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## Macedonia Competitiveness Activity

### **Quarterly Report** **July 2005 – September 2005**

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## **MACEDONIA COMPETITIVENESS ACTIVITY**

### **Quarterly Report: July – September 2005**

#### ***Executive Summary***

**NECC:** The Management Board of the NECC Advisory Group is introducing structural changes to ensure an action oriented approach and effective functioning of the Council. A Turkish glass production company has expressed interest to invest in Macedonia. The NECC FDI group is working with MACINVEST on a potential glass packaging investment.

**PED:** The Street Event that was started by USAID MCA in conjunction with the First Annual Summit on Competitiveness finds a permanent home within the Municipality of Karpos. PED's support in special events and PR assures visibility and promotion of Macedonia and the cluster companies in the country and abroad.

**Lamb and Cheese:** Cluster dairies continue to export Macedonian cheese to Australia reporting six more shipments in the last quarter. The second Wine and Cheese Festival exceeded visitors' and participants' expectations. Participants are extremely satisfied from the sales made during the two-day event.

**Tourism:** Results from last April's foreign tour operator FAM trip, are still rolling in. German Tour Operator Urlaub und Natur is expanding its MK offer to its clientele for 2006! New contracts for 2006 are being considered and signed. Macedonia is also getting some valuable and positive PR and recognition in foreign press as result of this July's foreign journalist FAM tour.

**IT:** MADE has developed a magnetizing project idea, with the Digital Media Film City and has amassed great internal and external support, ranging from the Prime Minister, Minister of Culture, Mayor of the city of Skopje and the international community. ITSM consortium has two contracts for outsourcing projects with new clients in new markets, one in Germany and one in UK/Belgium.

**Wine:** Eight sales and marketing managers attended a three-week wine marketing course at UC Davis, California. Six Macedonian wineries launched their "new wave" wines on the UK market during a three-day tasting event in September. 1700 grape growers signed grape purchase contracts with the biggest Macedonian winery "Tikves" (long term contracts with grape growers were initiated for the first time with MCA assistance in 2004)..

**Apparel:** Six apparel companies exhibited at this year's apparel trade show SIMM in Madrid and already have signed contracts for 60,000 woven women's blouses for a renowned Spanish brand ZARA. A well-known fashion school headquartered in

Florence, Italy, signed a memorandum of understanding with Euroregion Belasica (Macedonia, Bulgaria and Greece) to establish an affiliate school in Strumica. The school will offer courses in fashion, interior and production design, as well as graphic design and communications.

**Grants:** Eighteen grants were approved, and thirty four new grant applications were received during this quarter. The deadline for application submission was 31 August 2005 and majority of the applications were received during the last month. The quality of the submitted applications varied.

## ***Component A: Institutions: National Entrepreneurship & Competitiveness Council (NECC)***

### Council Working Groups

#### **FDI/Cluster Cooperation**

NECC's FDI working group and MCA staff are working with the MACINVEST (Macedonia's FDI Agency) on a potential glass packaging investment. A Turkish company, Anadolu Cam Sanayii (part of SISECAM group) has expressed interest in Macedonia. The group is collecting requested data and preparing for the visit of representatives from the company. This is done in coordination with the wine cluster, Macedonian Association of Food processors and the two Macedonian breweries. The company that was previously pursued, Vetropak (Straza), a Swiss/Croatian firm, has decided to expand in the northeast of Europe rather than the southeast.

NECC coordinated support from all the clusters (materials and information) to MACINVEST in its effort to successfully organize a business and investment roundtable during The Economist conference in Vienna that commenced on the 4<sup>th</sup> of October. The aim of the roundtable was to promote Macedonia as an investment destination. The NECC lobbied for cluster representative presence at the Conference in order to provide better input into the industries that are available for foreign investments, but was denied as the participation was already closed for new entries. It was noted that for any future such activities the NECC and clusters should be informed in due time.

#### **Competitiveness Report Milestones**

NECC members working on the National Competitiveness Report have decided to base the report on the findings and results of the Global Competitiveness Report (GCR) that is produced by the World Economic Forum. As the GCR presents a widely accepted tool for measuring the competitiveness of nations, and the fact that the NECC is a partner institute of the WEF, it was very plausible to use the GCR as a framework for the Macedonian National competitiveness report. The findings of the GCR are to be presented on the Third Annual National Competitiveness Summit. The analytical part of the report has been finalized and a round table has been scheduled for the 26<sup>th</sup> of October. The aim of the round table is to present the analysis to a broader audience targeting representatives of donor organizations, government, education and finance institutions, and assure their participation in the proposals that would later form a policy paper. As agreed on the annual assembly of the NECC, this policy paper would then be presented to the Government. The publication of the final report is scheduled for the beginning of November.

## NECC Operations and Sustainability

The Council held its annual assembly on 8 July (**milestone**) with co-chairs Minco Jordanov, deputy prime minister, and Sveto Janevski, private sector representative, leading the meeting. The meeting focused on requests from the clusters for support from the NECC's public sector representatives. Requests were presented by MASIT (Macedonian Association of IT companies), MADE (Macedonian Association for Digital Entertainment), the Wine Cluster and the Apparel Cluster. Additionally, NECC member Mirjana Apostolova presented an initiative for development of a National technology policy. It was agreed that the council will request input from other industries and that all of the industry initiatives will be considered for inclusion in a policy paper to the government. The proposals in the policy paper will also be a part of the National Competitiveness Report.

In July 2005, Bob Stapp, Management Consultant, provided on-the-job training to the new executive director of the Advisory Group (NECC's secretariat), Saso Trajkoski. Assisted by NECC consultant Dejan Janevski, they produced a draft charter for the AG that defines the roles and responsibilities of the AG vis-à-vis the Council. Additionally, Mr. Trajkoski produced a draft strategy for future activities of the Council focusing on a more action oriented approach rather than existing solely as a forum. The strategy focuses on dividing initiatives by focus groups that would be managed by Council members and including a larger mix of stakeholders in the actual implementation of the activities. This strategy was presented to the deputy prime-minister, Minco Jordanov and it was agreed that it would be promoted at the annual competitiveness summit.

At the meeting held on September 30, 2005, the members of the management board of the AG reviewed and accepted the strategy. The members also agreed to introduce structural changes necessary to assure more efficient functioning of the Council. The structural changes would include:

- abandoning dual leadership (co-chairing) of the Council
- more active role of the management board in leading the future activities of the Council
- opening up to new membership, including other industry clusters, Chambers of commerce, civil society organizations and academia that would provide sound project proposals that are coherent with the Council's mission and will also provide the necessary critical mass for implementation of the proposed initiatives.

The Third Annual National Competitiveness Summit, originally planed for the 28<sup>th</sup> of September 2005, was postponed for the 07<sup>th</sup> of October 2005 due to a conflict with an e-governance conference that was called on the same date.

As part of the public awareness campaign for the importance of a well functioning public-private dialogue, the weekly business magazine Kapital did a series of articles on the study tour to Ireland. Ljubco Zikov, editor of Kapital, accompanied the Council on the trip and took part in the whole program, including NECC meetings.

## ***Component B: Consensus Building, Public Education and National Dialogue***

### **National Competitiveness Attitudes and Awareness Assessment**

MCA is working with SMMRI on the annual survey research of awareness, understanding, attitudes and behavior change related to competitiveness.

The survey is scheduled to start two weeks after the annual competitiveness summit and one week after the street event (second half of October). The results and a full report of the survey are expected in the middle of November and will be included in USAID MCA's performance management plan, the annual portfolio review documentation and the next quarterly report.

### **Media Relations**

Public Education Department (PED) has continued fostering the strong relationships with the news media, especially with individual journalists as they change jobs. That has helped establish/reinforce good relationships with other media outlets. The outcome has been a high rate of acceptance of stories pitched by PED and frequent requests for ideas from the journalists (PED routinely offers positive/success stories from the clusters and individual cluster members).

As a continuation of the journalists' education activity, PED's Makedonka Dimitrova organized wine cluster activities briefing for journalists on 6 July 2005. The cluster members gave presentation on the wine cluster current and near future activities. The Q&A session that followed helped the twelve journalists gain better knowledge of global wine industry trends and adjustments being made at local level to meet customer demands at foreign markets. The twelve media representatives were urged to deeply understand the industry's problems in order to help its development. Majority of the journalists who attended the briefing gave good coverage that resulted in 9 printed media articles and 2 TV broadcasts.

### **News Releases**

PED continued with media coverage to meet project objectives as well as respond to media inquiries. News releases (4), media advisories (4), articles and interviews were placed with regional and national television, print media and specialty business publications. PED placements for this quarter totaled 42 for print, 29 for television and 13 for radio.

On 11 July 2005, PED issued a press release aiming to inform local media about the three week wine marketing course that 9 wine cluster representatives attended at UC Davis California, USA. The release was shaped in a way to showcase the importance of capacity building and continuous skill upgrade at winery level. The goal of the training was to help Macedonian wine producers become more competitive in the world market.

The press release also demonstrated a USAID inter project cooperation, in this case, with the World Learning Project that substantially sponsored the training at UC Davis.

PED's Makedonka Dimitrova, as part of the overall Public Relation Strategy for The Macedonian Fine Wine Export Group prepared press release for local and UK use regarding the launch of MFWEG wines in the UK market. Both releases were sent out on 5 September 2005.

### **Media Advisory**

In support of the Tourism Cluster Travel Writers Familiarization trip, PED issued media advisory on 5 July 2005. TV 4 and Channel 5 broadcasted interviews with two travel writers featuring the local guide experience with the group on July 9/10, 2005. The weekly magazine, Macedonian Sun conducted and published an interview with several travel writers on their views of Macedonia as off-the-beaten path travel destination and their plans for featuring Macedonian tourist attractions in the media they write for. This interview is of great importance for marketing Macedonia as a unique destination among Macedonian Diaspora since the magazine is distributed in Australia, Canada, USA, Switzerland and EU countries in volume of 6.000 copies.

### **Special Events Support**

***London Outsource World Tradeshow*** - Vanja Mirkovski coordinated the exhibition of the two consortia Macedonia IT and ITSM on this renown outsource tradeshow. For that purpose, a set of materials were prepared including a brochure on IT Outsourcing in Macedonia. The group consisted of 6 members including Vanja Mirkovski and John Mennel, who visited the event where a number of contacts were established. Macedonian booth was presented under umbrella brand MASIT. During the show, Ilija Sekulovski from Macedonia IT and Slatan Mihajlovski from ITSM gave interviews for BBC radio. During the two day event the Macedonian booth organized a wine event using the possibility to talk to visitors and other exhibitors. Macedonian wine was quite appreciated among the ICT professionals and many of them showed larger interest in the country's quality of life aspect (*for more details on this event please refer to the enclosed activity report prepared by the two IT cluster consortia*).

***Sheep breeding day*** – Yet another example of inter-project cooperation is the Sheep breeding day in Macedonia that took place on 10 July in the remote village of Galicnik. USAID Land O'Lakes and MCA, SFARM and GTZ, under the auspices of the Ministry of Agriculture organized this event to popularize the long standing tradition of sheep breeding in Macedonia and present products made of milk and wool. MCA PED drafted and sent the invitation to all invitees, produced and disseminated media advisory to about 20 journalists that cover agriculture. This resulted in 5 TV broadcasts and 7 printed articles.

***NECC Annual Retreat*** – In support of the third NECC Annual Retreat, PED's Margareta Lipkovska issued a media advisory, coordinated media representatives at the meeting, and sent a follow up news release. Twelve journalists attended the retreat that resulted in

6 TV broadcasts, 6 print articles and 2 radio airings. Following the MASIT presentation at the retreat which triggered most attention among the journalists, Ms. Lipkovska arranged two interviews with Toni Petreski for Kapital weekly and Biznis daily.

***Wine & Cheese Festival Ohrid 2005 – For the*** second year in a row the Wine and LnC cluster members organized the Wine and Cheese Festival in Ohrid. Vanja Mirkovski supported the PR activities and together with the City of Ohrid representatives and representatives of the Western Sheep Breeders Association held a press conference and media interview prior and during the event. She also supported the production of creative visuals (posters and banners) and hosted the program on the second day of the event. More on the Wine and Cheese Festival appears in the section on LnC cluster activities.

***Digital Media Film Center (DMFC)*** – Vanja Mirkovski was involved in the logistical support of the presentation of the DMFC project by MADE. The presentation was attended by the prime-minister Buckovski, Minister of culture Stefanovski, major of Skopje Kostovski and other representatives of the government institutions and the director of FDI Agency Delov, and international donor community representatives. As the DMFC is still in a project proposal phase and MADE signed NDI with their strategic partner FUJI, media was not invited. (More on this event in IT/DM section of this report.)

## **Publications**

As a cost containment measure, USAID MCA may only publish its quarterly newsletter twice in 2005. PED continued to produce and disseminate press kits at all formal gatherings with media representatives.

Vanja Mirkovski and the IT cluster published a brochure on IT Outsourcing in Macedonia and How to Do IT business successfully in Macedonia, an updated version of Jerry Striplin's document created back in February 2004. These materials were also shared with other IT partners after the OWL event including E-code, an IT broker company, as well as with the Ministry of Economy and the FDI agency. Numerous copies were distributed at the Economist Conference held in Vienna at the end of September 2006.

PED continued to update MCA's web site, by gradually changing the web site appearance and reporting style. PED has focused on placing successes stories and reports rather than applied historical approach. PED had also developed a sister project link in cooperation with other competitiveness projects in the region. The link will include important reports and studies related to competitiveness and broader economic development. PED is looking into a possibility to continue to run the MCA web site in the following 2-3 years after the project closes. The information placed on the web site would serve as good reference, best practice and guidance for the future activities in the field of competitiveness in Macedonia and beyond.

## **Special Projects**

***Third Annual National Summit on Competitiveness*** – This year MCA did not engage an agency to help organize the Summit and the Street Event. In early August, Dejan Janevski, Saso Trajkoski of the NECC Advisory Group and PED's Margareta Lipkovska started planning the Summit. The summit preparations, the logistics, production of all conference materials and publicity were handled by Ms. Lipkovska (Full report on the third Summit will be provided in the next Quarterly Report).

***Sustainable Street Event*** - The Mayor of Municipality Karpos and President of ZELS, Andrej Petrov, was approached on August 23 as potential serious partner for this activity. Mr. Petrov agreed to take over the organization of the Street Event, even though they had no available funds for organizing it. He immediately pointed Leptokarija as best location, and seized the opportunity to promote the new project of business zone development to be implemented in cooperation with USAID Macedonia Decentralization Project. His consent was confirmed in writing on September 14. It was mutually agreed that all creative designs, contacts that PED's Margareta Lipkovska, as well as project manager activities regarding this event will be transferred to the assigned team. It was also agreed that both parties would look for sponsors so that the event will be successful. The team began work in mid September.

A letter for financial or in kind sponsorship was first sent to all NECC members. Then MOBIMAK was asked to provide the ten wooden houses for exhibiting the products and 1.000 Euro to cover the transportation, assembling and dismantling expenses. Expecting larger number of participants, Paneks and Event BTL Agency were contacted for additional stands. Regarding the outdoor promotional campaign, Ms. Lipkovska approached Akzent Media which decided to support this activity by providing ten billboard spaces, and Eurolinija, which agreed to provide 20 city lights and arranged printing at discounted prices at their partner printing house My Print. As a long term partner in all MCA printing needs, Ms. Lipkovska approached REPRINT and asked for their sponsorship, which resulted in printing of 10.000 flyers and adaptation of all last year's designs for the billboard, city light, the flyer and newspaper ads, that saved USAID/MCA a substantial amount of money. This year MCA directly contributed 1.000 Euros only to cover the costs of printing the billboards and city lights.

The Municipality drafted a letter for all participants inviting them to participate this year again, at a fee of 2.000 denars that would cover the costs of the stand rental. MCA sent the letter along with the application form to all last year's participants, following their expressed interest in telephone conversation with MCA staff. (The report and all additional preparatory work and the event itself will be included in the next Quarterly report).

***London Fine Wine Promotion Event*** – PED's Makedonka Dimitrova has temporarily integrated into the MCA wine cluster staff taking part in all organizational activities towards successful presentation in London.

Dimitrova took the lead in planning and execution of MFWEG Public Relations Strategy, therefore prepared a website and a marketing and media guide for the group as well as an extensive media kit and publicity campaign. The media kit was a compilation of fact sheets on the Macedonian wine industry and MFWEG, information on Macedonia's indigenous variety Vranec, and other important facts and figures on the wine regions. The Macedonian Fine Wines Export Group's website is [www.macedonianfinewines.mca.org.mk](http://www.macedonianfinewines.mca.org.mk).

Two press releases were issued, both in Macedonia and UK. PED initiated cooperation with Mr. Tomislav Ivanovski, PR officer for the Macedonian Embassy in the UK and correspondent for the Macedonian Information Agency and couple of local dailies. During the event Dimitrova arranged few interviews for BBC International Service – Macedonia with the representatives of the MFWEG and distributors/wine writers who attended the event. Overall, the London launch of Macedonian Fine Wines Export Group received excellent publicity. Please see Appendix A for illustration.

While in London, Ms. Dimitrova sent out press kits to the wine writers who were willing to attend the function but did not due to the very busy schedules. Following her return to Skopje she did follow up emails to ensure sustainable cooperation.

In addition, there is short information on the MFWEG launch published on the Macedonian Embassy in the UK web site's home page. Please see Appendix B.

A follow up press conference was arranged with several local media.

***Ophthalmology Clinic Visit*** – Ophthalmic surgeon Otis Paul, a San Francisco Rotary Club member, will present medical supplies and instruments to the eye clinic at Skopje hospital on his last day in Skopje, 21 October. Dr. Paul will spend five days teaching doctors and medical students specialized eye surgery, part of the volunteer project Rotavision, a good example of knowledge transfer. Local Rotary members and clinic officials will attend the hand over.

***Donation – Street Event 2004*** – PED's Margareta Lipkovska has succeeded to finalize all promised donations to the Association of Physically Disabled Persons. The computer info center (launched December 2004), was equipped with donations obtained at last year's Street Event. The internet connection was left to be provided. In June, USAID Macedonia Connects issued request for nomination of local NGOs to receive free internet access. Ms. Lipkovska submitted the nomination of the Association of Physically Disabled persons on July 5, and received the approval in the end of August. The installation will be made in October and will last until October 2007.

***Training on "how to best present yourself at a trade fair"*** – This activity is still pending. Mr. Blagoja Mukanov of Skopje Fair contacted PED's Margareta Lipkovska to inform that due to more urgent matters – finishing his Master Studies - he had to leave for Ljubljana, Slovenia. Ms. Elizabeta Ristovska Petrovska was named as point of contact for future realization of this activity.

## **Diaspora Cooperation**

MCA PED's Diaspora outreach, led by PED's Makedonka Dimitrova, has reestablished the cooperation with the Macedonian Patriotic Organization (MPO) in the donations field. MPO representative Dr. Leon Speroff is reconnecting with the Institute for Respiratory Disease by offering up to \$5,000.00 donation for equipment. The institute has identified three different items that could be supplied through this donation. MPO will decide upon the one item to be donated to the Institute in the following quarter. MCA's PED has been instrumental in helping the two organizations communicate.

## ***Component C: Demand Driven Selection of Clusters***

### **Cluster Selection – Procedures and Criteria, Cluster Leadership Councils and Selection Process**

The tourism cluster is focusing on sustainability of process and structure - capacity building and strengthening of the Cluster Leadership Council and existing tourism associations ATAM (Association of Travel Agencies of Macedonia) and HOTAM (Hotel Association of Macedonia). Mr. Arsenije Janevski, owner of travel agency Kompas Skopje, has officially been elected and started his involvement as a member on the NECC, attending his first NECC meeting and being part of the Council's operations and activities.

### **Lamb and Cheese (LnC) Cluster**

#### **Initiative Results**

***Initiative #1/2005 - Greek Test Market Program*** - Preparations for the 2006 Easter Greek Test Market are well underway and much progress has been made. 26 Farmers who are members of the two regional sheep breeding associations in Macedonia (Eastern and Western Regional Sheep Breeders' Associations) have been selected by SFARM to participate in the Greek test market program. The selected farmers are also the founders of the two newly established for profit entities that will represent farmers in the Greek test market program. These two entities are in the process of selecting and employing professional managers to implement commercial activities, including negotiating contracts with Greek supermarket groups.

Progress has also been made in the lamb traceability component essential for accomplishment of this activity. The representatives of the Greek test market work group are working with State Veterinary Department to design a plan for final identification and registration of lambs selected for test market delivery. 1500 animal tags have been ordered by the Veterinary Department and will be used for identifying the selected lambs before Easter slaughtering.

MCA initiated recruiting of an IESC volunteer expert to assist with the test market negotiations and train the farmers' groups for future negotiations.

***Initiative #2/2005 – Regional marketing Support*** - 22 Cluster members from MCA's Wine and Cheese clusters successfully presented their respective products at the second "Ohrid Wine and Cheese Festival" organized by the Regional Sheep-breeders Association of Western Macedonia in cooperation with USAID's MCA and Land O' Lakes projects, the City of Ohrid and the Ministries of Economy and Agriculture, Forestry and Water Management.

Apart from the financial support obtained through the grants program, MCA assisted the Western Macedonian Sheep breeders Association to develop relationships with the City of Ohrid and jointly organize this year's Wine and Cheese Festival. MCA's Lamb and Cheese Cluster Advisor, Agim Salja, delivered two workshops on "Marketing and Organizing a Festival" to the members of the Regional Western Sheep Breeders Association and to the wine and cheese companies that participated at the festival. The workshops helped participants understand how to fully realize their marketing objectives in this kind of event and open up new business opportunities.

The two-day event took place in Ohrid on the 30-31 of July, in the center of the town, in the pedestrian zone with large and steady flow of visitors. The Festival was opened by the Deputy Minister of Agriculture of Republic of Macedonia Mr. Besir Jashari. Twenty two companies participated at the event: ten wineries, seven sheep breeding associations and five dairy plants. The participants reported extreme satisfaction both with sales and margins achieved. The total sale in volume made during the event was 2,400 kg cheese and 1,500 bottles of wine, with total amount of 17,000.00 USD. The average price per kg cheese sold at the event was 250.00 denars and 140.00 denars for a bottle of wine (For more details about the event please refer to enclosed report prepared by the Regional Sheep Breeders' Association of Western Macedonia).

***Cluster Results - Cheese Export Details*** – Two cluster members, Ideal Sipka and IMB Bitola, exported six more shipments of cheese to Australia during this quarter, adding up to the total export of cheese that reached more than \$ 720,000.00 this year (140 tones).

The recently established consortium of four dairies that joined together with Magnum Commerce, US cheese importer based in Macedonia, completed their first shipment to the US market. The shipment contained 5 tones of sheep cheese products with total value of \$20,000. After successfully having sold the initial shipment, the representatives of the cheese export consortium are preparing for the second shipment of sheep cheeses to the US market.

#### **Non-Initiative Updates and Achievements:**

- More than 500 domestic and foreign tourists visited the first annual Sheep breeders' day in Galicnik. A number of journalists also covered the event for

- print and broadcast of the sheep milking and shearing contest, special wrestling demonstration and other activities. MCA helped the organization of the event by providing publicity support.
- Cluster member Serta, slaughterhouse in Kavadarci, has received an EU export license and is receiving MCA's support to implement BSC-HACCP standards. The slaughterhouse is expected to take part in the Greek lamb test market program.
  - MCA is assisting Bucen Kozjak dairy from Kumanovo to negotiate a cheese export contract with a major supermarket group in Serbia & Montenegro. Serbia and Montenegro is one of the export markets targeted by the Cheese cluster.
  - Niko Petrol dairy from Stip, a cluster member and member of the Macedonian Cheese Export Consortium, has started investing in a new cheese facility located in the region of Stip. The new dairy will meet the latest EU and International Food Safety Standards (HACCP, BRC) and its production will primarily be exported in the US market. The total investment is estimated at 4 million euros.

## **Tourism Cluster**

Results from last April's foreign tour operator FAM trip, are still rolling in. German Tour Operator Urlaub und Natur is expanding its MK offer to its clientele for 2006! New contracts for 2006 are being considered and signed. Macedonia is also getting some valuable and positive PR and recognition in foreign press as result of this July's foreign journalist FAM tour.

### **Initiative Results**

***Initiative #01/2005 – Journalists' FAM Trip*** – The trip itself was realized in July 2005 and as previously noted, in cooperation with the competitiveness project in Albania. The July tour focused on Macedonia with an optional extension to Albania, in which 5 guests participated (4 journalists and 1 photographer). MK and AL shared tourism consultant Scott Wayne who has been instrumental in capturing journalists' interest and generating news coverage to increase awareness of Macedonia's tourism offering.

The group thoroughly enjoyed the week long tour including the Jose Carreras concert that opened the 45th Ohrid Summer Festival in addition to positive experiences gathered through seeing Bitola, Stobi and other parts of the countryside. Six journalists of the group were from the UK and one each from Italy, Serbia and Croatia. Several UK tour operators are already offering tours to MK, so the follow up articles should provide support to their marketing efforts.

In addition to the results from the May tour (reported on in last Quarterly report), Macedonia's visibility as an attractive tourist destination is being extolled through articles in industry and consumer publications in Italy, Serbia, Croatia and the UK as a result of this initiative.

**Marco Moretti**, Italy-based photojournalist and Travel Writer for multiple publications, was on assignment for TTG Italia, the leading travel trade publication in Italy with 90% of the market. It is distributed to all industry leaders, operators, airlines, shipping companies, etc. four times a week. Their articles are also made available online.

Mr. Moretti has already written a detailed story about Lake Prespa, which includes general information about Greece, Macedonia and Albania. This article was published in the *Bella Europa*. (Attached in appendix C)

*“So I expect that what I contribute to this publication will especially help raise awareness about travel to Macedonia, an analysis of the market potential, product offers etc. I will be covering this specifically...”*

**Zdravko Mihevc’s** article about Macedonia is published in the August issue of the Croatian travel magazine *Turist Plus* with circulation of 800,000 copies in South East Europe through subscriptions and newsstands. His 6-page article describes his positive impressions about Macedonia and presents Macedonia as an attractive tourist destination and a treasury of “culture and art”. (Attached in appendix D) The magazine also cooperates with Croatian national radio on a weekly broadcast on tourism that is heard by almost 2 million listeners.

*“I describe Macedonia like a country with very friendly people and a country which is a “treasury of culture and art”, good food, beautiful nature, and very low prices. The whole article is positive and I recommend Macedonia and invite people visit that country”.*

**Ljiljana Rebronja**, Editor and Publisher of Tourist World

Audience: Serbia and Montenegro, and ex-pat Serbian communities in the USA

Circulation: 2000 businesses, tourism industry leaders and managers – the main hospitality industry representatives in Serbia.

Article already published in July – September 2005 issue (Attached in appendix E).

*“I will personally do what I can to promote travel to Albania and Macedonia to the Serbian market. I will also try to establish a regional Balkans travel publication in both English and regional languages starting with a focus on Albania and Macedonia.”*

**Reg Butler, UK-based travel writer**

Reg will be submitting pieces for a senior market to two websites [www.emptynester-travel-breaks.co.uk](http://www.emptynester-travel-breaks.co.uk) which has around 100 destination articles from him and the same articles will appear in [www.laterlife.com](http://www.laterlife.com). Also as a result of his visit to MK, International Travel & Tourism News, a UK monthly specialty magazine, will feature MK as its 'off the beaten track' destination. ITTN is aimed at travel industry executives and has 60,000 subscribers. So far articles have appeared in the US, Croatia, Italy, UK and Serbia.

**Tony Kelly, UK-based travel writer**

Tony was on assignment for Wanderlust magazine and is writing a piece about Macedonia, which has mostly a UK audience of avid, independent travelers, a good target market. He will be doing a destination/activity piece of 2000 words with an emphasis on Treskavec Monastery near Prilep plus general destination coverage. He will also focus on things that distinguish Macedonia from the rest of Europe.

He was also on assignment on the Times Travel section and is doing a general destination piece, especially covering the hotels and food. This piece will reach a broad audience, including independent travelers.

Tony is also pitching some of his work to Transitions Abroad magazine, a publication aimed at independent travelers.

**Christopher Portway, UK-based travel writer**

Chris is doing a 1500 word feature on Macedonia for Motoring and Leisure magazine, which has a circulation of 250,000, a captive audience that serves as the main publication for the Civil Service Motoring Association. He has been their regular travel correspondent writing for them for several years. The magazine appears monthly, 10 times a year.

He is also doing a piece for Essential Europe magazine, mainly a factual piece with personal impressions.

Chris is in discussions with his book publisher, Somersdale about the possibility of a travel book on Macedonia, as well as discussing the possibility of starting a Balkan Travel magazine with Liljana.

*“Macedonia – Never been. Very favorable impression. Didn’t know what to expect from the country. Better than what you expected. I was especially impressed by Ohrid.”*

**Sophie Barta, a photographer based in Hungary and the UK**

Sophie took 1500 photos of Macedonia. Her photos will be used in Motoring and Leisure magazine with Christopher Portway’s articles.

She has also been asked to submit an article and photographs on MK for Naturschutzblatter, a Berlin-based conservation magazine that includes coverage of eco-tourism.

Sophie will be approaching Motorcycle News, Time Out, Vegetarian Society magazine, In these Times and The Ecologist.

**Alex Ninian, UK-based travel writer**

He is meeting the editor of Good Holiday magazine to pitch a piece about the mountains of Macedonia. He has sent a proposal to Dan Hayes of CNN Traveler magazine.

**Rebecca Ford, UK-based travel writer**

She will be doing a piece for the Express newspaper with a focus on tour operators, Skopje and Ohrid. The Express newspaper has a general consumer, mid-market circulation. She will be linking in what tour operators are doing in regards to Macedonia. Rebecca has checked with Regent Holidays and Explore; she will tie in as much as possible with these operators.

*“I expect to write a piece that is focused on the religious and cultural mix of Macedonia – meeting of the cultures. Perhaps the new Prague or something on a par?”*

Rebecca was especially taken with the open market in Skopje.

*“I think there is a lot more to do with more time. I would like to return, especially to do some walks in the countryside.”*

**Initiative #04-2005 – Management Training** - Tourism Cluster Training Task Force has focused on planning a training seminar for tourism cluster members in fall 2005. The task force decided to offer two separate seminars – one for travel agencies and a separate one for hotels and restaurants – because the needs and priorities of the groups are very different.

The trainings for the travel agencies will be in cooperation with CBI (agency of The Netherlands Government) which is offering a special program for the tourism sector in the western Balkans (Albania, Bosnia and Herzegovina and Macedonia). For the tourism sector the program focus is on participation under the CBI umbrella in the tourism fair in The Netherlands “Vakantiebeurs” in Utrecht, this coming January. To prepare for participation and select participants CBI will organize a two day workshop for senior staff of companies (cluster members) for incoming tourism and some relevant officers from the public sector. The training will focus mainly on marketing and tourism fairs in general. Cost share will be provided by MCA and cluster members for this initiative.

The second component of the training initiative is through IESC VE’s that will strictly focus on improving customer service for reception / front line staff and wait staff, as well as kitchen practices. This will be realized in cooperation with HOTAM as a joint initiative. Cluster members will cost share either through a paying to attend or offering in-kind contributions.

**Cluster Leadership Council** - Mr. Arsenije Janevski, owner of travel agency Kompas Skopje, has officially been elected and started his involvement as a member on the NECC, attending his first NECC meeting and being part of the Council’s operations and activities.

### **Non-Initiative Updates and Achievements**

- Consultant for well-known UK tour operator Ramblers Holidays was in MK to assess the potential of MK as a new destination. Thanks to UK Ambassador Robert Chatterton-Dickson, the consultant contacted MCA, which arranged meetings with cluster members. As a result, Ramblers Holidays, one of UK's

- market leaders in providing escorted walking tours, will include MK as a destination in its 2007 catalogue.
- Cooperation with UK ambassador continued as he took a hiking tour on a September weekend organized by cluster member ZIP Travel.
  - HOTAM hotel association hosted the new regional association on 17 Sept. in Ohrid. The Balkan Alliance of Hotel Associations (BAHA) includes eight countries in the region -- Albanian, Bulgaria, Romania, Serbia and Montenegro, Bosnia and Macedonia. Donco Tanevski, cluster leadership council member and HOTAM president, is deputy head of BAHA. The Bulgarian association leader is head.
  - Cluster members presented at the international tourism fair at Novi Sad, Serbia in September. The presentation was sponsored by the Municipality of Ohrid and private sector members of the cluster. A second group of cluster members went to Slovenia to discuss possible regional cooperation and tourism product offerings. This was organized by cluster members.

## **Information Technology (IT) Cluster**

With the latest developments and the new leadership, MASIT is already beginning to look like a cluster leader, combining educational and governmental outreach initiatives. They are also working to establish the IT experts committee, a stepping stone to involving other key stakeholders with a seat on the MASIT Board. MASIT led and successfully implemented several high-level initiatives, such as initiating cooperation with the National Entrepreneurship and Competitiveness Council, the State Statistical Office and the Company Registry Office.

MASIT continues to work on a tactical plan and implementation and has also initiated activities to strengthen cooperation with other clusters. They would like to include CLC representatives from MASIT in the other clusters, and get other cluster representatives to join individual MASIT committees, and jointly shape the 2006 IT cluster strategy and initiatives. MADE and MASIT signed a Memorandum of Understanding about areas they may work on jointly, an example of "inter-cluster" cooperation and the alliance between the two IT associations. They have also initiated the cooperation with the Bulgaria ICT cluster, and a MoU signing is expected in October. This is important as MASIT takes over cluster-related responsibilities.

The Macedonian Association for Digital Entertainment (MADE) completed their strategic plan for 2005, formed five working groups and implemented several important initiatives, such as the SIGGRAPH 2005 exhibition. MADE has developed an interesting proposal with the Digital Media Film City and has amassed great internal and external support, ranging from the Prime Minister, Minister of Culture, Mayor of the city of Skopje and the international community.

MCA is still working with three Consortia – MacedoniaIT (7 companies) and the ITSM Group (5 companies) focused on IT outsourcing and MADE Export Consortium (8+

companies) focused on digital media. The ITSM consortium has two contracts for outsourcing projects with new clients in new markets, one in Germany and one in UK/Belgium and after the visit by an eCode representative two ITSM members are negotiating additional contracts and are expected to sign the bigger software development deal with eCode by the beginning of October. MADE Export continued to build on the success on the first exhibition at the largest European animation event – Annecy with the SIGGRAPH 2005 show.

### **Initiative Results**

***Initiative 1/2005 – Implement Sector PR*** – All milestones for this initiative were met or exceeded in Q2 2005. The initiative is complete.

***Initiative 2/2005 – Deepen MacedoniaIT/Develop Outsourcing Consortia*** – All milestones were met or exceeded in Q2 2005. Two export-related trainings were delivered on advanced-level prospecting and negotiation skills. MCA continued its support for the follow-up process, by assisting with due diligence and advanced negotiation capacity building for two members of ITSM group. Through an intermediary, the consortia signed a small deal with the IT department of a top 10 EU bank from Belgium. The initiative is now complete.

***Initiative 2/2005 – Organize Domestic IT Buyers for IT Vendors Conference*** – The kick off meeting was originally planned for April 2005 and it has been delayed several times, due to tardiness in gathering official support from the Prime Minister’s office. MASIT Board of Directors voted to include this initiative as a third day of MASIT Open Days, which will be implemented in February 2006.

***Initiative 4a-2005 – MADE Capacity Building*** – All milestones were met or exceeded. The MADE Association members worked hard on developing the strategic plan for 2005. They have formed 5 working groups, and will be focusing on digital media workforce development, film town initiative and marketing. They have had intensive meetings, formulating the Digital Media Film City proposal. They secured support from the mayor of Skopje, movie makers, educational and training organizations. In cooperation with Pro Mark Media Association, MADE organized several introductory meetings with high level Macedonian and international government officials. The DMFC proposal received great support. The members will continue to work on the development of the idea.

***Initiative 4b/2005 – Digital Media Training Programs*** - All milestones were met or exceeded in Q2 2005. The Soft Image Training will be promoting the first graduates in Q4 2005. The second round of 3D@e-Schools animation training will be completed in Q4 with over 800 students in 50 schools.

***Initiative 4c/2005 – MADE Export Consortium*** – All milestones for this initiative were exceeded. The MADE export consortium formed and is working actively. Six companies from the consortium attended the SIGGRAPH 2005 Trade Fair in August. The companies developed a joint marketing campaign to be executed before and at the

show, with special emphasis on the long cultural heritage. They had more than 30 business meetings at the fair and are aggressively following up with prospective clients, including potential international investors such as Fuji and Kodak.

***Initiative 5/2005 – Software Product Positioning Interventions (Firm-Level)*** – All milestones in this initiative were exceeded. MCA worked with Zona Online on competitor research for the developed interactive German-English dictionary in the UK and German markets. MCA delivered hand-out and product positioning and conducted workshops with Seavus, as well as executed an initial assessment with Neocom.

***Initiative 6/2005 – Training & Certification*** – MASIT held a two-day brainstorming meeting with the Bulgarian ICT cluster, BASSCOM (Bulgarian IT association) and the European Software Institute. There were several important initiatives such as the IT Mark/CMMI training initiative and the Regional ICT promotion Agency Initiative. The Regional Competitiveness Initiative representative and MCA were also part of the brainstorming. MASIT decided not to go ahead with a presentation skills training, as they had other initiatives to work on.

***Initiative 7/2005 – Exporting to the EU Guide*** – MCA did not meet the milestone to define scope for the guide by 3 March 2005. The delay was related to elections and change of leadership in MASIT, the implementation partner for this initiative. MASIT requested from MCA to re-direct the funds allocated to this initiative to the Macedonia IT Industry Benchmarking projects, as the MASIT Board of Directors voted the research as a higher priority.

***Initiative 8/2005 – Support MASIT Open Days*** – All milestones in this initiative were met, and the initiative is complete.

### **Non-initiative Updates and Achievements**

- In cooperation with Macedonia Connects and VeriSign, MCA implemented several workshops raising awareness on proper cyber crime mitigation procedures. Over 50 participants from key stakeholders in the Macedonian cyber crime space attended 4 workshops. We are working with VeriSign to develop an action plan which will lead to de-blacklisting of the Macedonia internet space. The expert will be returning to Macedonia in the future to deliver the report and define an action plan.

## **Wine Cluster**

### **Initiative Results**

***Initiative No.3/05 – Wine Marketing Course.*** In July 2005, representatives of sales and marketing departments from eight Macedonian wineries attended a three-week wine marketing course at UC Davis, USA (milestone). This three-week program focused on

economics of production, winery costs and profitability, marketing and distribution, as well as establishment and management of brands. The participants at the course also visited several wineries and vineyards in two wine regions in California: Northern San Joaquin Valley and Napa Valley, as well as 5 retail outlets: The Nugget, Beverages and More, Trader Joe's, Cost Plus and Bell Air Store. All presentations and lectures were delivered by top level executives from the California wine industry.

This initiative was realized in cooperation with the USAID Participants Training Program. The goal was to increase capacity within the wineries to compete in foreign markets and contribute to increasing revenue from the export of bottled wine. The course allowed participants to improve their knowledge and skills in proactively pursuing foreign markets, finding distributors and developing relationships with them, focusing on the market, choosing niches and targeting specific segments, as well as the basics of brand establishment and management. Prior to the course the participants developed six-month action plans on how they would best use the knowledge gained from the wine marketing course. These plans were refined and revised at the action planning session that the group had at the end of the course with Chris Templeton, Marketing Expert. The group applied the knowledge in the UK export test marketing activities as well as with existing wine buyers on regional markets. A month after the course finished, one of the participants, Divna Jordanovska, Manager of Cekorovi Winery, exported 1200 bottles of wine in Serbia and Montenegro as a trial order and first export ever for the winery.

*“After this course I will focus on the marketing of my wine since I want to insure continuous sales on the market where I’ve already established contacts with importers. Up until now I’ve relied on my instinct, working without a marketing plan. Now I know all the relevant steps that I need to make in order to export and increase sales.” – Divna Jordanovska, General Manager, Cekorovi*

**Initiative No. 2/05 – Export Test Marketing Program.** During the third quarter of 2005 the Macedonian Fine Wine Export Group (MFWEG) implemented the export test marketing program in the UK market (milestone). For the first time six Macedonian wine companies (Pivka, Bovin, Cekorovi, Skovin, Fonko and Popov) formed an export group in order to:

- increase ability to respond quickly to the needs of the clients in the sense of: providing on time deliveries, co-financing joint marketing campaigns, making up product short falls, cutting costs by consolidating shipments
- avoid driving prices down
- assure greater presence of Macedonian wines in the selected market
- promote the country as a source for wines of distinctive quality, flavor and consistency

The marketing strategy of the group aimed to position Macedonian wines in the UK market at a competitive but not cheap price and consisted of the following components:

A) Identifying appropriate distribution structure - developed data base of UK wine merchants (milestone) targeting distributors, importers, on and off trade companies, agents, specialized wine shops, on-line retailers and chains of wine shops that are

specialized or have a wide range of wines from New World producers. Big supermarkets were excluded from the list due to low prices and big volumes requested. 200 companies were identified as target prospect sellers of Macedonian wine

B) Developing and production of promotional materials (milestone):

- Bottle logo sticker – to identify the country as a new source of quality wines
- Brochure – to persuade buyers to buy and writers to write about Macedonian wines
- Neck crowner for the bottles – to encourage consumers to buy the wine once it is on the shelf, thus helping distributors push the brand
- Poster – to advertise the 7-day tour to Macedonia in the wine stores  
(Attached in appendix F)
- Unified branding – to reinforce the impact of the joint product launch and to contribute to the professional level of presentation of the group
- Web site – [www.macedonianfinewines.mca.org.mk](http://www.macedonianfinewines.mca.org.mk) was created for the Macedonian Fine Wines Export Group

C) Direct mail program:

In the beginning of August 2005, the direct mail program (milestone) started by sending 400 invitations to the general manager and the wine buyer or the sales manager of the identified 200 companies, as well as 120 invitations to the selected wine writers. Two weeks prior to the event cold calls were made to set up meetings with the buyers from selected 20 companies. Four days prior to the event, the invitees were reminded about the upcoming presentation of Macedonian wine.

D) Advertising and PR activities

In the second week of August 2005 the Macedonian tasting event was advertised on the back cover page of Harpers Wine and Spirits Magazine. A press release about the event was sent to the UK media and also a media guide and press kits were developed (milestone) in order to disseminate information about Macedonia as a wine making country and to present a unified story about the Macedonian Fine Wines Export Group

E) Organizing a promotional event to present Macedonian wines in the UK market and provide opportunity for wineries to establish contacts with importers/distributors and negotiate trial orders.

***Initiative No. 7/05 – Promotional event in selected market (part of Initiative No.2/05).***

In September 5-7, 2005, the MFWEG organized a tasting event (milestone) at The Cavendish Hotel, located in central London (St. James's). The event was a joint venture between MCA, the Ministry of Economy of Macedonia, the Macedonian Embassy in the UK and the MFWEG (*please refer to detailed report prepared by Iva Orceva and Vesna Dodevska*).

During the three-day tasting of Macedonian wines a steady flow of importers/distributors and journalists visited with participating Macedonian wine-makers. Within 17 hours of presentation, more than 30 representatives attended the tasting with an average of 1:30h per visit. The event represented an excellent opportunity for the wineries to meet directly

with the distributors and journalists and receive feedback on the necessary changes regarding label design, consumer tastes and pricing segments. Among the more important prospects that visited were representatives from: Myliko, AdVintage, AC Wines, Direct Wines, Fortnum & Masson, The Wine Society, Adnams, Bell Inn, London Clubs Management, Laithwaites.

A number of significant wine writers who have great influence in creating the opinion among wine consumers and distributors visited:

**Oz Clarke** (author and broadcaster, regularly writes for TV, radio and periodicals, published many books including the annual pocket book and wine buying guide)

**Stuart George** (freelance writer, regularly writes for The World of Fine Wine and occasionally for Decanter, Wine International and Harpers)

**Caroline Gilby** (freelance journalist and consultant, writes for Harpers, Decanter, contributor to Tom Stevenson's Wine Report 2004-2005)

**Simon Woods** (author and wine writer, regularly writes for Wine International, Square Meal magazine, Good Food Live-TV, and occasionally for BBC Good Food Magazine, Harpers, Wine & Spirit International, European Drinks Buyer, contributes to Hugh Johnson's Pocket Wine Book etc)

**Christian Davis** (Chief Editor of Harper's Wine and Spirit Weekly)

**David Hennelly** (The Drinks Business)

**Ronald Porter** (What's On in London)

The event finished with the reception held on 7 September 2005. The reception was organized jointly by MCA and the Macedonian Embassy in London in honor of the first group promotion of the Macedonian wines in the UK market as well as the Macedonian Independence Day, 8<sup>th</sup> of September. During the two hours the invitees (diplomats, wine writers and business people) had a chance to taste the Macedonian wines and enjoy in the Macedonian traditional music and cuisine. The official part of the reception was closed with the drawing of the "7 day tour to Macedonia" prize for a wine writer. The winner was Stuart George whose visit is expected in October 2005.

**Initiative No.1/05 – Quality Improvement.** As part of this initiative, David Stevens, Wine Expert, was scheduled to revisit Macedonia and work with the wineries on wine technology issues in the fall 2005. Due to wine cluster budget revisions, his visit was cancelled.

**Initiative No.6/05 – Wine Laboratory.** The identified company that was interested in investing in a wine laboratory with the support of E-biz and MCA never completed the market research or submitted the business plan to E-biz regarding the establishment of an independent wine laboratory that would do objective and credible wine analyses. Therefore this initiative is not expected to be completed with USAID's support in the near future.

### **Non-Initiative Updates and Achievements**

- The Wine Cluster Leadership Council (CLC) met in August 2005 to discuss grape prices for the upcoming harvest and anticipated problems during the purchase of

Smederevka grapes. This variety takes up more than half of the total production of grapes in Macedonia and there's an oversupply for the needs of the wineries, which are having problems selling Smederevka wine due to the low demand of this type of wine in the export market. The CLC members qualified this situation as a structural problem of the industry that needs government involvement in solving it. The members identified possible solutions that as recommendations will be submitted to the relevant institutions through the NECC. An important step forward to solving the quality issues and tensions between grape growers and wineries is the signing of grape purchase contracts between Tikves and 1700 grape growers (milestone). This serves as an example of a practice that will be implemented by other Macedonian wineries in the near future.

## **Apparel Cluster**

MCA's newest cluster continued the quick pace it set from the start, meeting or exceeding many milestones. As a follow up on recent participation in trade fairs in Milan, Italy and Copenhagen, Denmark the Task Force on Marketing and Promotion decided to enter the Spanish market, a growing EU market. Six cluster members participated in a joint exhibition at the SIMM trade fair in Madrid which resulted in hundreds of new customer contacts and dozens of new qualified leads. After the exhibition, two of the companies were visited by a Spanish sales agent in Macedonia and concluded contract for ZARA for more than 60,000 woven and cotton knitwear blouses.

The Apparel Cluster completed the baseline report, according to which the cluster projection for increasing exports is 15% each year starting from 2005 through 2007. This assumption is made based on the following hypotheses:

- a. European customers will move their operations from Poland, Czech Republic and most probably Romania and shift to Macedonia;
- b. European customers are canceling their long time operations based in Morocco and Tunisia and seeking new Eastern European apparel facilities;
- c. Top Europeans are already working with Macedonian apparel manufacturers in changing the assortment of products, from light (blouses) to semi heavy confection (blazers assortment for example).

The bottom line is that although volume will remain the same, income and profit will increase because new European customers partnering with Macedonian companies will pay higher prices for the products produced in Macedonia.

### **Initiative results**

***Initiative #1/2005 - Joint Exhibition at European Trade Show*** — Six cluster members (Geras Cunev, Linea, Modena, Kuli, Kimico, Bergamo) exhibited at the SIMM trade fair in Madrid, in early September 2005. This was the second participation in a trade fair in the EU for five of the six companies. Apart from the six apparel companies who

exhibited at the fair, the Macedonian delegation had 20 additional members among which apparel companies who came as visitors at the fair, representatives from the Ministry of Economy, as well as representatives from the MK Fashion Portal that with MCA's assistance was able to secure a free of charge stand and promote the fashion portal and Macedonia as a favorable destination for apparel production through multimedia presentation.

The members of the Apparel Cluster chose to exhibit at this fair due to the fact that it represents the largest trade fair in Europe while Spain is the fastest growing apparel market in the EU and is relatively new and untapped market for the Macedonian apparel companies. This event was also an opportunity for the apparel companies to build on to their previous experience in trade participation (Milan, Italy) and effectively prepare by learning the specifics of the Spanish market, using new targeted promotional materials and proprietary Macedonian designs.

Prior to the event MCA assisted the six exhibitors to jointly present and brand the Macedonian stand. With MCA assistance four companies developed new promotional materials and the other two companies were using the same materials from their participation at the Milan trade fair. The companies also examined the possibility to engage a Design Consultant, Ms. Lidija Georgijeva, to advise on the design of the collections to be presented at the fair and also hire local sales agents, Mr. Christian Lacroix and or Mr. Raul J. Richero, as well as two local BSPs (Indigo and Paneks) to help in professional organization for the marketing and promotion campaign at the fair. Eventually, due to the high expenses the group of exhibitors decided to use their own resources for targeting the Spanish customers at the fair.

The whole initiative was a joint venture between MCA, the cluster members and the Ministry of Economy of R Macedonia. Cluster coordinator, Vlado Icokaev and MCA Apparel Cluster Advisor, Dejan Antic were able to secure the MoE's support and cost share in the expenses for the space and booths at the fair.

The participation resulted in hundreds of new customer contacts and dozens of new qualified leads. The follow up to the Madrid trade fair included a visit by a Spanish sales agent with a potential client to three MK exhibitors - Geras Kunev, Kimico and Bergamo. A contract for 60,000 woven and cotton knitwear women blouses was signed with Kimico and Anertex, both cluster members. Cluster members sent samples to 5 qualified leads and with the assistance of the cluster advisor began discussions with the management of the fair and the Spanish Apparel Producers' Association about organizing a visit to Macedonia later in the year.

***Initiative #4/2005 - Improving Production*** – 12 companies have applied to take part in a pilot for restructuring apparel production. The first phase of the pilot project entailed an assessment of the apparel companies that applied to take part in it. The assessment was conducted by Apparel Production Consultant, Eugene Zenov over a period of six weeks beginning in early September. The assessment team also included a member of the Apparel Cluster leadership Council, prof. Goran Dembovski, as well as Apparel Cluster

Advisor, Dejan Antic. Visiting more than 12 companies in September, the assessment team inspected current production techniques in Macedonia and identified two of the twelve companies to take part in the re-structuring of the production lines.

The preliminary analysis showed that without any investment in new production equipment and just by re-engineering the production system and rearranging the flow of operations, the productivity can be increased for 40 %.

***Initiative #5/2005 - Feasibility Study for Foreign Direct Investment*** – The feasibility study of foreign direct investment in fabric production in Macedonia was completed at the end of September by the contracted business service provider, BASME (milestone).

***Initiative #6/2005 - Government Regulations and Legal and Regulatory Reforms*** – The pilot project with the Macedonian Customs Office started in August 2005 by sending the new customs regulations instruction manual to all cluster members for their feedback and suggestions. In the next phase ten cluster companies applied and were approved by the head Customs Office to implement the new customs procedures in their everyday operations. The new customs procedures require enclashing of the system for data administration. The Apparel Cluster Leadership Council assisted in the formation of an operation group consisted of customs officials, Apparel and IT cluster members in order to design software solutions that will help the textile companies have better IT system for record keeping of data flow.

The Minister of Economy Fatmir Besimi and Customs Official Zlatko Veterovski (cluster member) announced that MK will sign an agreement with the European Union for Pan European diagonal accumulation where the textile industry can import raw materials from EU countries and declare them as Macedonian products when exported. The cluster leadership council played a key role as a strong advocate for this change.

***Initiative #7/2005 - Textile Human Resource Development*** – The pilot project for formal educational improvements was approved by the CLC at the meeting of CLC in July and sent to the USAID E-biz project to be included in the pipeline for IESC technical assistance. An IESC VE was requested to review and redesign the new apparel and textile curriculum. The project is still in the process due to the procedural issues between the contractors IESC and EDC.

### **Non-Initiative Updates and Achievements**

- In July 2005, Apparel Cluster Advisor, Dejan Antic, together with two representatives from the Dutch Center for Promotion of Imports from Developing Countries (CBI) met with cluster members and identified areas of cooperation with CBI. CBI will work closely with USAID and MCA in the design of the program for assistance of the apparel's industry future development.
- SIRUBA, a Taiwanese equipment company, has made its first sale of 50 new machines to cluster members. SIRUBA presented this improved production

equipment to the cluster as a joint activity that included training of cluster members.

- Akademia Italiana, a well-known fashion school headquartered in Florence, Italy, signed a memorandum of understanding with Euroregion Belasica (Macedonia, Bulgaria and Greece) to establish an affiliate school in Strumica. The school will offer courses of fashion, interior and production design, as well as graphic design and communications. It is expected to open with 350 students in September 2006. The Apparel Cluster and USAID have been strong supporters of this project.

### **Cluster Leadership Council**

At the July CLC meeting, the Council members discussed the areas of focus identified in the work plan and assigned each of them to a CLC member to be responsible for implementation of the activities defined in the work plan.

The ten areas of focus are:

- Cluster Leadership Council capacity building
- Marketing and promotion
- Production
- Foreign direct investments
- Human resources development- education
- Government relations
- Financing
- Procurement
- Social and corporate responsibility
- Design

Apparel Cluster Leadership Council met with Prime Minister Buchkovski, Deputy Minister of Economy Andonovski, Customs Director Iloski and the mayor of Stip for two hours in August and September 2005. The CLC demonstrated the unified strategy of the cluster and was reassured by the government leaders of the importance of apparel as a priority industry.

The Apparel CLC wrote a letter to the Dean of Technical and Mechanical Faculty opposing the current proposal for textile curriculum reform and emphasizing the importance for qualitative changes that would meet the industry needs and global trends.

### **Grants Program**

Eighteen grants were approved, and thirty four new grant applications were received during this quarter. The deadline for application submission was 31 August 2005 and majority of the applications were received during the last month.

Slobodanka Velickova, grants administrator, worked closely with cluster advisors and cluster members to help grant applicants focus on activities that support cluster objectives. Despite the efforts many cluster applications were submitted by cluster members just before the deadline and part of the applications were not thoroughly justified and thus not approved.

Contrary to the previous quarter's larger numbers of applicants were neither in contact with their cluster advisors nor with the grants administrator, thus the quality of the submitted applications varied.

Slobodanka Velickova, grants administrator gave a presentation on September 19<sup>th</sup>, 2005 to the MCA Cognizant Technical Officer, Ms Tanja Markovska, on the grants program and criteria as well as the awarded grants. (Enclosed with this report)

### **Grants approved:**

1. **MADE Export Consortium** was awarded a grant for activities for participation in SIGGRAPH the leading exhibition and conference for computer graphics and visual effects and MIPCOM in Cannes 2005, the world's audiovisual content market– the objectives of this activity come from the consortium's vision and focus in 2005.

Beginning 31 July Seven MADE Export Group members left for SIGGRAPH, digital entertainment conference and trade show. MADE Export Consortium made a presentation on MK as a land of tradition and art and shown it at SIGGRAPH. The presentation moves from frescoes to 3D animation and visual effects. Having had more than 30 meetings with potential clients and 10 studio visits, MADE Export consortium has declared **its trip to SIGGRAPH 2005** digital media trade fair a success. Follow up activities are under way and several prospects are underway. A senior vice president at **Disney** "Toon Studios" and vice president of marketing for Sony Pictures Image Works and Sony Pictures Animation are among the top prospects. Lenora Hume of Disney plans a trip to Macedonia in the not-to-distant future, and an invitation will be extended to Don Levy of Sony. A top freelance writer who covers film and video for the Hollywood Reporter and other publications is interested in doing a feature on the talent and technology in the region. Debra Kaufman may visit the region to get a better overview.

2. **Global Plus** – an apparel agent was awarded a grant to promote the first textile Logistic centre in Macedonia on the EU market. The main objective of the activity is to promote the center thus make potential customers in these target markets aware that there is a supplier in Macedonia who can provide *Full Package* services (FPS - Full Package services include design adjustments, making markers, providing fabric and trim, cutting, sewing, and direct to retail logistics). This increases their margin, improves their competitiveness vis-à-vis regional rivals, increases switching costs for customers, and provides a stronger

platform for possible export of locally designed, proprietary collections. It is important to keep in mind that when Global finds new customers, 59 textile confection subcontractors in Macedonia end up with more business.

- 3 **V.I.T.** – one of three apparel companies that joined together, creating the consortia Astibo-export, in an effort to penetrate the EU market with their ready-to-wear collection “Porta Bena”, semi-heavy collection. The successful accomplishment of those activities will mean progress for those three companies in their effort to become more competitive on the European market. Their activities can become a role model for the apparel companies in Macedonia of how to utilize the available resources and expertise. Each company has a distinctive role in the project. A grant was awarded for their market research activities and the promotion of the new collection.
- 4 **MK Linea** – one of three apparel companies that joined together, creating the consortia Astibo-export, in an effort to penetrate the EU market with their ready-to-wear collection “Porta Bena”, semi-heavy collection. The successful accomplishment of those activities will mean a discontinuous leap for those three companies in their effort to become more competitive on the European market. Their activities can become a role model for the apparel companies in Macedonia of how to utilize the available resources and expertise. Each company has a distinctive role in the project. A grant was awarded for their market research activities and the promotion of the new collection.
- 5 **MK Milano** – one of three apparel companies that joined together, creating the consortia Astibo-export, in an effort to penetrate the EU market with their ready-to-wear collection “Porta Bena”, semi-heavy collection. The successful accomplishment of those activities will mean a discontinuous leap for those three companies in their effort to become more competitive on the European market. Their activities can become a role model for the apparel companies in Macedonia of how to utilize the available resources and expertise. Each company has a distinctive role in the project. A grant was awarded for their market research activities and the promotion of the new collection.
- 6 **Dukat** - a small travel agent from Kavadarci that focuses on receptive tourism. Their target markets are mountaineers and hikers from the neighboring countries. Grant is awarded for BSP services for preparation of a business plan.
- 7 **Gord Systems** - an independent software development company that focuses on development and implementation of e-business solutions for the healthcare system and the SME’s. The company has already established itself on the local Macedonian market and has previous experience in the EU market. A grant was awarded to support their activities of penetrating the EU market and offer their outsourcing services in the Healthcare sector.

- 8 Stori Bord doo** - company for audio& video production is a part of the 2D and 3D animations worldwide industry. Their big achievements so far have been the animated film – “Pietas” and the educational children cartoon “Ernest Know-it-all”. A grant was awarded to support their activities of starting “Animation school of art” – which should become the most progressive network school in the animation business in the region for outsourcing of specialized personnel, highly profile, working with the latest technology software programs for 2 D animation.
- 9 Hotel Arka** – an active cluster member that focuses on improving their hotel practices. Their target markets are business tourists but they also host a lot of conferences and seminars. The grant was awarded to support their promotional efforts for augmenting hotel road signs and billboards and production of brochures. The hotel is actively involved with the activities of the Macedonian hotel association – HOTAM. The promotional materials will be distributed by HOTAM at several fairs like Utrecht – Nederland, Berlin – Germany, Belgrade – SCG, Thessalonica – Greece.
- 10 Gracija** – an apparel manufacturer, who has been operating for almost 14 years and had shown results on the domestic, regional and foreign market, was awarded a grant for promotion of their own collections on the renowned fashion shows in London and Paris. The collections are their proprietary collection of the top two Macedonian designers who actually have offices in London and Paris and have knowledge of the market, contacts and well established network in the fashion world. Their experience may open the doors for the other manufacturers that produce own label collections.
- 11 Bergamo** – relatively small apparel company that focuses on semi-heavy confection. Despite their size and small financial potential they have vigorously implemented several of the MCA cluster recommendation and are strongly pursuing the effort to increase their market visibility and presence. The grant was awarded toward their promotional activities.
- 12 Inet** – an IT company has invested in HR development and has sent four of its employees to SAP training. Inet was awarded a grant to support their efforts to become a consultant for the renowned SAP software and increase their export potential. SAP solution is designed to deliver a better return on technology investment, to gain the visibility to identify inefficiencies, and the resources to help reduce them. The benefits for the clients are increased revenue, reduced costs, improved customer intimacy, increased customer loyalty and retention, product leadership, and operational excellence through identifying trends of customer needs, customizing the offerings and supporting the entire customer interaction cycle.
- 13 Radio Ravel** - a radio station that covers Skopje's region for more than 10 years was awarded a grant to support the production of live contact radio program that will encompass all aspects of tourism and include all relevant parties. The

program objective is to raise public awareness regarding the importance and challenges of tourism as an economic factor in the economy. The program will feature the capacity, possibilities and new tourism trends in Macedonia, client demands, and the benefits from tourism development as part of an economical growth in Macedonia, employment opportunities and how to preserve and invest in natural and cultural resources.

- 14 Serta** - slaughterhouse in Kavadarci, one of the pioneers in the slaughterhouse livestock industry on the Macedonian market, was awarded a grant to assist them in their efforts to obtain the necessary equipment for HACCP. The main goal of this grant is to develop production standards for servicing the Macedonian lamb producers in their future plans for penetrating the high value lamb Greek and other international markets. In order to finalize the BRS - British Retail Standards and HACCP certification SERTA needs additional investments in technology and modernization of the production line in the facility.
  
- 15 Inter-Kont** – is yet another active cluster member and is one of the initial cluster members that became heavily involved into exploring new tourist experiences, especially in promoting the cultural tourism in Macedonia. Inter-Kont organizes and promotes the “Rock Art” cultural heritage tour. Grant is awarded for a design of web page that should increase their visibility and access to a larger market of foreign and domestic tourists. The web page will be linked to the Macedonia tourism portal [www.exploringmacedonia.com](http://www.exploringmacedonia.com).
  
- 16 Popov winery** – small, recently started with wine sales, yet a progressive winery. They are in tune with the international trends, have already introduced the use of oak in the wine cellar. They also took a part in the Macedonian fine wines export Group activities (web site of the group [www.macedonianfinewines.mca.org.mk](http://www.macedonianfinewines.mca.org.mk)). They have applied for support of their marketing and promotional activities and MCA grant is in the cost for a web page design.
  
- 17 Buchen Kozjak** – was awarded grant to support their activity of establishing a safety food production practices in accordance to FDA and USDA requirements for import to US and EU. The support for this cluster member will mean achieving the goals for sustainable export and improved standards branding the traditional Macedonian Sheep cheese for export on the most competitive world markets. Buchen Kozjak is part of the sheep cheese consortium of four dairies, united for the very first time in Macedonia and exporting on those markets for the first time as well.
  
- 18 Hotel Mramor** - a family business providing hotel services, mostly for business people with temporary residence in the Skopje region. Grant was awarded toward their promotional activities.

## Update on Previous Awards

1. **Chekorovi winery** has completed the activities under its grant. During this quarter they announced their first export - 1200 bottles to its target market, Serbia and Montenegro. Being a limited quantity wine producer, this represents 8 percent of total annual production and will contribute to future growth.
2. **Fia-Fia designs** (Spin has changed their name to Fia-Fia) have completed their activities under the approved grant for printing catalogues of their collections. The Fia Fia collection now is being sold in boutiques for luxury garments and several boutiques in Europe. This represents an example of competitive market positioning. (See Appendix G for brochure covers)
3. **MASIT** has reported important results from its new membership in WITSA the global IT organization. For example, MASIT now has access to a number of databases, substantial research and valuable reports on the global industry at no cost.
4. **Axis Softimage Authorized Training Center** had its official opening on June 20<sup>th</sup> at the Center of Excellence at the Faculty of Mechanical Engineering. More than 100 inquiries have been received with 30 applications submitted for the animation and special effects courses. The first 22 students that have successfully passed the entry exam influenced the training center to create two training groups instead of one. Five young women have been awarded Presidential Scholarships to attend Axis-Avid-Softimage Certified Training Center. The scholarship winners were selected by a commission comprised of representatives of USAID, USAID's Participants Training Program and the President's Cabinet. The training started 15 July and will finish in October. (See Appendix H for brochures and photos)

With the intention of promoting new technologies, professional training, and advancement of production skills, AXIS Production & Authorized Training Center, organized one day workshop for its MADE members (no fee included). The workshop was an interactive presentation of the possibilities of Avid ProTools and audio/sound production techniques. The presenter was Danny Molad, visiting us from the United States. <http://soundlikeafire.com/>

5. Liva Komerc, the private operator of the facilities at the **Stobi Visitors Center** has initiated their promotional activities during this quarter. Billboards were placed on the highway in both directions in the vicinity of the locality, thus increasing the visibility of the location. Promotional materials were also produced. (See Appendix I for promotional materials and billboards).
6. **ZONA**, an IT company in Prilep, was awarded a grant to support its market research and market penetration activities on the EU market. The results of the market research carried out during this quarter gave significant directions for

improvement of their promotional and marketing strategy, thus increasing their product price and margin. Upon the received results, the company will change the product packaging and is introducing new promotional tools. (See Appendix J for new package cover)

7. **Digital Media NGO** was awarded a grant for to support Level II of the [3D@eSchool](#) project. Level II focused on intermediate and advanced skills for selected students who have completed Level 1 and have professional potential. The classes started in the last week of June and were held in studio conditions in a computer lab at Digital Media in Skopje. [3D@E-Schools](#) "graduated" 36 advanced animation students on Friday August 26th. MCA provided scholarships to 30 students in the program through the grant.
  
8. Wineries, dairies and artisan cheese makers went "direct to the market" at the second annual **Ohrid Wine & Cheese Festival** on Saturday and Sunday, 30-31 July. The Western Sheep Breeders Association has taken over the festival that MCA presented last year. During the festival the crowds appeared significantly larger than those in 2004 with a large contingent of foreign tourists. The 22 Cluster participants comprised of 10 wineries, 7 Sheep breeding Associations and 5 dairy plants, reported extreme happiness with both sales and margins achieved in the Festival. The event exceeded their expectations. The Western Regional Sheep Breeders Association organized the festival with support from MCA and Land O' Lakes. The Ohrid mayor's office, Ministry of Economy and Ministry of Agriculture also took part. (See Appendix K for promotional posters)

## ***Component E: Coordination and Synergy (with USAID and Other Donor Activities)***

Specific examples of USAID MCA's cooperation with USAID and other donor activities are provided where appropriate throughout this report.

<b>USAID Projects</b>	<b>Other Donors/Donor Activities</b>	<b>Other Entities</b>
EDEM – Albania Competitiveness Activity	European Agency for Reconstruction – Creation of a Vineyard Monitoring and Management System	Ministry of Economy: <ul style="list-style-type: none"> <li>• Tourism Department</li> <li>• Foreign Investment Agency</li> <li>• Export Promotion Department</li> </ul>
US Embassy Community Liaison Office	S-FARM 2 (Swedish government supported development program)	Ministry of Foreign Affairs and Macedonian Embassy in the UK
I-LEAD/E-Biz	SIPPO – Swiss import promotion agency	Macedonia Customs Office
World Learning	GTZ – German Development Agency	University of St. Kiril & Metodius – various faculties
US Embassy Commercial Officer	CBI – Dutch import promotion agency	Mayor of Ohrid, Mayor of Karpos
LOL/Agland	MASHAV – Israeli development agency	Mobimak
Aid to Artisans	Embassy of Israel	Akzent Media, Eurolinija
WTO Compliance Project	ICE – Italian institute for international trade	Puublicis, Indigo, Reprint, Event BTL, Paneks
Macedonia Decentralization Project	IFAD – International Fund for Agricultural Development	MPO – Macedonian Patriotic Organization
Macedonia Connects	British Embassy	San Francisco Rotary Club
		BASME, SMMRI
		Skopje Fair
		Western Sheep Breeders Association
		WEF – World Economic Forum
		VeriSign
		ATAM – MK travel agency association
		HOTAM – MK hotel association
		BAHA – Balkan Alliance of Hotel Associations

### ***Component O: Project management***

John Mennel, deputy chief of party and senior IT advisor, completed his long term resident assignment with USAID MCA and is now leading another Booz Allen Hamilton project in Romania. John Mennel will provide additional support to MCA on a short term basis to ensure continued progress of the IT and digital media sectors and to support local staff as needed. Iva Orceva, wine cluster advisor, was appointed deputy chief of party as a result of her outstanding performance, technical skills and management capabilities demonstrated throughout her tenure with USAID/MCA. Ms. Orceva will serve as Acting Chief of Party during Suzi Hagen's R&R vacation scheduled for November 2006.

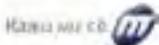
## **APPENDIX A**

**English Menu**

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**UK TO TASTE 'NEW WAVE' MACEDONIAN WINES**

Skopje, September 2 (MTA) – The Macedonian Fine Wine Exports Group is off to London today to launch a diverse selection of wines in a three-day wine tasting event for importers and distributors. Their goal is to promote their "new wave" wines in the highly competitive UK market.

"We added value to the history of wine making in our country. Sharing experiences among ourselves helps us become stronger in the design and execution of winning strategies. We have consolidated as a group to achieve better penetration and visibility of the new wave wines in foreign markets," said Madesda Sofjanova, chief winemaker, Skopin Winery.

A below-the-line promotional campaign has been prepared to secure better positioning of the Macedonian wines with distributors and others.

Kiril Bogeovski, chair of the group and owner/president of Bovin, explained 'new wave' wines: "We nourish our long winemaking tradition. We are located on the old continent, so you could say that we are 'old world' wine producers. However, we are relatively unknown and new to the world wine market. Thus we're 'new wave' producers."

The Macedonian Fine Wines Export Group includes six leading small and medium-sized wineries: Bovin, Cekorovi, Fonko, Pivka, Popov and Skopin. The winemakers are targeting educated wine consumers who appreciate quality wines and are open to trying new wines from off-the-beaten path regions, such as Povalandje in Macedonia.

Introducing Macedonian wines to the UK market has been supported by the Ministry of Economy, the Macedonian Embassy in the UK, British Embassy in Macedonia, and the United States Agency for International Development (USAID).

MTA

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Оваа вест е прочитана 472 пати

Fair of ecological ngo's opens in Ohrid

Two people killed in separate incidents

Ohrid hosts stability pact anti-corruption initiative meeting

Veterinary administration: No bird flu in Macedonia

No bird flu in Macedonia

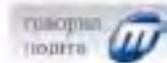
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## **APPENDIX B**



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Buy or rent property in Macedonia

## Welcome note from the Ambassador



I would like to thank you for visiting our website. This is the right place to find information on the activities of this embassy and much more. [more](#)

## Embassy News

### Vlado Buckovski visits UK and meets British PM Toni Blair



Macedonian prime minister Vlado Buckovski visited United Kingdom from 26 to 28 September and met British prime minister Toni Blair in Brighton. After the meeting Buckovski said that had demanded from the British Prime Minister Tony Blair an objective evaluation of the overall accomplishments of Macedonia in the past years. [more](#)

### Promotion of Macedonian wines in London



The Macedonian Fine Wines Export Group has launched a diverse selection of wines in the UK market during 5 -7 September 2005. Their goal is to promote New Wave wines from the Republic of Macedonia in the UK market.

### Reception held in London in honour of Macedonian Independence day



In honour of the Independence day of Republic of Macedonia H.E. Ambassador Gjorgji Spasov held a reception in London's Cavendish Hotel. Among the guests were Ambassadors and Diplomats of the foreign missions in London, members of British Parliament, Representatives of The Foreign office.



Macedonia  
Cradle of c  
of n



Popova St  
Pla

20.10.2005

## **APPENDIX C**

## LAKE PRESPA

It is the kind of lake which is more suitable for the birds than for humans. Pelicans, storks, partridges, herons, gulls, avocets, curlews and terns fly freely from one shore of Prespa to the other. They swoop into the deep blue water and cross borders that are forbidden for man. This lake, the shores of which are shared by Greece, Macedonia, and Albania, is the symbol of the ethnic and cultural problems following the disintegration of the Ottoman Empire. These problems start from the division of historical Macedonia among four states (the Eastern part is in Bulgaria) and at the following conflicts. The Greeks protect the Schengen borders from the undesired immigrants. The Macedonians hate Greeks as they opposed the creation of an independent Republic of Macedonia, viewed by Athens as an excuse for the Macedonian separatism in the Aegean Sea. Both of them fear the Albanian bandits, who for centuries raided the villages and today are transformed in smugglers. Many absurd tensions are experienced as the people who live on the three shores of Prespa share the same historical and religious background. All are orthodox Christians and this is proven by the Byzantine churches that can be found spread among the shores and islands. They live in farmhouses of baked clay stones or bricks which have wooden stairs and balconies. They are fishermen and farmers by profession sharing the same lifestyle, feelings and problems. And they were divided by history and the diplomatic teasers, who marked out the borders on the water. Even the food is the same: oven-baked carp with olives, garlic, onions, vegetables, and wine. The Greek *fasolada*, stuffed beans in cooked in a clay pot, is found in both Macedonia and Albania. *Raki* is another common drink, the equivalent of a brandy wine, which is offered to guests on different celebrations.

Situated in an altitude of 850 m, bordered by different beaches with rocky slopes and surrounded by mountains, Prespa is the highest-altitude lake in the Balkans and also one of the wildest ones. On the three shores altogether, the population is not greater than 40.000 inhabitants, with  $\frac{3}{4}$  of them living on the Macedonian side. Protected by agreements among the three countries, a great part of this region is a national park. In the forests of the beaches, birch-trees, cedars and conifers which are found

everywhere in this region live bears, wolves, deer, foxes, boars, and jackals. In reality Prespa consists of two lakes, divided by a strip of land created many years ago by earthquakes. The Great Prespa (Megali in Greek), with a surface area of 285 km<sup>2</sup> and a maximum depth of 54 m, is linked with Lake Ohrid by carstic rivers and is dominated by mountain Ivan (Albania) with an altitude of 1700 m. On the Greek side lies mountain Vermous with an altitude of 2120 m. This mountain does not face the lake. On the northeast shore, in Macedonia, there are located the park of Galicica and the reserve of Ezerani: there are found 115 species of flyers. About 260 species are found in Small Prespa. The majority of them are aquatic birds that migrate here in winter time from Poland and Bohemia. During the war in former-Yugoslavia their number diminished: the great noise forced them to change their route. By now they are back in Prespa and have grown into 80.000 species. In the area there are also falcons and eagles, predators of many reptiles that populate the islands. Snakes, vipers, grass-snakes, and turtles can also be found in the region.

The three communities use the Great Prespa as a fishing resource. Twelve different species grow there the most common of which are: carp, trout, *tsironi* (sardines of lakes), and catfish. The fishing nets are thrown in the lake during the night by two or three fishermen in small boats. This is the lake of trust where the churches, monasteries and old Byzantine hermitages: some of them in grottos with fresco sides. On every August 2nd the Macedonians come by boats to the sanctuary of Saint Iljis to worship this saint and eat carp with beans. In the Greek monastery di Eloussa, close to the harmonious village of Psarades, the inhabitants herd a variety of cows along the lake. While the road coming from the city of Aghios Germanos offers a great landscape of the two lakes, the homonymy of the Byzantine church of the XI century is completely covered with images of saints and martyrs.

The Small or Mikri Prespa is mostly Greek, only at its end, where the lake becomes steeply at the area where Albania ends. In Mikrolimni, at its eastern part, is constructed a biological station. In this lake (47 km<sup>2</sup> with shallow waters) is found the island of Aghios Akilleos which is the only one populated of the three islands of Prespa: in about ten houses live five

families with a total of 30 inhabitants. There you can visit the remains of a Byzantine church of the X century and a monastery of the XV century. And for a better view of Mikri Prespa you can at the top of the hill. At the great lake is found another Albanian island called Mala Grand. A church of the XIII century is situated there. The third island is on the Macedonian part and it is called Golem Grand. There is one of the 14 temples of the past: in 976 there was crowned the Bulgarian tsar Samuele. At that time were constructed many sanctuaries because Prespa was the place where nobles that had been disgraced were sent there. It was the last time that the history occupied itself in a remote lake that in Macedonian means "storm". People say that this name comes from the optical effect that is created during winter time when the lake freezes and is covered by the fog. Some other relate it with a legend where a prince fell in love with a nymph of the forest, and even though the beautiful girl had informed him that their marriage would have caused troubles, he insisted on marrying her: then plenty of water came from the sky and a rich city was destroyed and there was formed the great lake.

**Marco Moretti**

## **RECORD CARD: GREECE**

Because of its unique environment, richness of the fauna, isolation and limited number of inhabitants (only 4500 inhabitants live on the Greek versant), the Megali and Mikri Prespa are mainly a natural destination, visited mostly by trackers and birdwatchers. For those interested in ornithology these places are the second destination/ choice in the Balkans after the delta of Danube, which is also a forgotten part of Europe, with underdeveloped connections and structures.

## **HOW TO GET THERE**

One can drive to the lakes of Prespa from Thesaloniki following the national segment N2 Florina route. From there you can turn into the tortuous and

spectacular road which - through the passage of Pisodheri (1600 m) - runs for about 44 km through Aghios Germanos, the main town of the region of the lake. Florina can also be reached by train. From Florina to Aghios Germanos there is a bus line, but it does not operate on regular time. The two shores of the Mikri Prespa are linked by the elevated road of 1000 m, constructed at the narrow strip of land that divides the two lakes.

## **WHAT TO SEE**

At Aghios Germanos, at the small village which is characteristic for the houses with red tiles, the homonymy of the parochial church, a Byzantine structure of the XV century, partially hidden by a building constructed at the end of the 800 offers: a wonderful collection of frescos, which were well restored in 1743. The most beautiful ones are those of: *The Creation* in the dome, but also scenes of the *Crucifixion*, *Resurrection*, *Entrance in the Jerusalem* and *Apocalypse*. Further more, there are a great number of images of hagiography. You should also pay a visit at the small church of late Byzantine time of a Macedonian style (it was constructed by the archbishop of Ohrid) of Aghios Athanasios. You can start an excursion by boat from the village of Psarades towards Megali Prespa (20 euros for the embarkation) to see a Madonna painted on the rock, sanctuaries of the medieval time and the *ashtiria*, Byzantine ruminants like the ones of Metamorphosis: their icons were stolen or transferred at the Archeological Museum of Florina (opened from Monday - Friday from 8.30 - 15.00; entrance fee of 1.5 euros). At 500 m away from the Albanian border the boat lands at the spectacular church of Panaria Eleussas (XV century) at the rocky part. At the Mikri Prespa you can visit the island of Aghios Akilleos, where you can find the rests of the homonymy Byzantine basilica of the X century and those of monastery of the 500 of Panaria Portyras. The most interesting area for the birdwatchers is in Mikri Prespa behind the isthmus that divides it from Megali Prespa (they are united by gutters)

## **WHERE TO SLEEP**

Traditional Hotel (Aghios Germanos, tel: 0030/23850 51397, 2381088105): 10 rooms with showers, restaurants, breakfast included for 2 people from 45 to 85 euro, single form 30 to 50 euro. Still at Aghios Germanos, at the rooms of Cooperativa delle Donne (tel. 0030/23850-51320), opened all year long for 20 euro per room. You can rent a room for 20 euro per night at Taverna Syndrofia di Psarades (tel. 0030/23850-46107) and at the Taverna Xenonas of Aghios Akilleos (tel. 0030/23850-46601, fax 46931).

### **WHERE TO EAT**

Taverna Syndrofia (Psarades, tel. 0030/23850-46107): it is offered fresh fish from the lake, fried, oven baked or stuffed with onions and nuts. Average price: 12 euro plus the beverages.

Taverna Yorgos (Mikrolimni, tel. 0030/23850-61221): specialized for fish dishes, 10 euro plus the beverages.

### **INFORMATION**

In Italy. Ente Nazionale Ellenico per il Turismo, via Lupetta 3, Milano, tel. 02860470, [www.ente-turismoellenico.com](http://www.ente-turismoellenico.com) <<http://www.ente-turismoellenico.com/>>.

In Prespa. Centro Informazioni di Prespa, Aghios Germanos: opened all the days 9.30-14.30, [www.prespa.com.gr](http://www.prespa.com.gr) <<http://www.prespa.com.gr/>>. Societa per la protezione del Prespa tel. 0030/23850-51452.

### **BOX MACEDONIA AND ALBANIA**

#### **MACEDONIA.**

To cross the Macedonian border point, the passport is needed. The only open point in the area is that in North of Florina to Bitola (13 km from the border point) where you can reach Prespa by car. It is forbidden to cross the borders of the lake. You can rent a boat for visiting the lake in different parts. You can visit the island of Golem Grad and you can see the birds in the reserve of Ezerani: it costs 50 euro for a daily landing for 10 people with no limitation of time. *Macedonian Mountaineering Sport Federation* (tel. 00389/2-3165540, e-mail [spsm@mt.net.mk](mailto:spsm@mt.net.mk))

[spsm@mt.net.mk](mailto:spsm@mt.net.mk)) provides guides who speak English for 49 euro per day for trekking in the national parks around Great Prespa. The best place is *Hotel Evropa* (Oteshevo, tel. 00389/47-484402, fax 484404, e-mail [hotel-evropa@mt.net.mk](mailto:hotel-evropa@mt.net.mk)) which faces the lake with 120 double rooms, with modern comfort, costs 20 euro per person, breakfast included. Information: : Parco Nazionale Galicica tel. 00389/46-261473, [www.prespa.org.mk](http://www.prespa.org.mk) <http://www.prespa.org.mk/>.

## ALBANIA.

For entering to Albania it is necessary that you have the passport and a visa (issued at the border point for 10 euro). It is forbidden to cross the borders of the lake. The closest border point is that of the Greek city of Kastoria dhe the Albanian city of Korca. The latest is connected with Gorica (Albanian center in the Great Prespa) by 25 km of asphalted road and 15 km of non asphalted road. There are 2 busses in 2 different hours of the day (07.00 am and 13.00 pm). From Gorica you could visit the island of Mala Grad by boat: 10 euro up to 6 passangers per boat. And you can also visit the surrounding mountains on foot (guide for 24 euro per day) or on horse (25 euro per person). Not to be missed the castle of Trajan (XIII century) and the grottoes of Spile with graphite of which date at Byzantine time. The only hotel with toilet is *Small Gorice* (duble 20 euro, dinner 10 euro), or divided rooms 8-10 euro: reservations at [www.outdooralbania.com](http://www.outdooralbania.com) <http://www.outdooralbania.com/>, tel. 00355/682519111. For further information you can visit the web page: [www.magiclakes.com](http://www.magiclakes.com) <http://www.magiclakes.com/>.

## **APPENDIX D**



putovanja



Foto i snimci: mr. sc. Zdravko Mihov

## Tuga za jugom

*Tuga za jugom (Tga za jug) je naslov pjesme napisane lokalnim narječjem istaknutog makedonskog pjesnika Konstantina Mladrova (Struga 1830 - Carigrad 1862.). Pjesmu je napisao za vrijeme studija filologije u hladnoj i snježnoj Moskvi i puna je čežnje za rodnim krajem i suncem juga. Sudbina je htjela da mu se želja o povratku u Makedoniju ne ostvari. Umro je mlad u Carigradu, u zatvoru, u istoj ćeliji s bratom Dimitrom. Tga za jug je i naziv odličnog makedonskog crnog vina (vranac) iz štrvaškog vinogorja koje toplo preporučujem.*



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obali se pod jaskavim posredstvom, a iz njega kod Struge teče Crni Drin i dočeka par pamta Jaskavom metu. Voda je čista i prozorna i boje je mora, a mnogobrojne plaže i dobri odmor pričinjavaju odlične mogućnosti za kupanje i rekreaciju. Umeđu ostalih ribljih vrsta bogata je i sastrnom koja se pripisuje ne samo, onomad nađni i prvi je specijalit.

I sama letnja gradbeni ukrasni rekonstrukcijski radovi vrata zgrade starijih u različitih vrstama i pod raznim utjecajima. Zato ne čudi što je Crni, svedoke mnogobrojnih etnografskih područja orijentalne, paleolitske, i južnjače umjetnosti. Svake godine održava se

prekoraon inajolima, u okolici, ujedini se i jecti Crni Drin, zapadni stranom i baci pogled na prekrasan Ohrid a jaskave strane.

**Ohridski blizni**

Na ulicama i šetnjavima je govila, a mnogobrojni kašni i rekonstrukcijski preputi i sve podjednako, na Štrudomju. Vrhovni nadni ljudima koji se odlično zabavljaju. Na plažama je prvi morali upadati. U restoranima se, uz živu i mlakodonske glazbe, nudo poslastice donose kuhinje poput odlične ohridske pastve. Također se na svakom koraku suze suvenir, zlatarska i prekrasna Mignaraka robe od srebra. Tu su i ostaci bašni od kojih se se jaska žena deli i odijevaju.

U gradu i okolici je prepoznatlika kralja pripremanje sazdjaka i džep. Orijentalni kam i hotelu Flamengo a ženi izvornici koji se nalazi na glavnoj gradskoj promatrao i desetak minuta hoda je udaljen od jezera i najstarijeg centra grada. Hotel je opremljen i ima ponudu u skladu a brojem zvezdica, a površina je na raspolaganju i vanjski bazen. Noćenje a iznajmljivati stoji 30

odnosno 40 eura, zavisi od opremljenosti sobe. Čijeva kćerka u apartmanu kod privatnih iznajmljivaca je, zavisi od kategorije i postojeće opremljenosti, između 5 i 20 eura. Naveden preporučujem ostanak naj-40. Ohridskog jezera koje traje od 12. aprila do 20. kolovoza. Koncert je to jednog od najboljih svjetskih tenora, slavni Jose Carreras. Uradit, posebno za makedonske javike, ali i gini ulaznicama od 30 eura, prostor simfonijske je filharmonije. Na koncert je došla i puno starih tenora, i svaki od njih i tenore prepune su gledatelja, svaka pozicija je zauzeta. Uz pomoć Makedonske Muzičke Četve ostakivajuva podrška. A je sam, osim koncerta, održavaju koncerte u publici, posebno one izvan simfonijske - ni jednog zadržava se nekog drugog načina izvođenja koncerta. Često su mnogobrojne manifestacije Ohridskog jezera malim nagradni razlog obilaska a Ohrid.

**Galena greš**

Izvršno se kroz Nacionalni park Galčica, veća 22.750 ha i najstarije između Ohridskog i

Prezapanskog jezera, a najviši vrhovi od 2.225 m na istočnoj strani. O najstarijoj prirodi najbolje svjedoči činjenica da u parku ima starijih bilja i životinja svijeta (2 endemskih vrsta koke i 26 endemskih vrsta faune). Uzivajući u prekrasnoj prirodi sastavljeni su soljima a sebe neoporeklo i odlične pogledi na Prezapansko jezero koje se nalazi na granici a Albanije i Galčicom kojima posedaju mješovitost jezera. Površina jezera je 374 km<sup>2</sup>, na nadmorskoj je visini od 693 m, a najveća dubina je 34 metra. Dugaj je prirode svjetlo, a nastanku je ga čak 6 vrsta endemskih riba. Svi vrstovi plivaju čamcem do jednog makedonskog otoka - Galen greš koji su, na tomad Galčica, Albanije i Makedonije, kao grana neman se prirodno travi uzvanje i vode. U polju razmaka flow i faune staju se reka iuzi: no rijeki vaskolika i endemski stija. Taj, sada konzervirani stija, kojeg su od nekoliko prvo stajališta izvanjačnjaj djevo stajališta izvanjačnjaj ljudi i su ovaj je a najstariju od 10. do 14. st. mazastr, stara je tekovina i vjeronika na prola vremen

Gore Bjelo: Nacionalni park Galčica  
Gore Bjelo: Čarči na Ohridskom jezera  
Zrepa Bjelo: vrhova staja Buzje-Pavlepa u Ohrida  
Dolje stajalište: vrhovi sv. Jovana i Nana



Upojamo se u knjigu posvećenu polunovom na taj način zauzavši prilično vremena. Zapravo, kada kreneš prema na samoljetu i unutar je propilatorje. Dječak se kao da sam stigao sa svoj svijeta i da dalje nema silu vida. Prvi povrtku anđžan ritar dže volio silove kavri dno pčolajeno-moru. Iskusni domaćni argumto vode čamca prona dšali, a mi smo bogatiji za vrutemj doživlje i malu avanturu.

**Gorska oči**

Na putu prema Bitoli je i treći nacionalni park - Pelister. Park, većece 12.520 ha, okružuje 2001 metar visoku planinu po kojoj je i dšbo nta. Impresivan je ritaj koji vjekopunjuje dva glatčajna jezera, Veliko i Malo jezero. - Ginele od na vaktima od preko dvie stazebe mešara. Među najstarijim bijelim vrinama je rušila - autohtona vrsta koja iz mračnog perioda koja raste jama na nekoliko planina na Balkanu.

**Grad korzula**

Bitola - grad korzula se svojih iz kuta stanovnika i drugi pu

skikini u Makedoniji, iz ovog orijentalni kšh kojam pridržava žboperni bazar, ruži smjelte i u vrhušskom hotelu sa avim sadržajima i kockanicom.

Bitola je u Generalijsko doba bila važna uporišno središte. Ovaj grad, nekad jako vojno uporišno, poznat je kao grad korzula i špionacije (1870. - 1913.). Bogat je tradicionalnom arhitekturom. Lijepo je sačuvana gradska jezgra iz 19. st. s bazarom, obrtničko je i izpovačko središte. Posebno je vrijedna jest čbarnja izgrađena 1558. godine.

U Bitoli se odvija i bogat kulturni život. Osim kazališta tu su i galerije te mnogobrojne kulturne manifestacije. Nodaljku je i granitni pejzaž prema Grlboj pa se među dšbi i na dšlet u sjeverni, brdski, dio Grlbo.

Na rubu grada je Heraclea, naselje iz čbvnog stajanja prije nole ere u kojem su nastajale trgovine i kasnije civilizacije. Utarnjenje davnog grada Heraclea Lyncestis je povezano s Filipom II, Makedonskim. Naselje ovaj grad postaje rimsko vojno uporišno i važno gradska središte. Naselje je još dobrim



djelom neizmješeno, ali se mogu vidjeti upetičtjivi ostaci nekadašnjih gradevina i sustava kanalizacije. Posetio su ljepi i vrijedni podni mozaici koji su nekad stasčavili bogataške kuće i druge prostore. Ostaci nekad velikog grada pokazuju kako se živjelo prije 2.400 godina.

Na fotografiji gore: namastir sa žbvnim Rigorelog

\* Autor je boravio u Bitoli u okviru projekta USAID Morednia Gornje Srbije i Adrija kraj putuje podizanje forturneke sposobnosti mladolnog barmu.

# Longing for the South

*Longing for the South (T'ga za jug) is the title of the poem by the renowned Macedonian poet Konstantin Miladinov (Struga 1830 - Constantinople 1862) written in the local dialect. He wrote this poem during his stay in cold snow-covered Moscow where he studied philology and it brims over with his longing for his native town and the sun of the south. It was his fate that his wish to return to Macedonia would never be fulfilled. He died young in Constantinople, in prison, in the same cell with his brother Dimitar.*

*Longing for the South is also the name of the excellent Macedonian red wine (Vranec) from the Tikvesh vine district which I warmly recommend*

*Author of the text and photographs: Mr. Sc. Zdravko Mihevc*

As soon as the plane touched the landing of the Skopje airport the first impressions started amassing. A modest and unattractive building, fast passage through the controls and the cordon of cab drivers and other people offering lift to the city. And, of course, the heat.

The motorway takes you quickly to the centre of Skopje. I check in at the Best Western Hotel – belonging to the famous American chain of hotels, located in the pedestrian zone. That is at the same time its greatest advantage, since from it you can walk to almost all interesting places. The four stars are justified by the air-conditioned rooms, direct telephone lines, the possibility to connect to the Internet, the mini bar and the complete equipment of the rooms.

The guests have at their disposal a free of charge guarded parking place. The price for a room and breakfast is between 80 and 140 Euros. The food and drinks prices are same as in other places in the center of the city. Macedonian beer costs 80, and imported beer 120 Denars. A scoop of ice cream is 10 Denars, the price of pizza is from 150 Denars up, mixed grilled meat is 350 Denars.

## **The country of monasteries and culture**

I go to the exchange office to change some money and find out the foreign exchange rate so as to be able to “translate” the prices. The rate is 61 Denars for one Euro. The coffee shop opposite the exchange office is a cozy and nicely arranged place where I pay 70 Denars for the macchiato and 50 Denars for my mineral water and I learn about Macedonia. This once southernmost republic Yugoslav republic occupying 25713 km<sup>2</sup>, is inhabited by two million citizens: Macedonians, Albanians, Turks and Serbs. Its capital Skopje has about 600,000 citizens. Macedonia is a country that will leave nobody indifferent. This country of monasteries and museums, as it has been often called, with its charm and diversity, and primarily with its hospitable and lively people, will make a profound impression on everybody.

## **Macedonia for Beginners**

The largest part of the tourist traffic takes place in the Ohrid tourist region, the most visited and the most favorite tourist destination of domestic as well as of international tourists. The lakes (Ohrid, Prespa and Dojran) account for more than a half of the tourist trade. The mountain regions with the well-known skiing centers Popova Shapka, Mavrovo and Pelister, account for barely 10% of the total tourist trade, and the spas for only 5%. The reason for this lies in the fact that all eight Macedonian spas, the best known ones being the Strumica Spa (known as the Banja BANSKO, near Strumica with the modern hotel and all accompanying equipment), Negorska Spa near Gevgelija, Katlanovo Spa, Debarska Spa and Kosovrasti, are in dire need of additional investments and new contents in keeping with today's tourist trends and market demands.

Historical developments, the rises and falls of the great civilizations, have left lasting traces in Macedonia. The value of these historical sites attracts the interest of world experts, and tourists cannot resist their beauty. Among these sites are the Heraclea Lincestis near Bitola, Stribere in Prilep, Stobi in Shtip, the ancient theatres in Ohrid and in Skupi near Skopje.

### **New tourists**

The country's official title *FYROM* shows just a part of the challenges the Macedonians face today.

Disagreements with the neighbors, high unemployment rates low salaries and low standard of living, in addition to other problems, impede and slow down the development of the country. The consequences of the loss of the big market of former Yugoslavia are particularly felt in tourism. Ohrid and the other former destinations of end-of-high school and union organizations' excursions, are struggling to restore the old appeal and to at least partially bring back the old customers. From the "new abroad" the old customers from Serbia and Monte Negro are slowly coming back, and from the "old abroad" the once numerous tourists from the Scandinavian countries, Holland and Bulgaria. The new guests are primarily from Albania. And it is basically the wealthier strata of the Albanian society that after the many years of isolation discover the beauty of foreign travels, and the natural first choice is, of course, their first neighbor. The hosts tell us they are surprised by the Albanian guests' ability to pay high prices, as well as by their interest for cultural events and offers.

New hotels grow fast and offer new tourism contents. And it is in this that the Macedonians demonstrate their traditional business efficiency and resourcefulness. The impression is that with its lack of organization and tardiness the state hinders rather than supports their activities.

### **Shish-kebab for 16 kunas**

Though I'm staying for just a short time in Skopje and am aware that I will not be able to see all the sights of interest like the popular hiking and picnic place on Vodno, I go to the old part of the city, to the old market-place (Bit Pazar) and the Fortress (Kale), on the other bank of the Vardar. Every detail here tells the story of the 5 centuries of Turks' presence in this region and evokes the spirit of the Orient. This part of the city is mainly inhabited by Albanians, and there are also Romas. The area is full of old crafts and places offering excellent traditional food. What is new are – the Chinese. The prices are noticeably lower than in the new part of Skopje. You can have a very good lemonade for 30 Denars (approximately 4 kunas). You will have a portion of kebabs for 90, and shish-kebabs for 110 Denars (less than 16 kunas). And a surprise. Along with the almost traditional mention of a "Croatian friend from the compulsory military service", the owner of the place will treat you to a cup of coffee.

### **Tetovo, Mavrovo...**

We leave for Tetovo in the morning. Busy streets and a visit to the mosque, one of the rare painted ones. I take out my camera and take pictures, at that moment still not aware how many more times I will be thrilled by the sights of sacral buildings in the next few days. I revel in this cultural wealth, the beauty of the painted walls and the breath of history felt in the air. Unfortunately, the strong rain and our (crammed) program did not allow individual sightseeing of Tetovo, a town so close to our readers because this is where many Albanians and Macedonians known to all as pastry chefs, *burek* bakers or sellers of fruits and vegetables come from....

Soon we arrive, via Gostivar, to the Mavrovo National Park – spread over 73,088 ha it is the biggest of the three national parks in Macedonia. The natural scenery is wonderful. Mountain tops disappear in the clouds, and the place is permeated with unbelievable tranquility. It abounds in all sorts of morphological forms: river valleys, canyons, caves, glacial lakes, cataracts. In the wide variety of flora and fauna of the Park there are many rare and endemic plants and animals. Sheep freely wander and graze in the pastures under the watchful eye of the *Sharplaninec* dogs. These lovely, long-haired big creatures are well-known as indigenous Macedonian breed. Though today many keep them as pets, here they do the job they are experts in, and often engage in encounters with wolves.

During the summer the Mavrovo Lake is tourists' favorite destination, as evidenced by the numerous summer houses on its shores. There are numerous possibilities for sports and recreation on the lake, hiking and biking in the surrounding hills, and skiing in the winter. This is one of the best skiing terrains in Macedonia with a developed infrastructure, cableways, hotels and restaurants. Though all that is still far from the modern and trendsetting European skiing centers, the hosts invest a lot in expanding and improving the offer, hoping that the growing popularity of skiing and the increasing standard of living in Macedonia will contribute to an considerable increase in the numbers of skiing enthusiasts among the Macedonians. And they do not keep it secret that they hope for bigger numbers of international skiers.

Other winter resorts in Macedonia, besides Mavrovo, include Popova Shapka, Krushevo and Pelister.

### **Cheese, yoghurt, meat...**

We have lunch high in the mountains - in Galichnik, in the pleasant and authentic atmosphere of a village house. Our hosts offer traditional Macedonian food, as well as *rakija* (brandy) and wine. Vegetables, cheese, yoghurt and meat. The food is absolutely delicious and this is definitely every gourmet's paradise. The Macedonian wines are excellent, and the *rakija* will whet the appetite even of those that have firmly decided to be on a thinning diet. I absolutely believe gastronomy is one of the major trump cards of Macedonian tourism.

On the way to Ohrid we visit the Monastery of St.

Jovan Bigorski, commanding the Radika River Valley. The monastery was founded around 1020, its external appearance is typical of the turn from the 18 to the 19 centuries, and it has recently been restored. High in the mountain, amidst the black and rainy clouds, the monks prayers seem unreal. We admire the wonderful frescoes and wood-carved iconostases. The most valuable frescoes are those painted by Dicho Zograf, a fresco-painter of the village of Tresonche. The fabulous and unique ornaments of the wooden iconostases were carved by the masters Petre Filipovski and Makarie Frchkovski.

As is the habit of most of the monasteries, the monks will offer chance guests local and monastery specialties and a room to stay to those that are in no hurry or are in need of one.

### **The Jerusalem of the Balkan**

And finally Ohrid – a town of 50,000 inhabitants, sometimes called the Jerusalem of the Balkan, a favorite tourist destination located on the shores of the lake of the same name. This museum town has been under the UNESCO protection since 1979 owing, undoubtedly, to the 365 churches, one for each day in the year. The cathedral church of St. Sofija (11. c.), the churches of Mother of God Perivlepta (13. c.), the church of St. Jovan Kaneo (13. c.), and the Monastery of St. Naum (10. c.) are of particular value. The churches abound in precious frescoes of unique beauty. The town also has its valuable Gallery of Icons and the Samoil's Fortress commanding the town. We remember also that St. Kliment's University founded in the 9th century was the first Slavic university.

In the old part of the town there are the National Museum and the houses of once renowned merchants' families Robev and Uranija, today also museums. Exhibits dating from the pre-historic times and from the Hellenic period, the numismatic collection with coins from the classical and medieval periods, the collection of icons made in the period between the 11th and 19th centuries, and the rich town and village costumes -- testify to the long history of the town and its surrounding areas.

The Lake of Ohrid abounds in varieties of flora and fauna and is one of the biggest biological reserves in the Old Continent. There live about two hundred endemic species of fish in this lake.

It is situated at 695 meters above sea level and it covers an area of 349 km<sup>2</sup>, (a smaller part of it belongs to Albania), and at the deepest it is 286 meters deep. It gets most of its water from the karsts streams on the eastern and southern shores as well from such springs under the lake, and it is the water of this lake that provides the headstream of the Black Drim River that starts in Struga its journey to the Adriatic Sea. The water of the lake is clean and clear, the color is that of a sea, and the many beaches and other possibilities make swimming and water sports pleasurable. The lake abounds in fish, especially in trout, which is prepared in a special Ohrid style and is a genuine specialty.

During a walk through the streets of the town new vistas keep opening of houses built in different periods and under different influences. No wonder Ohrid is the destination of numerous experts and tourists interested in architecture, history and arts. And more than that, one simply must take a walk in the beautiful countryside around the town, see with one's one eyes the beauty of the Black Drim, sail the lake and experience the view of Ohrid from the lake.

### **Ohrid Pearls**

The streets and public walks are crowded, and the many cafes and restaurants are swarming with people and it is all very Mediterranean. The town is full of young people having great fun. The atmosphere on the beaches is that of a seaside. The restaurants with Macedonian music offer traditional local food such as the fabulous Ohrid trout. The shops offer souvenirs, goldsmiths' products, and wonderful silver filigree. And here are also the Ohrid pearls that no woman can resist.

In the town and around it there are about 15 hotels satisfying a variety of tastes and means. I have a room in the four stars Flamengo Hotel on the main street, only ten minutes walk from the lake and the very center of the town. The hotel is well-equipped, its offer is in keeping with the number of the stars, and the guests have an outside swimming pool at their disposal. A room with breakfast is 30 or 40 Euros, depending on the room. The price for a bed in an apartment house is between 5 and 20 Euros, depending on the category and location of the house.

In the evening I went to the opening of the 45th Ohrid Summer Festival that will last from July 12 to August 20. It is the concert of one of the best tenors in the world, the famous Jose Carreras. In spite of the expensive tickets – especially for Macedonian conditions – of 50 Euros, the amphitheater is fully packed. Many foreign visitors came to the concert too. And all the balconies and terraces of the houses surrounding the amphitheatre are full of people, every possible position is occupied. Supported by the Macedonian Philharmonics, Carreras captivates the audience. And I am delighted not only by the concert but also by the behavior of the audience, especially outside the amphitheatre – not one whistle or any other interference with the concert. It is obvious that the numerous Ohrid Summer Festival events are a strong magnet and a good reason to come to Ohrid.

### **Golem grad (The Big City)**

We drive through the Galichica National Park, encompassing 22.750 ha between the Ohrid and Prespa Lakes. The highest top of the mountain of the same name rises to 2.225 m. The best proof of the pristine nature is the great variety of plants and animals with 12 endemic species of flora and 26 endemic species of fauna. Fascinated by the wonderful scenery, we stop to take in the mighty and magnificent view of the Prespa Lake on the junction of the three borders with smaller parts of it belonging to Greece and Albania. The lake is at 853 m above sea level and covers a surface of 274 km<sup>2</sup>. It is 54 m deep at its deepest point. It is rich in species of birds, and is the home of as many as 6 endemic fish species. We travel for an hour by boat to the only Macedonian island – the Golem Grad Isle on the junction of the borders between Greece, Albania and Macedonia, and watch as the island gradually comes into sight as if emerging from the water like a big dragon or a natural fortress. In the abundance of varied flora and fauna there are some extremely rare species of birds and endemic plants. On the island, now uninhabited but a home to many over the centuries, from the Neolithic through the Roman times and Middle Ages, with a monastery active in the period from the 10<sup>th</sup> to the 14<sup>th</sup> centuries, there is an old small church that evokes past times. We sign our names in the visitors' book as if to forestall the evanescence of time. The deafening silence invites thoughts and private retrospections. I feel like I have arrived to the edge of the world and there is nothing beyond this. On the way back the strong wind makes high waves of the kind usually associated with seas. Our experienced hosts navigate the boats safely to the shores, and we are richer for yet another intimate experience and a small adventure.

### **Mountain Eyes**

On the road to Bitola we come across the third national park – Pelister. This park on 12,520 ha, encircles the 2601 meters high mountain of the same name. The impressive relief is adorned by two glacial lakes, the Big and Small Lakes - the "Eyes of the Mountain", located at more than 2,000 meters above sea level. The most characteristic of the plant life here is "molika" – the indigenous type of pine tree dating from the tertiary period and found on only a few mountains in the Balkans..

### **The City of Consuls**

And Bitola – the city of consuls and the second largest town in Macedonia, offers not only a specific oriental atmosphere which is largely due to its lively bazaar, but also accommodation in a hotel of top category, with a casino. With its 100,000 inhabitants, Bitola is the second biggest town in Macedonia and in the time of the Ottoman Empire it was an important administrative center. This town, once a strong military stronghold, was known as the city of consuls and diplomacy (1870 - 1913). It abounds in traditional architecture. The town center built in the 19<sup>th</sup> century is well preserved and today it is crafts' and trade center.

A place of special importance is the Yeni Mosque built in 1558. Bitola has a rich cultural life. In addition to the theatre there are also art galleries and numerous cultural events. Not far from the town is the border to Greece and the visitors can go for a picnic in the northern, mountainous part of Greece. Heraclea, a city dating from the 4th century B.C. with traces of many later civilizations, is on the outskirts of the town. The establishment of the ancient town of Heraclea Lyncestis is linked to Phillip II Macedonian. Heraclea later became Roman military stronghold and an important urban center. The site is still largely unearthed, but the impressive remains of the buildings and the town's sewage system can be seen. Particularly beautiful and valuable are the floor mosaics that had once adorned the houses of the rich people and other areas. The remains of the once big town show the way people here lived 2,400 years ago.

\* The author visited Macedonia on the tour organized by the USAID Macedonia Competitiveness Activity, which assists the promotion of Macedonian tourism competitiveness.

## **APPENDIX E**



# jedinstvo

... i Zla postojana svaki svoj sad. Dali sta-  
 zno u "Makedonska kupa" u Prilepu, općina  
 ograničen sefom na kopu svoj i gruču, i ostar,  
 i pindar, i tati zava, i Maheh (ovako slično izraz  
 gila, i nprilika postreka, i stovje, i vruća poga-  
 ča, i kvasice sa kiselim mlekom, i voštica i  
 ... sve to se odjekuje svaka. Koliko li  
 Hrvatska kojeg znači ova svaka, tako tuga "Tja  
 sa jag" - pravi čita! I svatko, jednini, ali za  
 kraku, jer otkazi ponašanje, ljudi koji se sa-  
 svaku o nezgodnom položaju u ostar. Jazni  
 koji ti se raduju i li sa njima raduju. Glasno  
 dolaski nema sa trulave iznad Skoplja, preko ju-  
 to ograničen osvetljenog kupa koji se vidi naka-  
 laka. Gled se masni kupaš ruz, a Varda sa čija  
 odobren sa se radujuški nemoć, kao da ga čija  
 sa okapa, teče i ruzari ruku svoga priča. U sa-  
 koj čiraji kama se buru, ali a tvoj sa i kupa  
 pona drugi omoga svakeje - crkva i dilašije,  
 koje nekada slično sva smatke saji Kapu-  
 šta a kupa je danas mali trgovski centar i ni-  
 novostima "Kupa" opširne kupa, jedinstvena  
 dilašija Kupa ostar, uzim čiraji podguta sa  
 spita, Kupaški tun (puto puta Nacionalnog mu-  
 zija sa nekoliko starih posadila od kojih vredi  
 videti izložba od čak 70 različitih starije, koje  
 govori kupa o raskoloviti različitostima, tako  
 sa i sa sličnostima, ali, po svima, sa masovnog  
 kupašnje omogji i nateranoš sa svim ruzari  
 ljudi i ruzi, kao i izvan Balkana. Nekiđako mi  
 varda koj spita cente Skoplja i Staro čiraji -  
 nared ostar srušen ruzari. Vardar. Čiraji ruz-  
 di je nekada bila kupa a kupa je 1910. godinu  
 odina Gvarda Spasili - čiraji ruzari Tuzija,  
 koja je kao i ruzari je svoj kupa, nikad naterano  
 ruzari ruzi a svet i ruzari ostar, Ali, varda sa



makedonija - pomagat podizati kupa






... ruzari ruzi kupa sa kupašnje tun, čiraji sa se, sru-  
 šta i kupa, ponda ruzari a par jedinstvenih ruzi  
 "Daria sa e gilašje kupa sa kupa, kupa kupa sa  
 kupa". Ovo je u ruzari, ponda kupa kupa sa kupa i  
 kupa sa ruzari ostar koj ruzari ruzari i u ostar i kupa  
 kupa kupašnje Ali, a Makedonija, kupa je kupa obdaru  
 ruzari kupašnje, ruzari i varda, sa im sa kupa do kupa  
 kupa kupašnje ruzari ruzari - sa kupašnje kupa

**Lijana Bekrova**

\* Sa pona kupa je ruzari ruzari USAID Makedonija  
 Gvardašnje kupašnje kupa kupašnje  
 kupašnje kupašnje kupašnje kupašnje  
 www.mca.org.mk





• 1727 •



Macedonia – 15 Years  
Later

# The Exciting Opposites

**N**ot even after a whole week in Macedonia can I say with certainty why "T'ga za jug" is still my favorite wine. Why is the necklace made of Ohrid pearls taking me back to the enormous Blue lake in the depths of which, with the sun upon it, our yesterday and their tomorrow can be seen as if in a past. Why is everything in this beautiful, exciting country where wild horses still graze on the mountain slopes, wild cherries grow on the trees, and the fields abound in mountain aromatic herbs that make sheep choose and yoghurt so healthy and so aromatic - why is all that reminding me of my Serbia.

I tread this country of translucent streams and rivers, big lakes - sad mountain eyes that eternally mourn for those

to be found in greater numbers in faraway countries than in their own land. I walk on looking for the beginning of the skein, that red thread that will help me to return tomorrow to Galchuk, at least for St. Peter's Day, so that we all rejoice and celebrate as God has decreed, and I must not forget Ohrid - the Macedonian Mount Athos that could once pride itself on its 3,000 churches, of which only some 60 still exist today, the town whose local patron saint Flamin managed to save the citizens and their families from any evil and thus helped them to still have the smile the citizens at some other places of this country have lost in their struggles to survive. I tread the roads of aromas, of tobacco and wines - the best in Macedonia, according to the experts - first to Prilep, where tobacco as yellow as gold grows, then to Negotino, the heart of the Povardarie region, with its noble vines that have been for centuries converting sun into Chardonnay, Rose or Vranac. I climb Bistra, Pelister, Maitka - the mountain beauties of the Balkans, whose mystical charm will leave nobody indifferent, and which are so healthy that can cure everybody. And then I realize that those that had never seen Prespa Lake will perhaps never understand what void looks like - a big depressing water expand disturbed by nothing, not even by a whiff of wind or human voice. Why, nobody knows. In Bitola, the city of the consuls and picturesque town architecture - the ruins of the impressive Roman Heraclea on one side and, on the other, the magnificent mosque in the depths of which a grand archeological story is being unraveled, and close to it the colorful bazzars with goods from all over the world, mostly Chinese and Turkish, and then, in the very center of the town, the Epinal Hotel, a modern version of the old caravan taverns, and in the middle of it a casino where those most passionate, entranced by the philosophy of the dices, turn nights into days and lose their possessions and - lives.



- 1728 -

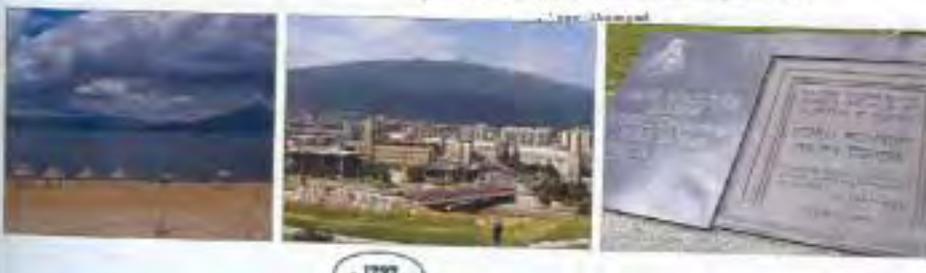
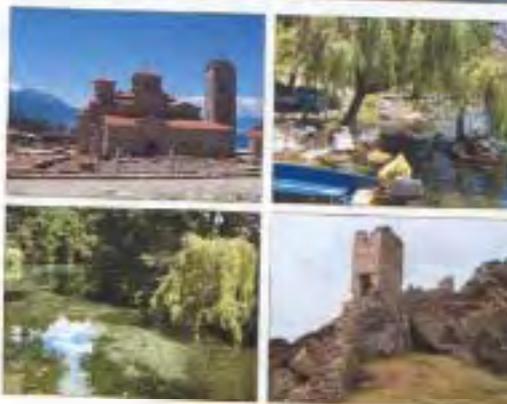
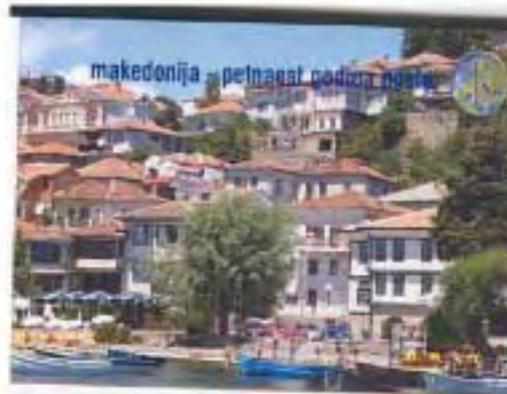
# Unity of

And while the others walk around with their eyes and hearts wide open and ready to fall in love, I cannot stop, like someone haunted, stopping and looking for the small stones that I had once, long ago, dropped here. I discover that I still struggle with the old love which makes all my judgments partial. As we enter the "Macedonian House" in Prilep, fascinated by the enormous refectory table covered with plates of beans, *ajvar* and *psodjar*, and *navo-sara* and *obvodon*, and Ohrid trout and cheese, and steaming corn bread and cucumber at yogurt, and *pyes* with cheese and those with vegetables... it all suddenly comes back. My Croatian colleague who has been going through the same pains, says: Drain a glass of "Tuzan jig" and it will pass! And indeed it does, but only for a while, because a new memory takes its place, people that approach you with an unspoken question in their eyes, people that are glad to see you and you are glad to see them. We watch the sunset from the fortress commanding the whole city of Skopje, just opposite the huge illuminated cross that can be seen far. The city is spread before us, and the river Vardar, with its banks covered with restaurants, seems to be keeping it together, flowing and murmuring some story of its own. The old part of the town, its bazaar and the many different temples - churches and mosques side by side that once belittled nobody the old Kapan. An area turned into a small shopping mall, the wonderful ethnic-restaurant "Sofra", the unique mosque Kadi Kešibe, and the Kurbanli. An opposite the Museums of Macedonia with their several permanent exhibitions among which the one of as many as 70 different traditional costumes, a number that speaks of Macedonian diversities and similarities, and most of all of the unbelievable creative energy and talent of the ordinary people here and all over the Balkans. Not far from the bridge connecting the center of Skopje and the Old Town,

there is a small square plaque in the middle of the street. We read: This is where the house was in which Gondahe Bopadzhin - the famous Mother Teresa, was born in 1910 and from which, like so many other people from this beautiful, once - poor country, she had gone to the world and remained there. But her warm message did come back and I feel this is what I've been looking for all this time, a message summed up in a few simple words: *The world does not hunger for bread only, it hungers much more for love!* This is, in fact, the message that should be heard and remembered by those that develop tourism in this and in any country in the world. But perhaps even more so here in Macedonia, the country where God has bestowed so much, because today, one step to success, they lack so little - just some self-confidence.

Lilijana Rebrnaja

\* - From the law trip organized by the USAID Macedonia Competitiveness Activity supporting the promotion of Macedonian tourism competitiveness.



## **APPENDIX F**



# WIN A FABULOUS 7 DAY

MACEDONIAN  
WINERIES  
TASTE TESTING  
AND HOLIDAY TOUR...

simply complete the entry form on the neck of any bottle of wine  
from one of the following Macedonian companies



A promotion proudly sponsored by members of The Macedonian Fine Wines Export Group

Bovin · Cekorovi · Fonko · Pivka · Popov · Skovin

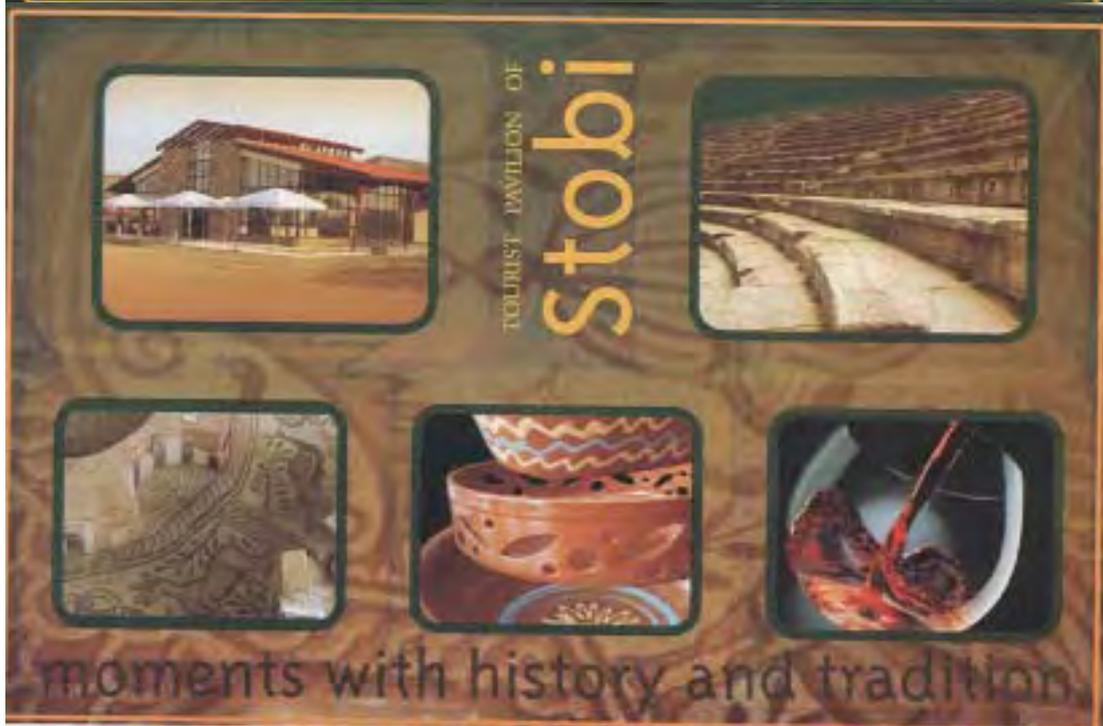
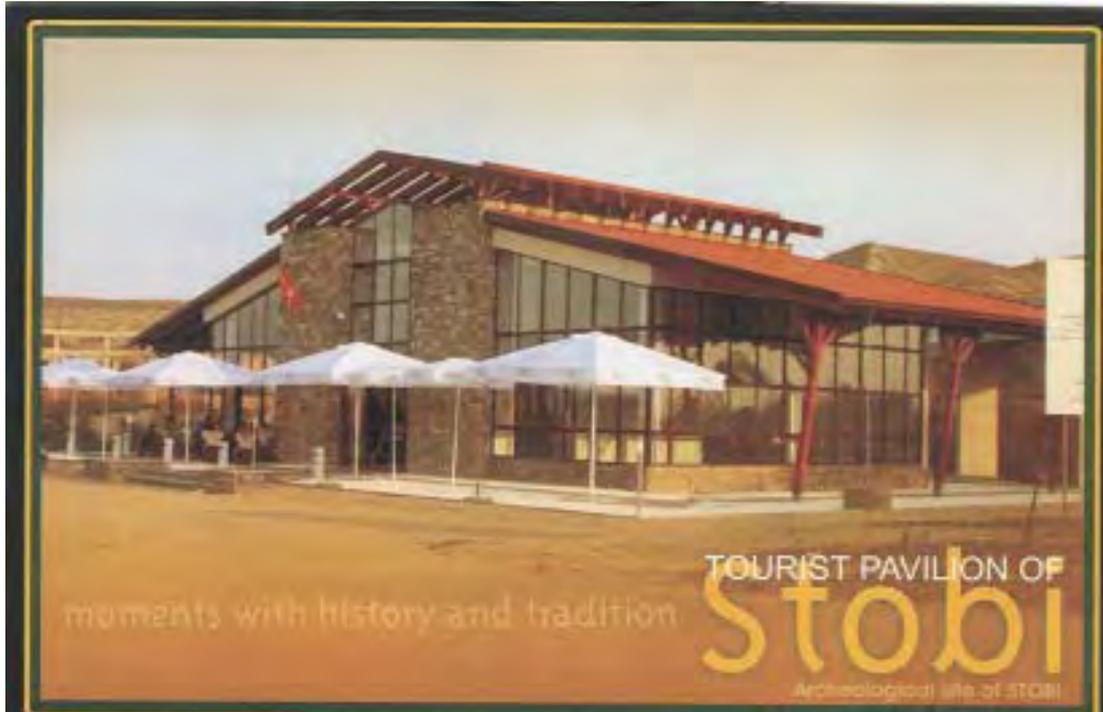
## **APPENDIX G**

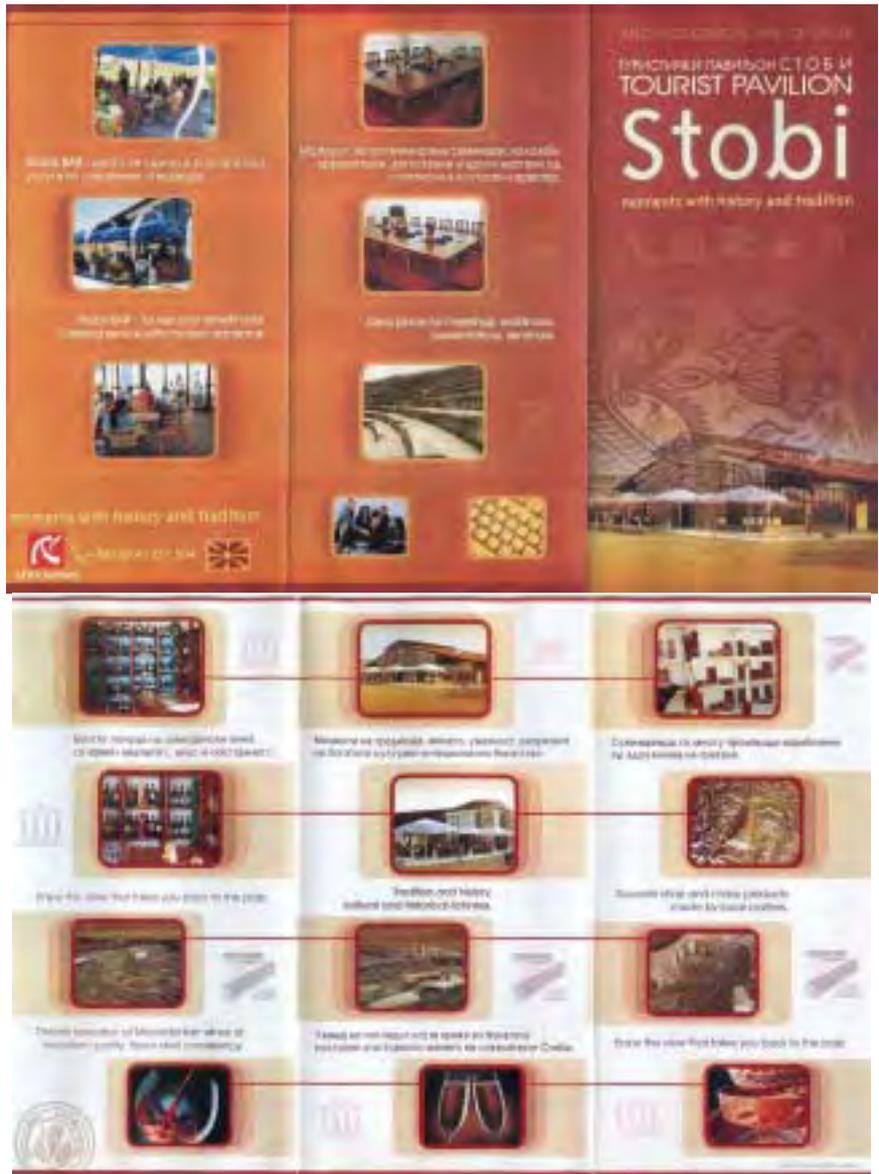


## **APPENDIX H**



## **APPENDIX I**







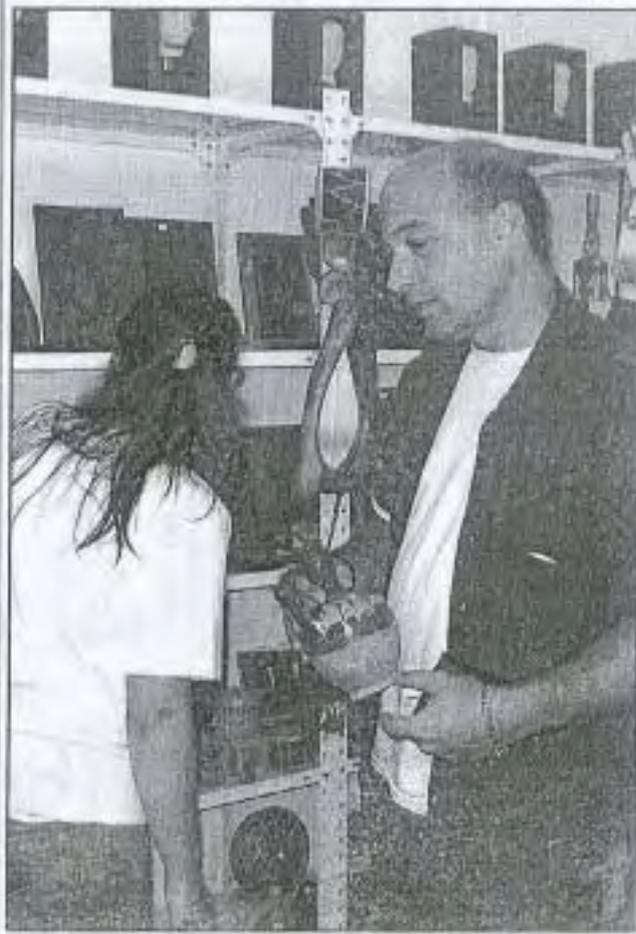
## Сувенири и вина во Стоби

Странски и домашни транзитни туристи се заинтересирани за сувенирите што се нудат на археолошкиот локалитет „Стоби“, со кои се презентираат македонската историја и култура. Во комплексот со кој стопанисува фирмата „Ливаномерц“ од Неготино може да се купат македонски вина како дел од проектот за развој на винскиот туризам. Деновите во организација на Здружението на граѓани „Неготински круг“, а со поддршка од центарот за поддршка на

НВО „Неготино“ во туристичкиот павилјон Стоби електронски се посрваа заинтересираните страни за развој на туризмот во Тивешкиот регион, со посебен акцент на културно-историскиот туризам.

На средбата беше разговарано за проекти за кои ќе се побара соработка со Заводот за заштита на културното наследство и со Министерството за култура на Македонија, а целта е да се привлечат што повеќе туристи во Стоби.

(С.Д.)



## TRANSIT TOURISM

### **Souvenirs and wines in Stobi**

Foreign and domestic transit tourists are interested in souvenirs offered at the archeological site “Stobi”, that present Macedonian history and culture. In the complex operated by the “Liva – Komerc” company from Negotino, Macedonian wines can be bought as part of the project for the development of wine tourism. These days, in organization of the Citizens Association “Negotinski krug” (Negotino circle) and with support of “Negotino” NGO Support Center, all who are interested in development of tourism in the Tikvesh region, particularly in cultural-historical tourism, were electronically linked in the tourist pavilion Stobi.

At this meeting, there were discussions about projects that would ask for cooperation with the Macedonia Institute for the Protection of the Cultural Heritage and with the Ministry of Culture of the Republic of Macedonia, and the goal is to attract more tourists in Stobi.

(S.D.)

## **APPENDIX J**



## **APPENDIX K**

# II ФЕСТИВАЛ НА ВИНО И СИРЕЊЕ



## КАЈ ЧИНАРОТ

Охрид, 30-31 јули 2005, од 19 до 23 часош

Организатор: Здружение на одгледувачи на овци од Западна Македонија.

Со помош на:

Министерство за Земјоделство, Шумарство и Водостопанство.

Министерство за Економија, УСПИД, СФАРМ

Со купување на наше вкусно сирење и наше врвно вино

до награден викенд и подарок производи

ИЗВЛЕКУВАЊЕ ВО 20 и 22 ЧАСОТ

