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*Regional Tourism
and
Cluster Based Local Economic Development*

7-8 May 2015

Skopje

UNIDO

PROCEEDINGS OF CONFERENCE



United Nations Industrial Development Organization
Department of Trade, Investment and Innovation (TII)
Division of Business Environment, Cluster and Innovation (BCI)

Acronyms

APST	Agency for Promotion and Support of tourism
CDA	Cluster Development Agent
DoT	Department of Tourism
EDEN	Tourism Cluster of the Southwest Macedonia
FTH	Faculty of Tourism and Hospitality
FYROM	The Former Yugoslav Republic of Macedonia
GIZ	German Agency for International Cooperation
LAG	Local Action Group
LCDE	Lead Cluster Development Expert
LED	Local Economic Development
MoE	Ministry of Economy
MSMEs	Micro, small and medium enterprises
PPD	Public Private Dialogue
PPP	Public Private Partnership
SME	Small and Medium Enterprises
SWOT	Strengths, Weaknesses, Opportunities, Treats
TC EDEN	Tourism Cluster EDEN
EU	European Union
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
UNWTO	United Nations World Tourism Organization

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The opinions, figures and estimates set forth are the responsibility of the authors and should not necessarily be considered as reflecting the views or carrying the endorsement of UNIDO.

Comments

Comments and suggestions on issues raised in this project report are welcome and may be addressed to Adnan Seric at a.seric@unido.org.

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The opinions, figures and estimates presented by experts at the conference and quoted in this document are the responsibility of the authors and should not necessarily be considered as reflecting the views or carrying the endorsement of the expert's respective institutions.

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Table of Contents

Acronyms	1
Disclaimer	2
Acknowledgement.....	3
1. About the event:	5
2. Opening session – Balkan, a Regional Tourism Destination	7
3. Opening session, Cluster-based Local Economic Development	9
4. Key note speeches	11
5. Plenary session	24
Annex I – Agenda of the Conference.....	29
Annex II – Biographies of speakers	33

1. About the event:

Background

UNIDO, in cooperation with the Government of the FYR Macedonia and with financial support from the Government of Slovenia, has been assisting with development of tourism clusters in Ohrid Lake and Tikves regions of the FYR of Macedonia. The main objective of the initiative is to enhance competitiveness and market access of enterprises in the two pilot clusters through fostering collaboration, innovation and linkages between tourism and productive sectors. The project aims at bringing successful cluster development tools and policy experiences from the region and beyond to the attention of key regional, national and local actors in charge of promotion of tourism sector in the Balkan region and the FYR of Macedonia.

To this end, UNIDO in collaboration with the Ministry of Economy organized an international conference on regional tourism and cluster-based local economic development to further stimulate policy debate and action.

Tourism in Balkan

The Balkans as a regional tourism destination has great potentials; rooted in the countries long and shared history and culture. However, the industry is highly fragmented in the region and to fully materialize its potentials there is a need for integrated strategies for development and promotion of destination products.

Tourism products that reflect specific regional features and address market opportunities for a more sustainable tourism development in the region call for well performing tourism industries at local level and well-coordinated strategies at the regional level through collaboration, exchange of information and innovative solutions to regional challenges.

Tourism Clusters

Evidence from well-performing clusters shows that cluster formation and performance can be triggered and improved through appropriate policy initiatives. However, the challenge for policy makers and development partners alike is to provide nascent or underperforming clusters with the necessary means, i.e. policy actions, to face such challenges and to actively insert themselves into regional and global value chains.

Tourism as a sector is made up of various industries from agriculture and manufacturing to services. In fact, tourism offers a potential market for various goods and services that can be produced locally and make up the tourism offer of a destination. Therefore, while contributing directly to local and national GDP, tourism can be a driving force for growth of other industries and catalyzing force for fostering inclusive and sustainable development.

The multi-sector character of tourism highlights the importance of linkages with productive industries and calls for an integrated approach to development of the tourism sector as a driving force for sustainable development. Meanwhile, the typically small and medium size of

enterprises that populate clusters and tourism sector in particular, highlight the importance of an efficient coordination mechanism that enables various actors to interact and engage in a constructive dialogue to proactively plan for development of the sector, while ensuring environmental sustainability and



Picture 1: Opening session: Ms. Ana Ambarkova, UNIDO expert, Moderating the opening session

inclusiveness of its growth. The event was an attempt to address some of the key questions, structured in line with the following three pillars:

Block 1: Balkans, a Regional Tourism Destination

What is the state of tourism industry in the Balkan region? What is the scope for future development of tourism in the region? What are the pre-requisites for a strong tourism industry in the region? How can regional initiatives foster local economic development? What are the existing and potential regional coordination mechanisms?

Block 2: Clusters as a Tool for Local Economic Development:

How do cluster-based economic development and industrial policies look in practice? How are successful policies formulated and developed over time? Who are the main actors in the formulation of cluster policies? What are the best practices in implementation of such policies?

Block 3: Innovation and Knowledge Creation in Clusters:

How do clusters contribute to knowledge creation, adaptation and upgrading? How important is fostering collaboration among various sectors? What are the mechanisms for development of collaborative platforms?

1. Programme of event

The Regional conference on Tourism and Cluster Based Local Economic Development was organized in two days. Day one was dedicated to tourism in the Balkan region (Block 1) and the second day to cluster based local economic development (Block 2 and 3).

Day 1

- Opening session – Balkan, a Regional Tourism Destination
- Key note speeches
- Opening of Skopje Tourism Fair

Day 2

- Opening session – Cluster based LED
- Key note speeches
- Panel discussion

2. Opening session – Balkan, a Regional Tourism Destination

Government of the Former Yugoslav Republic of Macedonia

Mr. Bekim Neziri, Honorable Minister of Economy of the FYR of Macedonia officially opened the Conference by highlighting the achievement of his country in promoting its tourism sector in terms of growth in national and international arrivals and the increasing contribution of the sector to national employment and GDP.

Acknowledging the important role of tourism in creation of direct and indirect income generation and employment opportunities in tourism and related industries, Mr. Neziri reiterated that tourism is one of the priority sectors in the



Picture 1: Opening session (left to right): Mr. Seric (UNIDO), Mr. Neziri (MoE, the FYR of Macedonia), Ms. Paskali (Deputy MoE, Albania)

FYR of Macedonia's industrial policy. He also acknowledged the positive results of the ongoing UNIDO project and highlighted the importance of continued



Picture 2: Opening session: Mr. Bekim Neziri, Minister of Economy, The FYR of Macedonia

cooperation with UN agencies such as UNIDO and UNWTO for development of tourism in the FYR of Macedonia.

United Nations Industrial Development Organization

Mr. Adnan Seric, Industrial Development Officer at the United Nations Industrial Development Organization and manager of the ongoing project; “Fostering sustainable linkages and cluster development in the Macedonian Tourism Industry”, acknowledged the support by the Government of Slovenia and excellent cooperation with the Department of Tourism of the Ministry of Economy for successful implementation of the project. He summarized project objectives and reviewed the results achieved so far and expressed UNIDO's commitment to continue supporting the FYR of Macedonia in development of tourism clusters in Tikves and Ohrid regions.

United Nations World Tourism Organization

Mr. Talib Rifai, Secretary General of the United Nations World Tourism Organization (UNWTO) praised the important achievements of the FYR of Macedonia in promoting its tourism industry and echoed the potentials of Balkans region for fostering its tourism potential for inclusive socio-economic development. He also expressed the need for building public and private partnerships at the local and regional levels and asserted that the Conference organized by UNDIO and the Ministry of Economy is a right step in this regards.

Ministry of Economic Development, Tourism, Trade and Entrepreneurship of the Republic of Albania

In the first day, the Deputy Minister of Economic Development, Trade and Tourism from the neighboring Albania introduced recent development in the sector in Albania and future plans of her government to further promote development of the sector. Highlighting the historical and cultural elements shared by countries in the Balkans, Ms. Brunilda Paskali expressed her Government's positive view on regional tourism and the interest for closer cooperation between responsible tourism organizations and private sector under cross-border and regional tourism initiatives.

Culture, Tourism and Environment Department, Municipality of Odessa, Greece



Picture 2: Opening session: Mr. Taleb Rifai (UNWTO)

Taking the successful example of Ohrid-Edessa cross border initiative, the head of Tourism Department of the Municipality of Edessa, Mr. Evangelos Kiriakou underlined the significant results that can be achieved through cooperation between countries in the region. He provided his insight into development of tourism sector with reference to the experience in Edessa and shared the experience from successful cooperation with the Municipality of Ohrid.



3. Opening session, Cluster-based Local Economic Development

Government of the FYR of Macedonia

The second day of the conference was opened by Secretary of State Ms. Aneta Dimovska. She highlighted the effectiveness of UNIDO's integrated approach to development of tourism clusters with reference to the successful results achieved so far in Tikves wine cluster and Ohrid lake tourism cluster. The Secretary of State emphasized her Government's strong interest in technical cooperation with UNIDO and the Government's continuous support for development of tourism sector in the FYR of Macedonia.

Government of the Republic of Slovenia

Chairing the session, Dr. Sonja Sibil Lebe conveyed cordial greetings of Minister of Economy, Mr. Zdravko Počivalšek and the former Director of Tourism, Ministry of Economic Development and Technology, Mr. Marjan Hribar to the Conference. She expressed her Government's continuous support for the FYR of Macedonia's accession to the EU and highlighted the significant per capita contribution of Slovenia to UNIDO projects, including the ongoing initiative in the FYR of Macedonia. Dr. Lebe, who is a professor of tourism at the University of Maribor, emphasized the important role of tourism in sustainable development and acknowledged UNIDO's achievements and hoped for continuous progress in helping tourism sector in the FYR of Macedonia.

UNIDO

Mr. Adnan Seric, Project Manager of the ongoing UNIDO initiative in the FYR of Macedonia "Fostering sustainable Linkages and Cluster Development in the Macedonian Tourism Industry" elaborated UNIDO's approach to supporting the tourism sector which is based on four pillars of intervention:

- i) Development and strengthening of inter-firm linkages and networks;
- ii) Participatory capacity building and resource development;
- iii) Integrated new product and market development; and
- iv) Strengthening institutional support for the industry.

He summarized UNIDO's achievements in the FYR of Macedonia and outlined



Picture 3: Key note speakers of Day 2: Cluster based LED
(left to right): Christoph Reiss-Schmidt, Nikolina Trajanoska, Zoritsa Urosevic, Tea Petrin, Sonja Lebe and Adnan Seric

projects activities in future including

continuous strengthening of networks, fostering public and private partnerships.

Following the opening session, key note speakers addressed the audience and panelists. For details profile of speakers please see Annex II.

4. Key note speeches

4.1. Cluster-based competitiveness in the FYR of Macedonia

By Dr. Nikolina Trajanoska, Head of Department of Industrial Policy, Ministry of Economy, the Former Yugoslav Republic of Macedonia

Dr. Trajanoska introduced the FYR of Macedonia's Industrial Policy 2009-2020 and explained the experience of the FYR of Macedonia in development and implementation of cluster policy and support programmes. The Industrial Policy of FYR of Macedonia rests upon five pillars of:

- a. International cooperation and FDI enhancement
- b. Applied Research and Development and Innovation
- c. Eco-friendly Technologies, Products and Services for Sustainable Development
- d. Development of SMEs and entrepreneurship
- e. Cooperation in Clusters and Networks

Assessment of current situation:

Since 2007, the government of the FYR of Macedonia has been supporting development of clusters across the country in various sectors including wood processing, meat production, wine, food processing, textile, agricultural machineries, automotive components, IT, tourism and fashion clusters.

In regards to competitiveness in global markets, the policy document recognizes the key and common weakness of Macedonian clusters as lack of **capacity for product innovation**. Existing cluster have mainly been created with the purpose of “grouping

of small enterprises” to better sell on the markers and have done much less in the area of sharing and creating economies of scale in purchasing, applied R&D and innovation. Moreover, big companies and **leading business** are generally not active members of Macedonian clusters and therefore have limited impact on creation of knowledge and innovation within clusters.

The Department of Industrial Policy conducted a survey of firms to measure levels of cooperation among enterprises. The results demonstrated that **degree of cooperation** along value chain (i.e with customers and suppliers) are higher that between competitors. In addition, **export oriented firms** and foreign-owned enterprises tend to be more cooperative that those targeting domestic market and the local-owned enterprises.



Picture 4: Dr. Nikolina Trajanoska

Measures for fostering collaboration

The Industrial Policy of the Government of the FYR of Macedonia therefore attaches high importance to fostering cooperation and collaboration within clusters. This is done through a four pillar approach. The first measure focuses on **raising awareness** through organization of seminars, regional

and international conferences, and match making events, and **capacity building** of key cluster actors in development and implementation of cluster and network-based initiatives and management of clusters. The second component will support **analysis and development of strategy** for individual clusters. In addition, the policy will support implementation of strategies through co-financing of activities and buy convening linkages between private sector, academia and public sector. Moreover, the policy will support initiatives to build stronger **supply chain partnerships** between leading export business with domestic SMEs. Lastly, the policy will directly target innovation capacity by providing a variety of applicable technological services through **technological centers and parks** on the regional level and by supporting **network of R&D institutions**.



Picture 5: Map of Industrial Clusters in the FYR of Macedonia

In addition, the Innovation Strategy of the FYR of Macedonia 2012-2020 encourages cooperation between science and business sectors to accelerate diffusion of technology among firms. As part of the strategy, regional centers of excellence and research

facilities will be developed to support R&D activities. The strategy also supports participation of Macedonian scientists in European research programme and joint initiatives. The strategy will also facilitate interactions between research institutions and industry through commissioning industry-oriented research, creating database of researchers and research centers to be accessible by industry, creation of web-based collaborative platforms as well as technology centers and technology transfer offices.

Conclusions

The internal **learning and knowledge creation** process is an important aspect of cluster's competitiveness in the long-run. Therefore, support programmes and policies should accommodate measures to enhance this process by fostering closer interaction between actors and devising mechanisms for capture and dissemination of useful information primarily among actors, but also across clusters.

The **strategic role of cluster managers** should also be given extra attention. Well capacitated cluster managers can take a leadership role in identifying opportunities for cooperation, bringing appropriate partners together and helping the cluster to reach a common vision and mobilize its internal and external financial and non-financial support for implementation of joint initiatives. In addition, clusters can benefit significantly from board of **business-driven technical advisors** who can guide enterprises on their technological and technical upgrading initiatives, provide technical inputs to support institutions for designing and offering relevant and required services to the industry and lastly advise cluster managers in identifying cooperation opportunities.

Last but not least, different industrial clusters depending on their sector and stage of development, the development opportunity they might have or the challenges that they face, require different types of support from the national government. Therefore, **cluster support programme should be flexible** enough to accommodate requirement of different clusters to be able to offer a strong and well informed support to the industry.

4.2. Public Support to Cluster Development - The Case of Slovenia

By Tea Petrin, Emeritus Professor of Economics and Entrepreneurship at the Faculty of Economics, University of Ljubljana

Professor Petrin, the former Minister of Economy of the Republic of Slovenia, explained the experience of her country in designing and implementing cluster programme as a policy tool for promotion of industrial development. She argued that in the 1990s, with the advances in technology and globalization, more attention was given increasingly to softer aspects of competitiveness than heavy investments in physical capital and infrastructure.

Hence, creation of knowledge, entrepreneurship and social capital gained in prominence in policy debate and action. In this context, the capacity to innovate and innovation became the competitive edge of national economies and industries. As a result, in Slovenia the new proactive industrial policy was formulated to promote Entrepreneurship and Competitiveness based on three inter-related programmes concerned with:

- i. Knowledge for Development
- ii. Entrepreneurship Promotion and Enterprise Creation
- iii. Improving Enterprise Competitive Capacity

Slovenia's experience shows that a successful and proactive industrial policy must be focused in its intervention with clear objectives to achieve. Too broad policy objectives and loose frameworks eventually result in little but waste of limited resources. Achieving set of objectives nevertheless depends on concentrating resources, support programmes, and various policy tools through a policy mix that can help creating

synergy between policies for potentially higher impacts.

Moreover, policies must be financially sound and efficient; meaning that benefits of the policy should outnumber its costs. To ensure this, at the design level an in-depth analysis of policy's impact must be conducted which in turn depends on having clear indicators to measure policy's outcomes and impact. Moreover, policies and programme must be continuously monitored, their impacts evaluated and corrective measures adopted. An important



Picture 6: Prof. Tea Petrin addressing the conference

outcome of this would be the demonstration and learning effect created through exchanging and sharing experience between various policy components.

Once policies are designed, a clear division of roles and responsibilities between different institutions must be spelled out. This must be further strengthened by having **clear and transparent implementation procedures** in terms of legislation, institutions and procedures such as public tendering. Moreover, throughout the process public and private consultations must be held to ensure **strong cooperation on all levels** – between the policy makers,

between the policy and implementation agents and between the agents.

Despite the positive and general success of Slovenia's industrial policy there are a few remarks to be made. Firstly, policy was too focused on supporting existing sectors and as a result new business opportunities were overlooked; hence support infrastructure was not sufficiently upgraded to support development of **breakthrough business opportunities**. Secondly, the government's capacity to formulated policies to **promote development of new technologies and innovation** was limited and too fragmented.

Thirdly, within industrial clusters competition was rather low, although cooperation was strong. In Slovenia, lack of **competition within clusters** in the long-term limited creativity and innovation. Lastly, formation and support to industrial clusters was made possible through public financial support. Likewise, dependence on subsidies would reduce market competitiveness of industrial clusters. Therefore, support programme must have a clear **exit strategy** that ensures continuous support for clusters on a **financially sustainable** basis.

4.3. Cluster Management in Upper Austria

By Christoph Reiss-Schmidt, International Marketing Manager, Business Upper Austria

Mr. Reiss-Schmidt provided a historical background to the structural change and recent developments in Upper Austria and explained the transition of the region to an innovative and competitive region at the global level, under pinning the role of cluster policy and its setup in the region.

Cluster policy: Bottom up vs. Top down

The transition in Upper Austria from a region characterized by relatively low levels of innovation and inefficient institutions towards its current competitive position was, to a significant part, a result of a strong cluster policy that was translated into establishment of Clusterland and its development. The policy was implemented through consecutive programs of “Upper Austria 2000+”, “Innovative Upper Austria 2010”, “Innovative Upper Austria 2010plus” and “Innovative Upper Austria 2020”. The key to success of this arguably top-down policy initiative was that it went hand in hand with a bottom-up approach to implementation of the policy and operation of the Cluster.

In other words, while establishment of the Clusterland was a top-down policy initiative decision backed by strong political commitment, the governance structure that oversaw its operation (through cluster advisory boards) and the general approach towards promoting innovation was based on the initiatives from below and through horizontal cooperation among cluster actors.

Another important result of such bottom-up operation of the cluster was participatory identification of priorities and evaluation of the results which provided the right inputs for development of following

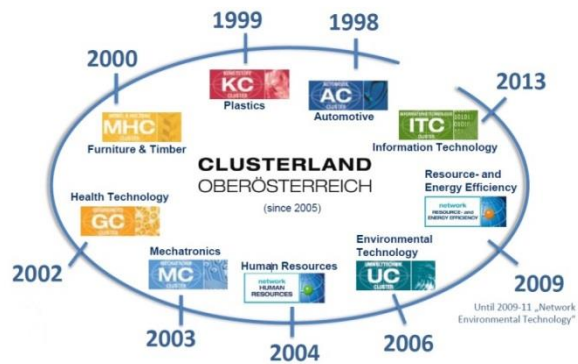


Chart 1: Timeline of Development, Clusterland, Upper Austria (source Business Upper Austria)

strategic programs. The ongoing programme, “Innovative Upper Austria 2020” encompasses four interrelated strategies of:

- Site development
- Industrial market leadership
- Internationalization
- Technologies for future.

Human resources Success of cluster organizations such as Clusterland to a large extent also depends on motivated and young experts who can play a critical role in operations and, and therefore it is very important that since the startup phase motivated staff are engaged.

Likewise, experience industry and academic advisors can play a crucial role at the start-up phase of the cluster organization by providing strategic guidance. In the long-run, advisors can provide technical inputs on in two who play a crucial role in integrating and linking role among Cluster actors. They broker linkages among firms and foster cooperation between them.

Likewise, clusters can benefit from senior advisors who consult the cluster organization and its member-firms on collaborative projects. In regards to innovation, successful results were made through fostering collaboration among

enterprises within and across industries through cooperative projects. This was made possible through establishment of Special Interest Groups which were cross-company collaborations for specific projects.

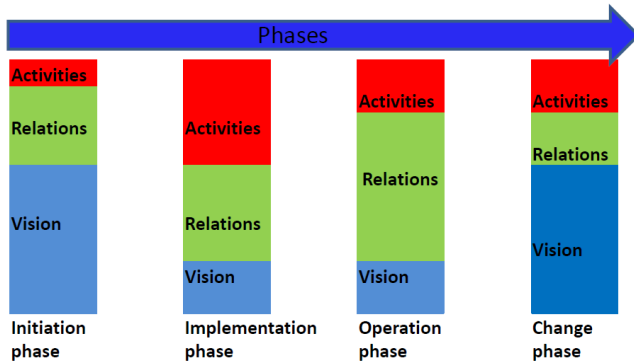


Chart 2: Phases of Cluster Development initiative and focus of Cluster Manager's activities

Cluster Business Cycle and the role of Manager

Another important aspect of a cluster's success is also due to the important role played by Cluster Manager and his leadership in guiding the cluster through different phases of development of a cluster whereby his focus will change between identifying activities and cooperative projects, to fostering cooperation between firms and institutions and finally leading the cluster towards a vision. In addition, the experience of Upper Austria shows the importance of strategic advice provided by an Advisory Board supporting the cluster and its manager. The Advisory Board is a self-regenerating committee of experts in technology and industry know-how consisting of 8-15 experts from partner companies and 1-2 professors from academia. This structure should then be strengthened by multiple platforms for sharing information, disseminating ideas, pooling resources and implementing projects.

In the initiation phase, cluster manager's should focus its efforts to create a common vision for the cluster through firstly understanding individual firms, their capacities and goals and trying to establish

close relations between cluster organization and firms as well as between firms. Building on the common vision and stronger relations established in the first phase, in the second phase, the focus will shift on implementing cooperative projects which will lead the cluster towards its vision but also will gradually and continuously reinforce inter-firm relations leading to the operation phase where cluster reaches its operational maturity. At this stage, a change process, following the same pattern should be initiated to review and set cluster vision and set a strategy to achieve their goals.

A cluster at its initial steps of development requires financial resources, infrastructure and committed members. This milieu could potentially (as described above) result in joint initiatives with short to medium term benefits to firms and cluster as a whole.



Chart 3: Structure of Clusterland, Upper Austria

However, the key to long-term competitiveness and innovativeness of the cluster lies with two mutually reinforcing factors; trust and cooperation. And this is to a large extent responsibility of cluster manager, putting him on the forefront of trust building and necessitating him to be a multi-disciplinary leader in his own right.

4.4. Tourism as an Engine for Growth and Development

By Zoritsa Urosevic, UNWTO

Why tourism matters

The fundamental aim and mandate of the UNWTO is promotion and development of tourism with a view to contributing to economic development, international understanding, peace and prosperity. But to this end, why tourism can be an important means? One billion tourists have travelled the world in 2012, marking a new record for international tourism. Share of tourism in global GDP is 5%; when added by



recorded; generating 1.03 billion USD. International tourism is also expected to grow in the next two decades reaching almost 1.8 billion in 2030. Implications of this growth are particularly important for

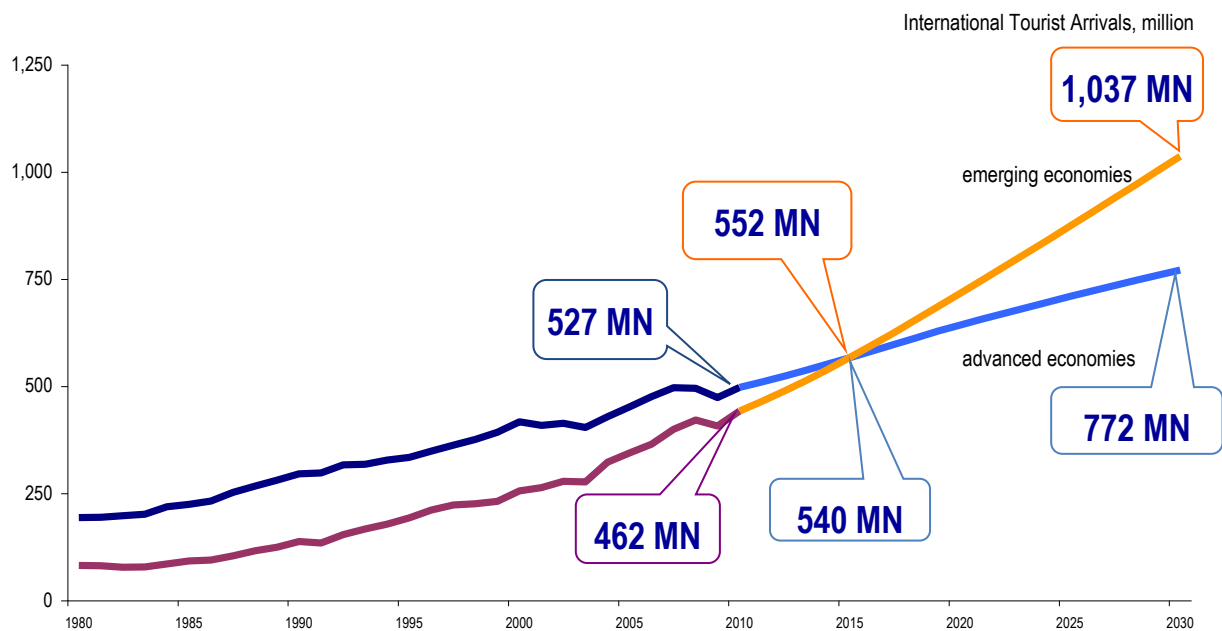


Chart 4: Inbound tourism, advanced and emerging economies, source: UNWTO

indirect and induced output, Tourism's total contribution to world GDP amounts to 9%. The sector also provides 235 million employment opportunities (1 in every 11 jobs are in tourism) and account to 30% of the world's exports of services. In 2012, one billion international tourist arrivals were

developing countries.

Until 2015, the number of tourists arriving in developing countries was always lower than in developed countries. However, this gap has been closing in the recent years and as chart 4 shows, it is expected that

emerging economy destinations will surpass advanced destinations before 2020 and that this upward trend will continue in the next 15 years. In other words, most of the growth in inbound tourism is going to happen in developing countries and economies in transition. This is certainly a significant opportunity and commands us to

for 30% of international tourism in 2030. Nevertheless, Africa and Middle East have also welcomed higher number of tourism arrivals since 1980s and it's expected that their share will increase to 7% and 8%, respectively by 2030.

However, this growth should be weighed



Picture 7: Ms. Zoritsa Urosevic, addressing the conference

explore and strengthening the ways in which tourism contributes to inclusive and sustainable development.

Where exactly these changes are going to happen?

Europe has historically dominated the international tourism arrival scene. However, her share has dropped from 63% in 1983 to 51 % in 2010. Europe's share in international tourism arrivals is expected to further drop to 41%. The same trend is witnessed for the Americas; their share is expected to drop to 14% in 2030. Who stands to gain most?

Asia and pacific, by far have benefited most by increasing its share from 8% in 1980s to 22% in 2010 and will continue to account

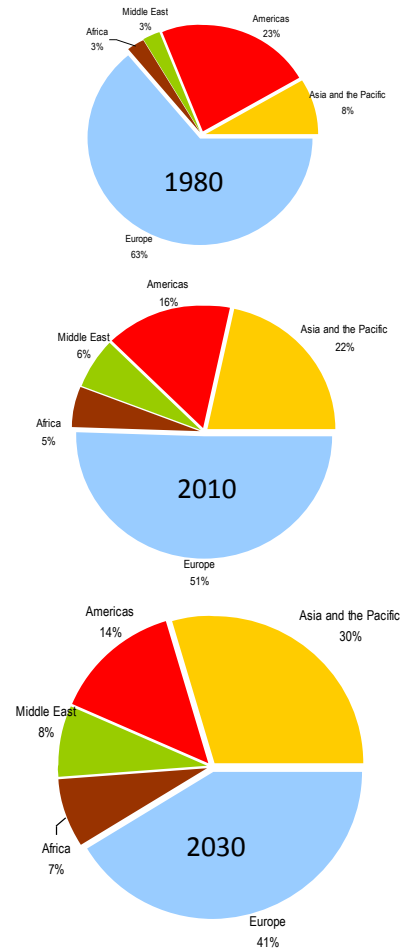


Chart 5: Change in share of inbound tourism by region (source: UNWTO)

against the geographical size, population and number of the countries in the region. Within Europe regional distribution of inbound tourism has also changed over time. While share of Western Europe has declined from 37% in 1995 to 32% in 2010

and is expected to further drop to 30% by 2030. Share of Northern and, Southern and Mediterranean Europe will only witness one percent growth between 2010 and 2030. The biggest shift in share of inbound tourism has happened in Central and Eastern Europe. In 1995, the region accounted for 19% of international arrivals; this share grew to 20% in 2010 and is expected to grow to 24% by 2030.

Tourism for Development

Tourism is a multi-facetted and multi-sector social, cultural and economic

environmental impacts, addressing the needs of visitors, the private sector (industry), the environment and host communities”. In other words, Sustainable Tourism should:

1. Make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity.
2. Respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and

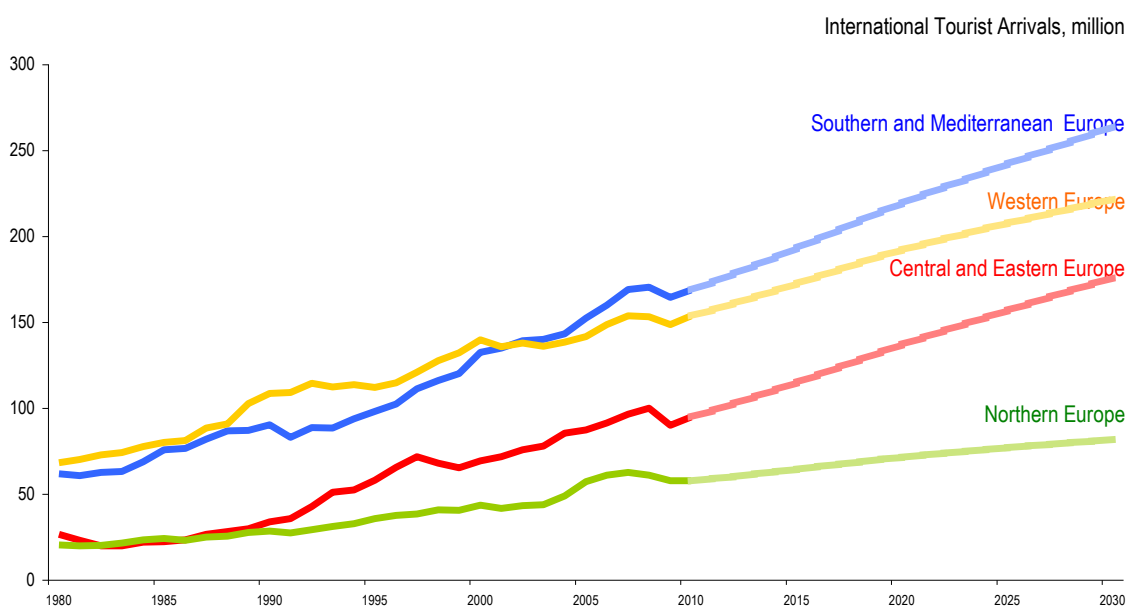


Chart 6: Europe, inbound tourism by sub-region of destination (source UNWTO)

phenomenon that deals with the movement of people to countries or places outside their usual environment for personal or business/professional purposes. According to UNWTO, Sustainable Tourism is a “Tourism that takes full account of its current and future economic, social and

traditional values, and contribute to inter-cultural understanding and tolerance.

3. Ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are

fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty alleviation.

Sustainable Tourism

UNWTO has introduced the Sustainable Tourism Indicators since 2008, which has made it possible to measure tourism in a standard way, since 2011 UNWTO compiles internationally comparable data on some of its key facets. The sustainability of tourism sector rests upon five pillars (Chart 8); i) *Tourism Governance and Policy*, ii) *Trade, Investment and Competitiveness*, iii) *Employment, Decent Work and Capacity Building*; iv) *Socio-economic Dimension – Poverty Reduction* and v) *Sustainability of natural and cultural environment*. In general, building a sustainable tourism sector would require a thorough assessment of the current state of the affairs within each pillar; assessment the current capacities and skills level and benchmarking them against the best practices to identify required capacity building and skills development needs. This thorough assessment will also uncover the opportunities and challenges that lay ahead and that need to be addressed through a well analyzed and coherent intervention strategy.

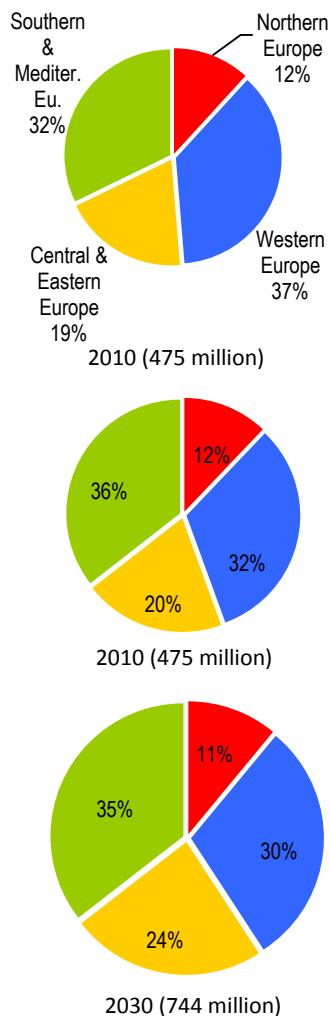


Chart 7: Share of inbound tourism by sub-regions in Europe (source: UNWTO)

Tourism contribution to LED

Understanding the current state of the affairs in a country also required an in-depth analysis of the tourism value chain, especially when development of the sector is geared towards promoting sustainable development. The schematic structure of tourism value chain is depicted in chart 9. At each stage and through a process value is being created, the value which constitutes tourism's contribution to local socio-economic development. In order to fully understand its impact, tourism's various ways of contributing to local economic

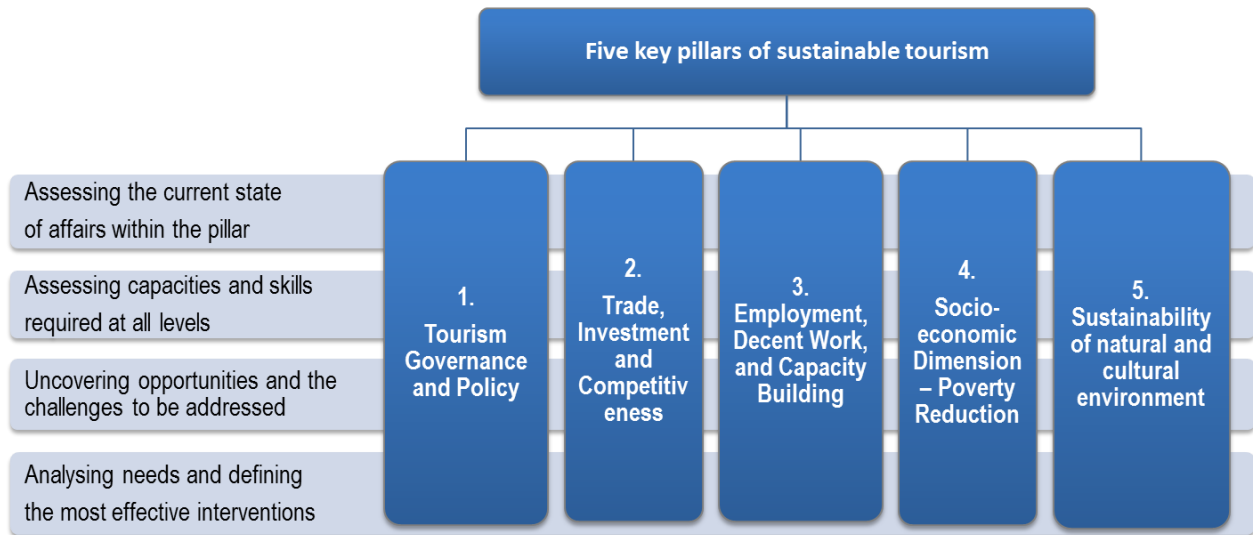


Chart 8: Pillars of Sustainable Tourism, source: UNWTO

development must be analyzed and quantified. Inbound tourism generally contributes to an economy's value added through expenditures on various goods and services.

expenditure and the approximate share of each. As can be seen, almost 50% of the value added in non-resident expenditures is produced locally. This together with the indirect domestic value added are sources of

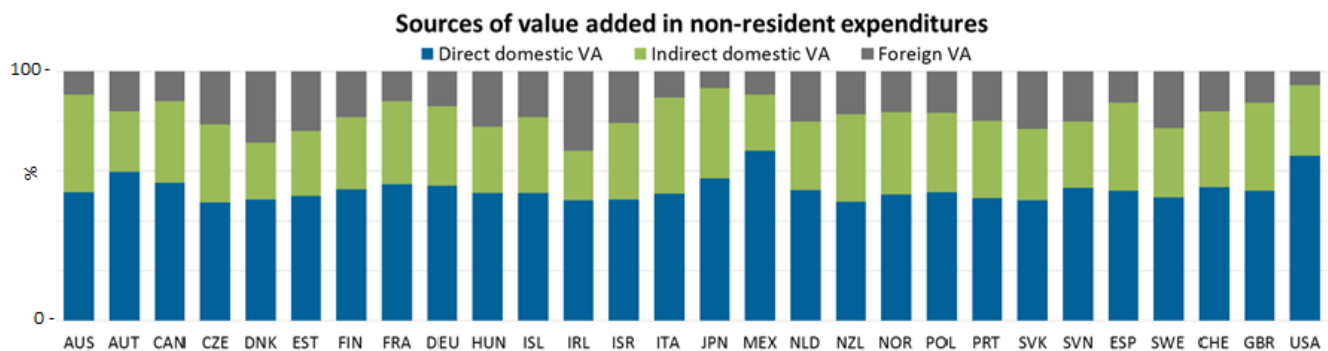


Chart 10: Sources of value added in non-resident expenditures, Source: UNWTO

In the meantime, the non-resident expenditures may also involve *non-domestically produced* (imported) value added goods and services that result in *Tourism Leakage*. Chart 10 shows the sources of value added from inbound tourist

tourism positive impact on local economy. The foreign value added, although varies from country to country, in general constitutes the least among sources of value added. Although, domestically produced value added or retention of non-resident

expenditure within local economy is neither a natural nor is it an easy task to do. While the chart below provides information about mostly developed destinations, developing countries might not fare as well.

double international tourists since 2005. In addition, receipts from international tourism increased by 11% to reach US\$ 294.7 million in 2014. This reflects the great efforts of the Macedonian tourism

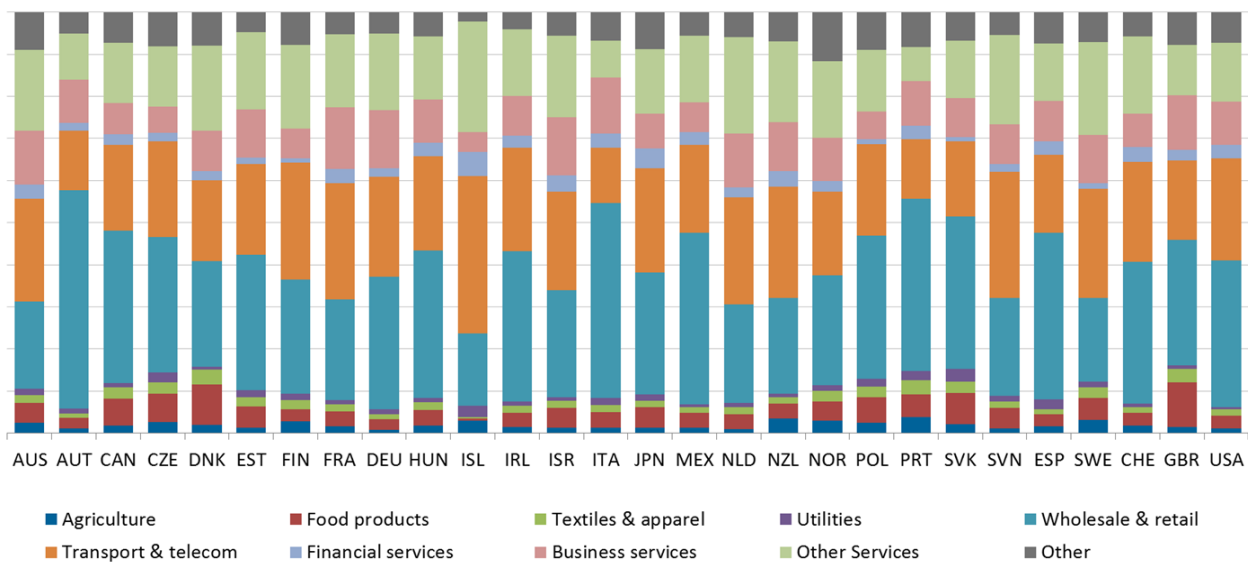


Chart 11: Upstream effects of tourism expenditures, source: Calculated from TIVA and TSA, 2009

On average every Euro of value added in tourism related industries results in 56% value added in upstream industries. Chart 11 illustrates this upstream effect of tourism expenditures on other sectors. The three largest impacted sectors are Wholesale and Retail, Transportation and telecommunication and services. The potential impact of tourism expenditure on local productive sectors can be directly derived from agriculture, food products, and textile and apparel as well as Wholesale and Retail sector (partly).

Until 2013, tourism sector in the FYR of Macedonia in spite of its weaknesses and challenges has managed to more than

sector to capture tourism expenditure through **product development** and **diversification**, which are important prerequisites for both competitiveness and sustainability which are reflected in job creation in tourism and related sector, higher local value added to tourism and related goods and services and inclusive growth. These can be materialized if development opportunities are well identified and a proper strategy to take advantage of them is devised and implemented. Identification of such opportunities to a large extent depend on in-depth analysis of the tourism and related value chains and mapping of the goods and services as the starting point.

5. Plenary session

The plenary session invited representatives of key national and international organizations currently active in the tourism sector in the FYR of Macedonia to discuss current challenges faced and opportunities for local economic development in the country. Panelists also discussed tourism potentials to contribute to local economic development and whether and how cluster based policies may be an appropriate approach to promote LED through tourism.

Moderated by Mr. Jovanovski, the session was divided into two sections. In the first section, panelists discussed the general challenges of local economic development in the FYR of Macedonia and whether tourism is or could be a competitive advantage of the country.

In the second section, panelists were asked to reflect on their experience in the FYR of Macedonia and elsewhere and discuss key issues currently hindering development of tourism sector. They also addressed questions related to support mechanisms for enhancing competitiveness of the tourism enterprises, knowledge creation and innovation. collaborative platforms, coordination mechanism and favorable policy environment in which tourism clusters can grow.

- a. Mr. Carl Larkins, the United States Agency for International Development

The USAID is currently implementing a three year initiative; the Small Business



Picture 8: Panel Session (left to right): Mr. Jovanovski Moderator, Ms. Palazzo (GIZ), Mr. Larkins (USAID), Ms. Krisper-Figueroa (EU), Mr. Korunovski, (Faculty of Tourism), Ms. Ivanova (Swisscontact), and Mr. Todorovski (UNIDO)

Expansion Project. Mr. Carl Larkins, Head of the project, believes that the main challenge facing local economic development in the FYR of Macedonia is how to **maximize economic assets**. Countries have various levels of natural endowments and wealth; however the key to local economic development is to find the right approach to identifying existing stock of assets and defining the right strategy to maximize them.

LED is generally a difficult task, and not only in the FYR of Macedonia but everywhere. Comparing Macedonian economy with similar countries/economies, one has to admit that problems are not as bad.

In order to maximize economic assets, two key elements should be given extra attention. Firstly, considering the significant number of small and medium enterprises in the Macedonian economy, Mr. Larkins believe one of the most important ways to maximize economic assets is to **help small businesses** to grow

and create employment and generate income along with.

Secondly, on the public end municipalities are dealing with a range of problems from finance to skills. Therefore, in communication with municipalities, their problems should be identified and prioritized. But to address municipal problems one cannot and should not rely only on public resources and initiatives but try to promote **Public Private Partnership** that has the capacity to use public and private resources effectively and efficiently. One such example is the EU-Leader initiative through Local Action Groups. Collaboration between public and private sector is an important factor in local economic development especially during crisis time when working together becomes the key.

- How important are alternative and new forms of tourism for future development of the sector and local economic development?

Tourism is an integral part of rural economy. Conventional tourism sector in the FYR of Macedonia might not be as competitive as its neighbours, but some **niche markets** such as adventure tourism have great potentials. However, finding niche markets are often challenging and building right marketing channels have proven to be a difficult but worthwhile process. For instance, last year USAID invited more than 100 tour operators to the FYR of Macedonia to introduce to them the alternative tourism offer and potential of the country. Hopefully this will result in more recognition for the FYR of Macedonia and its alternative tourism.

- b. Mrs. Krisper-Figueroa, the European Union

Mrs. Krisper-Figueroa, Regional Development Programme Manager at the EU delegation to the FYR of Macedonia described three areas of assistance by the EU as infrastructure, local and regional development and access to financial resources.

She also argued that tourism is an important part of only some parts of the FYR of Macedonia, not all. Therefore, possibility of promoting LED through tourism applies only to some regions of the FYR of Macedonia. Nevertheless, there are challenges to LED that also affect tourism sector.

To begin with, **infrastructure** is an important enabler in general and in the case of tourism, availability of specific infrastructure such as **large and small rural facilities** is identified by EU as a constraint to development. Secondly, in small economies and especially during crisis its local solutions that hold the key to economic development as manifested in higher purchasing power of people. Therefore, EU is assisting the FYR of Macedonia in the process of **decentralization** to delegate more decision making power and responsibility to the local and regional governments, which is considered to be a pre-requisite for local and regional development. Another important factor in local and regional development is availability of financial resources. Taking a sector-based approach, EU's IPA Funding scheme is an answer to this bottleneck. Tourism, for instance has been identified as a target sector of IPA.

Mrs. Krisper-Figueroa argued that challenges of LED in the FYR of Macedonia are two-fold; first the **urban-rural divide** in terms of Human Development Index (HDI) and second the **capacity to Innovate**. Most of the small

and medium enterprises that form the backbone of economy and provide employment to the majority of population are in the urban areas, while incidence of poverty, low investment and low growth rates are worse in rural areas. As most of the investment taking place in urban areas and because of the opportunities that it provides, it attracts labour force from the countryside, leaving behind the problem of depopulation and decline in rural areas. Conventional answers to this problem are not always working and therefore innovative ideas and solutions must be developed to overcome these challenges.

Recognizing the uneven development between regions and the challenge of reducing this disparity, Mrs. Krisper-Figueroa argued that such disparities are rooted in regions comparative advantages (and disadvantages). Therefore, LED strategies should be focused on strengthening competitive advantages of regions while considering the ways to reduce the disparity in development index among regions as well as between urban and rural areas.

EU started LAG in partnership with some municipalities, starting with small initiatives. However, since the FYR of Macedonia is small therefore cross-border activities were promoted with Kosovo and Albania.

c. Ms. Anica Palazzo, GIZ

Ms. Anica Palazzo, the Regional Development Coordinator of the GIZ in the FYR of Macedonia, argued that disparities in terms of development index are not only a challenge between urban and rural areas, but also between regions. According to her, reducing this disparity and **tackling structural problems that result in uneven development** should be focus of

development programmes, especially to have positive impact on LED in less developed regions.

Another challenge reconfirmed by the regional development coordinator of GIZ, is **finance for development**. Although, local income tax is an important source for municipalities to generate income and provide financial support to development initiatives, still lack of finance is a challenge for LED across regions. However, she believes lack of financial resources is only a part of the bigger challenges of financing development. While lack of resources is a problem everywhere, there are other problems in the way limited resources are allocated for development that are solvable. She believes, **dialogue and cooperation for solving financial problems** are more important than lack of finance itself. And this is a problem related to skills more than it is to availability of financial resources.

d. Ms. Ivanova, SwissContact

The Swiss Foundation for Technical Cooperation; SwissContact is currently assisting the FYR of Macedonia to improve employment opportunities through implementing the Increasing Market Employability project in three sectors of Tourism, Green Economy and Creative Industries.

The purpose of the project is to enable more working age women and men, in particular young to be engaged in sustainable decent employment or self-employment in order to be able to generate higher incomes and be competitive on the job market.

According to Ms. Ivanova, the SwissContact's study of 36 tourism destinations; 21 sub-sectors in Creative Industries; 9 sub-sectors in Green Economy showed that lack of cooperation at regional level is an important constraint to

development of regional destinations in the FYR of Macedonia. She believes bringing key players together, **strengthen dialogue** between them and establishing PPP and other forms of **collaborative platforms** is a feasible and necessary solution for development of tourism sector in particular and addressing challenges of LED in the FYR of Macedonia.

At the micro level there are two important problems are identified. The **mutual trust** is lacking between public, private and the NGO sector. But also among enterprises, **poor business relations** has resulted mistrusts and very limited cooperation.

However, another important aspect, though often neglected is **demand** and the question of the best way to create it. In other words, the question should be asked that where is to find demand for what the FYR of Macedonia has to offer and how to tap into those markets? Understanding characteristics of foreign markets requires **analysis of market trends** and finding international partners who could be the link between foreign demand for the FYR of Macedonia's tourism offer and local providers. This connection needs to be also developed to enhance the knowledge about demand characteristics of international tourist among the local population at large and the tourism suppliers in particular. These are the area's where SwissContact will be giving an extra focus.

e. Mr. Zoran Todorovski, UNIDO

Mr. Zoran Todorovski, UNIDO Lead Cluster Development Expert in the FYR of Macedonia, described the biggest challenge in development of tourism to promote LED is the lack a strong and highly supported vision among the stakeholders; public and private. He believes that tourism is an

important contributor to competitiveness of FYR of Macedonia's economy but without a vision, strategies get only developed but resources for their implementation never get mobilized. As a result, it is very difficult to foresee a specific direction that tourism industry may take in the medium term which subsequently results in very short term planning horizon for enterprises. This will in turn negatively impact investment decisions and long-term development of the sector. In order to tackle this problem, he believes the starting point is to understand what are the supply capacity and tourism offer of the FYR of Macedonia and who are the potential buyers? Once these are identified, then the question of how to connect the supply and demand will become easier to answer.

f. Mr. Sasho Korunovski, Faculty of Tourism and Hospitality, Ohrid

Dr. Sasho Korunovski, Dean of the Faculty of Tourism and Hospitality in Ohrid which recently celebrated its 40th anniversary characterized the tourism sector as highly **complex**. From the **human resource** point of view, he believes the main challenge is how to reflect this complexity in the training and educational curriculum. This calls for an **enriched** and **diversified curriculum**.

The FYR of Macedonia has a good stock of national and cultural assets in comparison to international benchmarks as well as regional destinations, which make tourism a potential drive for economic development. However on their own, cultural sites, natural environment and other sources to tourism attraction do not translate into higher visits and income for the local economy. In fact, the challenge is the **valorisation of space** or adding value to

the natural and cultural assets. Considering the complex nature of tourism that involves public and private stakeholders from various industries and sectors, growth of the tourism is highly dependent on an effective **governance** and **management** of the **space**.

Tourism clusters usually stretch beyond one local economy and are smaller units than national economies. However, focus of development programmes has been either on the local or national level, missing the most relevant unit of analysis for identifying problems and intervention; that is the “**region**”. In the case of the FYR of Macedonia, it’s worth mentioning that only two cities, Skopje and Ohrid account for 98% of tourism and almost 99% of incoming tourists travel only to Skopje and Ohrid. This means although tourism sector is dynamic in the FYR of Macedonia and has grown in the past few years; nevertheless, there is an urgent need for development of new tourism destinations and dispersing tourism offer across the country, before Skopje and Ohrid suffer from overcrowding and other potential destinations miss out on opportunities that a dynamic tourism sector may offer for the local economic development.

The key to improving tourism offer of unconventional tourism destinations of the FYR of Macedonia lies in transforming various tourism capitals to concrete products. This according to Mr. Korunovski is directly related to innovation capacity within individual tourism enterprises but more importantly within the destination as a bigger entity which comprises of not only enterprises, but also institutions, local governments, NGOs, academia.

A more fundamental requirement than the right development and promotion strategy to create the wider region where tourism

evolves and develops is an effective tool to bring different parties and stakeholders together to set the strategy, to pool resources and jointly carry out projects. Clusters and cluster based approaches have proven to be highly effective in this regards.

Annex I – Agenda of the Conference

Date	Time	Topic	Notes:
7 May – Balkans, a Tourism Destination			
	09:30	Registration	
	10:00	Opening of the Conference	Mr. Bekim Neziri Ministry of Economy Mr. Adnan Seric UNIDO, Clusters and Business Linkages Ms. Brunilda Paskali Deputy minister of Albania Taleb Rifai UN WTO – Video message from General Secretary of UNWTO
	10:30	Press conference and coffee break	
	11:00	Key note speeches	Representatives of Tourism Organizations from the FYR of Macedonia, Montenegro, Serbia, Greece, Slovenia, Croatia, Bulgaria Albania, Kosovo
	12:00	Opening of Tourism Fair	Attending the opening of the Tourism Fair
	13:15	Cocktail/Lunch	
	14:15	Q & A Closing remarks	“Balkans as a tourism destination” UNWTO, BAHA, Country representatives
	15:00	End of Conference – day 1	
	15:30-16:30	Sightseeing of the Old Bazaar in Skopje	
	19:00	Dinner at Bushi Resort	Joint dinner with organizers and honored guests
8 May - Cluster-based Local Economic Development			
	9:00	Registration	
	9:30	Opening	Ministry of Economy, the FYR of Macedonia Representative of Government of

			Slovenia Representative of UNIDO
	10:00	Presentations (key note speakers)	Dr. Nikolina Trajanoska Prof. Tea Petrin Ms. Zoritsa Urosevic
	12:15	Lunch Break	
	13:15	Presentations (key note speakers) - continued	Mr. Christoph Reiss-Schmidt
	14:15	Panel Discussion	
	15:00	Coffee break	
	15:15	Panel Discussion	Continued.
	16:45	Conclusion	
	17:00	End of workshop	

Day 1 – program:

On day one, the conference will be opened by H.E Minister of Economy and will be followed by welcome notes by Mr. Adnan Seric, UNIDO representative, Ms. Brunilda Paskali, Deputy Minister, Albania and video message from Mr. Taleb Rifai , General Secretary of UNWTO. Following the opening session and press conference, guest ministers and representatives of regional countries will have a short presentation on tourism development experiences, best practices, visioning and identified potentials of cooperation with neighboring countries, for the development of regional products.

Day 2 – detailed program:

The second day of conference will be opened by the Minister of Economy, the Ambassador of the Republic of Slovenia to the FYR of Macedonia, Dr. Sonja Lebe, representative of the Government of Slovenia and UNIDO representative. The session will be chaired by Dr. Sonja Lebe which will be followed by four key note speeches and a panel discussion. The concluding remarks of the second day of conference will be the official closing of the conference.

Key note speakers:

#	Speaker	Affiliation	Focus/Content (preliminary)
1	Dr. Nikolina Trajanoska	Head of Industrial Policy Unit, Ministry of Economy	<ul style="list-style-type: none"> - Cluster policy in the FYR of Macedonia - Implementation of cluster policy and case studies of cluster-based local economic development - Future of cluster policy of Government of the FYR of Macedonia

2	Prof. Tea Petrin	Head of the Entrepreneurship Academic Unit at the Faculty of Economics University of Ljubljana in Slovenia	<ul style="list-style-type: none"> - Cluster-based industrial policy and the role of state - Viability of clusters as policy and development tools in the pre- and post-accession phase
3	Ms. Zoritsa Urosevic	Head of Institutional and Corporate Relations Programme, UNWTO	<ul style="list-style-type: none"> - Sustainable tourism and local economic development, lessons from around the world and future outlook - Destination Management; role of public-private partnerships
4	i.A. B.A., M.Sc. Christoph Reiss-Schmidt	Project Manager (International Projects), Clusterland, Upper Austria	<ul style="list-style-type: none"> - Cluster policy in practice (Clusterland, Austria) - Lessons learned: key success factors in implementation of cluster policies

Panel discussions

Panelists are selected from national and international organization present in the FYR of Macedonia and in the region with experience in supporting tourism industry in the region. The panel will include the following:

#	Organization	Name of panelist	Title
1	GIZ, FYR of Macedonia	Ms. Anica Palazzo	Regional Development Coordinator
2	USAID Small Business Expansion Project (SBEP)	Mr. Carl Larkins	Chief of Party
3	EU Mission to FYR of Macedonia	Mrs. Mojca Krisper Figueroa	Program manager, Regional Development
4	Faculty of Tourism and Hospitality Ohrid, FYR of Macedonia	Mr. Sasho Korunovski	Dean
5	Swiss Foundation for Technical Cooperation	Ms. Elena Ivanova	Tourism Sector Manager

Target audience

The event is expected to bring together up to 200 participants. The participants include: i) government institutions mandated with development and implementation of industrial and economic development policies, ii) relevant support institutions and representatives of industry associations and business clusters organizations and iii) representatives from academia as well as researchers and leading consultants/experts involved in development and implementation of cluster- and local economic development policies.

Outputs

The UNIDO will publish Proceedings of the Conference, highlighting the key points of discussion along with actionable policy recommendations.

Working language

The language of the conference will be English with simultaneous translation into Macedonian.

Date and Venue

Date: 7-8 May, 2015.

Venue: Skopje Fair Multi Business Center, Business Hall

Annex II – Biographies of speakers

Dr. Sonja Sibila Lebe, Conference Chairlady

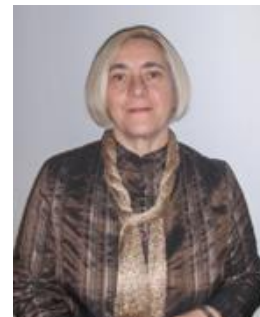
Sonja Sibila Lebe is tourism professor at the University of Maribor and is heading the scientific committee at the Multidisciplinary research institute Maribor.

She has actively participated in several regional development projects, many of them international, e.g. establishment of a trilateral nature park in NE Slovenia together with Austria and Hungary (Goričko/Raab/Örség) – its aim was to bring new entrepreneurial opportunities to the region – or establishing a cultural trail in the underdeveloped Karst region, leading from the Slovene “cultural gem” Štanjel to the Italian castle of Dovino, or leading the quadruple project European Spa World in which Slovenia, western Hungary, and two Austrian regions (Styria and Burgenland) have marketed their wellness products under the same brand.

She is also working as counsellor to the Slovene tourism enterprises, recently predominately in the field of eco management (EU eco-label certification); she also regularly holds workshops on tourism and regional development for the Ministry of economy of Slovenia.

Dr. Nikolina Trajanoska

Nikolina Trajanoska is working since 1999 at the Ministry of economy of the FYR of Macedonia as a Head of Unit for Industrial policy. Since 1994-1998 she was delegate at the Parliament of the FYR of Macedonia, and for 1977-1994 was working as a Technical manager, General manager in one textile factory.



Education

Date and place	1972-1977 – Skopje
Achieved title	Graduated engineer of technology
Name of the institution	University “St. Cyril and Methodius”- Skopje
Date and place	2006-2008 - Skopje
Achieved title	Master degree of international management (The role of clusters on development of national economies)
Name of the institution	Public scientific institution- Institute of economics - Skopje
Date and place	2008-2010 - Skopje
Achieved title	PhD
Name of the institution	Integrated Business faculty – Skopje (Improvement of the company’s competition through clustering and building brands)

Beside the regular working obligations and on several international projects connected to the competitiveness and human resource development, she also actively participated on the projects: Strategy for development of the textile industry in the FYR of Macedonia, Strategy for industrial policy 2009-2020, Strategy for sustainable development of RM, Strategy for Innovation 2012 -2020 and other projects in the Ministry of Economy.

She has visited numerous trainings and seminars in the country and abroad, of which to emphasize are the trainings in Netherlands for management of project cycles and for international advisor and consultant.

She has participated with works on numerous international conferences for competitiveness and clusters (Istanbul- Turkey, Opatija-Croatia, Belgrade- Serbia, Stockholm- Sweden, New Delhi – India, Tallinn - Estonia and San Sebastian - Spain).

In 2011 she was elected in scientific-teaching vocation as docent for group of subject for management and entrepreneurship. She has published more than 30 works in domestic and foreign publication. In 2012 she has published the book: “Trade mark – Creation and Valuation”. In 2015 she has published the book: “Small economies and clusters”.

Tea Petrin

Emeritus Professor of Economics and Entrepreneurship at the Faculty of Economics and Coordinator of the Faculty SEE Regional Study Centres as well as a part-time professor. She is a member of Academic Advisors of the European Forum of Entrepreneurship Research and a member of The Academic Research Network – the AIRnet, a member of European Commission/DG Education High-Level Group on the Modernization of Higher Education, a member of UN Committee for Development Policy and a member of research team of the Horizon 2020 project “Innovation-fuelled, Sustainable, Inclusive Growth (2015-2017)”.



Prof. Petrin was a visiting professor at the University of Massachusetts at Amherst and at the Haas School of Business, UC Berkeley. She was also a Fulbright professor at the Institute of International Studies at UC Berkeley and at the Centre for Industrial Competitiveness in the University of Massachusetts Lowell. In various roles, Dr. Petrin has acted as an Advisor to public administration institutions and governments, mainly in Slovenia, but as well for multilateral institutions such UNDP/UNIDO, International Bank for Reconstruction and Development, and the European Commission / DG Enterprise/DG Enlargement/DG Research/DG Education and Culture. She worked as a professional in EUR FAO Rome (1994-1997). She has been Slovenia’s representatives on the European Small Business Council, a member of International Small Business Council, the European Association for Industrial Economics Research and a member of the editorial board Review of Industrial Organization. Her papers and major works represent the very foundation of studies on small business and entrepreneurship and on proactive industrial policy and competitiveness policy.

Prof. Petrin is a founding member of GEA College a private school of entrepreneurship in Yugoslavia in 1990, and in 1991 she introduced master programme on entrepreneurship at the Faculty of Economics, University of Ljubljana and became its first programme director. Prof. Petrin is the former Minister for Economic Affairs (and later Minister of Economy) within the Slovenian Government (1999-2004). During her term she introduced new Industrial Competitiveness and Entrepreneurship Policy. She was also Ambassador of the Republic of Slovenia to the Netherlands (2004-2008).

She chaired European Cluster Policy Group, European Commission/DG Enterprise and Industry (2009-2010) and was a member of the Synergies Expert Group, European Commission/DG Research (2010-2011).

Zoritsa Urosevic

Born in Belgrade, Zoritsa Urosevic was raised in France, where she completed a degree in Psychology and a Masters in Marketing and Management in Strasbourg. She started her career in creative industries as Export Director at SOGEXPORT, a branch of the bank Société Générale in France.



In 1993, she moved to Seychelles where she worked for the Ministry of Industry, in charge of Small and Medium Enterprise development for the Indian Ocean Region. A year later, she joined the Ministry of Tourism and Transport, as Director of International Cooperation. From 1998 to 2004, she served at the UNWTO Programme Committee, and lobbied for the establishment of a 10 Years Special Programme for Africa (1998-2008) in UNWTO. In 2000 she played an instrumental role in the creation of a National Tourism Organization for Seychelles: the Seychelles Tourism Marketing Authority. The same year, she was Commissioner General at the World Exhibition in Hanover, organizing a major event on Tourism and World Heritage sites together with UNESCO and UNWTO for SADC countries. During this period, she coordinated the elaboration of the Seychelles Tourism Master plan VISION 21, and created a strong synergy with the national tourism private sector, as Head of International Relations until 2004, when she returned to Europe. “Making Tourism Work for SIDS” was the first publication she prepared for the World Tourism Organization, a major overview for tourism in Small Island Developing States (SIDS) for the United Nations Conference on the Barbados Plan of Action +10, in 2005. This same year, she helped the Indonesian Tourism Ministry building resilience on strategic communication and branding, after the Tsunami and as part of UNWTO’s support. In August 2006 she joined the UNWTO Headquarters in Madrid as Executive Secretary of the UNWTO Business Council, committed to building strong tourism public-private sector’s partnerships and generate innovative solutions for tourism stakeholders with the aim of promoting responsible and sustainable tourism, such as Hotel Energy Solutions – an online toolkit for energy efficiency for SMEs.

In 2010, she took a new position in UNWTO, as Head of Institutional Relations and Resources Mobilization Programme, aiming at building strategic alliances and partnerships with International Institutions, the UN system, and the private sector- positioning tourism in the global agenda, as well as mobilising resources. Amongst other achievements, she launched the Steering Committee on Tourism for Development (SCTD) - “Delivering as One for Tourism”; succeeded in positioning tourism in the development cooperation and trade agenda, as well as including tourism in the Rio+20 outcome document “ The future we want” for the first time. She contributed to the development of the 10YFP for tourism with UNEP, and provided substantive inputs in the build-up towards the universal Post 2015 agenda. In March 2015, she was nominated as the UNWTO Representative to the United Nations in Geneva, where she is pursuing her advocacy efforts in moving tourism higher within the development and trade agenda.

Christoph Matthias Reiss-Schmidt

Mr. Reiss-Schmidt holds a Bachelor's Degree in Politics and Administration of FernUniversität of Hagen (Germany) and a Master's Degree in Public Health of Maastricht University (the Netherlands). Joining Clusterland Upper Austria (March 2011)/ Business Upper Austria – OÖ Wirtschaftsagentur GmbH, where he is head of international projects/ International Affairs Clusterland and is and was in charge of EU-projects such as the European Cluster Collaboration Platform phase 1 and 2 (phase 2 as lead partner), the European Cluster Excellence Initiative, CLUSTRAT, SME-Internationalization through Clusters etc. he gained extensive experience identifying the key player in cluster business in a vast range of different sectors. He implemented Memoranda of Understanding (MoUs) with key countries such as Brazil or India and identified European delegations to join Matchmaking events globally. Furthermore, he was in charge of organizing the European Cluster Conference 2012 in Vienna with more than 400 participants from all around the world. Additionally, he is Benchmarking Expert, Silver- and Gold Label Assessor, trainer of the European Foundation of Cluster Excellence and is conducting a fast variety of cluster management trainings and a renown speaker within and outside Europe.



Before working for Clusterland Upper Austria Ltd. / Business Upper Austria OÖ Wirtschaftsagentur GmbH - he gained experience in the European Parliament in the field of Health- and Social Policy, at a hospital chain in Vienna (focus: internationalization concepts, EU-Funds, feasibility studies) and at a German Association representing their interests to European Institutions (such as to the European Commission, to the European Parliament etc.) in Brussels.

Panelists

1. Mr. Carl Larkins

USAID, Macedonia Small Business Expansion project, Vice President

Mr. Larkins joined CARANA in 2001 and is the current Chief of Party on USAID's Macedonia Small Business Expansion project. Prior to this assignment, Mr. Larkins served as Chief of Party under USAID's Enterprise Development and Investment Promotion project in the West Bank and Gaza. He was previously CARANA's Chief of Party for USAID's Guyana Trade and Investment Support project, which advised the government of Guyana and the private sector on strategic initiatives to increase export and market linkages of the country's productive sectors. He has led more than 15 economic development and governance projects in more than 10 countries and in more than a dozen U.S. states, focusing on trade and market linkage development as well as legislative and governance issues. Mr. Larkins was formerly assistant director for legislative affairs with AFL-CIO, and deputy director for Southern Africa with the National Democratic Institute for International Affairs.

2. Ms. Elena Ivanova

Tourism Sector Manager – Swisscontact, IME Programme

Elena Ivanova is extensively involved in managing issues in the field of tourism, management of tourism and development of tourism. She is Bachelor of science of E-Business at the State University and ever since was responsible for offline and online marketing campaigns for digital and in field tourism products of the FYR of Macedonia in general. She is also an MBA awarded student and one of the founders of "MBA Macedonia".

She followed many national and regional initiatives on the Balkans for tourism development and is member of almost all Macedonian tourism chambers. As former director of ExploringMacedonia.com, she became active member of the "Tourism Expert Group" and "Geotourism Stewardship Council Western Balkans" and later within, Country director of National Geographic Geotourism Portal for the FYR of Macedonia.

Elena supported the regional tourism development projects enhancing: introduction to tourism sustainable criteria, introduction of quality mark in tourism and became part of the Adventure Travel Community of the FYR of Macedonia.

Today Elena is part of IME Programme implemented by Swisscontact, contributing as Tourism Sector Manager to destination management interventions in Ohrid, Krushevo and Mavrovo.

3. Mr. Saso Korunovski

Faculty of tourism and hospitality, Ohrid, Dean

Mr. Korunovski has more than 23 years of experience in the educational sector. Currently he is active as a full-time professor in Cultural Heritage, Protection and Revitalization of Cultural Heritage and History of Architecture. At the moment he serves the second term as a Dean at the Faculty of Tourism and Hospitality – Ohrid at the University “St. Kliment Ohridski” – Bitola. He is also participating in another professional body - the National committee for Byzantine Art.

Besides his educational experience, Mr. Korunovski has also more than 15 years of experience in applicable project activities in the domains of Realization of training activities, Valorization (evaluation) of cultural heritage, Conservation and protection of cultural heritage, various activities related to promotion of sustainable cultural tourism in the FYR of Macedonia. As a result of his knowledge and experience gained from a high number of national and international projects in which he participated, mostly as an expert and consultant, project coordinator or project manager, he has published numerous scientific and professional papers, books, monographs related to the above mentioned and similar activities.

His professional characteristics include professionalism in his work, a high working ethics, leadership and team management, motivational skills, adaptability. His expertise has arisen from his participation and preparation of numerous projects related to cultural heritage analysis, valorization, protection and conservation in the Ohrid region, South-west Planning Region, as well as on a national and international level. Furthermore, he shows significant experience in several cross-border and transboundary activities and projects regarding sustainable and balanced development of rural regions, cultural sites and areas, through cultural tourism development including analysis of socio-cultural, environmental and economic impacts. The Faculty of Tourism and Hospitality – Ohrid with its old tradition (more than 40 years of existence) is a relevant institution and maybe the most experienced key actor in the FYR of Macedonia in the domain of promotion of tourism sector in the FYR of Macedonia.

4. Anica Palazzo

Anica, working for GIZ, German Agency for International Cooperation since 2001 as a coordinator on various projects, focused on economic development and cooperation on local, regional, cross border and trans-regional level. Currently, as regional coordinator within the Regional Economic Development Programme in the FYR of Macedonia, Anica is responsible for Southwest, Pelagonija and Vardar planning regions. In parallel also involved in implementation of a new GIZ tourism project “Peaks of the Balkans”, aiming to develop a trans-national hiking trail in the western parts of the FYR of Macedonia and neighboring Kosovo and Albania.