
International transport expenditure	Million USD	..	..	..	..	..

Sources: National Statistical Office, Central Bank.

StatLink  <http://dx.doi.org/10.1787/888932633700>

Table 4.264. **Former Yugoslav Republic of Macedonia: Enterprises in tourism**

	Units	2006	2007	2008	2009	2010
Hotels and restaurants	Thousands	17	17.5	18	18.5	18.8
Travel agencies and tourism offices	Thousands	1.2	1.2	1.2	1.25	1.25

Source: National Statistical Office.

StatLink  <http://dx.doi.org/10.1787/888932633719>

Table 4.265. **Former Yugoslav Republic of Macedonia: Employment in tourism**

	Units	2006	2007	2008	2009	2010
Hotels and restaurants ¹	Percentage	3.1	3.2	3.2	3.1	3.1
Travel agencies and tourism offices ¹	Percentage	0.2	0.2	0.2	0.2	0.2

1. Tourism employment in percentage of total employment.

Source: National Statistical Office.



StatLink  <http://dx.doi.org/10.1787/888932633738>

Table 4.266. **Former Yugoslav Republic of Macedonia: Other economic indicators**

	Units	2010
Government revenues from tourism	Millions	180
Tourism share of GDP	Percentage	1.8

Source: National Statistical Office.

StatLink  <http://dx.doi.org/10.1787/888932633757>



From:
OECD Tourism Trends and Policies 2012

Access the complete publication at:

<https://doi.org/10.1787/tour-2012-en>

Please cite this chapter as:

OECD (2012), "Former Yugoslav Republic of Macedonia", in *OECD Tourism Trends and Policies 2012*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/tour-2012-48-en>

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