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Study

TOURISM VALUE CHAIN DIAGNOSIS

cross border area Elin Pelin Bulgaria and Leskovac Serbia

-Pathways to Prosperity-

Place: Elin Pelin & Leskovac

Data: February 2021

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ОБЩИНА ЕЛИН ПЕЛИН

TURISTICKA ORGANIZACIJA LESKOVAC

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Authors:
Project team members:

- Dobrila Sudimac Martinović (Researcher)
- Goran Milenković (Facilitator)

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Elin Pelin and Leskovac
February 2021

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Acronyms and Abbreviations

SBRA	The Serbian Business Registers Agency
GDP	Gross Domestic Product
EU	The European Union
ICT	Information and Communication Technologies
IPA	Instrument for Pre-Accession Assistance
LGU	Local Government Unit
PPP	Public Private Partnership
SME	Small and Medium-Sized Enterprises
NGO	Non-governmental Organization
NSI	National Statistical Institute
CSO	Civil Society Organization
RDA	Regional Development Agency
SORS	Statistical Office of the Republic of Serbia
RA	Regional Agencies
RS	Republic of Serbia
TOS	The Tourism Organization of Serbia
COVID-19	Coronavirus Disease 2019
DG	Directorate General of EU Commission
GIZ	German Agency for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit)
MICE	Meetings, Incentives, Conferencing, Exhibitions
OECD	Organization for Economic Co-operation and Development
CCIS	The Chamber of Commerce and Industry of Serbia
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	The World Tourism Organization
WTTC	World Travel and Tourism Council

1. Introduction

Travel and Tourism is one of the world's largest sectors, driving socio-economic development and job creation. It plays an important role in driving prosperity, empowering women, youth, and other groups of society. The benefits of Travel & Tourism spread far beyond its direct impacts in terms of GDP and employment. There are also indirect benefits through supply chain linkages to other sectors as well as its induced impacts. Considering the wider impacts of travel and tourism (direct, indirect and induced), the total contribution of this sector to the global economy in 2019 was 8,900 billion USD, representing a share of 10.3% of total GDP, or an increase of 3.6% compared to 2014. Sector generated 330 million jobs, 1 in 10 jobs around the world[1].. Tourism is an important sector of the European Union's economy. It supports economic growth and employment. This economic impact is felt in employment, increased tax revenues, successful business growth, environmental conservation, and cultural heritage protection. The tourism sector's competitiveness is intricately linked to its sustainability, as the quality of tourist destinations is strongly influenced by their natural and cultural environment and their integration into a local community. The sustainability of tourism covers a number of aspects: the responsible use of natural resources, taking account of the environmental impact of activities (production of waste, pressure on water, land and biodiversity, etc.), the use of 'clean' energy, protection of the heritage and preservation of the natural and cultural integrity of destinations, the quality and sustainability of jobs created, local economic fallout or customer care[2]. Creating the right balance between the needs of tourists, host communities and the environment, reducing conflict and recognising mutual dependency, requires a special approach to the management of destinations. The place where tourists travel to and where they spend their holidays is called destination. However, basic tourist destination is more than a tourist place defined as a final destination of a tourist trip. It is a wider functional tourist space consisting of one or more tourist places that have direct influence on the quality of the entire tourist experience of these places. Base of a tourism destination is comprised of its existing and potential tourist attractions that can range from local to international significance. Environmental characteristics of a tourist destination are healthy environment, interesting landmark formations and quality spatial organisation of tourist places and its surroundings. Tourism is characterized as an industry with a strong competition. Therefore, it is crucial to create a competitive advantage in order to stay in the market. In case of the tourist industry, creating competitive advantage could be done by providing an extraordinary experience which is the ultimate goal for travel leading to customer satisfaction and customer loyalty. Therefore, it is necessary for a tourist destination to have its own tourist product. As defined by the United Nations World Tourism Organization (UNWTO), a Tourism Product is "a combination of tangible and intangible elements, such as natural, cultural attractions, facilities, services and activities around a specific centre of interest which represents the core of the destination and creates an overall visitor experience including emotional aspects for the potential customers. Therefore, a tourist product is the sum of the physical and psychological experience acquired by tourists during their travelling to the destination. It is the composite product, as the combination of different services like tourist attraction, transport, accommodation and of entertainment which provide tourist satisfaction. In the last few decades, the tourism and travel sector have become one of the important sectors for Bulgaria and Serbia due to its significant contributions to socioeconomic development and economic prosperity. The tourism sector is important for the cross-border area of Bulgaria and Serbia as well as for the municipality of Elin Pelin and the City of Leskovac. The project Magic of Synergies (No CB007.2.12.002) within Interreg - IPA CBC Bulgaria - Serbia Programme is the joint initiative of the Municipality of Elin Pelin Bulgaria, The Tourist Organization of Leskovac Serbia and The Centre for Development Jablanica and Pcinja Districts Serbia. The objectives of this project are i) to create a synergetic effect of the joint affecting tourist actors in the field of connecting festivals, developing common touristic development policies and new touristic products in the cross-border area Elin Pelin and Leskovac; ii) to conduct marketing activities directed at tourist operators and tourist service providers to promote a new joint tourist products (new festivals); iii) to increase the capacities of tourist actors in cross-border area Elin Pelin and Leskovac for implementing a sustainable tourist development model through share best practices, experience and know-how.

[1] Source: World Travel & Tourism Council: Travel & Tourism - Global Economic Impact & Trends 2020 (https://wttc.org/Research/Economic-Impact)

[2] Source: DG Enterprise and Industry. European Tourism Indicator System – Toolkit for Sustainable Destinations, 2013.

The project focuses on how communities can collaboratively develop common touristic development policies and new touristic products/services. In this regard, project partners have launched survey research "**Tourism Value Chain Diagnosis**". The aim of this research is to assess and analyse the current situation in the tourist sector in cross border area Elin Pelin Bulgaria and Leskovac Serbia. In this particular case, Value Chain approach is used as a tool to identify the stakeholders, power relations and economic benefits regarding tourist offers in Elin Pelin and Leskovac. This tool is used to identify and assess the synergies and collaboration potential between **Tourism Actors**, status of local tourist attractions, characteristics of the local touristic products/offers, market chain actors and linkages, role of stakeholders in product development and possibilities for touristic product diversification.

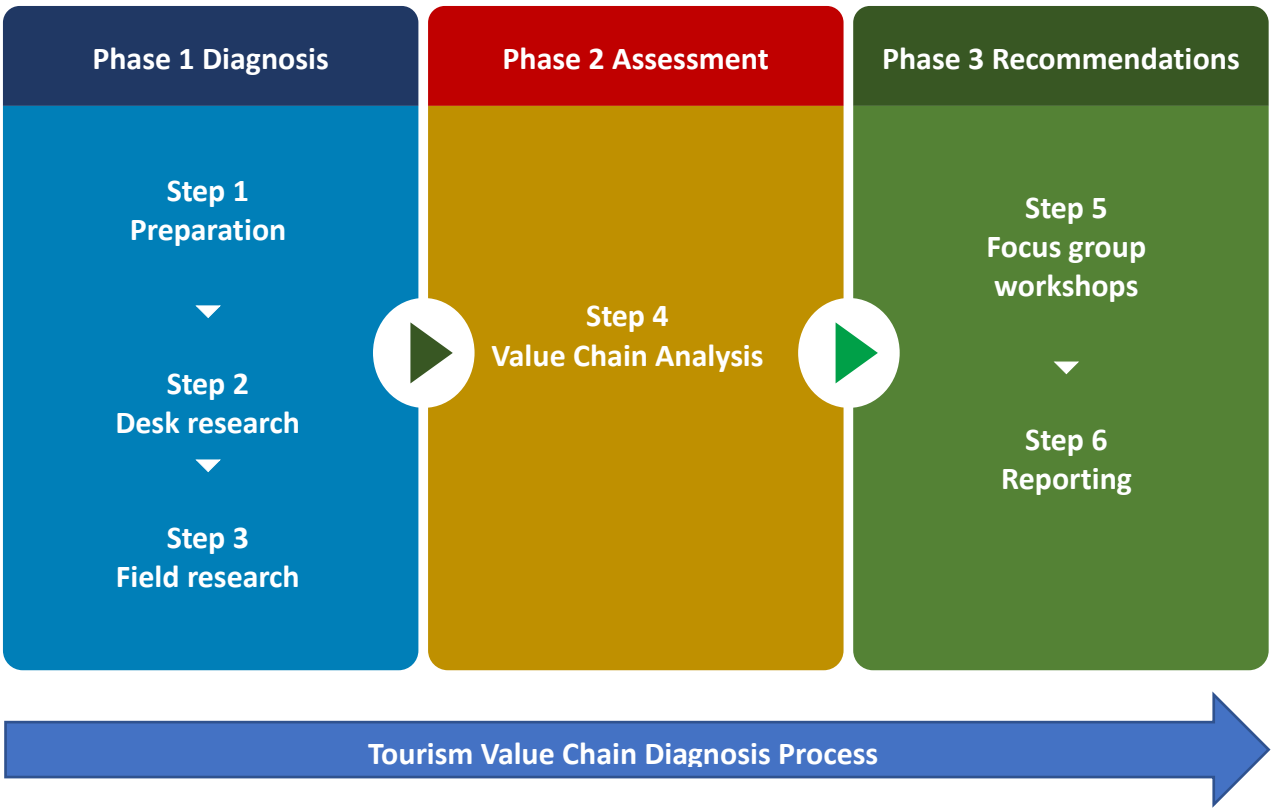
Figure 1 Tourism Actors

The purpose of Tourism Value Chain Diagnosis is to identify and analyse all aspects of value chain in sector of tourism and provide recommendation for tourism development in Leskovac and Elin Pelin. More specifically the objectives are as follows: (i) to understand better current capacities of the value chain actors in the tourism sector; (ii) to identify their challenges and needs; and (iii) to assess and recommend how to improve their position within the value chain. This Tourism Value Chain examines credible **Pathways to Prosperity** and sustainable development perspective. In addition, the process of value chain analysis is lead to the definition practical and priority options for interventions to enhance the local economic impact of tourism in the mentioned area. Particularly, the interventions that will secure a significant increase in the flow of income and opportunities to the local business. The findings from the research are consolidated in this report, i.e., the Study. The organizational structure of this report is the following: Section 1 gives a brief introduction to the subject of the research; Section 2 explains the methodology; Section 3 deals with the tourism sector and the Elin Pelin and Leskovac destinations; Section 4 assessing the direct and indirect value of chain actors, vertical and horizontal linkages between them; Section 5 shows the main trends and in particular the impact of the COVID-19 pandemic on tourist sector; Section 6 provides a summary of the findings and recommendations i.e. shows the **Pathways to Prosperity.** Section 7 provides an overview of the literature used.

2. Methodology

The value chain is a process that covers the entire creation of a product, from raw material extraction to consumption by end customers. The value chain describes this process in which each activity creates value, uses resources and is in turn connected to other activities. The object being considered in a value chain is always a product or a service. In the tourist sector, the term supply chains refer to the value creation process of those products and services that need to be purchased in order to produce the trip. Tourism value chain is comprised of complex relations between different stakeholders, activities, and policy measures at local, central, and international level. The Value Chain methodology includes integrating economic, environmental, social, and institutional assessment and a holistic and structured approach to value chain selection. The value chain concept is a valuable to understanding the many-tiered structures and processes of service delivery in the tourist sector and finding suitable entry points for specific interventions. This approach was used to identify and analyse all aspects of value chain in the sector of tourism in Leskovac and Elin Pelin. The approach included a literature review, consultations with key stakeholders and an analysis of specific value chain actors. Value Chain Analysis has been completed in the form desk and field research (survey, interviewing and discussion of the results on the focus groups). Research covers situation analysis (resources, business environment, marketing, positioning, tourism segments with potential for long-term development, competitive positioning) and recommendations according to touristic product readiness and resources availability. The methodological framework includes three phases that were realized in six steps (Figure below). Each of the 6 steps is further elaborated in the text below. Combining different research instruments, quantitative and qualitative data have been collected in order to address objectives of this Study. The research area is the territory of the municipality of Elin Pelin (hereinafter: Destination Elin Pelin) and the territory of the city of Leskovac (hereinafter: Destination Leskovac).

Figure 2 Methodological framework



Phase 1 Diagnosis: The process of defining the current environment. The phase consists of three steps.

Step 1. Preparation: Preparation is the starting point in tourism value chain diagnosis. in this step, research methodology and plan were developed. A tourism value chain approach was used as the methodology for analysing the process and identifying development opportunities.

Each chain has its particular characteristics. Not only do value chains differ (both within and between sectors), but so, too, do national and local contexts. Since there is no mechanistic way of applying value chain methodology, the research was adapted to the specifics of the local context. In that sense, two different logics were used. First, destination logic addresses the consumption steps and processes of the tourists and comprises the various needs for products and services. Second, supply chain logic, which, from an enterprise perspective, takes into consideration the composition of products and services with supplies from across business sectors, thus recognizes wider contributions to the economics of tourism. In this research, several research methods are combined in order to cross check the findings. Survey-based research is considered as a predominant method in this study. The point of entry for value chain is to define, which links and which activities in the chain are to be the subject of special enquiry. Research tools have been designed for this purpose. In order to have a reliable data, 6 types of questionnaires have been designed and developed (table below).

Table 1 Questionnaire characteristics

№	Questionnaire type	Targeted tourism actor	Language	Questionnaire characteristics
1	Questionnaire 1a	Travel organizers	English; Bulgarian; Serbian.	The questionnaire contains 30 questions (5 open-ended and 25 closed-ended questions).
2	Questionnaire 1b	Accommodation	English; Bulgarian; Serbian.	The questionnaire contains 50 questions (10 open-ended and 40 closed-ended questions).
3	Questionnaire 1c	Food services	English; Bulgarian; Serbian.	The questionnaire contains 42 questions (6 open-ended and 36 closed-ended questions).
4	Questionnaire 2	Supporting Services & Suppliers	English; Bulgarian; Serbian.	The questionnaire contains 22 questions (4 open-ended and 18 closed-ended questions).
5	Questionnaire 3	Support Institutions & Organization	English; Bulgarian; Serbian.	The questionnaire contains 20 questions (5 open-ended and 15 closed-ended questions).
6	Questionnaire 4	Tourists/Visitors	Bilingual English - Bulgarian; Bilingual English -Serbian	The questionnaire contains 7 questions (3 open-ended and 4 closed-ended questions).

Survey-based research questionnaires aims to guide the interviewers in the data collection process. It is worth mentioning that special attention and sufficient time was dedicated to compilation of these questionnaires considering the fact that they served as the main mechanism for collection of the primary data. The questionnaires are designed according to the participants in the tourist value chain. Each questionnaire ensured that all respondents will be subjected to the same content and order. Another important feature is to avoid ambiguity of the questionnaire. Therefore, formulating questions was designed in the simple way and free of jargon and terminology. The questionnaires contained both open-ended and closed-ended questions – all of them aiming to consider all perspectives, perceptions, and opinions of the parties relevant to the study. Questionnaires were prepared in tree languages, English, Bulgarian and Serbian. The form of the questionnaires complied with the requirements regarding the visualization of the Program and the EU.

Step 2 Desk research: It includes quantitative data collection and analysis. In this step, the relevant literature was collected for the process of preparation of this document. National and local strategies, studies and research were collected. Moreover, national (Bulgarian and Serbian) and local (Elin Pelin and Leskovac) economic and statistical indicators and other quantitative data regarding tourism (official statistics, programs, reports, and laws) were collected. Additionally, a review of existing literature was conducted (different examples of the value chains tourism sectors; tourism trends and developments; strategic documents on the relevant fields) and all stakeholders were identified (local institutions, processors, tourism actors, representatives from different associations etc.).

Desk research covers general situation analysis about tourism (resources, business environment, marketing, positioning, tourism segments with potential for long-term development, competitive positioning). The information collected through this method was analysed, stored, and classified as per its source, relevance, and reliability. These collected data provided valuable information and served as the basis for other subsequent tasks. The desk research entails developing a value chain map, identifying the actors that should be interviewed for the existing opportunities and challenges. The vast majority of the data used in this publication were submitted by countries. The relevant information and data were drawn from global and national sources. The main metadata and sources are OECD database (http://stats.oecd.org/), Eurostat database (https://ec.europa.eu/eurostat/), Bulgarian National Statistical Institute (https://www.nsi.bg/en), Statistical Office of the Republic of Serbia database (https://data.stat.gov.rs/), Online business portals PKS Partner (www.pkspartner.rs), Bisnode Serbia (https://www.bisnode.rs/), Business catalogue - Municipality of Elin Pelin (http://map.elinpelin.org) and relevant national tourist registers. The search of these databases was performed in October 2020 and February 2021. The purpose of these searches is to compare the data and analyse the impact of the COVID-19 pandemic on the tourism sector in Elin Pelin and Leskovac. Publicly available information published on the website https://www.booking.com, was used as a source of data in the research of the quality of hotel services in Elin Pelin and Leskovac. Guest reviews of a total of 27 hotels offering the possibility of booking through this platform were analysed. Reviews in this platform may be written only by guests who have actually stayed at the rated hotel. Therefore, these reviews and ratings are considered as more objective and subject to less manipulation compared to reviews of other internet portals[3]. The guests rated their satisfaction with their stay on a 10-point Likert scale. Quantitative assessment includes the following aspects of hotel service quality: location, cleanliness, comfort, facilities, staff, value for money and free Wi-Fi. Services rated 1 to 3 are described as very poor, 4 to 5 - Poor, 6 to 7 - good, 8 to 9 - very good, while services rated over 9 are described as excellent (table below).

Table 2 Booking Index scale

Score									
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Very Poor			Poor		Good		Very Good	Excellent	

Step 3. Field research: Field investigation consists of interviews and observations in the field. In this sense, in-depth interviews were carried out with the key stakeholders of the value chains in tourism. A comprehensive value chain assessment involves respondents from the end market (tourists), value creation functions (Travel organizers, Accommodation providers, Food services providers), service providers (technical and financial), and policy makers (government, business association and others). The reason for interviewing such a diverse group of stakeholders was to get a comprehensive overview of all key actors of the value chains. The concept of interviews and the content of the questions were in line with the above-mentioned objectives of the assessment. The main goals of these interviews were to identify and assess the current capacities of the value chain actors, to identify their challenges and needs as well, and to assess their positioning within the entire chain. Previously prepared questionnaires were used for this purpose. A total of 76 organizations from the tourism sector were surveyed (30 Elin Pelin + 46 Leskovac). The respondents have been identified in close collaboration with project partners. Out of an extensive list of business entities, 76 of them were selected for an interview relying on a systematic approach that ensured a representative inclusion of all relevant stakeholders in the targeted value chain. The interview process took place in the conditions of the COVID-19 pandemic. Due to that, some of the business entities cancelled their participation in the interview. The total number of interviewees exceeds the number planned by the project by 27%. Namely, the project planned 60 and interviewed 76. This number does not include the interviewed tourists, 13 of them. In addition to the research, individual interviews with key actors in tourism were organized.

[3] Source: Ilieva D. and S. Ivanov S. Analysis of Online Hotel Ratings: The Case of Bansko, Bulgaria. Varna University of Management. Dobrich, Varna, Bulgaria. SSRN Electronic Journal, 2014.

The data from the survey research in the part about the suppliers in the supply chain and the competitiveness of the tourist destinations Elin Pelin and Leskovac required additional clarifications. In that sense, in the period from January 25 to January 29, face-to-face interviews were organized with key actors from the municipality of Elin Pelin. The target group of this research were the main actors in tourism of Elin Pelin, respectively the owners/managers and/or employees in the hospitality industry, catering, organizations/institutions that support the tourism sector, and local food producers whose products can be found on the tourist offer. Qualitative data collection was realized from September 2020 to January 2021. In total, 76 organizations which directly and indirectly participate in the tourist value chain were surveyed. In addition, 13 tourists were surveyed, and 7 tourism actors were interviewed face-to-face. The application of the mentioned methods and techniques enabled the authors to obtain qualitative information and data that were analysed in the context of research. Their analysis and interpretation were completed in February 2021.In this way, qualitative information was collected and made into specific observations regarding links within value chains. The structure of the surveyed respondents is given below.

Table 3 Respondents surveyed

Category of respondents	**Number of respondents**		
	Elin Pelin	**Leskovac**	**Total**
Travel organizers (Tour operators and Travel agencies)	2	6	8
Accommodation providers	7	14	21
Food services providers	10	12	22
Supporting Services & Suppliers	4	5	9
Support Institutions & Organization	7	9	16
Total surveyed	**30**	**46**	**76**

The data, collected from the questionnaires, were processed only for research purposes. Personal data are collected voluntarily in accordance with General Data Protection Regulation (EU) 2016/679 and Relevant Bulgarian/Serbian Laws on Data Protection. A tool in Microsoft Excel was designed for data processing purposes. This tool can be used in similar future research. The obtained research results are tabulated and graphically interpreted so that for each feature (answer) the average, according to the participant in the chain and destination, is shown.

Phase 2 Assessment: It provides a comprehensive picture of the challenges and opportunities of the tourist destinations of Elin Pelin and Leskovac. Generally, it is evaluation, mapping, and analysis of value chains actors.

Step 4. Value chain analysis: Value chain analysis is about understanding how activities and actors, that are involved in bringing a product from production to consumption, are linked. The Value Chain Analysis is a tool to identify the stakeholders, power relations and economic benefits regarding tourism offers in Elin Pelin and Leskovac. This tool has been used to identify and assess the synergies and collaboration potential between Tourism Actors, status of local tourist attractions, characteristics of the local touristic products/offers, market chain actors and linkages, role of stakeholders in product development and possibilities for touristic product diversification. The core of any analysis is value chain mapping. Mapping a value chain is a key component within a value chain analysis, as it can be difficult to see the relevant interdependencies in a complex system or discuss systemic interventions, without mapping them first. A value chain map graphically illustrates all of the components, and relationships between the actors within the value chain. It is a visual tool that helps to understand how a local tourism works. The map highlights the range of activities that occur within the value chain. In this step, the processing of the questionnaire, the analysis of the collected data was completed, and the draft Value Chain Analysis was prepared. Working material and tools for focus group workshops were also prepared. They specifically prepared Elin Pelin destination profile, Leskovac destination profile, the destinations attractiveness-competitiveness matrix, market competitive positioning matrix, evaluation instruments etc.

Phase 3. Recommendation: this phase included participatory validation of main findings and recommendations as well as designing and publishing tourism value chain diagnosis study.

Step 5. Focus group workshops: Before the workshop, material was prepared, and special questions were designed for focus group participants. Attention was paid to the following topics: (i) the current situation in the local tourism industry; (ii) existing and potential links within the sector and (iii) proposed interventions. The prepared material contained destination review, attractions inventory, infrastructure and services, supply and competitiveness, market demand, cultural and natural resource. In the work with the participants, the profile of the destinations, the matrix of attractiveness-competitiveness of the destination, the matrix of market positioning, the assessment instruments were used. The first confirmation of the research results was organized in Leskovac on February 4, 2021. The workshop was attended by key representatives of the tourism sector of the city of Leskovac, such as travel organizers (tour operators and travel agencies), accommodation services providers (hotels), caterers (restaurants, cafes), associations, institutions for the support of tourism development, etc. The total number of participants of the focus group in Leskovac was 20. The focus group workshops in Elin Pelin were organized on February 9 and 10. In adherence with the measures related to COVID 19 pandemic, this event was organized in two days with the participation of 10 different representatives of the tourism sector of Elin Pelin. The purpose of the workshops was to validate the findings of the research and better understand the obstacles and opportunities for improving value chains. The main methods of working in focus groups were target oriented discussion and participatory analysis of competitiveness. Targeted-oriented discussion was conducted in stages and it included destination mapping, value chain mapping and validation of findings (figure below). Collected feedback in the form of suggestions and additions as a result of participatory analysis were included in the final version of the study.

Figure 3 Tourism Value Chain Workshop[4]

Focus group workshop 1. Purpose of event is getting feedback from the Elin Pelin stakeholders (tourism actors) based on presented research results. Participants: 20 representatives of tourist actors from Elin Pelin. In adherence with the measures related to COVID 19 pandemic, this event was organized in two days with the participation of 10 tourism actors, i.e., the direct users of the project.

Focus group workshop 2. Purpose of event is getting feedback from the Leskovac stakeholders (tourism actors) based on presented research results. The duration of event: 1 day. Location: Serbia, Jablanica District, City of Leskovac. Participants: 20 representatives of tourist actors from Leskovac.

Step 6. Reporting: This step includes the final design and publication Tourism Value Chain Diagnosis Study. In accordance with the project, the study was translated into English and Bulgarian and published on the project partner portals on March 10, 2021.

[4] Source: Otto E. and Ritsma N. Guideline for Organizing Workshops to Green the Tourism Value Chain. GIZ 2015 (modified by authors)

3. Tourism

Tourism is of vital economic, social, and cultural importance in OECD member and partner countries[5] and provides real prospects for enduring and inclusive economic growth. It plays a key role in job creation, export revenue and domestic value added, and directly contributes, on average, 4.4% of GDP, 6.9% of employment and 21.5% of service-related exports to OECD countries. Tourism is an important driver of economic growth, globally and locally. However, integrated, and forward-looking policies are needed to ensure this growth better delivers benefits for people, places, and businesses. Following six decades of consistent growth, tourism remains one of the world's most important economic sectors. It is a key part of a growing services economy, generating income and foreign exchange, creating jobs, stimulating regional development, and supporting local communities. Tourism exports are economically significant and have a larger impact on the domestic economy relative to other export sectors. Every EUR 1 of expenditure by international tourists in OECD countries, on average, generates an estimated 89 cents of domestic value added, compared with 81 cents for overall exports. Globally, tourism continues to perform ahead of long-term growth forecasts, with a record 1.5 billion international tourist arrivals in 2019. Tourism growth to OECD countries has exceeded the world average since 2014, following a period of strong growth in recent years. OECD countries are among the world's top tourism destinations, and account for more than half of global arrivals (56.9%) and travel receipts (61.1%). In addition to the benefits of international tourism, domestic tourism is the mainstay of this sector in the majority of OECD countries with, on average, residents responsible for 75% of tourism expenditure. While in the short-term the picture for tourism is mixed, mainly due to an uncertain economic outlook and external shocks such as health scares and extreme weather events, over the long-term tourism is expected to continue to grow[6].Tourism is important for European Union. As well as creating jobs, tourism helps develop bonds between societies. Tourism generates 9.5% of GDP and represents 11,20% of total employment in the European Union. Tourism creates jobs for 26 million people in EU, through its direct, indirect, and induced effects in the economy, in particular for young people, women and people from a migrant background. Europe is maintaining its leadership in the global tourism market. International tourism accounts for 6% of EU overall exports and 22% of services exports. Tourism in EU ranks fourth as an export category, after chemicals, automotive products, and food. With a rich cultural heritage and diversity and comprising some of the largest destinations and main source markets in the world, Europe continues to stand as the most visited region, welcoming half of the world's international tourist arrivals. Within Europe, the 28 countries of the European Union account for the bulk of the region's international arrivals, some 81% of Europe's total and 40% of the world's figure[7]. Eurostat data show that in 2018, 2.8 billion nights realised in sector of tourism[8]. An average trip cost was 347 euros. Nearly one third (32 %) of annual nights spent at tourist accommodation establishments were recorded from March to June. Europe at large (both EU and extra-EU) remains the most visited region in the world, accounting for 50% of the world's tourist arrivals and 37% of global tourism receipts and continues to lead growth in absolute terms. With a rich cultural heritage and a favourable socio-political environment, and comprising many large source markets, Europe boasts twice the arrivals of the second most visited region in the world, Asia, and the Pacific. However, as other destinations in less mature regions in the world, especially Asia and the Pacific, are growing at a faster pace, the share of Europe in the world has been decreasing gradually over time (from 58% of worldwide international arrivals in 1995 to 50% in 2016)[9].

[5] The OECD member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. Other partner countries are Brazil, Bulgaria, Colombia, Costa Rica, Croatia, Egypt, Indonesia, Kazakhstan, Malta, Morocco, Peru, Romania, the Russian Federation, Serbia, and South Africa.

[6] Source: OECD Tourism Trends and Policies 2020. The OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), Paris 2020.

[7] Source: World Tourism Organization. European Union Tourism Trends. April 2018.

[8] Source: https://ec.europa.eu/eurostat/cache/digpub/regions/

[9] Source: World Tourism Organization. European Union Tourism Trends. April 2018

Within the European Union, arrivals to the five emerging economies - Bulgaria, Poland, Hungary, Romania, and Croatia - grew somewhat faster, at a rate of 8%, while receipts grew 10%, reaching euro 29 billion. Arrivals to the 23 advanced economies, including the 19 countries in the euro area, grew by 4%, a solid growth rate consistent with the EU's overall results. Receipts earned by advanced economies grew 3% to euro 313 billion.

Table 4 Economic and employment impact of tourism (2019)

Indicator	European Union	Bulgaria	Serbia
Contribution of travel and tourism to GDP of total economy	9,50%	10,80%	5,90%
Contribution of travel and tourism to total employment	11,20%	10,60%	6,20%
International visitor impact (visitor spend of total exports)	6,20%	10,70%	7%
Consumption characteristics			
Leisure	81%	70%	86%
Business	19%	30%	14%
Domestic tourists	63%	20%	31%
International tourists	37%	80%	69%
Inbound arrivals	1. Germany 16%. 2. United Kingdom 12%. 3. France 6%. 4. United States 5%. 5. Netherlands 5%. 6. Rest of world 56%.	1. Romania 12%. 2. Germany 12%. 3. Turkey 8%. 4. Greece 8%. 5. Russian federation 6%. 6. Rest of world 54%.	1. Bosnia-Herzegovina 7%. 2. Turkey 6%. 3. Bulgaria 6%. 4. Croatia 6%. 5. Slovenia 5%. 6. Rest of world 70%.
Outbound departures	1. France 12%. 2. Spain 11%. 3. Italy 7%. 4. United Kingdom 6%. 5. Austria 5%. 6. Rest of world 58%.	1. Greece 41%. 2. Turkey 30%. 3. Hungary 5%. 4. United Kingdom 4%. 5. Spain 3%. 6. Rest of world 17%.	1. Greece 32%. 2. Montenegro 13%. 3. Hungary 11%. 4. Bulgaria 8%. 5. Turkey 4%. 6. Rest of world 32%.
Source: 2020 Annual Research World Travel and Tourism Council https://wttc.org/Research/Economic-Impact			

3.1. Tourism in the national economies

Bulgaria: Tourism is a priority sector in Bulgaria[10] and in 2018 directly contributed 3.1% to GDP, generated 2.9% of employment, and directly supported approximately 93 000 jobs. The total number of international arrivals was 12.4 million in 2018, an increase of 6.7%, compared to the previous year. International leisure visitors grew by 5.5% reaching 5.8 million while international business visits numbered 1.7 million, an increase of 10.6% over 2017. EU markets continued to be the most important for inbound tourism with a share of 61.4% and a total of 5.7 million arrivals.

Table 5 Bulgaria-Tourism Profile

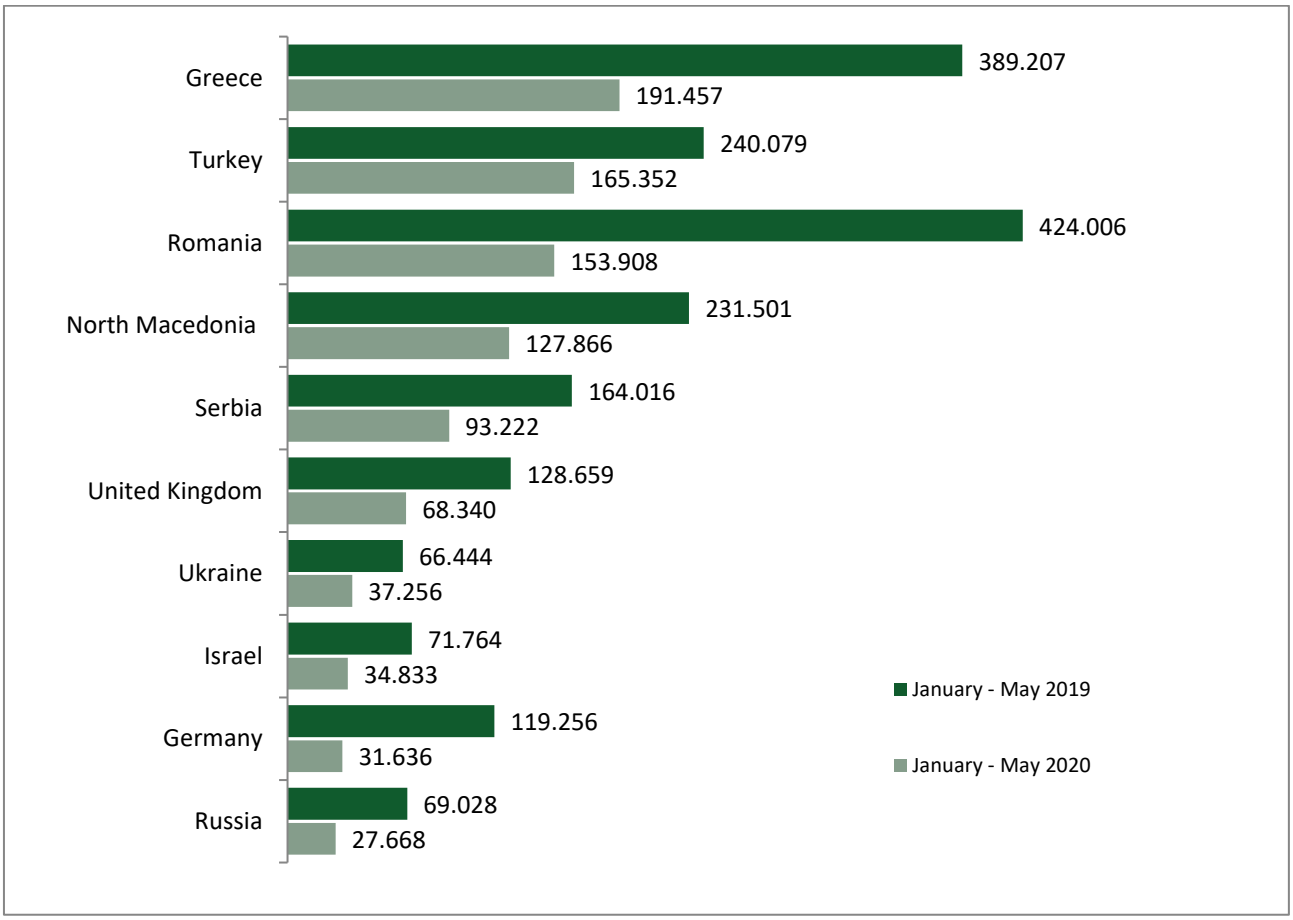
Tourism (domestic, inbound, and outbound tourism) in thousand	2014	2015	2016	2017	2018
Domestic tourism					
Overnight visitors (tourists)	3154	3415	3809	3806	3890
Nights in all types of accommodation	7621	8046	9035	8949	9096
Inbound tourism					
Total international arrivals	9409	9317	10604	11596	12368
Top markets					
Romania	947	987	1097	1139	1377
Greece	1032	973	1067	1158	1116
Germany	714	623	827	870	850
Turkey	438	519	565	636	625
Republic of North Macedonia	408	474	528	545	560
Nights in all types of accommodation	14078	13352	16151	17106	17749
Outbound tourism					
Total international departures				6228	6699
Overnight visitors (tourists)	4158	4632	5392		
Top destinations					
Turkey	1107	1242	1219	1311	1516
Greece	867	1043	1201	1341	1403
Romania	322	333	423	481	523
Serbia	316	315	405	463	494
Germany	239	273	345	402	422

Tourism receipts and expenditure (million USD)	2014	2015	2016	2017	2018
Inbound tourism					
Total international receipts	4494	3574	4141	4598	4999
International travel receipts	3908	3146	3634	4045	4416
International passenger transport receipts	587	428	508	553	583
Outbound tourism					
Total international expenditure	1454	1345	1631	2035	2236
International travel expenditure	1199	1116	1357	1684	1857
International passenger transport expenditure	256	230	274	351	378
Source: OECD Tourism Statistics (Database)					

[10] Source: OECD Tourism Trends and Policies 2020. The OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), Paris 2020.

The top three inbound markets in Bulgaria were Romania (1.4 million arrivals), Greece (1.1 million) and Germany (850 000). Domestic tourism in accommodation facilities with a bed capacity of 10 or more rose by 2.2% to 3.9 million in 2018, accounting for 9.1 million nights, up 1.6% from 2017. Tourism is facing unprecedented challenges and an existential threat from the impact of the COVID-19 pandemic. In the period January-May 2020, Bulgaria recorded a decrease in foreign visitors by 52.9% compared to the same period last year[11]. In 2019, revenues from inbound tourism amounted to over EUR 3.7 billion. In the period January - April 2020, revenues from inbound tourism amount to only EUR 386 million. The decrease compared to the period January - April 2019 is -34.4%[12].

Graph 1 Bulgaria - number of foreign visitors (January - May 2019/2020)



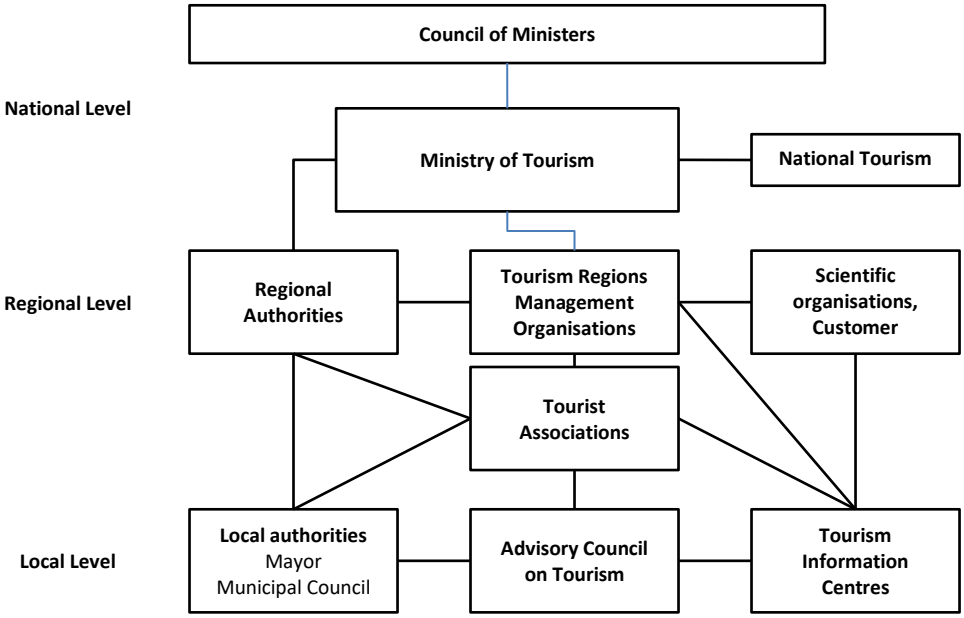
Source: National Statistical Institute

The tourism policy in Bulgaria is founded on partnerships between government and local authorities, NGOs, business, and civil society, promoting opportunities for investment, new skills, jobs and stimulating competitiveness within the tourism industry. The Council of Ministers is the national body responsible for formulating national tourism policy in Bulgaria. The Ministry of Tourism implements policy and coordinates the activities of other ministries and institutions. The Ministry of Tourism is also specifically responsible for regulation, product development, marketing, research and information, external project funding and supporting regional organisations. The National Tourism Council is the consultative body, which operates under the authority of the Ministry of Tourism. Its members include representatives of tourism-related ministries as well as national, regional, and local tourism associations, transport operators and consumer bodies. Recent legislative changes have led to the establishment of nine Regional Tourism Management Organisations. The members of these include tourism associations, regional and municipal administrations, institutes, museums, scientific bodies, and tourism schools.

[11] Source: Министерство на туризма. Международен туризъм – България Януари – Май 2020 г.
[12] Source: Министерство на туризма. Международен туризъм – България Януари – Май 2020 г.

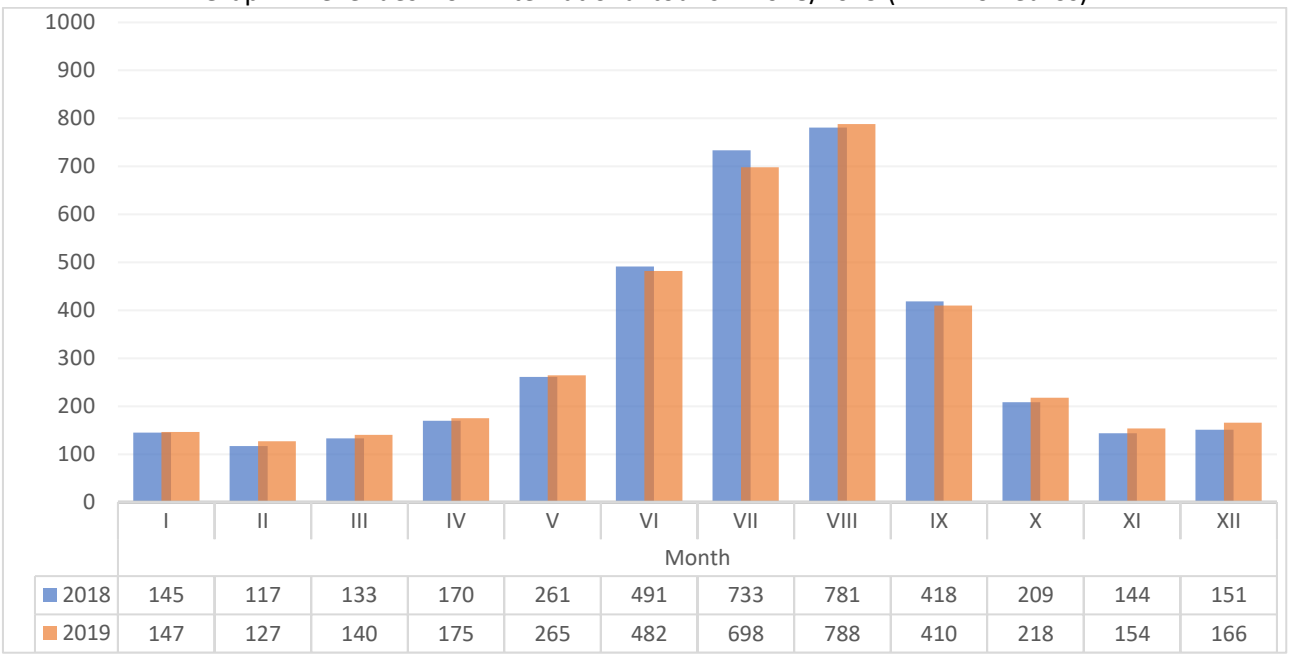
The Regional Tourism Management Organisations are responsible for regional touristic product development and marketing of the nine identified tourist regions in Bulgaria. The Ministry of Tourism works closely with the private sector and other stakeholders as well as collaborates with regional and local tourism bodies listed in the National Tourism Register. At the regional level, authorities develop and implement touristic strategies and programmes in line with national touristic and regional development strategies.

Figure 4 Organisational chart of tourism bodies in Bulgaria



The Tourism Act regulates the co-ordination associated with the interaction of the State and municipalities in the implementation of activities related to tourism, as well as the participation of not-for-profit legal entities. The Tourism Act makes provisions for local authorities to adopt tourism development programmes according to local resources and needs and establishes an Advisory Council on Tourism and a Municipal Commission to oversee the development of tourism related facilities. The budget of the Ministry of Tourism for 2019 was BGN 19.35 million (EUR 9.68 million), of which 75% was allocated to marketing activities.

Graph 2 Revenues from international tourism 2018/2019 (in million euros)



	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
2018	145	117	133	170	261	491	733	781	418	209	144	151
2019	147	127	140	175	265	482	698	788	410	218	154	166

Source: National Statistical Institute

The Ministry is responsible for administering funds from both the national government and the European Union. In 2018, the Council of Ministers approved the updated National Strategy for Sustainable Development of Tourism in the Republic of Bulgaria to 2030 and the related Action Plan for the period 2017-2020. The implementation of the Strategy is the responsibility of the Ministry of Tourism. The most important challenges addressed by the Strategy are overcoming the seasonal and geographic concentration of Bulgarian tourism, encouraging the industry to be more sustainable, improving the qualifications and skills of the workforce, and upgrading and investing in new accommodation and other facilities. In 2018, 56% of all arrivals registered by accommodation establishments with 10 or more beds were in the period from June to September, and the remaining 44% dispersed throughout the rest of the year. Travel is concentrated in Varna, Burgas, and Dobrich - with the other 25 districts receiving slightly over half the arrivals. To encourage tourism to other regions, the government developed tourist routes highlighting cultural tourism, congress tourism, spa and wellness tourism, eco-tourism, and rural tourism. The Ministry is aligned with UN Sustainable Development Goals and has a clear implementation framework and funds for investment in technology, infrastructure, and human resources. The Strategy's long-term objectives are to:

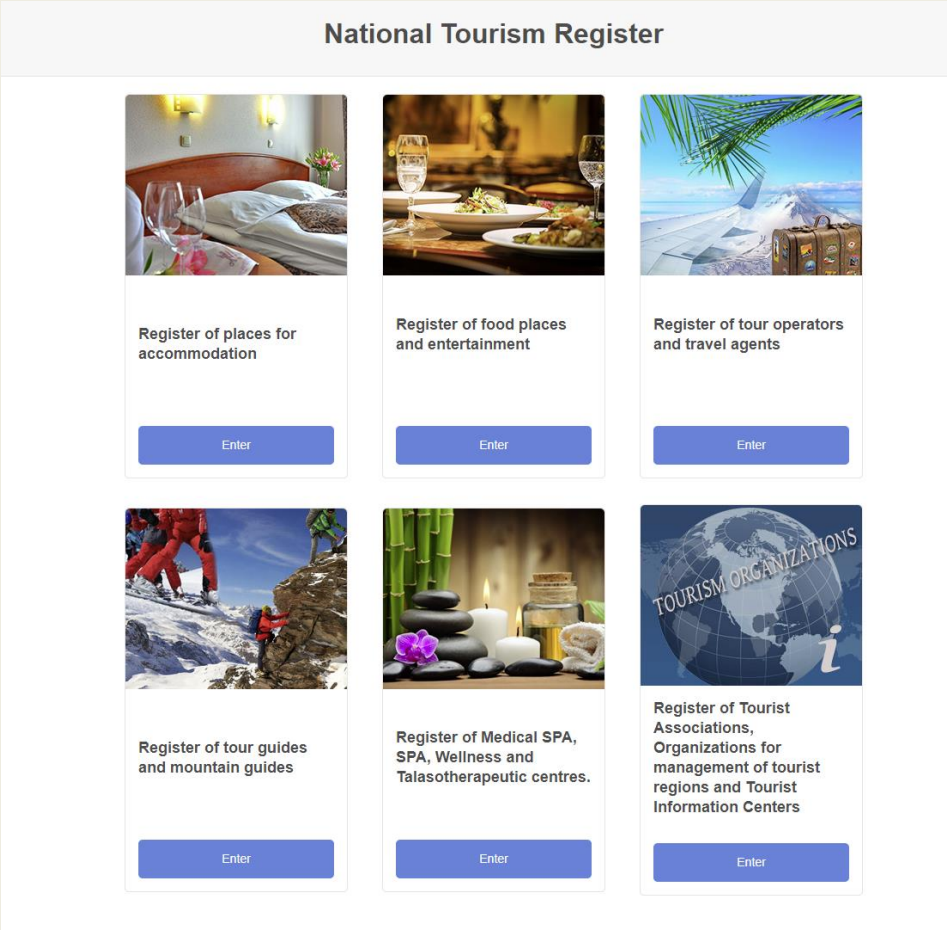
- Establish a favourable business environment to develop sustainable tourism by updating the regulatory framework and reducing burdens on business.
- Develop a competitive tourism sector by stimulating improvement in all types of tourism businesses to ensure high quality products.
- Position and promote Bulgaria in international markets.
- Develop regional tourist areas by stimulating the growth of tourism SMEs and establishing destination management organisations in nine tourist regions across the country to ensure balanced growth.

The Strategy is delivered through an agreed annual Action Plan which includes:

- Ensuring effective coordination between institutions and integrating tourism into related sectoral policies.
- The creation of special visa application centres to facilitate travel in co-operation with the Ministry of Foreign Affairs of Bulgaria.
- Active co-operation between the Ministry and domestic and international travel trade companies to create joint tourism products and packages.
- New product development to diversify the tourism offer, make it more distinctive and tailored to different types of tourists. For instance, elaborated cultural and historic destinations, SPA, wellness destinations and wine and culinary destinations within the country.
- Positioning and promotion of Bulgaria as a year-round tourist destination and building a positive image among key international target markets via marketing activity.
- Revisions to regulations in order to facilitate the establishment of regional Destination management organisations and other local organisations.
- Providing business support and finance for SMEs, capacity building and support to access national and international markets
- Developing a unified system for tourist information at a national level, which acts as a networking platform for touristic business.

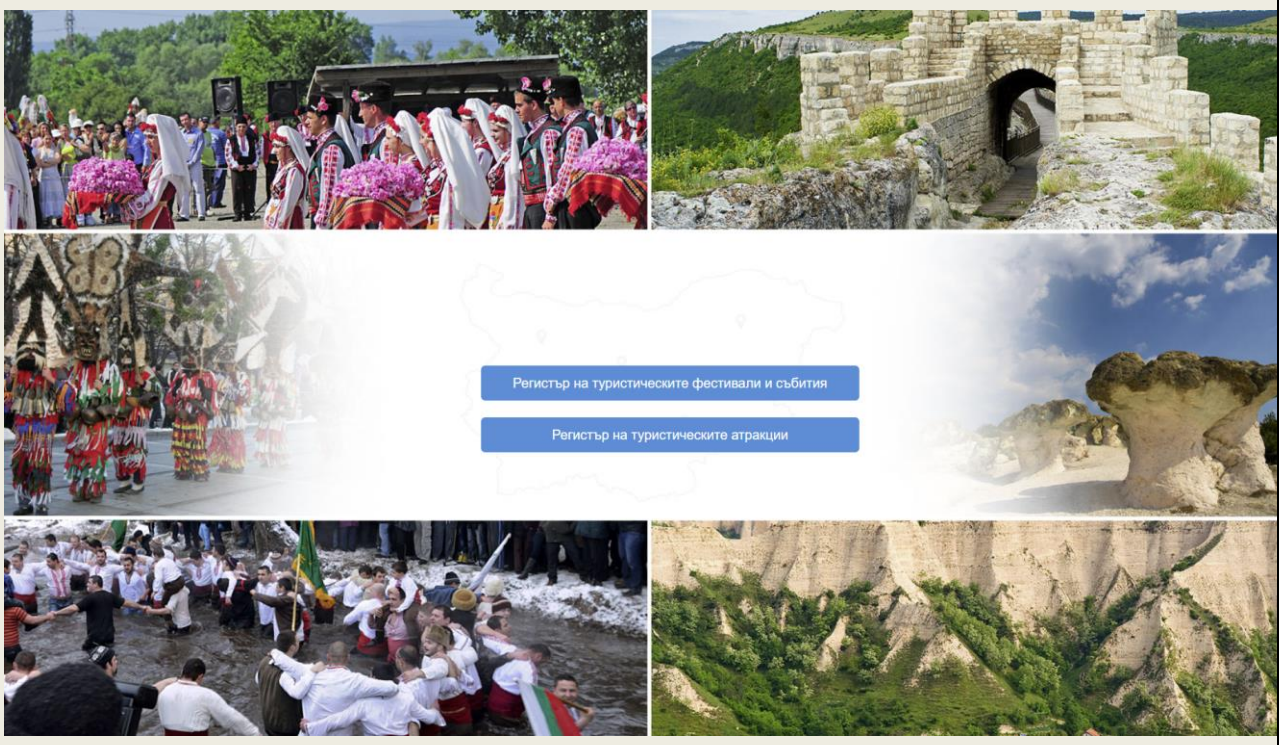
Additional amendments to tourism legislation in 2019 aim to facilitate the involvement of industry stakeholders and to attract more investment in sustainable development. The amendments will facilitate tourism business also through eased regulations relating to the establishment of tour operators, the certification of spa and wellness centres, and the operation of restaurants, hotels, and other accommodation. The Ministry of Tourism is currently developing an Integrated Tourist Information System, established in 2019, in collaboration with tourism businesses. The Integrated Tourist Information System is an electronic database containing information on a wide range of public and private sector tourism related stakeholders including tour operators, accommodation providers, trade associations and others. The system also provides information on major events as well as relevant statistical data.

Picture 1 The Integrated Tourist Information System in Bulgaria



https://ntr.tourism.government.bg/CategoryzationAll.nsf/enindex.xsp

Register of tourist festivals and events **Register of tourist attractions**



http://rta.tourism.government.bg/TAFRegister.aspx

Serbia: The total contribution of the tourism industry to the Serbian economy, including the effects from investment, supply chain and induced income impacts, amounted to RSD 294.6 billion (EUR 2.46 billion), in 2017, or 6.7% of GDP[13].The tourism industry directly generated 32 000 jobs, representing 1.8% of the country's total employment. The industry attracted capital investment of RSD 33.8 billion, 4.1% of total national investment. This is expected to rise by 2% over the next ten years to RSD 43.5 billion by 2028.The total number of tourist arrivals in 2018 was 3.4 million, an increase of 11.2% from 2017. International arrivals accounted for 49.9% of total arrivals and showed a 14.2% increase on 2017. Domestic arrivals increased by 8.3% in 2018 compared to 2017.The key source markets for international arrivals in 2018 were Bosnia and Herzegovina (15.4% market share), Montenegro (12.3%), and China (10.5%), followed closely by Croatia and Turkey. All of the five top markets showed growth in volume of arrivals between 2017 and 2018, particularly China which showed an increase of 89%.

Table 6 Serbia: Tourism Profile

Tourism flows (domestic, inbound, and outbound tourism) in thousand	2014	2015	2016	2017	2018
Domestic tourism					
Overnight visitors (tourists)	1164	1305	1472	1589	1720
Nights in all types of accommodation	3925	4242	4795	5150	5678
Inbound tourism					
Overnight visitors (tourists)	1029	1132	1281	1497	1711
Top markets					
Bosnia and Herzegovina	164	192	223	235	263
Montenegro	137	171	196	198	210
China	31	33	43	95	179
Croatia	117	121	142	153	177
Turkey	82	115	142	163	175
Nights in all types of accommodation	2161	2410	2739	3175	3658
Tourism receipts and expenditure (million USD)					
Inbound tourism					
Total international receipts	1352	1321	1461	1705	1921
International travel receipts	1142	1047	1150	1344	1547
International passenger transport receipts	210	274	310	361	374
Outbound tourism					
Total international expenditure	1359	1253	1351	1548	1837
International travel expenditure	1178	1102	1202	1380	1643
International passenger transport expenditure	181	152	149	168	194

Source: OECD Tourism Statistics (Database)

Table 7 Serbia: Enterprises and employment in tourism

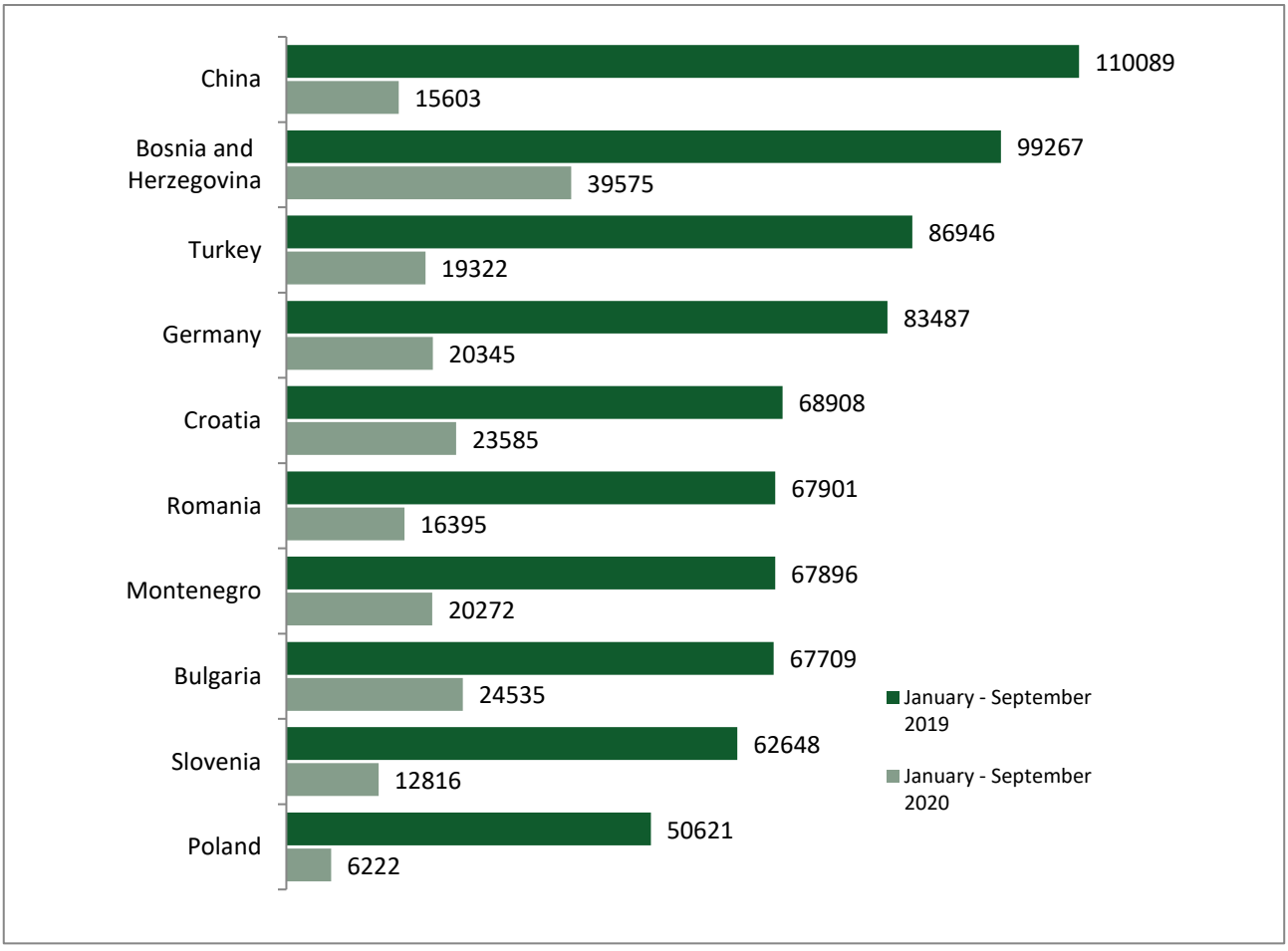
Tourism	Number entities (2017)	Number of persons employed			
		2014	2015	2016	2017
Tourism sector	4155	26577	28449	30642	32044
Accommodation services	813	8647	8670	8900	9048
Food and beverage serving industry	2471	14274	15802	17408	18599
Travel agencies and reservation services	871	3656	3977	4334	4397

Source: OECD Tourism Statistics (Database)

[13] Source: OECD Tourism Trends and Policies 2020. The OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), Paris 2020.

In Serbia, the number of 3690 thousand tourists was registered in 2019. 1843 thousand were domestic tourists of this number, which is by 7.2% more than in 2018, while the number of foreign tourists was 1847 thousand, which is by 8,0 % more when related to 2018.The number of all overnight stays made by tourists using accommodation facilities was 10073 thousand, which is by 20,4% more in comparison to 2018. Domestic tourists made 6063 thousand overnight stays (more by 6,8% when related to 2018), while the number of overnight stays by foreign tourists was 4010 thousand, i.e., it increased by 9,6% in relation to 2018. Of the total number of tourist overnight stays (10073 thousand), 27,6% (2782 thousand) were made in spa resorts, and 22,8% (2302 thousand) in mountain resorts[14]. In the Republic of Serbia, in September 2020, compared to September 2019, number of tourist arrivals was by 43.1% lower, while number of tourist overnight stays was by 22.9% lower. In September 2020, compared to September 2019, number of overnight stays of domestic tourists was by 18.8% greater while number of overnight stays of foreign tourists was by 76.3% lower[15]. This is a direct consequence of the COVID-19 pandemic.

Graph 3 Serbia - number of foreign visitors (January - September 2019/2020)



Source: Statistical Office of the Republic of Serbia

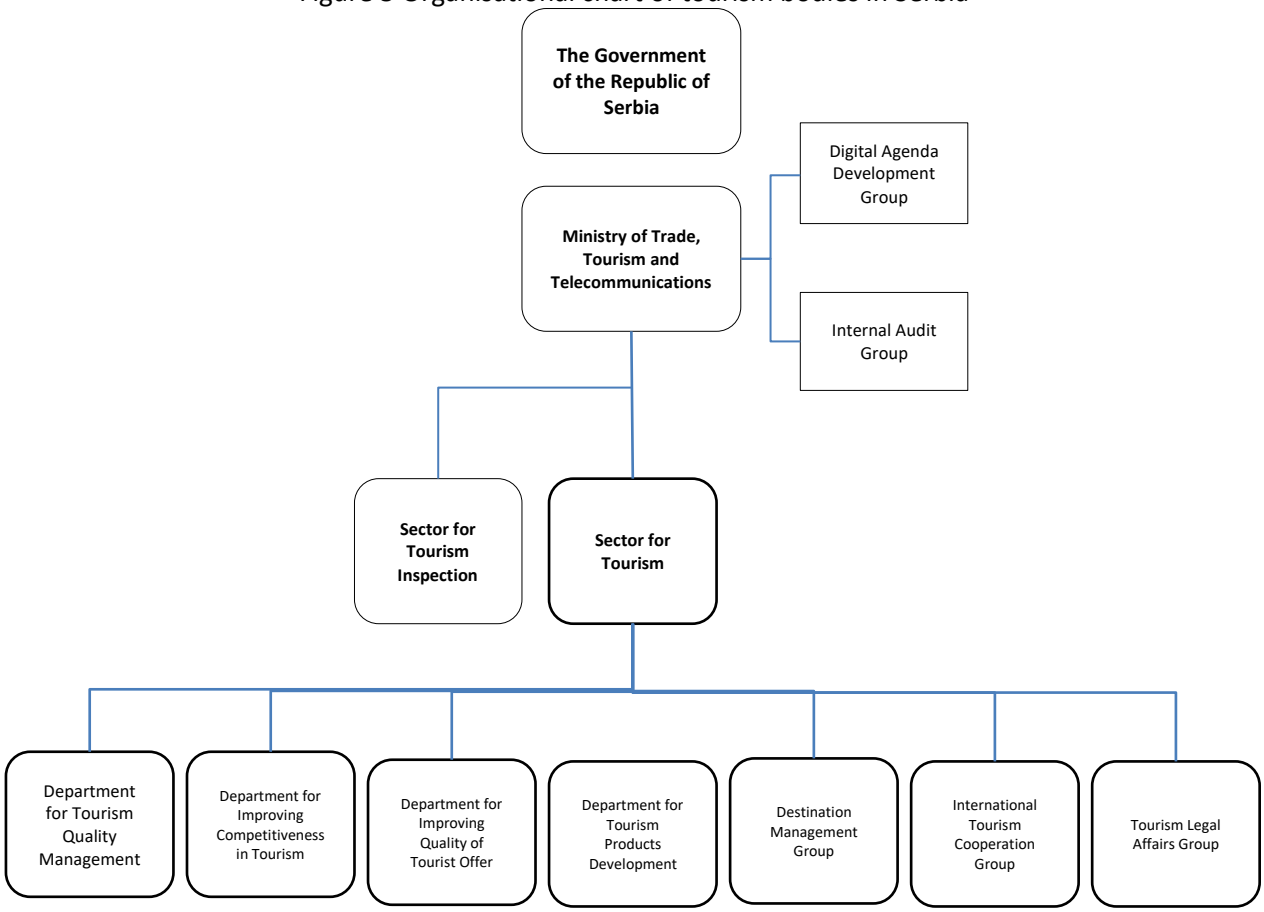
The Ministry of Trade, Tourism and Telecommunications is the national government authority overseeing tourism in Serbia. The Ministry has jurisdiction over the National Tourism Organisation of Serbia (TOS), which is the national agency for promoting tourism in the country and abroad. The TOS also undertakes tourism market research and collects relevant tourism information. Founded as a government organisation in 1994, the aim of the TOS is to affirm the value and potential of the country's tourist industry.

[14] Source: М. Ковачевић. Региони у Републици Србији 2019. Републички завод за статистику (ISSN 2620-1275) Београд, 2020.

[15] Source: Catering and tourism statistics. Statistical release-Number 290 - Year LXX, 30.10.2020. Statistical Office of the Republic of Serbia Belgrade, 2020.

Its activities focus on positioning Serbian tourism in both domestic and international markets, and evaluating the comparative advantages of tourism in Serbia, such as geographical location and historical, cultural, and natural identity. Three Regional Tourism Organisations have been established, as well as 116 Local Tourism Organisations, owned and operated by Serbia's local and regional governments and supported by the private sector. The regional and local tourism organisations act in accordance with the National Tourism Strategy and the plans and programmes of the TOS.

Figure 5 Organisational chart of tourism bodies in Serbia



The Serbian Convention Bureau was established in 2007 as a part of the National Tourism Organisation of Serbia in order to develop MICE[16] tourism. Professional tourism associations have also been established including the: Serbian Spas and Resorts Association; Associations of Tourist Agencies; Business Association of Hotels and Catering Operations; International Centre for Tourism and Hospitality Development. The Government of the Republic of Serbia has adopted the Tourism Development Strategy of the Republic of Serbia for the period from 2016 to 2025. The Strategy is based on an analysis of internal and external surroundings, including the latest global trends in tourism development. The objectives of the Strategy are:

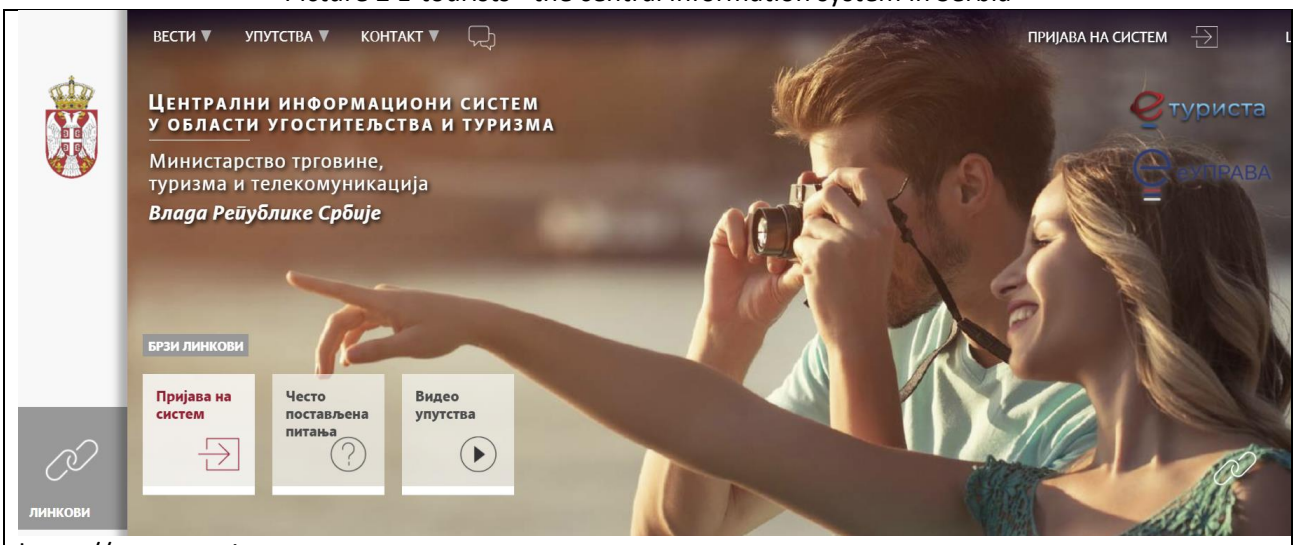
1) Sustainable economic, environmental, and social development of tourism in the Republic of Serbia.
2) Improving the competitiveness of the tourism industry and related activities in the domestic and international markets.
3) An increase in the direct and total contribution of the tourism sector to the gross domestic product as well as an increase in direct and total employment in the tourism sector and its share in total employment in the Republic of Serbia.
4) Improvement of the overall image of the Republic of Serbia in the region, Europe and worldwide.

The development goals of the Strategy include increasing the number of hotels and similar facilities by 50% and increasing overall accommodation occupancy by 30%.

[16] The term "MICE" in the context of travel is an acronym for Meetings, Incentives, Conferences, and Exhibitions.

The Strategy also aims to increase tourist arrivals, overnight stays, and expenditure, and to double the tourism industry's direct contribution to GDP. Furthermore, it aims to increase direct employment in tourism by at least 50%. The legislation provides the framework for a modern and efficient organisation and development of tourism and its related industries. However, the tourism sector has not yet been developed and there is a lack of capacity in tourism management and national marketing. The key challenges for sustainable tourism development in the Republic of Serbia include: Reducing seasonality; Improving the quality of tourism jobs; Maintaining and enhancing local community prosperity and quality of life - for example by encouraging the purchase of local goods and services, the promotion of local culinary heritage, history and culture, handicrafts and folk art, small museums, and vineyards; conserving and increasing the value of natural and cultural heritage; enriching the tourist offer with products and services that will make tourism in Serbia more recognisable and attractive. Measures to address the key challenges for sustainable tourist development include increasing levels of environmental consciousness, growing the interest in heritage and culture, strengthening local economic activity, as well as supporting the development of visitor activities that enable visitors to meet local residents and engage in cultural tourism activities and events. The Ministry of Trade, Tourism and Telecommunications performs state administration tasks related to: strategy and policy of tourism development; integrated planning of the development of tourism and related activities; development, proclamation and sustainable use of tourist areas and tourist destinations of importance for tourism; activities of special importance for tourism development; categorisation of tourist sites; implementation of incentives and the provision of material and the fulfilment of other conditions for the promotion of tourism development; promotion of tourism in the country and abroad; taxes, fees and penalties in tourism; property affairs in tourism; improvement of the value and competitiveness of tourism products; tourism market research and development of a tourist information system; conditions and manner of performing activities of travel agencies; catering activities; nautical activities; tourist hunting activities, as well as providing services in tourism; planning, maintenance and equipment at public ski area and the provision of services at ski resorts; planning, maintenance, equipment and services in spas, theme parks and public beaches; inspection in the field of tourism. The Ministry of Trade, Tourism and Telecommunications provides support for tourism development through a programme of incentives and loans. The Ministry finances projects focused on promotion, education, training and improving and developing the tourism supply chain, as well as projects which support the improvement of tourism infrastructure and facilities. Financing of up to 100% is available for infrastructure projects and up to 50% for other projects. The aim of the financing programme is to support and encourage the development of the domestic offer and to attract foreign demand. The incentives and loans are open to non-governmental organisations, local tourism organisations and small enterprises. Since 2015, two new policy instruments have been introduced - vouchers supporting domestic demand, and subsidies for inbound tour operators in Serbia. The central information system in the area of catering and tourism (E-tourists) has been introduced, which enables electronic registration of guests, electronic payment of residence tax, submission of a request for categorization and other

Picture 2 E-tourists - the central information system in Serbia

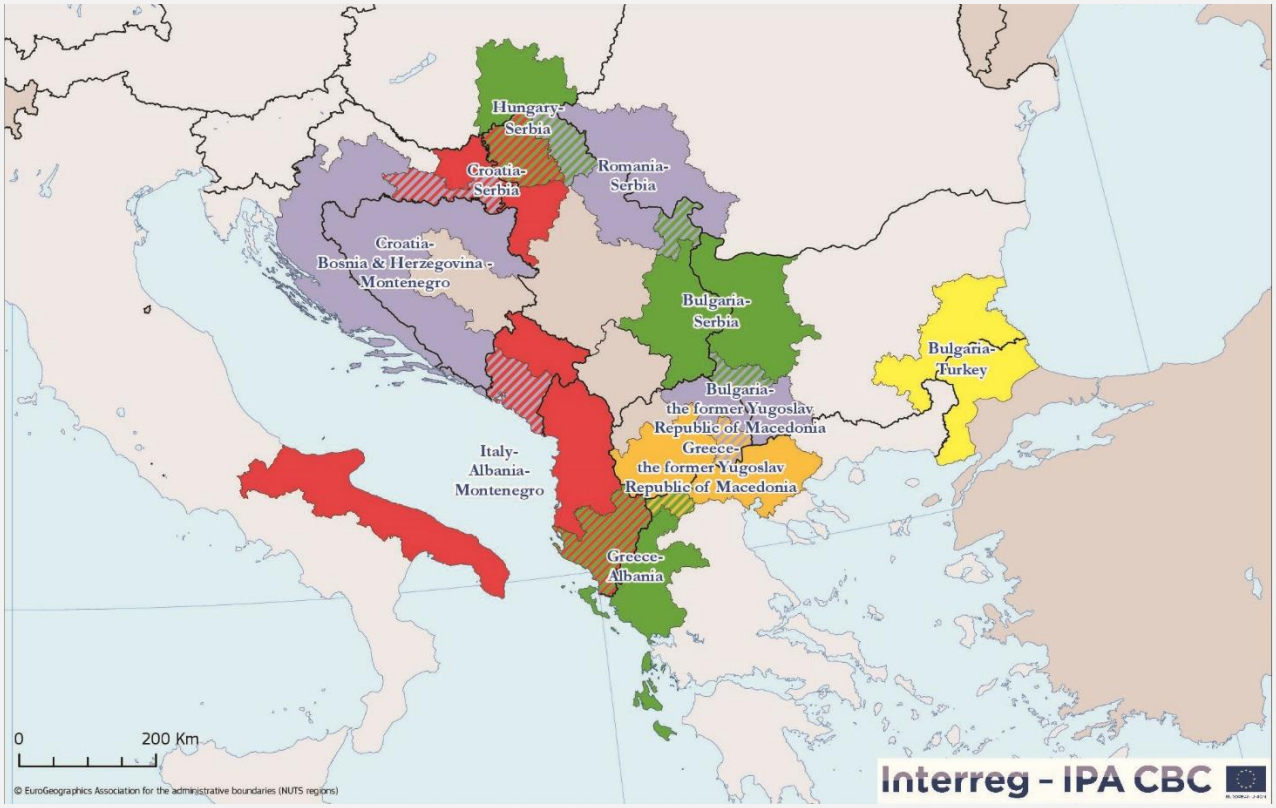


https://www.eturista.gov.rs

3.2. Tourism in cross border region

The cross-border region between Bulgaria and Serbia (hereinafter: cross-border region) covers a territory of 43933 km^2, which is 22% of the territory of both countries (Bulgaria and Serbia). The cross-border region includes 13 administrative units, 6 districts in Bulgaria and 7 districts in Serbia. In Bulgaria, these are Vidin, Montana, Vratsa, Sofia, Pernik and Kyustendil. In Serbia, these are Borski, Zaječarski, Pirotski, Nišavski, Toplički, Jablanički, Pčinjski. This territory covers Interreg-IPA Cross-border Cooperation Bulgaria-Serbia Programme (CCI 2014TC16I5CB007). Interreg-IPA CBC Bulgaria-Serbia Programme is financing projects related to development of sustainable tourism, youth, and environment. Interreg is one of the key instruments of the European Union supporting cooperation across borders through project funding.

Map 1 INTERREG IPA Cross-border Cooperation programmes 2014-2020



Source: InterAct Library |Map | Interreg-IPA CBC programmes 2014-2020[17]

Nature: The cross-border region is characterised with diverse landscape (hills and mountains, but also wide plains), the rich forests (over 30% share of the total regional territory), numerous geomorphologic phenomenon (caves, natural bridges, gorges, and canyons), thermal springs, as well the outlet to the Danube river. The region is also rich in natural parks, protected areas, and natural reserves, many of which have been included or proposed for inclusion in the NATURA 2000 areas[18]. The beautiful and varied scenery - picturesque locations, caves, prehistoric rock paintings, bizarre rock formations, rivers, waterfalls and other water bodies are the main features of the region and a premise for the creation of a unique image of the cross-border region Bulgaria-Serbia. Continental-temperate climate of the region provides opportunities for development of various forms of tourism throughout the year. The nature of this region is characterized by a great diversity of flora and fauna and is an important part of the abundant and diverse European natural heritage.

[17] https://www.interact-eu.net/library?title=Map&field_fields_of_expertise_tid=All&field_networks_tid=All#708-map-interreg-ipa-cbc-programmes-2014-2020

[18] Source: INTERREG-IPA Cross-border Cooperation Programme Bulgaria – Serbia (CCI 2014TC16I5CB007)

The area is full of natural attractions that start as a string of pearls at the Danube and descend to the Southern territories of Serbia and Bulgaria.

Table 8 Natural attractions in cross-border region[19]

Bulgarian side	Serbian side
• Belogradchik Rocks • Bistrishko Branishte Reserve • Borov Kamak waterfall • Chuprene reserve • Dragoman swamp • Gabra reserve • Kostenski waterfall • Kutinski pyramids • Ledenika cave • Magura cave • Rabishko lake • Razhishka Cave • Rila National Park • Skakavishki waterfall • Trun gorge • Tzurna Reka reserve • Vitosha nature park • Vrachanski Balkan Nature Park	• Bogovinska cave • Đerdap gorge (Iron Gates) • Đavolja Varoš (Devil's Town) natural phenomenon • Stara Planina national park • Jelasnicka Klisura • Radan mountain • Raykova cave • Sićevačka Klisura national park • The Đerdap National Park • Venerina Padina national reserve • Vlasinsko lake • Zlotska (Lazareva) cave • Vucjanka river canyon

Culture and history: One of the biggest strengths of the cross-border region is its rich and unique culture. Intangible cultural heritage is the main source of identity and has strong links to history. The cultural heritage of the region includes monuments and sites related to churches, old towns and old rural areas, archaeological sites, as well as monuments devoted to commemoration of historical events or figures. Remains from ancient civilizations can still be found in many places on both sides of the border. The rich and unique culture between Bulgaria and Serbia - both tangible (various archaeological sites, monasteries, museums, and galleries) and intangible heritage (e.g., traditions, festivals, etc.) is another asset of the cross-border region. Located on the territory of one of the oldest countries in Europe and inhabited since ancient times, the region naturally has a rich cultural and historical heritage. In Bulgaria there are 4947 immovable cultural assets, 219 of them are registered to be of national importance, 1 of global importance, 2 reserves and 1 033 sites of local importance. The territory is the successor of a settlement tradition dating eight millennia back and has a rich cultural heritage. Some of the most famous cultural and historical sites in Bulgarian part of the cross-border area are: Baba Vida fortress - the only entirely preserved medieval fortress in Bulgaria, the Kale fortress - one of the best preserved Roman forts in the country, the remains of the ancient Roman city of Montanesium, the eight Thracian tombs on the territory of Georgi Damyanovo municipality, the Urvich fortress with its rare rock inscription dedicated to the final battle of Tzar Shishman with the Ottomans, the ancient furnaces for melting metals near the Yazovinite location, the Krakra fortress, the Rila Monastery listed in the UNESCO World Heritage List, with a library of about 250 manuscripts of the XI-IXX centuries, 9000 incunabula, notated manuscripts, Renaissance graphic prints and more, the rock church Vuvedenie Bogorodichno and several other Orthodox churches, monasteries, fortresses and ancient settlements. In the Serbian part of the cross-border area, starting from the Đerdap gorge to the North, which is the cradle of a prehistoric Mesolithic and Neolithic civilization (about 6 500-5 500 BC), all the way to Tzarichin town to the South, there are a number of important archaeological sites, monuments, and places of special interest.

[19] Source: Marketing strategy for promoting the business potential of the Bulgaria – Serbia cross-border region. Project REVIVAL (2007CB16IPO006-2011-2-95)

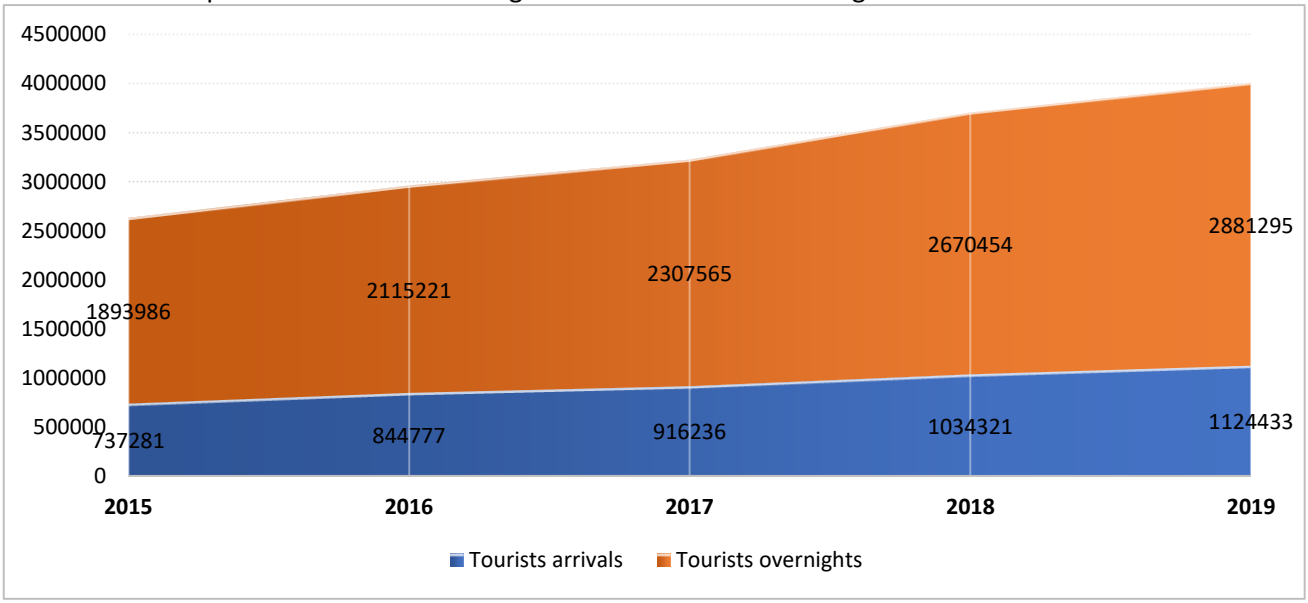
Of the 20 archaeological sites of great importance for Serbia, six are located in the region: Rudna Glava - centre of early prehistoric mining, Gamzigrad - in 2007 it was listed in the UNESCO World Heritage List, Lepenski Vir - with its stone sculptures and ruins of temples it is one of the largest and most important archaeological sites of Mesolithic and Neolithic times. Mediana (Roman Mediana) - archaeological park settlement from Roman times, Tzarichin town - archaeological site of the VI century and one of the important Byzantine towns in the interior of the Balkans, Trajanova Tabla - a marble block (board) placed upon the completion of the construction of the Danube Southern Roman road, and many others. Tourism centres in the cross-border region include Belogradchik (cultural and eco-tourism), Chiprovtsi (cultural tourism), Varshets and Berkovitsa (spa), Tran (eco-tourism and cultural tourism), Zemen (cultural tourism), Kyustendil (spa), Sapareva Banja (spa), Vitosha (skiing) and Panichiste (mountain resort with skiing) and Rila monastery in Bulgaria; Gamzigrad (cultural tourism), Niš and Negotin (cultural tourism), Pirot (cultural tourism), Zvonačka banja (spa, district of Pirot), Vranjska banja (district of Pčinja), and Niška banja (spa, district of Nišava), Stara Planina (mountain tourism) and Leskovac (festival tourism) in Serbia.

Tourist turnover: Tourism plays an important role in the economic structure of the cross-border region. The number of all overnight stays made by tourists using accommodation facilities was 2881295, which is by 7,90% more in comparison to 2018. Domestic tourists made 2146186 overnight stays (more by 6,73%when related to 2018), while the number of overnight stays by foreign tourists was increased by 11,44% (table below). In the period from 2015 to 2019 and a cross-border region continually records the increase of the number of tourists (graph below). According to official statistics data number of tourism facilities and beds increased during the period of 2016 and 2018. In the cross-border area in 2018 was recorded 395 accommodation facilities and 28393 beds. Tourism, in all its forms, was identified as being the main branch with the largest and yet unused potential for economic recovery, employment, and long-term sustainable development of the cross-border region.

Table 9 Tourist arrivals and overnights in Bulgaria - Serbia cross border region 2015 - 2019

Period	Tourists arrivals (number)			Tourists overnights (number)		
	Total	Domestic	Foreign	Total	Domestic	Foreign
2015	737281	559314	177967	1893986	1444839	449147
2016	844777	638314	206463	2115221	1608268	506953
2017	916236	677469	238767	2307565	1721428	586137
2018	1034321	760853	273468	2670454	2010796	659658
2019	1124433	805841	318592	2881295	2146186	735109
Annual average	**931410**	**688358**	**243051**	**2373704**	**1786303**	**587401**

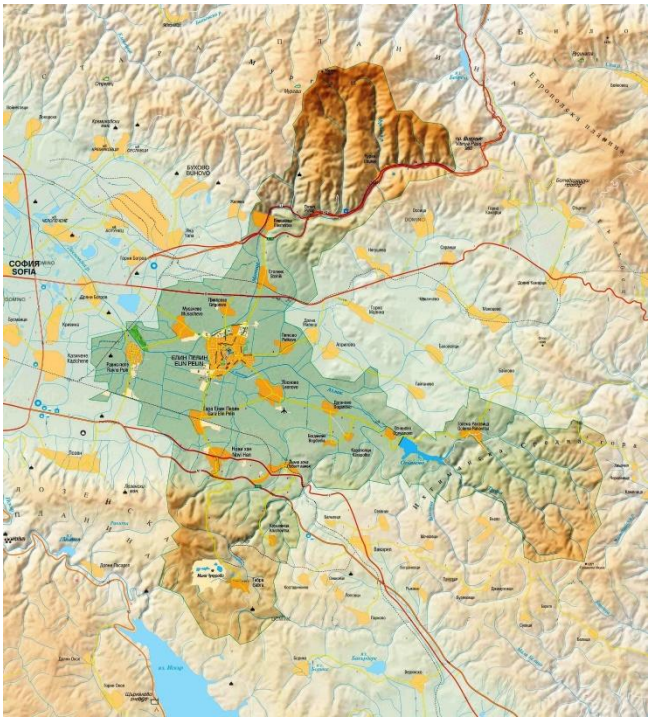
Graph 4 Tourism Influx in Bulgaria - Serbia cross border region from 2015 to 2019



Source: NSI and SORS

3.3. Destination Elin Pelin

The municipality of Elin Pelin as a tourist destination, covers an area of 433.01 km^2 in the central part of the Sofia district. The administrative centre of the municipality is located 24 km east of the capital Sofia. The common border with the municipality of Sofia is about 40 km away. In addition to the municipality of Sofia, the municipality of Elin Pelin borders the municipalities of Svoge, Botevgrad, Gornja Malina, Ihtiman and Samokov. The municipality consists of 19 settlements – Town Elin Pelin and and eighteen villages: Bogdanlia; Churek; Doganovo; Eleshnitsa; Gabra; Gara Elin Pelin; Golema Rakovitsa; Grigorevo; Karapoltsi; Krushovitsa; Lesnovo; Musachevo; Novi han; Ognyanovo; Petkovo; Potop; Ravno pole and Stolnik. According to the data of the National Statistical Institute, in 2019, Elin Pelin has 21,882 inhabitants. The population density in 2019 is 50.53 inhabitants / km[20].



Map 2 Municipality of Elin Pelin[21]

Three sections of the railway network of Bulgaria in the total length of 27.8 km pass through the territory of the municipality. In the southern part - the section of the railway line Kalotina - Sofia - Plovdiv - Svilengrad, in the central part - the section of the railway line Sofia - Karlovo - Burgas and in the southernmost part - the last section of the railway line Vakarel - Gabra (station Cukurovo). Seven roads of the republican road network of Bulgaria with a total length of 86.9 km pass through the municipality in whole or in part: highway Trakia, highway Hemus, republic road I-1, republic road I-6, republic road I-8, republic road III-105, republic road III-6002[22]. The main national gas and oil pipeline also passes through the territory of the municipality of Elin Pelin.

Table. 10 Elin Pelin Basic data

Area (km2)	Population (2018)	Population density (inhabitants /km^2)	Settlements (numbers)	Towns (numbers)	Villages (numbers)
433,01	21956	50,71	19	1	18

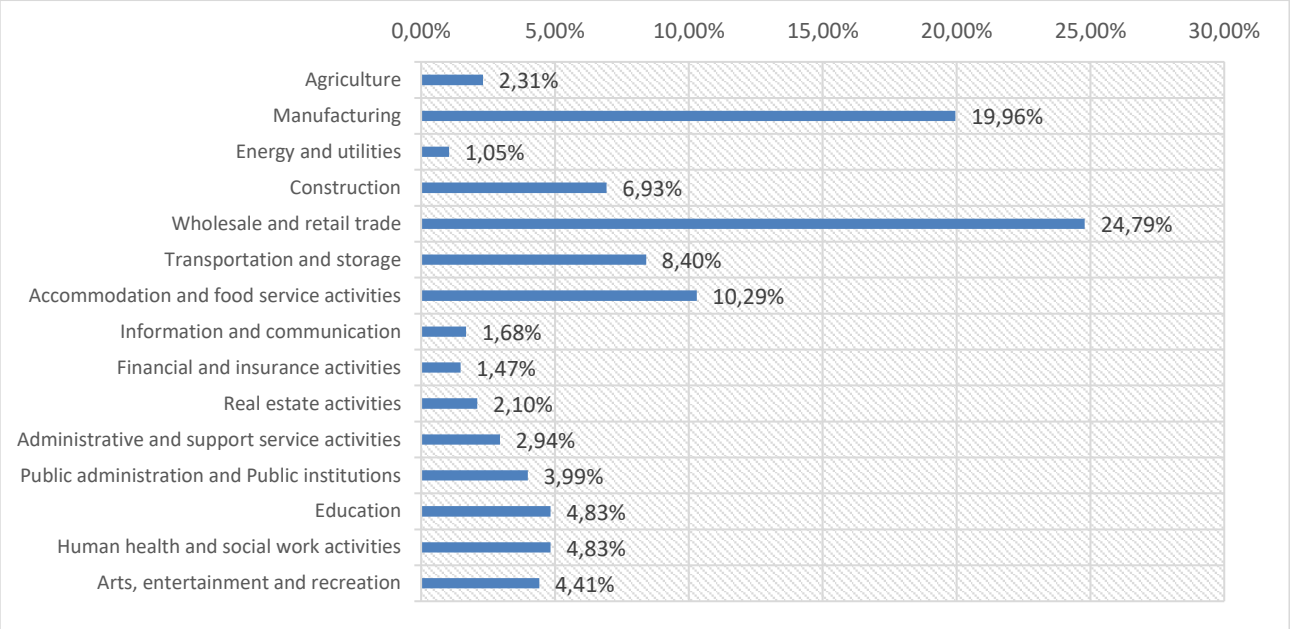
Source: National Statistical Institute. Regions, districts, and municipalities in the republic of Bulgaria 2018. Sofia, 2020.

According to the National Spatial Development Concept, the municipal centre of Elin Pelin is defined as a city of IV level of micro-regional significance. Due to the proximity of the capital, the municipality of Elin Pelin is an industrial centre with a strong service sector (graph below). According to the structure of the industry, the chemical, construction, and food industries are present. Porcelain production, ceramic and refractory industries occupy an important place in the municipality. Industrial park "Elin Pelin" is a place of concentration of environmentally friendly light and high-tech industry. It is also a transport and logistics centre.

[20] Source: Municipal Development Plan of Elin Pelin Municipality 2014-2020.
[21] Source: https://www.elinpelin.org/assets/News%202020/Elin%20Pelin-obsthina%202020.jpg
[22] Source: Regional Waste Management Program of the Gorna Malina Region 2016 - 2020.

The industrial park covers 160 ha and is fully infrastructural equipped. The advantages of the industrial park are the proximity of the capital and access to important infrastructure facilities and connections, as well as the largest Bulgarian airport, proximity to the main roads E79, E83, E871 and E772 and proximity to two railway stations (Elin Pelin and Stolnik), which have good technical infrastructure. The strategic position, combined with the infrastructure, provides companies with good business and development opportunities.

Graph 5 The business structure in municipality of Elin Pelin



Source: Business catalogue - Municipality of Elin Pelin (http://map.elinpelin.org)

Nature: The relief is flat and hilly and mountainous. The central region of the municipality of Elin Pelin occupies the eastern part of the Sofia Valley (Sofijsko pole) with an altitude of 550 to 650 m. Northwest of the village of Ravno pole, in the bed of the Lesnovska river, there is the lowest point of the municipality at 530 m above sea level. The southeastern slopes of the mountain stretch in the northern part of the municipality. In the extreme north of the municipality, where the borders connect with the municipality of Sofia and the municipality of Botevgrad, it rises to the top of the mountain Murgash at 1687 m above sea level. The northern branches of Ihtimanska Srednja Gora stretch in the southern parts of the municipality of Elin Pelin, and parts of three mountains, which are part of Ihtimanska Srednja Gora, enter within its borders. South of the Sofia plain are the eastern parts of Lozen Mountain. On the border with the Sofia municipality, northwest of the village of Gabra, the peak of Popov Deo rises to 1190.2 m above sea level. Southeast of the Sofia plain, the northernmost slopes of the Vakarelska mountain stretch. Its highest point is the peak Crveni Bregovi 1105.6 m above sea level, which is located northeast of the village Gabra. Between the two mountains Lozen in the west and north and Vakarelska in the east and south there is a small Gabrenska valley. It has the shape of an equilateral triangle measuring 2.5 / 2.5 / 2.5 km with an area of about 8.5 km2, an average altitude of 870 m and is sloping to the north. Its hollow bottom is filled with Miocene lake sediments and coal deposits, while the slopes are formed by gneiss, diabase, conglomerate, sandstone and phyllite. Soil formation processes developed mainly on the carbonate rocks of the Middle Triassic. This geological formation covers most of the area of the municipality. Lignite coal, iron ores, copper-pyrite phenomena and manganese mineralization were found on its territory in the Choukourovo Basin, and refractory and ceramic clays were found in the area of "Golema Rakovitsa". In the area of Novi Han, Pobit Kamik station, Gabra deposits of uranium and quartz sand. Coal and uranium deposits are the best explored. The climate is moderately continental. The average annual temperature is around 9.8˚C, and the amount of precipitation is around 640 mm. The area is rich in water resources. The basin of the river Lesnovska and Matica flows through it. The Ognyanovo lake, which has a volume of about 40 million m^3, and the Taratorsokoto micro dam above the village of Gabra, with a volume of about 5 million m^3, are located on the territory of the municipality.

Lake Ognyanovo has excellent preconditions for the development of water sports. The place is suitable for recreation, camping and fishing. The municipality has three geothermal springs. The spring in the village of Ravno Pole has the status of state importance, where the mineral composition of the water and the flow enable the development of the balneological centre. The other two springs are in the village of Eleshnitsa - Toplika and in the town of Elin Pelin. Agricultural areas occupy 54.04% of the territory, 37.62% is forest land, and 5.21% are urbanized areas. Forests cover 16287.78 hectares. The forest fund is dominated by deciduous forests with 98.95%. In terms of pedological composition, brown forest soils, rending and different types of meadow soils most often appear.

Table 11 Elin Pelin - Territorial balance

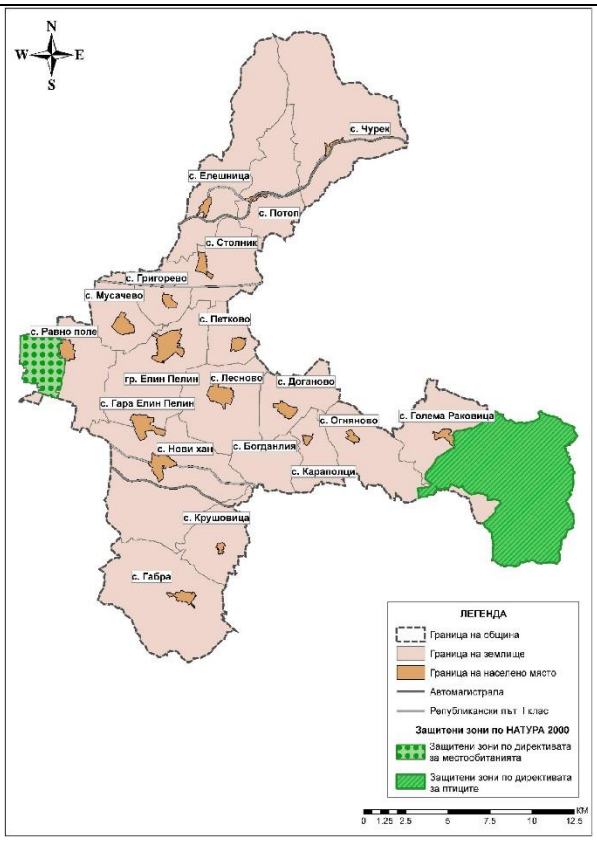
	Agricultural area	Forest area	Urbanized area	Water flows and territories	Transport and infrastructure	Total
ha	23398,18	16287,78	2257,18	974,42	382,98	43300,55
%	54,04%	37,62%	5,21%	2,25%	0,88%	100,00%

Source: National Statistical Institute. Regions, districts, and municipalities in the republic of Bulgaria 2018. Sofia, 2020.

The protected site " Eleshnitsa monastery" is of national importance and represents a valuable cultural monument and territory with a characteristic landscape. This area covers an area of 3.5 ha. A small part of the territory of the municipality of Elin Pelin is included in protected areas and in the ecological network NATURA 2000. Of the total area of the municipality 1.9% of the territory falls under protected areas under the Birds Directive and 2.0% falls under protected areas under the Habitats Directive. The subject of protection are 48 species of birds, 16 species of mammals, 6 species of amphibians and reptiles, 5 species of fish, 13 species of invertebrates and two plant species. There is one protected tree on the territory of the municipality.

- The protected area "Dolni Bogrov - Kazicene" covers an area of 2,251.18 ha[23]. The area is of international importance for the globally endangered pond birds that breed there. In winter, this area does not freeze due to mineral springs. The area is protected under Directive 79/409 / EEC on the protection of wild birds. Within the area is the village of Ravno Pole.

- The protected area " Etropole - Baylovo" covers 27,448.25 ha[24]. The area is extremely important for bear migration, as it provides adaptable habitats and is also a major area for bear population recovery. The area is protected under Directive 92/43 / EEC on the conservation of natural habitats and of wild flora and fauna. By decisions of 12 December 2008, the European Commission included the area on the list of continental and alpine bio-geographical regions of importance for the EU. The area includes parts of the villages of Golema Rakovitsa and Ognyanovo.



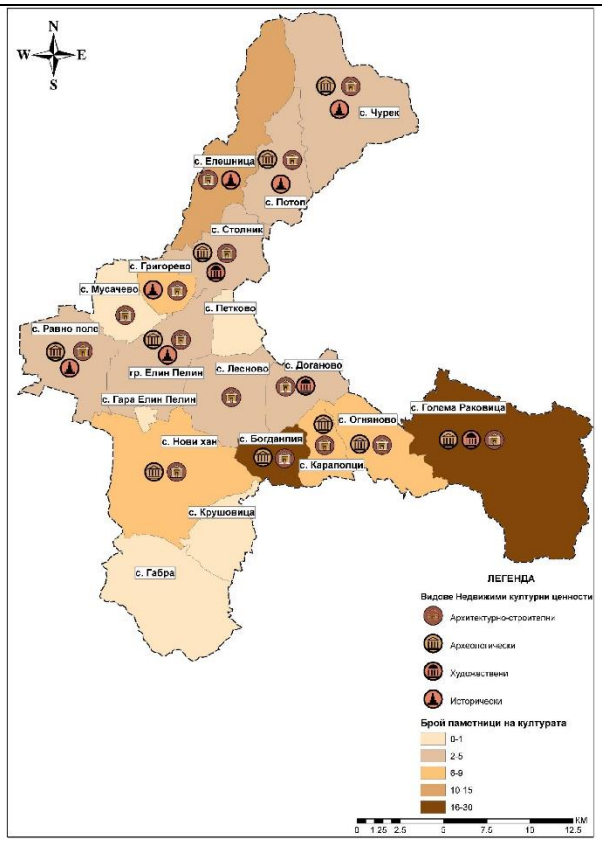
Map 3 Elin Pelin Protected area

[23] Source: NATURA 2000 Dolni Bogrov - Kazichene BG0002004 https://natura2000.eea.europa.eu

[24] Source: NATURA 2000 Etropole - Baylovo BG0001043 https://natura2000.eea.europa.eu

The protected area "Sredna Gora" covers an area of 110,373.64 ha[25]. The area is known for its beautiful deciduous beech and oak forests. It is also the most suitable habitat for bears. The area is protected under Directive 92/43 / EEC on the conservation of natural habitats and of wild flora and fauna. With its decisions from 12.12.2008 and 16.11.2012, the European Commission included the area on the list of continental and alpine bio-geographical areas of importance for the EU[26]. The area covers a small part of the territory of the municipality and covers the village of Golema Rakovitsa.

Culture and history: Numerous immovable cultural values have been preserved on the territory of the municipality. A total of 136 immovable cultural values of national and local significance were registered. 55 archaeological monuments, 53 architectural and construction monuments, 14 architectural and construction monuments from the time of antiquity and the Middle Ages, 10 historical monuments, 3 artistic monuments and 1 ethno monument stand out. Research confirms the existence of settlements, fortifications and a developed road network since the time of the Thracians. The Sofia plain was the centre of peoples and cultures because important roads that connected Asia and Western Europe passed there. One of them passes through the territory of the municipality of Elin Pelin and that is Trajan's Way from the 2nd century. Thracian settlements, tombs and finds that testify to the high spiritual and material culture of antiquity. Roman and Byzantine culture also left significant traces. Near the village of Lesnovo, next to the Roman road (III century), there was a large transit station called "Buragara" (also known as Bugarka).



Map 4 Elin Pelin - Cultural heritage

Southwest of the town of Elin Pelin, the archaeological remains of a watchtower and a small settlement from the 4th century were discovered and studied, as well as the remains of a later Slavic settlement. 4 km north of the village of Eleshnitsa is the Eleshnitsa Monastery "Assumption of the Virgin Mary" - a cultural monument of national importance, which preserves frescoes from the fifteenth - fifteenth century. The monastery is part of the so-called "Sofia's Little Holy Mountain". In the village of Novi Han, the remains of a Turkish caravanserai (khan) built in the seventeenth century have been preserved. It occupied an area of 20 hectares, was surrounded by strong walls and could accommodate 1,000 horsemen in its yard. Three kilometres south of the village of Novi Han are the ruins of a Thracian settlement with a fortress wall. In several places west of the village there are remains of Roman settlements. In the town of Elin Pelin, there is the church of "Saint Nicholas the Wonderworker", built in 1846, which is a cultural monument because of its valuable frescoes. Among the sights in the municipality are the cell school in the village of Doganovo, built in 1835, the monument to the fallen rebels of Botevo near the village of Eleshnitsa, the monastery "St. Dimitar" near the village of Gabra from 1867 and the monastery of Ravnopoljski. A monument to the great Bulgarian writer (Dimitar Ivanov Stoyanov, better known by the pseudonym Elin Pelin) is located in the city centre.

[25] Source: NATURA 2000 Sredna gora BG0001389 https://natura2000.eea.europa.eu

[26] Source: Official Journal of the European Union L 43. Commission Decision of 12 December 2008 adopting, pursuant to Council Directive 92/43 / EEC, a second updated list of sites of Community importance in the Continental Biogeographical Region (notified under document number 2008) 8039). Commission Decision of 12 December 2008 adopting, pursuant to Council Directive 92/43 / EEC, a second updated list of sites of Community importance for the Alpine biogeographical region (notified under document C (2008) 7973).

Cultural activities in the municipality of Elin Pelin are represented by several cultural institutions, among which the most important are Community Cultural Centres (Chitalishte)[27]. As complex cultural places, they have a long tradition. Today, they represent centres of mass cultural activity such as libraries, clubs, music schools and other cultural activities. In the town of Elin Pelin, since 1985, there is a museum collection at the reading room "Elin Pelin", and since 1997, a permanent ethnographic exhibition has been opened - "Life and culture of shops". Since 2012, there have been 16 Community Cultural Centres in the municipality of Elin Pelin.

Table 12 Immovable cultural monuments at territory of Elin Pelin

№	Settlement	Number of Immovable cultural monuments
1	The village of Bogdanlia	21
2	The village of Golema Rakovitsa	26
3	The village of Stolnik	10
4	The village of Churek	7
5	The village of Ognyanovo	1
6	The village of Potop	5
7	The village of Ravno pole	4
8	The village of Novi han	9
9	The village of Musachevo	1
10	The village of Lesnovo	12
11	Town Elin Pelin	6
12	The village of Karapoltsi	7
13	The village of Grigorevo	8
14	The village of Doganovo	5
15	The village of Eleshnitsa	14
	Total	136

Source: Общ Устройствен План на община Елин Пелин

The Community Cultural Centre - chitalishte in the town of Elin Pelin was founded in 1896 under the name "Samorazvoj" in the then village of Novoselci (today's town of Elin Pelin). The Chitalishte is a cultural center where the following work and activities work: Shopski ensemble for folk songs and dances, Women's folk choir, Folklore singing group, Ensemble for old city songs, Children's vocal group "Zvona", Music piano school, Museum collection with permanent ethnographic display. Since 1997, the Crafts Center for the production of Bulgarian folk costumes from all regions of the country has been opened in the reading room. The reading room has two halls - a large (cinema hall) with 320 seats and a small one with 80 seats. The "Stefan Stefanov" brass band works within the "Svetlina" social home. The orchestra has a fifty-year tradition and was the first of its kind created in the country. Since 1981, a fan group has been formed with the orchestra. Library activity in the municipality is realized mainly through 27 libraries, of which 15 are reading and 12 are school. There is a library fund available in them, which includes over 280,000 library units.

Table 13 Elin Pelin Educational institutions and Community clubs

Educational institution (Total)	General schools	Vocational gymnasiums	Community Cultural Centre (Total)	In towns	In villages
11	10	1	16	1	15

Source: National Statistical Institute. Regions, districts, and municipalities in the republic of Bulgaria 2018. Sofia, 2020.

[27] Community Cultural Centre - chitalishte (Bulgarian: читалище) is a typical Bulgarian public institution and building that fulfils several functions at once, such as a community centre, library, and a theatre. Today, community centres are the only focal points of cultural and community-based initiatives in smaller towns and villages. The equivalents of the institution in Serbia are the centres of culture.

Museum activity is represented by museum collections - individual or in communities. In the municipal dock of culture, since 1985, there is a museum collection at the reading room "Elin Pelin", and since 1997, a permanent ethnographic exhibition has been opened, which represents the way of life and culture of the local population. There are 16 community homes (reading rooms) and 14 libraries in nineteen settlements in the municipality.

Festivals and events: The area of Elin Pelina is one of the best-preserved centres of Shopska culture and tradition (typical hard speech, white clothes, characteristic folk dances, songs and humor). The traditions of the local population express their annual manifestation at the Shopska Festival in the town of Elin Pelin, which has been held from 1970 until today. Every year in the municipality is organized through cultural and entertainment events such as National Mummers Festival "Na gosti u Shopsko"; National Festival "A celebration of love and wine"; Celebration of authentic folklore "Choina" Village Musachevo; Celebration "Gentle Strings"; National Folklore Festival "Lazaritsa"; National Folklore Festival "Na horo pri Shopite"; National Festival of Guitars and String Instruments "Spring Strings"; National Festival "Shopski Praznik"; Traditional fair "Unity makes strength"; Children's Music Festival "Autumn Magic"; Todorovdan Festival; Celebrations. Rich and versatile cultural life was recorded in the village of Gorna Malina[28]. Every year, this village in cooperation with the municipality of Elin Pelin organizes a series of celebrations and exhibitions. There are three manifestations that are of regional character: The tourist walks in the footsteps of the writer Elin Pelin; Festival of folk traditions and customs "to laughter and a long life"; the horse race. The other manifestations are of local character and these are exhibitions of paintings, ceramics, sculptures, textiles, photography, graphics, ecological and organic products.

Sports and recreation: There are football fields in all settlements on the territory of the municipality, and a stadium in the city. There are also newly built outdoor sports fields and a municipal sports hall and the swimming pool. There is a golf club "St. Sophia" in the municipality. The golf course is located in the village of Ravno Pole and covers an area of 526.32 ha. The course offers a unique combination of a modern golf course, a modern restaurant, and a spa. The golf course is the first certified golf course in Bulgaria with an official rating from the European Golf Association. The Golf Academy organizes a basic training course called "Green Card". The course is 12 hours long, after which the student gets the opportunity to play golf with other players and play on all other golf courses. In addition to the golf course, a spa was built, which includes the Finnish and the herbal sauna, steam bath, a shower for relaxation, the ice room, relaxation area, the gym, and the swimming pool. The pool has mineral water and has indoor and outdoor areas. As for other sports and recreational activities, there is a shooting range for training and specialization of hunters, which covers 160 ha.

Tourist industry is a mix of activities, services, and industries that deliver a travel experience. Particularly travel and transportation, accommodation, eating and drinking establishments, marketing, entertainment facilities, and other hospitality services available to individuals or groups who are travelling away from home. The destination features are determining the success of tourism. These include attractions, market orientation, transport infrastructure, business environment and the ecological and social environment. For tourism, the ecological and social environment in a destination is of outstanding importance. Attractions are the magnets that draw visitors to the destination. The tourist destination Elin Pelin has a lot to offer to tourists. This research has recorded 39 tourist attractions that have varying degrees of valorisation in tourism. Some of them are completely ready for the creation of the tourist product, and some need to be worked on to bring them closer to the tourists. It should be noted that the tourist attractions of the municipality of Elin Pelin are not registered in the register of tourist attractions of the Republic of Bulgaria. This is an upcoming challenge for the municipality of Elin Pelin, i.e., for the local government. Overview of the main tourist attractions is shown in the following illustration (figures).

[28] Source: The register of tourist festivals and manifestations ((http://rta.tourism.government.bg/TAFRegister.aspx)

Figure 6 Overview of tourist attractions

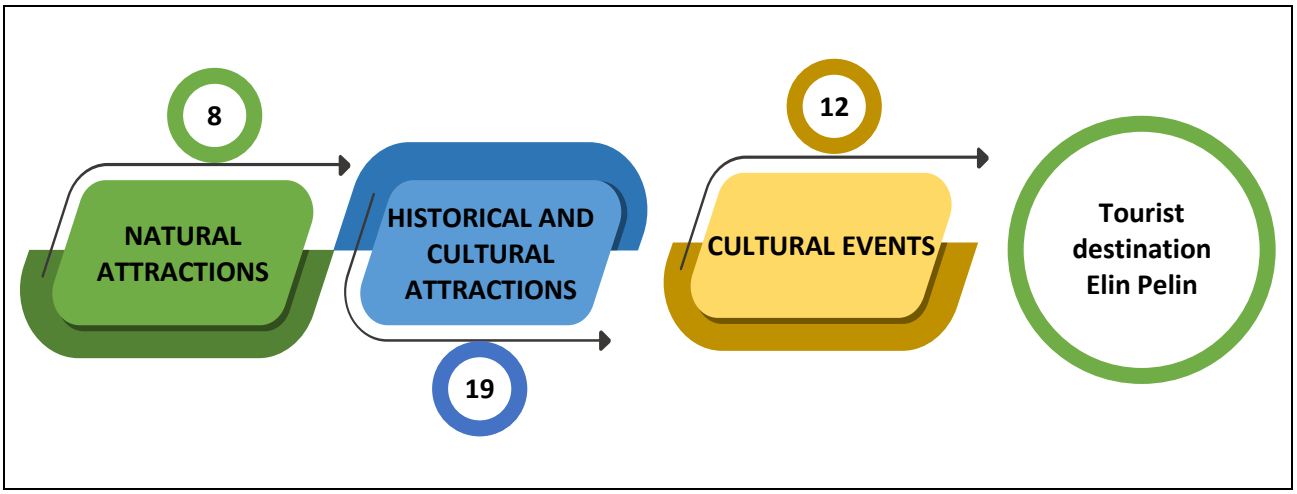


Figure 7 Elin Pelin - Heritage and others tourist potential

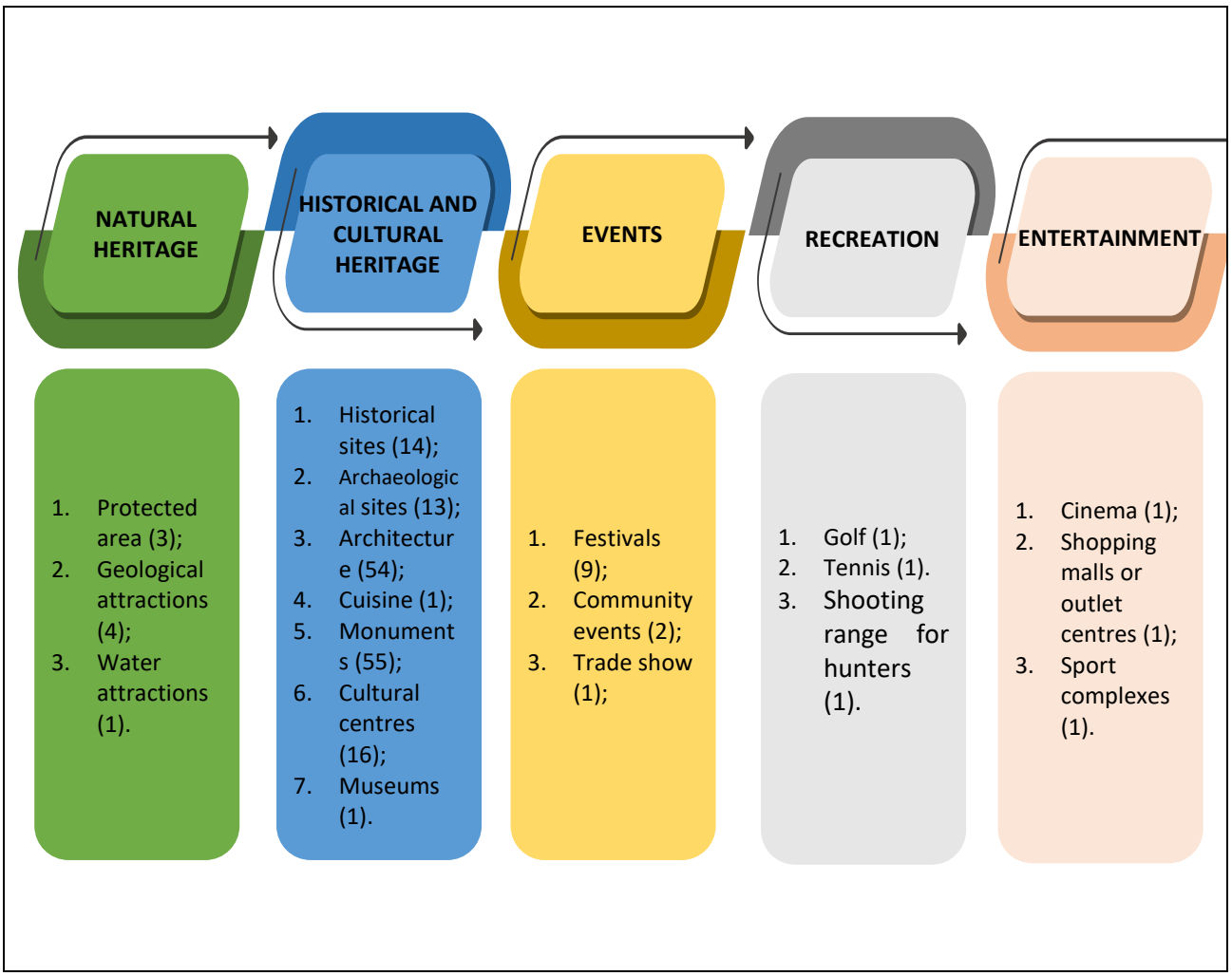
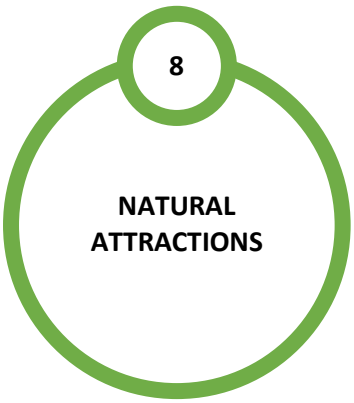
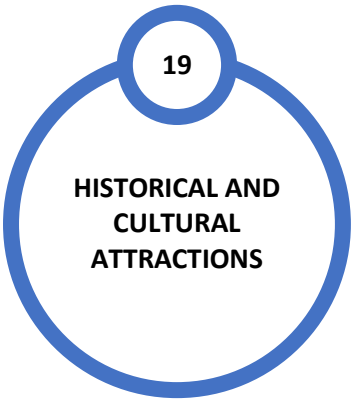


Figure 8 Elin Pelin- Main tourist attractions



Murgash Mountain; Lake Ognyanovo ; Geothermal spring in the village of Ravno Pole; Geothermal spring in the village of Eleshnitsa; Dolni Bogrov – Kazichene Protected Area; Etropole — Baylovo Protected Area; Sredna gora Protected Area; Protected site "Eleshnishki Monastery".



Ancient settlement; Historical site "Zerkovsko Dere"; Historic site "Radina Reka"; Late antique and early Byzantine fortress, site "Radin dol"; Late antique and early Byzantine fortress, site "Strazata"; Late antique early Byzantine fortress, site "Golemo Gradishte"; Late antique fortress, site "Kaleto"; Eagle's Nest hut; Monument "Gocho Gopin"; Monument "Yordanka Nikolova"; Prehistoric settlement "Elin dol"; Roman Road - Trajan's Road; Old fortress, Cherni Vrah site; Thracian sanctuary "Klaov Kamik"; Church of the Holy Trinity; Church of St. Gregory; Church of St. Demetrius; Church of St. Nicholas; Church of St. Charalampius.

National Mummers Festival "Na gosti u Shopsko"; National Festival "A celebration of love and wine"; Celebration of authentic folklore "Choina" Village Musachevo; Celebration "Gentle Strings"; National Folklore Festival "Lazaritsa"; National Folklore Festival "Na horo pri Shopite"; National Festival of Guitars and String Instruments "Spring Strings"; National Festival "Shopski Praznik"; Traditional fair "Unity makes strength"; Children's Music Festival "Autumn Magic"; Todorovdan Festival; Celebrations.

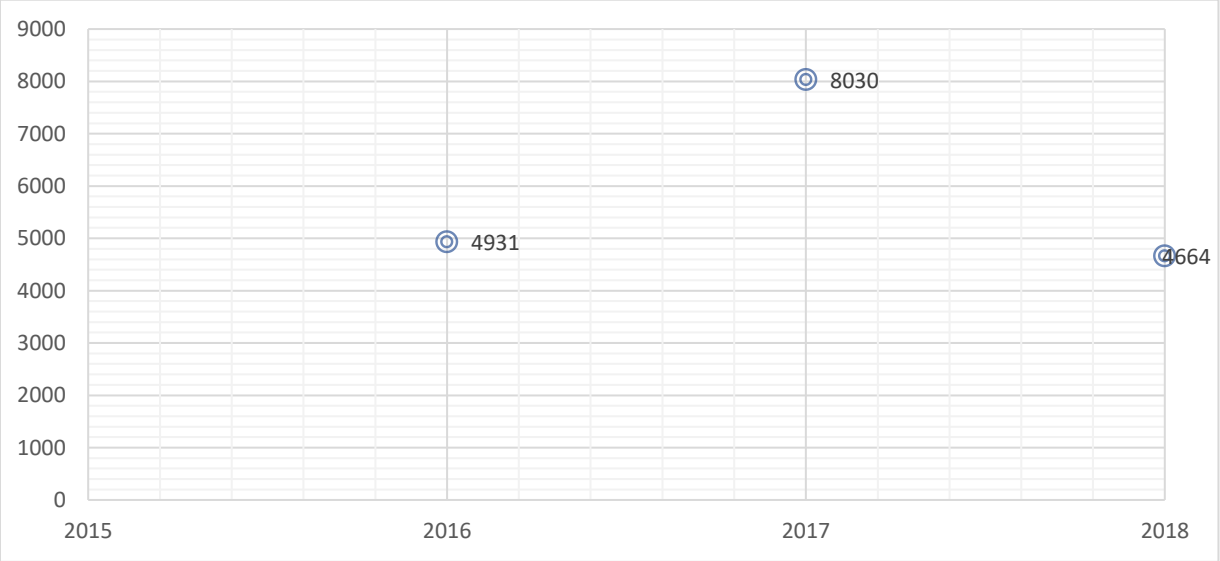
Tourist - hospitality capacity: The tourist infrastructure in the municipality of Elin Pelin is in the development phase. According to the National Tourist Register, 50 business entities provide catering and tourist services on the territory of the municipality (data from October 2020). Travel organization services are performed by two economic entities for which it is an additional activity within the transport of passengers. Accommodation is provided in hotels and resorts for short stays. A total of 12 facilities were registered, with a capacity of 71 rooms and 186 beds. Catering services are provided in 38 facilities, namely 13 restaurants, 5 fast food restaurants, 18 cafes and bars and 2 pastry shops. Due to the COVID 19 pandemic, the number of business entities that provide catering and tourist services on the territory of the municipality was reduced by 30% (data from February 2020). National restrictive measures include a ban on the operation of catering facilities. Most of these facilities have found an alternative in preparing and delivering food upon request to the customer's address.

Table 14 Elin Pelin - Business entities in tourism and catering (data from October 2020)

	Type of services	Type of business	Number of business entities
1	Travel organizers	Tour operators	0
		Travel agencies	2
2	Accommodation	Hotels and similar accommodation	6
		Resorts and similar facilities for short stays	5
		Other accommodation	1
3	Hospitality Industry	Restaurants and mobile catering facilities	18
		Catering	0
		Beverage preparation and serving services	18
		Other food preparation and serving services	2

Tourist turnover: According to the national classification of the destination Elin Pelin is classified as an area suitable for rural tourism. The existing traffic and tourist infrastructure can meet the modern requirements of tourism. On average, 5875 tourists spend the night annually. The highest number of overnight stays was recorded in 2017 (graph below).

Graph 6 Elin Pelin - Tourist turnover 2016- 2018



According to Booking, 98.09% of visitors rate Elin Pelin positively. The kindness of the staff and the cleanliness of the facility were rated the best. The quality of WiFi internet is rated the worst. The total average rating of Elin Pelin is 9.34 and it is classified in the category of extremely well rated destinations. The structure of guests is dominated by business travellers (37.50%) and families (22.50%). Destination profile of Elin Pelin is shown in the table below.

Table 15 Destination profile of Elin Pelin

<table>
<tr><th>Location</th><th>Main types of tourism</th><th colspan="4">Most popular tourist attractions</th></tr>
<tr><td>• Location: Sofia district Bulgaria.
• Distance from the national capital city (Sofia): 24 km.</td><td>1. Business tourism.
2. Festival tourism.
3. Cultural tourism.
4. Outdoor tourism.
5. Rural tourism.</td><td colspan="4">1. National Festival "Shopski Praznik".
2. Protected site "Eleshnishki Monastery".
3. St. Sofia Golf Club.
4. Murgash Mountain.
5. Lake Ognyanovo.</td></tr>
<tr><th>Geography</th><th>Weather</th><th colspan="4">Biodiversity</th></tr>
<tr><td>The destination occupies the eastern part of Sofia field and located by the north slopes of Stara Planina Mountain and Sredna gora. The relief is high plain, hilly and mountainous. Destination covers an area of 433,01 km2. The basin of the rivers Lesnovska and Matica flows through it.

Land
Urban: 2257,18 ha
Farmland: 23398,18 ha
Forest: 16287,78 ha
Transport and infrastructure: 382,9 8ha
Water
Water flows and territories: 974,42 ha</td><td>The climate of the area is moderately continental.

Sunshine:

Insolation 2015 hours/annual

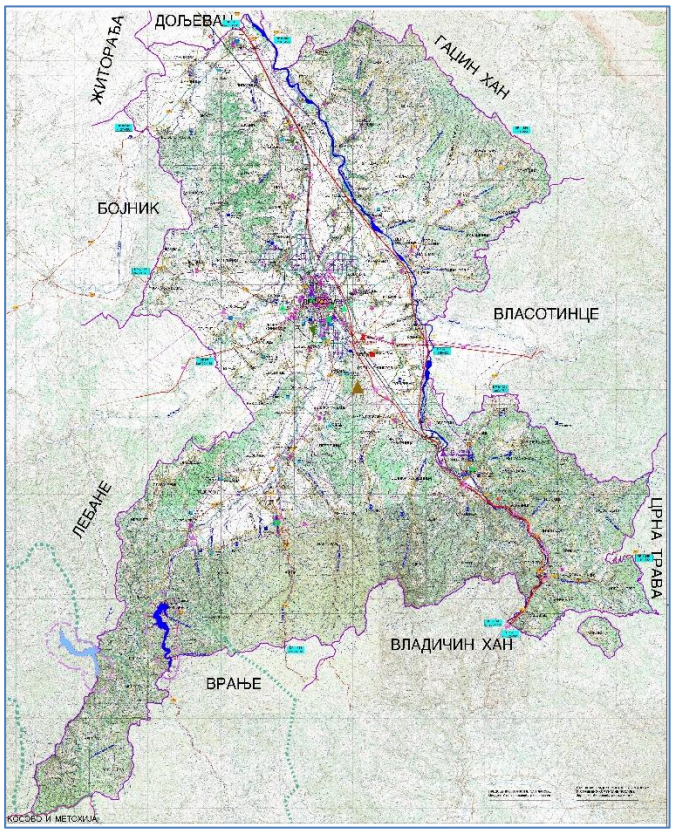
Precipitation 640 mm

Temperature
Average air temperature (January) 0 °C
Average air temperature (July) 20,9 °C
Average air temperature (annual) 9,8 °C</td><td colspan="4">1. Dolni Bogrov – Kazichene Protected Area
2. Etropole — Baylovo Protected Area
3. Sredna gora Protected Area

The subject of protection are 48 species of birds, 16 species of mammals, 6 species of amphibians and reptiles, 5 species of fish, 13 species of invertebrates and two plant species.</td></tr>
<tr><th>Transport links</th><th></th><th colspan="4">Public transportation to destination</th></tr>
<tr><td>• Distance from local Airport "Lesnovo": 2 km.
• Distance from the Sofia International Airport: 20 km.</td><td>• Proximity to main roads E79, E83, E871 and E772 (Highway "Hemus" and Highway "Trakia")
• Proximity to two railway stations (Elin Pelin and Stolnik)</td><td> </td><td> </td><td> </td></tr>
<tr><td></td><td></td><td>Train
✓</td><td>Bus
✓</td><td>Taxi
✓</td></tr>
<tr><th>Population</th><th></th><th colspan="4"></th></tr>
<tr><td>• Number of permanent residents: 21882.</td><td>• Population density: 50,53 per km^2.</td><td colspan="4">Percentage of population employed in tourism related jobs: 5,02%.</td></tr>
<tr><th>Tourists:</th><th></th><th colspan="4"></th></tr>
<tr><td>• Average annual number of visitors: 2670.
• Average annual number of overnights: 5875.
• Primary Source Markets: domestic 75% and international 25%.</td><td>• Average tourist expenditure: 30-50 EUR per person/per day</td><td colspan="4">• Average length of stay: 2.2 days.</td></tr>
<tr><th>Tourist - hospitality capacity:</th><th></th><th colspan="4"></th></tr>
<tr><td>• Number of Hotels: 3.
• Number of Guest houses:3.
• Number of Rooms: 57.</td><td>• Number of restaurants: 13.
• Number of Fast foods restaurants: 5.</td><td colspan="4">• Number of bars and cafes: 18.
• Number of Pastry Shops: 2.</td></tr>
<tr><td colspan="6">Elin Pelin region is one of the best-preserved centres of ethnic cultural community Shoppe, a typical hard speech white clothing, typical folk dances, songs, and humour. Traditions of local populations find their expression of Shoppe annual celebration in the town of Elin Pelin, held since 1970. The common characteristic of the inhabitants of Elin Pelin (better known as Shopi) is that they are extremely kind hosts and great friends.</td></tr>
</table>

3.4. Destination Leskovac

The city of Leskovac as a tourist destination is located in the north of the central part of southern Serbia, in the heart of the Leskovac valley, 50 km long and 45 km wide, which on the river Veternica, near its confluence with the South Morava. The area of the town of Leskovac is located at an altitude of 210 to 240 meters and is located in a fertile valley, bordered by Babički gora (1098 m), Seličevica (903 m) and Suva planina in the east, Radan (1409 m) and Pasjača in the west and Kukavica. (1442 m) and Čemernik (1638 m) in the south. In the north, it is open towards Niška, and in the south, across the Grdelica gorge, towards the Vranje-Bujanovac valley. The climate is mild temperate-continental climate with an average annual temperature of 11,10°C, the coldest month is January with an average temperature of 2°C, the warmest is July with an average daily temperature of 22 °C and the annual amplitude is 22.3°C. The average rainfall for Leskovac is 630 mm. There are a total of 144 settlements on the territory, one urban centre Leskovac, two urban settlements Grdelica and Vučje, as well as 141 rural settlements.



Map 5 City of Leskovac[29]

Settlements are cadastral organized in 140 cadastral municipalities, i.e., 139 local communities and 24 local offices.

Table 16 Leskovac - Basic data

Area (km2)	Population (2019)	Density of population (population/km2)	Cadastre municipalities	Settlements (number)	Villages (number)
1025	134285	131	140	144	141

Source: Statistical Office of the Republic of Serbia

The highway (Corridor X) passes through the territory of the city of Leskovac and Leskovac has direct access to the E-75 highway. The M-9 highway is a connection with Bulgaria. Railway lines have direct access to the branch of Corridor X E-85 (Salzburg-Belgrade-Leskovac-Skopje-Thessaloniki). The Port of Belgrade at a distance of 279 km. As far as airport transport is concerned, the nearest airport is Constantine the Great Airport in Nis (table below).

Table 17 Leskovac – Traffic connectivity

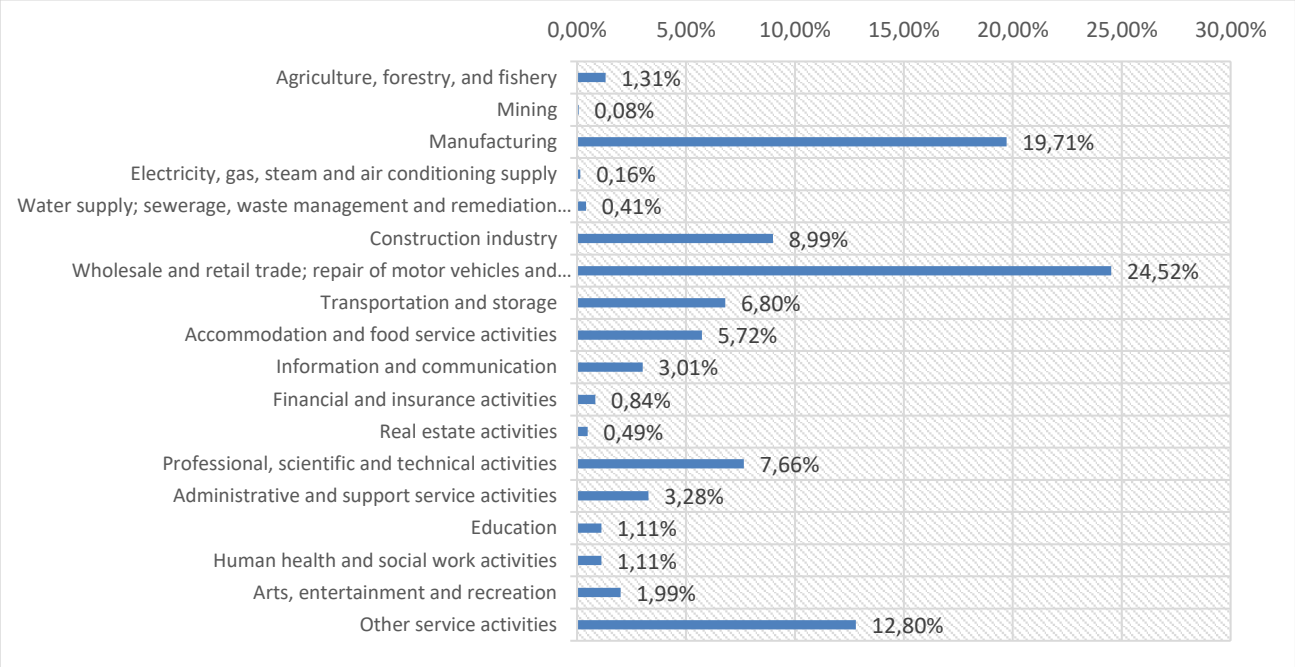
Distance from the airport (km)		Distance from roads and border crossing points (km)			Distance from the port (km)	
Niš Constantine the Great Airport	Belgrade Nikola Tesla Airport	Highway - E75 (Corridor X)	Railway corridor X	Border Crossing Point Gradina (SR)- Kalotina (BG)	River Corridor VII (Danube)	Port of Belgrade
47	286	3	3	152	225	272

Source: https://www.viamichelin.com/web/Routes

[29] Source: Просторни план града Лесковца (Службени гласник града Лесковца 12/11). https://www.uileskovac.rs/images/Urbanizam/Prostorni%20plan/infrastrukturni_sistemi.jpg

Leskovac is 275 km away from Belgrade and can be reached by the E75 highway. The exclusion from this road is at the 37th kilometre after Nis. There are regular bus lines to Leskovac from all major cities in Serbia. The state road IV order also passes through Leskovac in the east-west direction, which connects Leskovac with Pristina in the west (100 km) and Pirot in the east (79 km). The road network of the city of Leskovac consists of 608,35 km of categorized roads. Sections of two regional roads with a total length of 161.76 km pass through the territory of the city of Leskovac. Of the total length of the regional network, 87.25% of the road is under modern road, while in the local network, modern road is 58.57%. Intercity road traffic takes place through the city bus station (LEGAS). This city bus station is remarkably busy and has 276 departures per day for a large number of destinations, and the internal city traffic is entrusted to companies that transport passengers to all 144 populated places in the city of Leskovac. The city of Leskovac is the largest city in the region and the economic centre of the Jablanica district. As an economic, social, political, cultural-educational, and administrative centre, it is known for being a city with a developed textile, chemical, wood processing and food industry, a city of barbecue and culinary specialties.

Graph 7 The business structure in city of Leskovac



Source: Business database PKS Partner (www.pkspartner.rs)

According to the Regulation on the establishment of unique list of development of regions and local self-government units, the city of Leskovac belongs to third group of local self-government units whose degree of development ranges from 60% to 80% of the national average[30]. On the territory of the city of Leskovac, the planning documents of the city envisage ten business zones, of which the business zone called "Green Zone" is the most famous. It is a new industrial zone owned by the city of Leskovac, with an area of 971,500 m^2, formed in order to provide new investments. The M1 highway divides the Zone into two parts. The western part of the Zone has an area of 427,736 m^2 and is fully infrastructural equipped.

Nature: Leskovac is the area of valleys with hills and mountainous parts with many rivers that flow through it. In geomorphological terms, this area has a mountain-continental character, which means that this area is hilly-mountainous and occupies 2/3 of the total area of the territory. The natural pearls of the Leskovac are mountains, gorges, canyons, rock formations, rivers, waterfalls, and biodiversity. Leskovac valley is surrounded by the mountains Babička gora (1095 m), Seličevica (903 m) and Kruševica (913 m), and behind which is Suva planina (1810 m).

[30] Source: Regulation on the establishment of unique list of development of regions and local self-government units for 2014 ("Official Gazette of RS" No. 104/2014)

On the western edge of the valley are the mountains Radan (1409 m) and Pasjača, and on the south Čemernik (1638 m) and Kukavica (1441 m). **Kukavica Mountain** belongs to the mountain chain of Rhodope Mountains. Particular advantage of this mountain is that it is only 16 km away from the city of Leskovac. It is connected to it by suburban traffic lines, high frequency of departures and the road with a modern road. The mountain is covered with pine, oak and beech forests and medicinal herbs. In front of the mountain is a ski slope 600 m long, 100 m wide, with an average slope of 22%. Kukavica is an ideal place for preparing athletes, hiking and nature walks, rural tourism, picking herbs. Kukavica Mountain has natural conditions for the development of mountain and hunting tourism, given the richness of hunting game, of which the most important are wild boar and roe deer. **The slopes of Babička Mountain**, an untouched mountain beauty rich in various wildlife, and its uniqueness is reflected in the fact that its slopes offer an exceptional view of Suva Planina, so it can be a starting point for organizing hiking tours. **Radan mountain** is located west of Lebane and belongs to the Rhodope Mountains with the highest peak Šopota of 1409 m above sea level. Its geological basis consists of silicate rocks from the Paleozoic with crystalline shales. It is surrounded by a wreath of mountains that make up Pasjača, Vidojevica, Rgajska planina and Sokolovića, which protect it from cold and wet currents from the north and west. In the east and south, it opens into the Pustorec valley and from that side is exposed to strong solar heating, which results in a warmer and milder climate. This produced a kind of phenomenon, because the so-called oak vegetation belt from the classic 700 m raised to 800 m - 900 m above sea level. Thanks to the warmer climate on Radan Mountain, several endemic and relict plant species have survived, among which the most significant are the remains of the Tertiary rainforest. It is one of the gentle mountains and is suitable for ski trails. **Grdelica gorge** about ten kilometres south of Leskovac, the vast Leskovac valley begins to turn into a hilly landscape under the forest. The picturesque Grdelica gorge is created here, the southernmost part of which is called Momina George. The river Južna Morava flows through the gorge. In the continuation of the gorge, 25 km from Leskovac, there is Predejane, a beautiful mountain resort surrounded by forest, hills, sheltered from the wind and without fog - ideal for vacation. **The canyon of the river Vučjanka** is a special experience for every visitor. Flowing through the cuts, rocks, and cliffs of the mountain Kukavica, the river Vučjanka creates beautiful canals, waterfalls and "cauldrons". There are several attractive places for swimming in the canyon, which is several kilometres long. One of the oldest hydroelectric power plants in the Balkans is located in the very centre of the canyon of the river Vučjanka. It was built in 1903 and is still in operate today. The characteristic of Leskovac is its five rivers (basin of five rivers), Veternica, Morava, Vlasina, Jablanica and Pusta River, below the town there is a ground lake, and the town is surrounded by three artificial lakes, Brestovacko, Barije and Vlasinsko Lake. The largest river in the Leskovac area is the South Morava, which flows from south to north and together with the West Morava forms the Great Morava. The following flow into the South Morava: Vlasina, which captures water from Lake Vlasina and flows through Crna Trava and Vlasotince; Veternica, which flows through Leskovac; Jablanica, which springs at the foot of Goljak and flows through Medveda and Lebane; Pusta Reka, which starts from the mountain Radan, fills Brestovac Lake and flows through Bojnik. Vučjanka, which starts from the mountain Kukavica, flows through Vučje and flows into Veternica. The Kozaračka River, Predejanska, Kopašnička and Sušica are also known in the Leskovac area. The water potential of the town of Leskovac is enriched and the accumulation Lake Barje with its 9 km in length is ideal with its crucian carp and perch for the first fishing steps and techniques. It was built on Vetrenica, about 25 km from the city centre. Agricultural areas occupy 57,42% of the territory, 32,83% is forest land, and 6,95% are urbanized areas. Forests cover 33652 ha. In the pedological sense, a dozen types of soil have been registered (alluvium, vertisol, podzol, eluvial and deluvial soils)

Table 18 Leskovac - Territorial balance

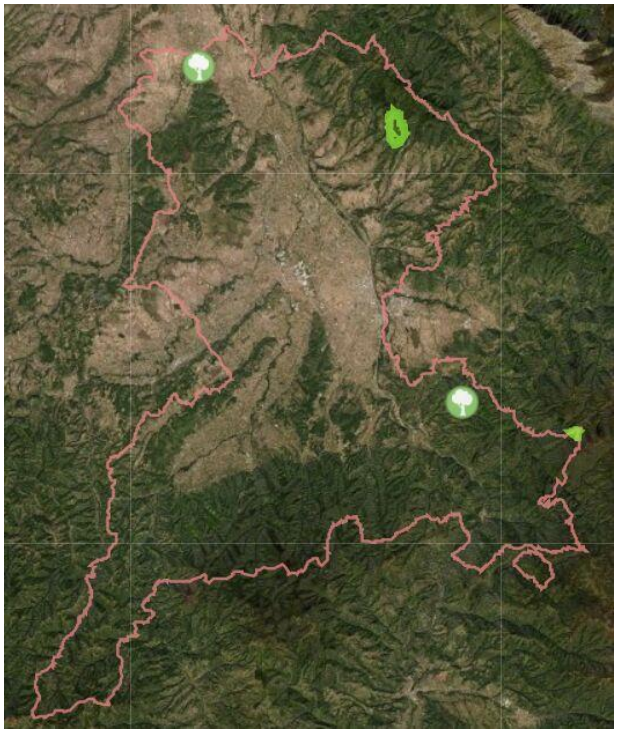
	Agricultural area	Forest area	Urbanized area	Water flows and territories	Total
ha	58851	33652	7122	2875	102500
%	57,42%	32,83%	6,95%	2,80%	100,00%

Source: Просторни план града Лесковца (Службени гласник града Лесковца 12/11)

The Leskovac is characterized by high genetic, species, and ecosystem diversity. The geographical position, habitat conditions, enabled the presence of a great number of different forests phytocenoses.

About 33% of the total area covered by forests. The pastures are rich with rare endemic species, as well as wild fruits, medicinal and aromatic herbs. The economic value of vegetation in the area is enormous and large part of the rural economy is based on collection of plants or their parts from nature. The first floristic research in this territory was carried out by the founder of Serbian botany, Josif Pančić, at the end of the XIX century. Together with his associates, he found an extremely rare plant on Ostrozub, the endemorelic laurel cherry – (lat. Prunus Laurocerasus). For more than 100 years, this plant has captured the attention of botanists from all over the world, because so far it has been found only in Bulgaria and at 2-3 other localities. By the way, the Leskovac area has over 50 rare (mostly medicinal) plants, endemics, and relics. The area has rich fauna, which makes up good basis for the development of fishing and hunting tourism. From existing species of fishes, the most important is trout, and from game in the region, most important are deer, wild boars, wolves, rabbits, partridges, and pheasants. A number of protected nature areas and other natural resources under different protection regimes are located in Leskovac. According to Central Register of Protected Natural Resources at territory of Leskovac are located 2 natural areas and 3 monuments of nature.

1) Strict Nature Reserve "Zeleničje" is located at the mountain Ostrozub in the area of "Kačer - Zeleničje" with an area of 21.6 ha. Preserved pure beech stands are present in the entire Strict Nature Reserve, and the laurel is in a bushy form. The forest is about 120 years old. The stand is dense and well preserved. Strict Nature Reserve occupies 0.1% of the total overgrown area (37,440 ha), while the share in the total volume is 0.3%.
2) Natural area surrounding the Jasunj Monasteries of St. John and the Holy Virgin Monastery. Natural area surrounding the immovable cultural property occupied 188,27 ha. The basic vegetation characteristics of the monastery surroundings are deciduous forests that are relatively preserved, and they include several forest communities distributed depending on altitude, soil composition and exposure.
3) Three monuments of nature (elm, oak, sorb): "Bogojevački brest -zapis", "Kutleški hrast-zapis" and "Stablo oskoruše - Sejanica"



Map 6 Leskovac Protected area[31]

Culture and history: The Greek historian Herodotus mention in the 5th century BC that there was a certain Illyrian (Dardanian) settlement around or near today's Leskovac, around which hemp was grown. In the second century, after defeating Hire, the Romans came to this area. On the left bank of Veternica, they found a settlement of natives, and they built a fortress on the hill Hisar, which dominated the city and the surrounding roads. We do not find any mention of the life of our Slavic ancestors in this area until the 12th century, when the area around today's Leskovac under the name Glubočica (Dubočica) was given to Stefan Nemanja by the Greek emperor Manojlo. During the reign of Tsar Dušan and immediately after his reign, certain villages in Dubočica, including Leskovac itself, were donated to monasteries. In 1348, The emperor Dusan gave the village of Leskovac as a gift to the Hilandar monastery; In 1395, the nun Efimija (Princess Milica), with her sons Vuk and Stefan, gave to the monastery of St. Panteleimon's house and two of her men in Leskovac. It was then that Leskovac was first mentioned as a town. At the end of the 18th century, Leskovac was already the center of the great Leskovac pashalik, which encompassed the entire territory of the former Sandzak Aladžahisar (Kruševac and Paraćin).

[31] Source: Заштићена природна добра на територији Лесковца
https://gis.gradleskovac.org/portal/apps/MapJournal/index.html?appid=8c53d91031ff447ca861b3422033316d

In 1837, the French geographer Ami Bue wrote that Leskovac had 3,000 houses (2,400 Christian, 500 Turkish, 30 Roma and 10 Jewish) and a total of 15,000 inhabitants. According to the legend, Leskovac was named after the hazel plant that grew in the area of the former drained lake, which was located below the hill of Hisar near the present town. The settlement was named Leskovac after her more than 600 years ago. **Hisar** is of exceptional importance for the history of the town of Leskovac, where the remains of settlements from the Neolithic, Copper, Bronze, and Iron Ages, as well as from the Roman, Byzantine, and Turkish periods have been found. The remains of the oldest settlements date from the Middle and Late Neolithic. Hisar was inhabited during all periods of the Metal Age, the Copper Middle Bronze Age, and the Iron Age. Remains of fortifications from late antiquity have been discovered - IV century and the early Byzantine era - VI century, as well as the Serbian Middle Ages and the Turkish period. In addition to settlements and fortifications, parts of necropolises from the early Byzantine period and the Serbian Middle Ages were discovered - XII-XIII century. The oldest centre of ferrous metallurgy in Europe was discovered on Hisar, a multi-layered settlement of the Brnjica cultural group from 1300 BC was found, the most beautiful examples of medieval glass in several colours were excavated, the remains of a settlement from 1400-year, silver coin of Stefan Lazarević, traces of frescoes from the XII and XII centuries. In 2002, an invaluable needle-shaped object 64.5 cm long made of pure stainless iron, dating from 1300 BC, was discovered on Hisar, made by hitherto unknown technology. This miraculous "needle" is kept in the Archaeological Institute in Belgrade. **Hydroelectric power plant Vučje** is located in the picturesque surroundings of the river Vučjanka, in Vučje, 17 km from Leskovac in an area where only part of the water wealth of this basin is used. that is, its revitalization. It was built in 1903 and is the second oldest hydroelectric power plant in Serbia and the Balkans. The most deserving for its construction is Professor Djordje Stanojevic, a personal friend of Nikola Tesla and the ancestor of electrification in the Kingdom of Serbia. It belongs to the derivation type of power plant with water intake, water supply chamber, derivation channel and pipeline. It is a curiosity in itself. It is about 1000 meters long, with an average width and depth of 1 meter. On one side it is carved into the rock, and on the other a retaining wall is built. The natural beauty of the canal has not been disturbed, moreover, from its edges there is a beautiful view of waterfalls, stone cliffs and the canyon of the river Vucjanka. Most of the other parts of the power plant complex were built during 1903. The oldest transmission line in Serbia, 17 kilometres long, connected the hydroelectric power plant and the city of Leskovac, with which the owners of the power plant had a contract on lighting. In the year in which Henry Ford founded his car factory, the Wright brothers made the first successful flight in the history of mankind, and when electricity was considered a relatively new phenomenon, the first electric current flowed through the copper conductors of the Vucje-Leskovac transmission line on December 24, 1903. At 30 km from Leskovac, on a hill towards Radan Mountain, there is an arranged archaeological site **Caricin grad (Justiniana Prima)**, from VI century, which is considered to be the hometown of the Roman emperor Justinian I. The city consists of three architectural units surrounded by ramparts. On the highest part is the acropolis, which was in the service of the archbishopric. On it is the largest church of the Empress' city - the episcopal basilica and the palace in which the archbishop sat, the baptistery and, as it is supposed, the school for training believers. The upper town stretches around the acropolis. It is divided into two blocks by two streets. At the place where the streets intersect, there is a circular square. In the neighbourhoods, the central points were the churches. Along the street are shops, public buildings, and residential buildings. Donji Grad extends south of Gornji Grad on the lowest terrace. So far, sacral buildings, public buildings and a residential area have been discovered in Donji Grad. The archaeological site **Skobaljić grad** is located on the top of the ridge of the mountain Kukavica, about ten kilometres southwest of Vučje. The site is multi-layered because there are traces from different epochs. The oldest traces date back to the Copper and Bronze Ages. The oldest stone fortification was built in pre-Roman times, and the fortification is made of stone, brick, and mortar from the early Byzantine era. The youngest fortification, whose remains - ramparts and towers, are now visible on the ground, dates from XV century and is associated with the person of Nikola Skobaljić, lord of the despot Đurđe Branković. Nikola Skobaljić is a historical figure who is mentioned in connection with the two battles he fought in September and November 1454. The city consists of Upper, Lower City and Suburbs and covers an area of about two hectares. Archaeological excavations were carried out in the period from 1984 to 1990. The Gradac site is located near the village of Zlokućana near Leskovac. It is located above the mouth of the Jašunja River along the South Morava. Due to its natural position, the hill served as a base for raising settlements on the widest flat plateau, which has a slight slope to the northwest.

The material found here belongs to the Vinča-Pavement phase (young Neolithic) with an abundance of elements of the Early Bronze Age of the South. Halfway from Leskovac to Grdelica, in the village of Mala Kopašnica, a Roman necropolis with the graves of the burnt dead was discovered. The necropolis belonged to a settlement that lived in the II and in the first years of the III century. Luxurious grave finds speak of the great wealth of the settlement. Bronze coins, ceramic dishes, jewellery made of glass paste and gold, weapons, tools, etc. were found in all the graves. Gold jewellery indicates a very developed handicraft of this area during the Roman Empire. It is assumed that this settlement was devastated in the sixth century AD. In the village of Strojkovce near Leskovac, there is the first textile museum, which is located in an old mill. Of special value is the braid, a factory for making decorative braids on old Serbian costumes, whose machines were powered by a mill before the discovery of electricity. **Shop-Đokić's house** is 120 years old. It is a one-storey building with a porch above the entrance. The ground floor of the building is almost without openings, and half of it is occupied by the basement. The floor of this house was beautifully decorated, with a wood-carved ceiling in the largest room. The building was renovated and extended in the same style in 1980. **The house of Bora Dimitrijević Pixla**, the old building of the National Museum, was built in the 19th century. One-storey building made in the Balkan style. Today, this building houses a permanent ethnological exhibition of the National Museum, which depicts the interior of houses in Leskovac during the 19th century. **The church of Odžaklija** was built in 1803 on the foundations of the already existing temple. It differs from other churches in its appearance. It is wide, but low, which is why it looks more like a house than a church. That was the intention of the old builders. Namely, it was built during the Turkish rule, when the conquerors did not look at Orthodox churches with good intentions. The people of Leskovac, since there was no church in the city at that time, went to the temples located in the surrounding villages. In the first years of XIX century, they managed to get a fireman from the sultan, that is, approval to build a church in the city. However, the local Turkish population did not like it. As the story remained among the people, which was noted by numerous authors, the people of Leskovac came up with and predicted a fireplace and a chimney on the building, saying that, in fact, they were not building a church, but a house for a priest. Even after the completion of the construction, and the Turkish rule, the temple was exposed to dangers. Within the church gate, there is also a rarity in the Orthodox world, the only example of a construction project, and that is the old church dedicated to the birth of the Most Holy Mother of God or the Little Lady. Church dedicated to the Holy Trinity. It was built from 1921-1931, when it was consecrated on the Assumption of the Blessed Virgin Mary on September 21, in the presence of the highest church and state dignitaries (the presence of the king and patriarch of the Serbian Orthodox Church). It was built in the image of Gracanica. The Church of St. Elijah is located on the east side of Hisar. It was erected and consecrated on the occasion of marking the five hundredth anniversary of the Battle of Kosovo, in 1889, on the site, as the legend says, of a medieval place of worship. The church was designed by Svetozar Ivačković, and the iconostasis was made by S. Nikolic from Bitola. **The Church of St. Petka** in Rudar is the oldest church in the Leskovac area, otherwise a Byzantine basilica from the 5th century. It was destroyed in the Ottoman invasion and was rebuilt. In that period, a monastery was founded around it. In the Austro-Turkish War, at the beginning of the XVIII century, it was destroyed again. It was rebuilt in 1799. It is characterized by magnificent frescoes. There are two layers. The first layer is from the middle Ages, and the second was painted after the renovation of the temple in 1815. Next to the temple, there is a boarding house with a two-storey building built in the early IXX century. It is a true architectural masterpiece of its time. The Church of St. Petka in Kumarevo, according to legend, the origin of the village of Kumarevo is related to the construction of the church. Namely, during the invasion of the Turks, the monastery in Slatina was demolished, the Turks hanged twelve kala Đera, and only one survived who was not in the monastery, because he kept sheep by order. He found the icon of St. Petka on the fire of the monastery, so together with the people he crossed the Morava and placed the icon and the cross on the place where the people later built the church. In fact, it was an improvised church until 1803, when a temple was built of solid material, which was consecrated that same year. However, that temple fell into disrepair, so a magnificent temple was built next to it, in 1933, built in the Moravian style with a dome and a bell tower above the narthex. The monastery of St. John in the village of Jasunja is located on the slopes of Babicka gora, about fifteen kilometres from Leskovac. It was built in 1517. On the foundations, it is believed, are three hundred years old shrines. Like most monasteries and churches, it was the centre of literacy, church and spiritual life of this part of the Diocese of Nis during the Ottoman Empire. Haran has been restored several times, but thanks to the efforts of benefactors, it was quickly restored. It is believed that the fresco painting of the monastery church was

created on several occasions. The oldest frescoes were painted in 1524, and in 1584 the western facade of the church was painted. The sanctuary is unique in its frescoes depicting scenes from the Old and New Testaments, in the entire exterior facade of the church, of which, unfortunately, only fragments can be seen today. The Monastery of the Presentation of the Most Holy Mother of God, which is located not far from the Monastery of St. John the Baptist in Jašunja, is a monastery dedicated to the Presentation of the Most Holy Mother of God. According to the inscription on the portal above the entrance door of the temple, it is written that the temple was built in 1499, by the work of the nun Ksenija, with the sisters Theophanes, Martha and Mary. The construction of the temple was completed on October 11, 1500. As the Turkish authorities banned the construction of new monasteries and churches after 1453, the monastery was most likely built on the foundations of an older one from an unknown period. The Turks severely damaged the monastery, especially during the First and Second Serbian Uprising. It underwent its first renovation in 1863 with the work of Jovan Iljković from Galičnik. The monastery was originally completely picturesque, and partially corrected several times. The narthex was painted in 1868 by the artist Jovan Ilijević. On March 18, 1982, the monastery was placed under the protection of the State, as a cultural monument of great importance. The temple of Saint Simeon Mirotočivi is located in the town of Dubočica. On the territory of the city of Leskovac, 49 immovable cultural assets are protected, 5 in a category of great importance and 44 cultural monuments in the category of cultural goods. A large number of goods (152 in total) are under previous protection, represented in the form of objects of folk architecture, urban, public, and sacral architecture, archaeological sites[32]. The cultural life of the city of Leskovac takes place in several cultural facilities. The City Reading Room, founded in 1869, grew into the large City Public Library in 1935. After the audit in 2013, the library has a total of 101,400 monographic publications, a total of 2774 journals and 63 years (626 volumes) of newspapers. The Leskovac Cultural Centre began its activities in 1981, initially as the House of Youth Culture "Zika Ilić Žuti", then as the House of Culture Leskovac, and since 2002 it has been called the Leskovac Cultural Centre. The building of the Leskovac Cultural Centre is a unique building protected by law. It is located in the very centre of the city. It consists of a complex of multipurpose rooms, total area 1180 m^2. Large hall on the ground floor (suitable for concerts, exhibitions, mini fairs, creative workshops, fashion shows...). Chamber hall (cinema and theatre hall with a capacity of 160 seats). Gallery with about 300 m^2 of exhibition space. Upstairs hall with a capacity of about 60 seats (space for literary promotions, tribunes, commercial promotions, etc.). painting studios and workshops of the school of painting and the school of comics in the attic space. Book salon in the annex of the building. basement, area of 100 m^2, suitable for ballet school, dance workshops, rehearsals and preparations of choirs and folklore ensemble. The Leskovac Cultural Centre implements the following programs: Art program, Literary-tribune program, Magazine and book publishing program, Film program, Music program, Drama program, Program for children and youth and Program for the development of cultural amateurism.

Table 19 Leskovac culture - Basic data (2018)

Number of cinemas	Number of visitors in cinemas	Number of museums	Number of visitors in museums	Number of theatres	Number of performances in theaters	Number of visitors in theaters
1	24406	4	3572	1	55	11275

Source: DevInfo Profile Leskovac November 2020

The beginnings of theatrical life in Leskovac date back to 1896, when Radoje Domanović, the then professor of the Gymnasium, formed an amateur troupe, calling it the "Civic Theatre South Bogdan". National Theatre Leskovac has a tradition of 122 years since the performance of the first theatre play is known for the manifestation "Theatre Marathon". The Festival of Amateur Theatre Directing is another event organized by the National Theater in Leskovac. The National Museum in Leskovac was founded on May 2, 1948, with the aim of collecting, processing, preserving, and exhibiting museum material related to the past of the Leskovac area. The museum was housed in the adapted house of Bora Dimitrijević Pixel until May 10, 1974, when a new building was opened, the commissioning of which created the right conditions for the further development of museum activities.

[32] Source: Просторни план града Лесковца (Службени гласник града Лесковца 12/11)

The museum is an institution of a complex type that has several departments: archaeology, history, art history, ethnology, conservation. Within the museum building there is a permanent exhibition, a gallery, a hall for scientific gatherings and a professional library with over 14,000 titles. The museum also includes separate buildings. The Town Hall in the village of Strojkovac, the Memorial - Museum of the Textile Industry, the house of Kosta Stamenković, the Archaeological Site of the Empress' Town. The National Museum is an institution that deals with musicological activities, i.e., the collection, protection, and presentation of cultural and historical heritage of the Leskovac region. The National Museum occasionally organizes professional and scientific gatherings, various lectures, and forums. Since 1988, the scientific gathering "Cultural and Historical Heritage of Southeast Serbia" has been held in biennial continuity. The museum annually hosts several exhibitions of various characters, as well as the promotion of books, literary evenings, and classical music concerts. The professional library is open to all researchers of the past of the Leskovac area, and the educational function has not been neglected, which has been expressed through cooperation with schools in the city and its surroundings.

Festivals and events: Gastronomy is one of the basic factors of destination attractiveness. Leskovac is most famous for the Leskovac barbecue, which is made from a special meat grill, whose original recipe has not left the city to this day. The gastronomic festival Leskovac Barbecue Week is confirmed as one of Southeast Europe's major culinary events, which had over half a million visitors, mostly young people from cross border area. It is accompanied with a rich cultural program-concerts, fashion shows, carnivals, and competitions. The peculiarity of the festival is the preparation of the largest burger in the world for the Guinness record. During this festival, the tourism sector recorded a 45% increase in revenue[33]. During the year, 35 manifestations and celebrations are organized. They are the main tourist attractions of the area.

Table 20 Leskovac -List of cultural events

1. Leskovac Barbecue Festival (Serbian Роштиљијада)
2. Balkan Festival of Young Cartoonists
3. Bladed weapons through the ages
4. The culinary manifestation “Leskovački ajvar“
5. Cooking event "Leskovačka Mučkalica"
6. Days of cherries in the village of Lipovica
7. Days of Nikolaj Timcenko
8. FAPOR -Festival of Amateur Theater Director
9. Farmer days in the village of Nomanica
10. Grdelica Summer and Grdelica Regatta
11. Honey days in Leskovac
12. International Guitar Festival
13. LEDAMUS-Leskovac Days of Music
14. Art Colony Vlasina
15. Leskovac Carnival
16. Leskovac Drum Dum Fest
17. Leskovac festival of Child Creativity
18. Leskovac festival of street theatre
19. Leskovac festival of Traditional Art
20. Leskovac Souvenir Exhibition
21. Leskovac Summer
22. LIFFE-Leskovac International Film Festival
23. May Art Salon
24. Museum Night in Leskovac
25. Nikola Skobaljić event in Vučje
26. Pear Days in Vučje
27. Pepper days in the village of Lokosnica
28. Pihtijada in the village of Grabovnica
29. Potato days in the village of Pecenjevce
30. Regional exhibition of cows and heifers in Leskovac
31. Strawberry days in the village of Dusanovo
32. STRINGS International Festival and Summer Academy of Music
33. The Night of Good Photography
34. Think Tank Town festival
35. Watermill Days in Vucje

In addition to barbecue, Leskovac is also known for "Leskovac" peppers and Leskovac ajvar, for the famous "Leskovac mućkalica". Leskovačka mućkalica is an authentic dish from the Leskovac region that is prepared from grilled meat and vegetables.

[33] Source: Цветковић Ј., Тасић Д., Стаменковић П., Анђелковић Ж. Капацитети и конкурентност туристичке привреде Јабланичког округа (студија), Центар за развој Јабланичког и Пчињског округа, Висока пословна школа Лесковац, Лесковац, 2017.

Sports and recreation: Leskovac have a long and rich sports tradition. Before the First World War, sports activity took place in archery and through the work of the gymnastic association "Dušan Silni", and on the eve of the First World War, more precisely in 1914, the first soccer ball was brought to Leskovac. The formation of football clubs was awaited until October 1919, and in the period between the two world wars, the largest teams were Momcilo, Josif, Gajret and Dubočica, which, unlike the mentioned clubs, survived after 1945 and proudly still bears that name. In addition to football, from 1918 to 1941, equestrian sports existed, and the Aero Club was formed. Other sports began to develop after the Second World War, so that in 1954 the RC "Dubočica" was formed, and in 1958 the Sports Federation was formed, and then clubs and federations from other sports. From 1970 to 1990, the leading sports were football and handball, followed by numerous shooting teams, lifting sports, fencing and women's and men's basketball, gymnastics, table tennis, boxing. Sports and recreation centre "Dubočica" offers customers a large hall with a capacity of over 3600 seats and a small hall, bowling alley, shooting range, large Olympic pool with two smaller pools, which trains non-swimmers, then 6 tennis courts and Sajam hall (Blue Pavilion). Sports and recreation centre Dubočica offer its customers a large (capacity over 3600 seats) and a small hall, bowling alley and swimming pool of Olympic size. There are several chess clubs in Leskovac, then an equestrian club with one of the best trotting tracks in Serbia, two weightlifting clubs, a swimming, water polo and tennis club. In Leskovac, there are 2 football stadiums, Dubočica and Sloga, as well as an excellent trotting track for the development of equestrian sports. Natural and cultural heritage and their attractiveness in the area of the City of Leskovac provide numerous opportunities for tourism development. An overview of tourist potentials is shown in the figure below.

Figure 9 Overview of tourist attractions

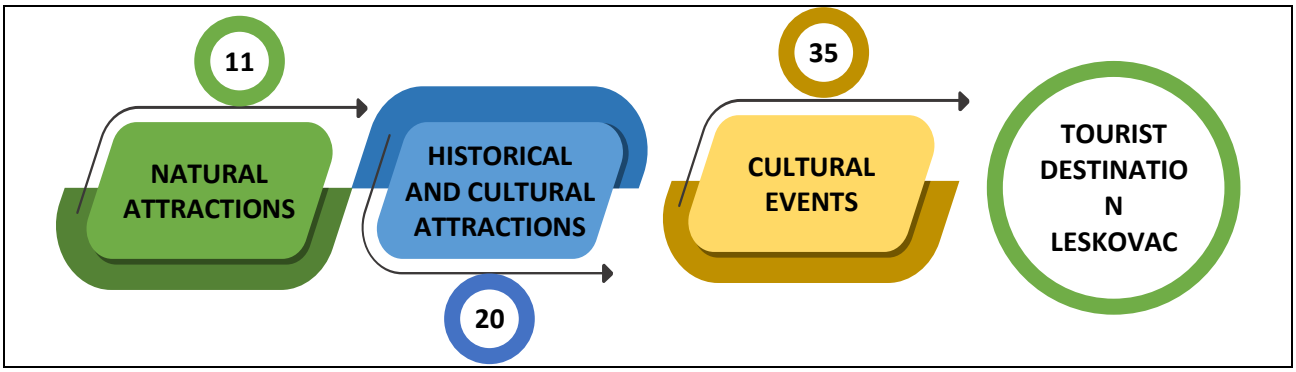
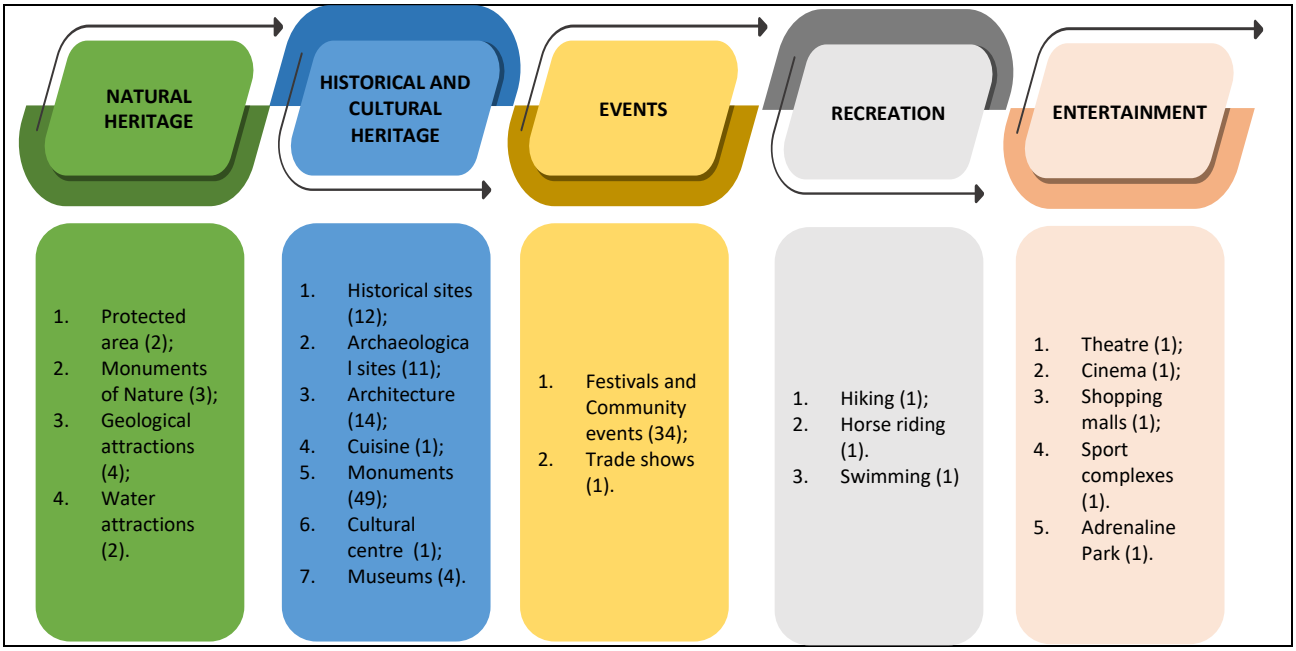


Figure 10 Leskovac - Heritage and others tourist potential



The city of Leskovac is abundant with unique tangible (nature, various archaeological sites, monasteries, museums) and intangible heritage (e.g., traditions, cultural events, festivals, local cuisine etc.). Key particularities and touristic potential of targeted area are 11 natural attractions, 20 historical and cultural attractions and 35 cultural events, celebrations, festivals, and parades annually organised.

Figure 11 Leskovac- Main tourist attractions

Tourist industry is a mix of activities, services, and industries that deliver a travel experience. Particularly travel and transportation, accommodation, eating and drinking establishments, marketing, entertainment facilities, and other hospitality services available to individuals or groups who are travelling away from home. The destination features are determining the success of tourism. These include attractions, market orientation, transport infrastructure, business environment and the ecological and social environment. For tourism, the ecological and social environment in a destination is of outstanding importance. Attractions are the magnets that draw visitors to the destination. The tourist destination Leskovac has a lot to offer to tourists. Some of them are completely ready for the creation of the tourist product, and some need to be worked on to bring them closer to the tourists. The model of creating a successful tourist product requires good coordination and cooperation between the city's tourism actors.

Tourist - hospitality capacity: The tourist infrastructure in the town of Leskovac is developed. According to available business data from PKS Partner and Bisnode Serbia, 347 business entities provide catering and tourist services in the city. According to the data from October 2020, 35 business entities provided travel organization services. Accommodation is provided in hotels and resorts for short stays. A total of 24 such facilities were registered. Catering services are provided in 270 facilities, namely 233 restaurants, 7 fast food restaurants, 25 cafes and bars, 3 pastry shops and 3 wineries. Entertainment and recreational activities are performed by 18 business entities. Data from February 2020 shows that there has been a reduction in the number of businesses providing catering and tourist services in the city by 10%. The decrease in the number of business entities is a direct consequence of the COVID 19 pandemic, that is, of the measures that were taken to restrict the gatherings to prevent the spread of the disease. According to official statistics, in the field of catering and tourism in Leskovac, about 1000 people work, or 3.20% of the total number of employees[34]. According to the data of the ministry in charge of tourism from December 2020, the number of categorized accommodation facilities (hotels, motels, guest houses, tourist, and apartment estates (not including private homes, rooms, rural tourist households, hunting villas and camps), amounted to 6. In these facilities there are 13 suites, 149 rooms and 252 beds[35]. Compared to the previous announcement of the Ministry of Tourism (August 2020), the number of categorized facilities was reduced by 1, and the number of beds by 7.54%[36]. In addition to hotels, accommodation services in the city can be found in categorized private houses and rooms, as well as in rural tourist households.

Table 21 Leskovac - Business entities in tourism and catering

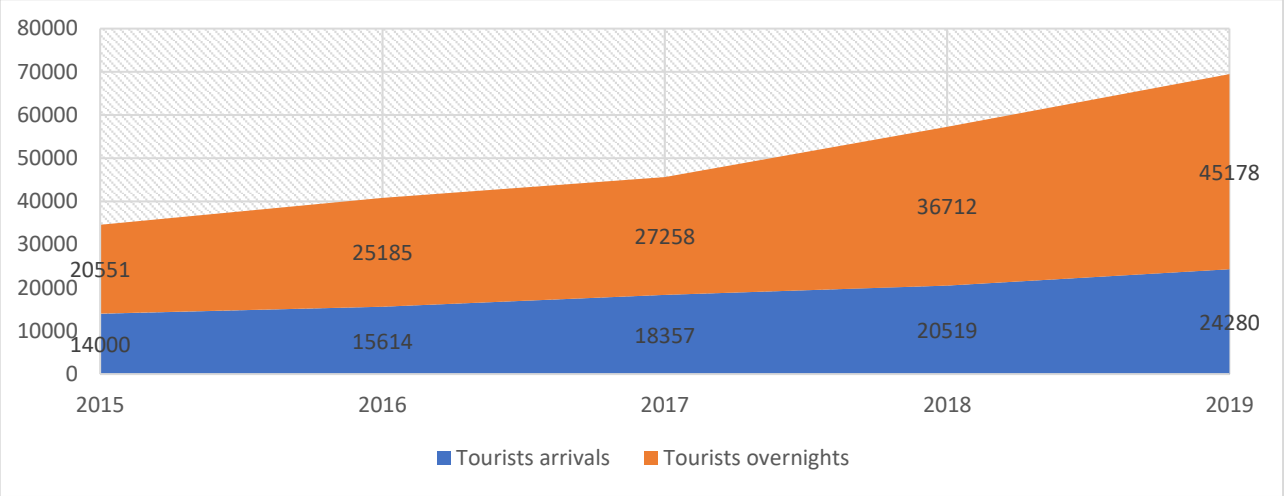
	Type of services	Type of business	Number of business entities	
			October 2020	Februar 2021
1	Travel organizers	Tour operators	3	2
		Travel agencies	32	30
2	Accommodation	Hotels and similar accommodation	18	17
		Resorts and similar facilities for short stays	5	5
		Other accommodation	1	1
3	Hospitality Industry	Restaurants and mobile catering facilities	235	232
		Catering	7	7
		Beverage preparation and serving services	25	24
		Other food preparation and serving services	3	3

Source: PKS Partner and Bisnode Serbia.

[34] Source: Републички завод за статистику. Општине и региони у Републици Србији, 2019.
[35] Source: Categorized objects in Serbia – December 2020 https://mtt.gov.rs/download/Spisak%20hoteli,%20decembar.xlsx
[36] Source: Categorized objects in Serbia – August 2020 https://mtt.gov.rs/download/Avgust.xls

Tourist turnover: In 2019 a total of 24280 tourist arrivals were registered, representing a rise of 26,57% over 2015. The average annual growth rate of the total number of tourist arrivals compared to 2015 is 5,31%. The number of all overnight stays made by tourists using accommodation facilities was 45178, which is by 45,49% more in comparison to 2015. In the period from 2015 to 2019 and a Leskovac continually records the increase of the number of tourists (graph below). The number of overnight stays per tourist is extremely low and for the period 2015-2018 it is only 1.59.

Graph 8 Leskovac - Tourist turnover 2015- 2019



Changes in tourists' behaviour and habits will require an adequate segmentation of consumers and the consequent market segmentation of tourism and hospitality products and services, keeping in mind the gender, age, marital status, motivational, and all other important tourist segmentations, as well as the constant need for adjustments to the domestic offer. New communication and promotional tools based on e-marketing technology have been developed in the sphere of promotion and booking for communicating with consumers and greatly increasing the efficiency of marketing activities. Digital channels are the core of a communication strategy in effective marketing. Today, destinations and companies directly reach consumers through a variety of joint digital platforms. A revolution in marketing promotional messages was brought by 3D technology, by enhancing the experience and emotions, and consequently the adrenaline. In addition, ICT technologies and social media provide special opportunities for developing countries to catch up with modern trends and operate more efficiently on the market, without involving large financial resources, and also allow inaccessible destinations to communicate with the tourism market. Unlike other industries, tourism and hospitality are characterized by services that are intangible and cannot be tried before purchase. These characteristics of the service have made them extremely sensitive to information. As many as 75% of tourists today read at least a few reviews or view photos of other tourists before buying a package or booking a hotel. These changes have led to a new and extremely important business function in tourism and that is Online Reputation Management. Most accommodation facilities in Leskovac have their own profile on the Booking platform. These profiles contain information about the facility, the structure and price of services and the type of additional services available to tourists. From the aspect of tourist destination development, the most important are the reviews of tourists. According to these reviews, 96.17% of visitors rate the destination Leskovac positively. The best rated are the kindness of the staff and the cleanliness of the facility and the free WiFi internet. The objects themselves were rated the worst (8.45). The total average rating of Leskovac is 8.69 and it is classified in the category of well rated destinations. Out of a total of 2586 reviews, 99 are negative. The main objections are that the profiles posted on the Booking platform do not correspond to reality. It is often the case that a larger number of services that visitors can get than what they received are listed. There are also sporadic cases of non-compliance with the reservation. The analysis of negative comments indicates the need to organize trainings in online reputation management. On the other hand, as many as 82.6% of visitors point out that it is a destination to enjoy. According to the Booking index, Leskovac rates 57.50% excellent, 30.32% very good, 8.35% good, 3.13% poor and only 0.70% very bad. The structure of guests is dominated by families with 36.05%, couples with 24.30% and business travellers with 17.21%. Based on the previously presented data, a profile of the destination Leskovac was created, which is shown in the table below.

Table 22 Destination profile of Leskovac

<table>
<tr><th>Location</th><th>Main types of tourism</th><th>Most popular tourist attractions</th></tr>
<tr><td>• Location: Jablanica District Serbia.
• Distance from the national capital city (Belgrade): 275 km.</td><td>1. Gastronomic tourism.
2. Festival tourism.
3. Cultural tourism.
4. Outdoor tourism.
5. Rural tourism.</td><td>1. Leskovac Barbecue Festival (Роштиљијада).
2. Canyon of the Vucjanka River.
3. Grdelica gorge.
4. Monastery of Jašunja.
5. Ethno-archeological park on the hill of Hisar.</td></tr>
<tr><th>Geography</th><th>Weather</th><th>Biodiversity</th></tr>
<tr><td>The destination is located in the north of the central part of southern Serbia, in the heart of the Leskovac valley. The area of the destination is 1025 km^2.

Land
Urban: 7122 ha.
Farmland: 58851 ha.
Forest: 33652 ha.

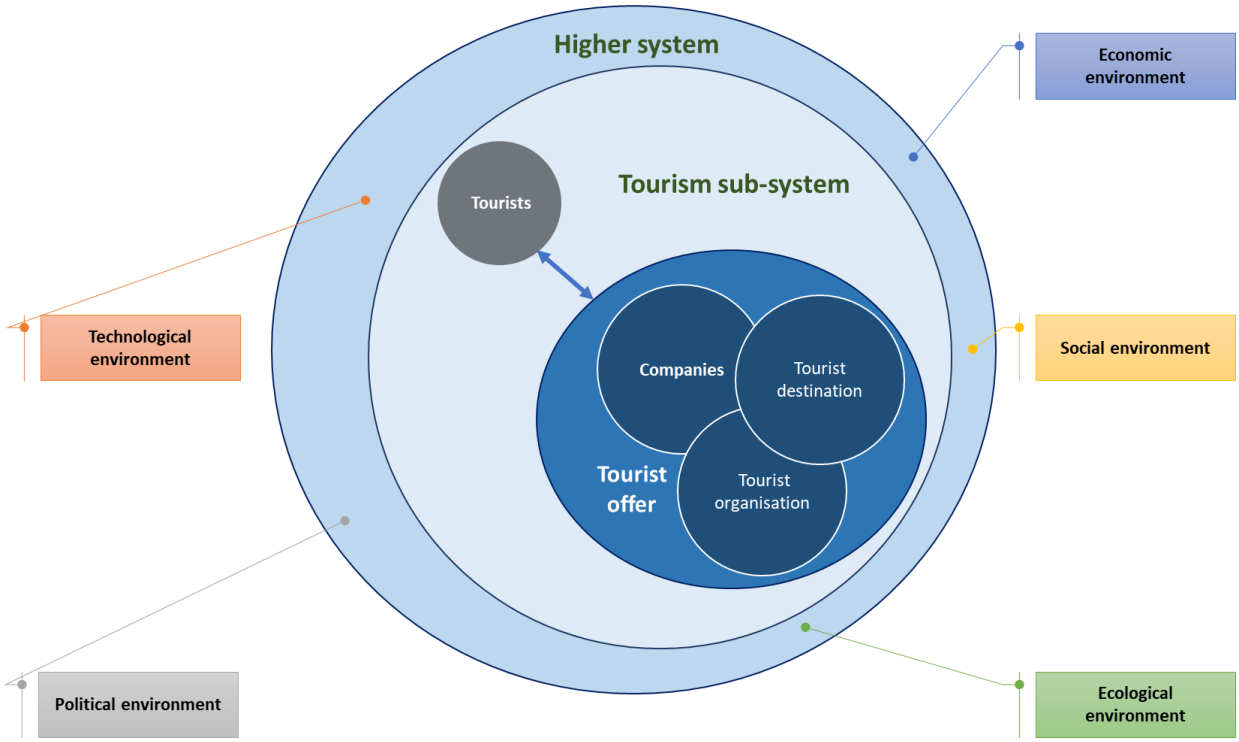
Water
Water flows and territories: 2875 ha.</td><td>The climate of the area is moderately continental.

Sunshine:
Insolation 2026,1 hours/annual
Precipitation 625,4 mm
Temperature
Average air temperature (January) 2°C
Average air temperature (July) 21,6 °C
Average air temperature (annual) 11,6 °C</td><td>1) Strict Nature Reserve "Zeleničje".
2) Natural area surrounding the Jasunj Monasteries of St. John and the Holy Virgin Monastery.
3) Three monuments of nature (elm, oak, sorb): "Bogojevački brest -zapis", "Kutleški hrast-zapis" and "Stablo oskoruše - Sejanica"</td></tr>
<tr><th>Transport links</th><th></th><th>Public transportation to destination</th></tr>
<tr><td>• Distance from the international airport "Constantine the Great" in Nis is 47 km.
• Distance from the international airport "Nikola Tesla" in Belgrade is 286 km.</td><td>• Highway - E75 (Corridor X).
• Main road M-9.
• Railway corridor X.</td><td><table><tr><td> </td><td> </td><td> </td></tr><tr><td>Train
✓</td><td>Bus
✓</td><td>Taxi
✓</td></tr></table></td></tr>
<tr><th>Population</th><th></th><th></th></tr>
<tr><td>• Number of permanent residents: 134285.</td><td>• Population density: 131 per km^2.</td><td>Percentage of population employed in tourism related jobs: 3,20%.</td></tr>
<tr><th>Tourists:</th><th></th><th></th></tr>
<tr><td>• Average annual number of visitors: 18554.
• Average annual number of overnights: 30977.
• Primary Source Markets: domestic 50% and international 50%.</td><td>• Average tourist expenditure: 30-50 EUR per person/per day</td><td>• Average length of stay: 1,59 days.</td></tr>
<tr><th>Tourist - hospitality capacity:</th><th></th><th></th></tr>
<tr><td>• Number of Hotels/Motels: 6
• Other accommodations: 16.
• Number of Rooms: 503.</td><td>• Number of restaurants: 233.
• Number of Fast foods restaurants: 7.</td><td>• Number of bars and cafes: 25.
• Number of Pastry Shops: 3.
• Number of wineries:3</td></tr>
<tr><td colspan="3">The gastronomic festival Leskovac Barbecue Week is confirmed as one of Southeast Europe's major culinary events, which had over half a million visitors, mostly young people from cross border area. It is accompanied with a rich cultural program-concerts, fashion shows, carnivals, and competitions. In addition to barbecue, Leskovac is known for its paprika and ajvar, as well as for the famous “leskovačka mućkalica”. Leskovačka mućkalica is an authentic dish from Leskovac which is prepared from grilled meat and vegetables.</td></tr>
</table>

4. Mapping of value chains

Every tourist destination represents as an integral tourism product. At the same time, a tourist destination represents a complex social system, which unites a variety of elements or sub-systems, thus sometimes also called a destination system. Tourist destination system, as shown in figure below, represents a system which can be defined as complex due to a variety of elements participating in its functioning and they can be grouped into three basic sub-systems: consumers (tourists), producers (tourist supply providers) and state and other organisations and institutions. Figure clearly shows the functional correlation of the tourist system and the higher system, which represents a framework for comprehension of the possibility of development of tourism. The destination system is limited by encirclement of areas of a specific spatial entity, whose borders are determined by the tourist demand, independently from the administrative borders. From the quoted characteristics of the tourist destination system, the need for its integral management, in order to achieve a **synergy** effect of the coordinated horizontal management (territory management) and vertical management (branch or sector management), is derived, with the elaboration of a rational plan by which the effects of possible actions of stakeholders (system elements) on development resources, as the final aim, are assessed.

Figure 12 Tourist system structure

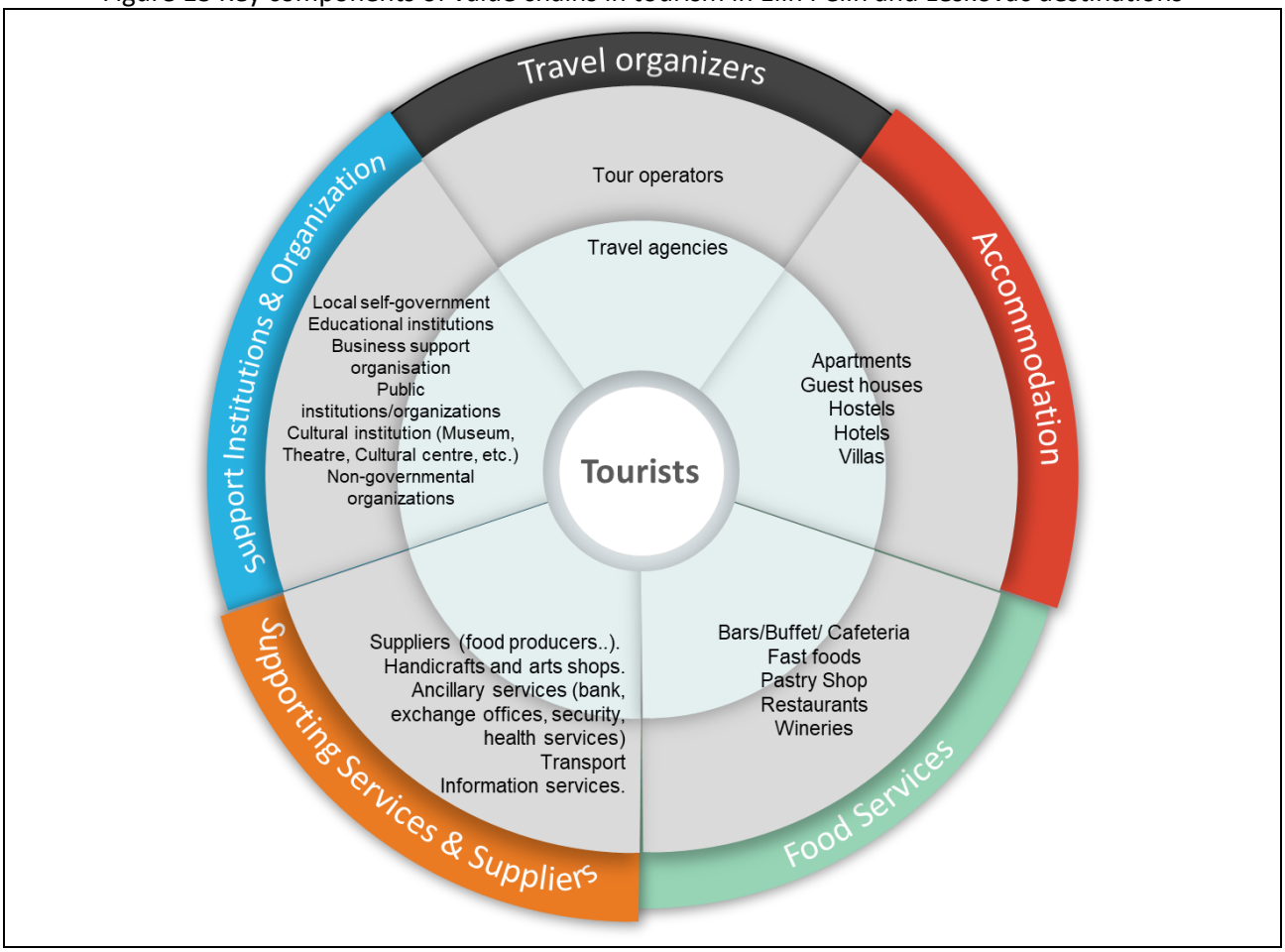


Source: J. Gržinić and D. Saftić. Approach to the development of destination management in Croatian tourism. Management, Vol. 17, 2012.

The integral destination management, coordinated by the horizontal and vertical managements, can be efficiently planned, and realised provided that all the stakeholders, with the aim of reaching a consensus pertaining to the planning of tourism development at a destination, are involved. From this emanates the importance of the organisational structure, as a fundamental framework within which various interests of different elements of the destination system are integrated (suppliers, public self-government, local community, civil society), linking their partial interests into an articulated common action in the tourist market which satisfies all stakeholders' interests. Partnership approach is of fundamental importance in order to ensure the long-term sustainable development of a tourist destination.

The multifunctional value of tourism is manifested in the fact that it is simultaneously a type of economic activity, leisure, consumption, cultural phenomenon, and component of social development. In addition, tourism affects the ecological state of the environment determining the level of permissible ecological burden on a particular tourist region (destination). Consequently, an important keystone for under-standing the socio-economic essence of tourism is its interdisciplinary nature since tourism is characterized by specific functional and sectoral features of the production chain in relation to the creation of a tourist product. Tourism characterized as an industry with a strong competition. Therefore, it is crucial to create a competitive advantage in order to stay in the market. In the case of the tourism industry, creating competitive advantage could be done by providing an extraordinary experience which is the ultimate goal for travel leading to customer satisfaction and customer loyalty. Proper interconnection and coordination among those various business sectors can offer a good travel experience. Ensuring the competitiveness of tourist products is the essence of the process of achieving competitiveness in tourism. One of the characteristics of the tourist offer is its heterogeneity. It is conditioned by various factors and a large number of entities within the tourist and other economic and non-economic activities that participate in the provision of services to tourists. In the case of destinations Elin Pelin and Leskovac, it consists of businesses and organizations from different sectors. Its key components are shown in the figure below.

Figure 13 Key components of value chains in tourism in Elin Pelin and Leskovac destinations



Tourism value chain in Elin Pelin and Leskovac is comprised of complex relations between different stakeholders, activities, and policy measures at local and national level. The value chain, from the point of view of tourism product holders, is a coordinated activity of various entities from destination managers and attractions, to travel agencies and carriers, accommodation, food, entertainment, recreation, trade, guides, production and sale of souvenirs and local products, banking and exchange services, car maintenance, health services, information, and communication technology, etc. From the point of view of tourists, it includes various activities that the tourist performs from preparation for the trip, through travel and stay at the destination, to return home and subsequent care of the guest.

4.1. Direct Value Chain Actors

Tourist industry is a mix of activities, services, and industries that deliver a travel experience. Particularly they are travel and transportation, accommodation, eating and drinking establishments, marketing, entertainment and activity facilities, and other hospitality services available to individuals or groups who are travelling away from home. It includes all service providers of tourist and tourist-related services. Tourism is the entire industry of travel, hotels, transportation, shopping, and all other components, including promotion that serves the needs and wants of tourists. Tourist industry is basically a service and labour-oriented industry. It is made up of businesses and organizations belonging to other various industries and sectors. In general, tourism industry comprises hospitality (related to accommodation and dinning), travel (transportation services), and various other businesses which offer services and products to tourists. In fact, it is this interplay among the various businesses and organizations/persons which offer a comprehensive travel experience to tourists. Therefore, they are direct actors in the value chain.

4.1.1. Travel organizers

Travel organization is an economic activity, which is related with continuous and regular buying and selling of travel related services for satisfying human wants. In tourism, service is anything which is provided to the traveller to travel and stay in a particular destination. Travel organizers play a central role in the tourism industry. Travel organizers act as intermediaries between tourists and tourism service providers, so they can influence the choices of consumers, the practices of suppliers and the development pattern of destinations. This distinctive role means that travel organizers can make important contribution to encouraging the objectives of sustainable tourism development and protecting and ensuring the environmental and cultural and social assets on which the tourism industry depends for its survival, growth, and development. Travel organizers actually accumulate the component and segment parts of a holiday, package holiday i.e., the means of travel, accommodation, food facilities, transfers, excursion, and other services. Core competencies of travel organizers are concentrated in the business processes that ensure the consumption of tourism products offered. These products and services can be sold to the tourist in a number of ways, either direct, through travel agents (the retailers of the tourism industry) or through tour operators who can be described as wholesalers of tourism. Tour operator is business entity who buys individual travel components, separately from their suppliers and combines them into a package tour, which sells directly or through middlemen. Tour operators are primarily responsible for operating and providing vacation through contracting, booking, and packaging together of the various components of the tour such as hotel, transportation, meals, guides, optional tours, and sometimes flights. They can provide these services themselves as some have their own cars and coaches, hotels, and other travel-related services or can obtain these from the other suppliers. Tour operators plan a tour and make tour programme which contains the identification of destination and all the stopping points during the tour. They create a tourist offer by assembling various travel components into a final product that is called tour package. Travel agency is one of the most important organizations in the tourism private sector which plays a significant and crucial role in the entire process of developing and promoting tourism in the country or at a destination. It is a travel agency which packages and processes all the local attractions, accesses, amenities, and ancillary services of a country and present them to tourists. That is why travel agency is known as image builder. They provide a link to connect the tour operator and the destination. Today, Travel Agencies have been recognized as a vital component of travel and tourism and have become an integral part of the travel and tourism industry at globally. They account for more than 90% of international and 70% of domestic tourist traffic. Most travel agencies sell both commercial and leisure travel but there are many travel agencies that only specialized in one sector or the other. Whatever the size of a travel agency, it has to provide necessary travel information to tourists. A travel agency must give up-to-date, accurate, and timely information regarding destinations mode of travel, accommodation, sight-seeing, shopping, immigration, passport, visa, customs clearance and procedure, health and security rules, and various permits required to travel in particular areas, etc. The major difference between tour operators and travel agencies is in the system of providing service to customers. A tour operator is a company that buys certain services from different companies (like hotels, restaurants, cafes, beauty salons) and forms a single tourist product out of them using its own pricing system.

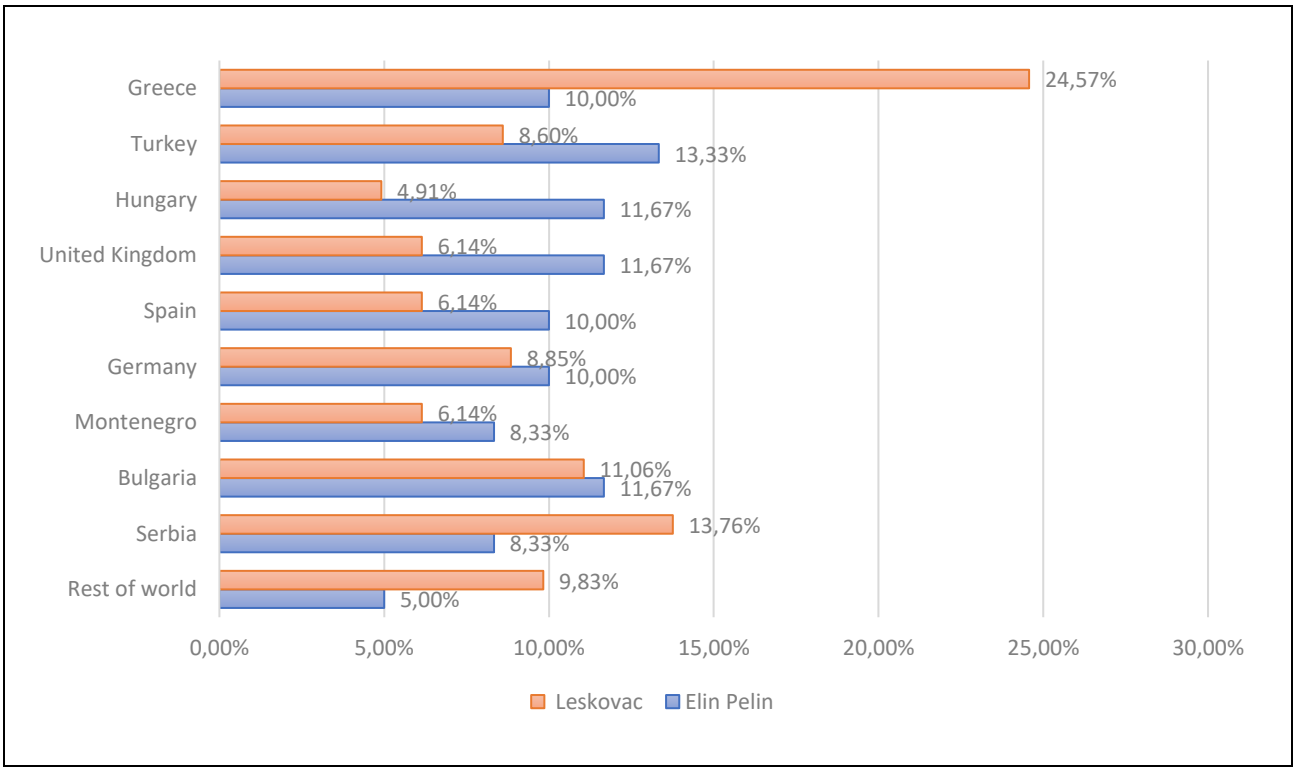
A travel agency acts like an independent reseller. A travel agency may deal with one component of travel product while a tour operator offers a variety of tour programmes. This division includes the activity of agencies, primarily engaged in selling travel, tour, transportation and accommodation services and other travel-related services including reservation services. Tourism is a complex concept because it involves many activities, which together produce the tourist product that is travel experience. It is also complex due to various of the tourist products. The tourism product consists essentially of transport, accommodation, and attractions, both constructed and natural. The tourism product is defined as the combination of goods and services such as transport, accommodation, food, and drinks, guiding services, provision of material and infrastructure for activities of tourist. They are necessary to enables the tourists to have a complex experience which starts at them leaving their home and ends at their return. Travel agencies and tour-operators sell a tourism product which is a combination of services from other providers, mainly providers and organizers of itineraries, lodging and catering. The tour operator then sells this product under its own name (or in co-operation with vendors). In the promotion of tourist destination, tour operators and travel agencies play a key role. Travel agencies and tour operators promote and present the image of the destination to the potential tourists. According to the official statistics from October 2020[37], the total number of registered travel organizers in Leskovac and Elin Pelin amounted to 37 business entities. By the type of travel organizers in Leskovac and Elin Pelin, 37.5% are registered as travel organizers (wholesaler), 12.5% are registered as internet travel organizers, while 50% are registered as travel agencies. Travel organizers from Elin Pelin are 100% representatives of travel agencies, while travel organizers from Leskovac are 50% travel organizers – wholesalers, 12% internet travel organizers, and 50% travel agency representatives. There are no travel agents either in Leskovac or in Elin Pelin. The average number of employees in the organizations that deal with this type of work is 7. The share of travel organizers in the conducted research is 21.62%. The basic standard of quality of any tourist service is a satisfied tourist. At the level of the European Union, the tourist satisfaction, especially when it comes to travel organizers is regulated by the Package Travel Directive, which was accepted by the European Commission in 1988. This Directive has particularly major implications for the operation of tour operators and travel agencies. The Directive binds them to provide "clear, accurate and comprehensible" information, to provide the services orderly and efficiently, to ensure accountability to the traveler and to provide wider legal remedies and assistance to the users of tourist services. With the application of this Directive, close to 150 million consumers can enjoy higher standards and greater protection, and higher standards in the EU will contribute to the expansion and development of business opportunities in other non-member countries. The Directive regulates two groups of issues. On the one hand, it deals with the notion of organized travel, the obligation of accurate information and it determines the basic contract rules, the conclusion of the contract, the exchange with another person, the increase of the contract price, the obligations regarding the orderly execution of the contract, the right to withdraw, etc. On the other hand, it contains provisions on financial protection of the consumers and the formation of guarantee funds for protection against insolvent organizer[38]. In Serbia, there are several associations that bring together the travel organizers and which ensure that their services to the tourists are at the highest level. The oldest association is The National Association of Travel Agencies in Serbia – YUTA – which was founded on 16.04.1954. and which operates as a professional non-profit organization. All YUTA members must meet the high General and Special standards of YUTA, which is a prerequisite for the quality of tourist services and a guarantee for the protection of tourists and business partners. By possessing the certificates and standards in the field of business operation, the travel organizers send a strong message to the users of their services, tourists around the world, that they can provide a high level of quality of services. Of the total number of surveyed travel organizers, 12.50% have some quality standard while 87.50% do not meet the standards for the certification. The market is a significant factor in the economic development of every country. Its operation should eliminate spontaneity in regulating the relationship between the supply and demand. When we talk about the tourist market today, it ceases to be determined by space. Rather it denotes a process, a form of connection and a thought construct. According to Freyer, the tourism market is a thought construct which brings together all relevant information about the demand and supply related to a particular tourist service. Tourism is a socio-economic phenomenon which has experienced a significant expansion in the second half of the 20th century, and which is an area of great marketing possibilities.

[37] SBRA and Business Register of Bulgaria

[38] Source: Hamović V. and Lazić J. Kvalitet usluga srpske turističke privrede. Industrija.2007

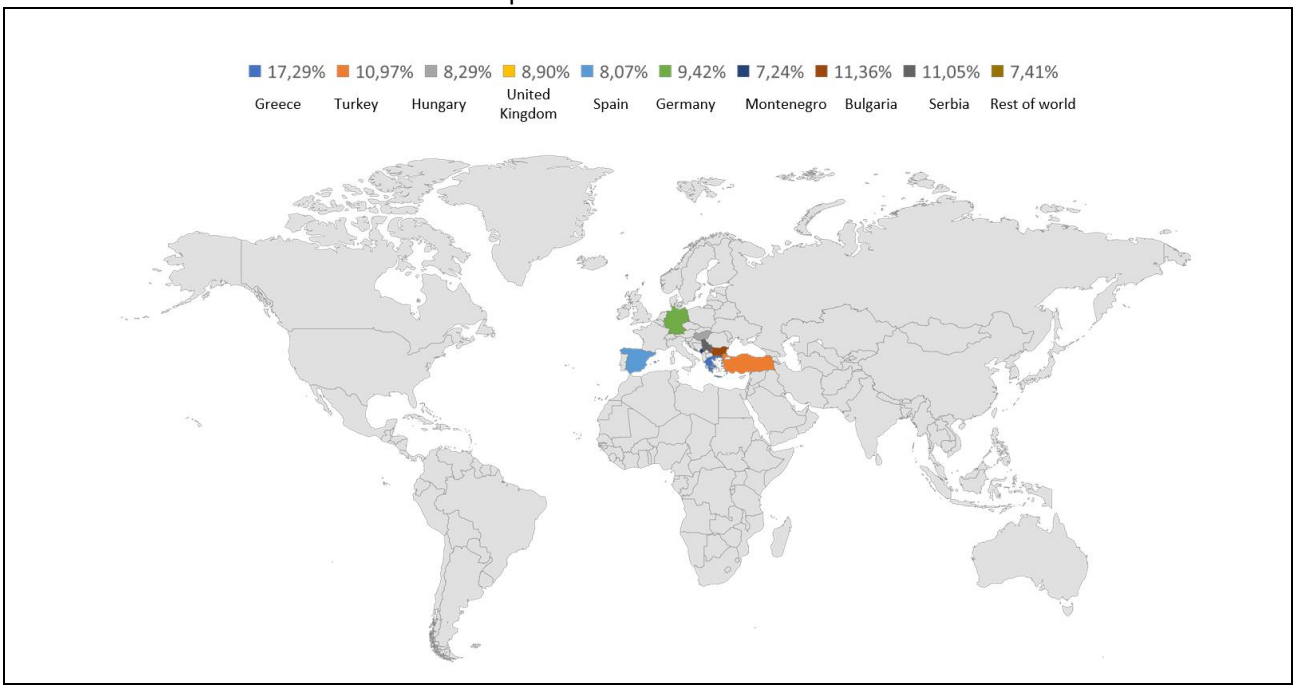
In order to clearly define the marketing program, it is necessary to conduct a research of the tourist market, and, above all, it is necessary to look at the motives and behavior of the tourists on the one hand, but also of the other participants who indirectly affect the state and trends in the tourism market. Tourist market research is important not only for the tourism industry but also for the regions and places where organizations and institutions related to the tourism industry are located and conduct their business. When we talk about tourism market research, it is important to explore the reasons or motives for travel. The knowledge of the motives is the basis for understanding the basic tendencies in the tourist market, and consequently, the creation of an adequate marketing program. Travel organizers from Leskovac and Elin Pelin adjust the offer to best suit the tourists' needs but also in accordance with the long-standing habits and national trends. The changes in the habits of the users of travel organizers' services are subject to trends, but also to the influence of marketing campaigns that are not necessarily related only to the activities of travel organizers from Leskovac and Elin Pelin. The destinations that were very popular with tourists from Serbia and Bulgaria mostly coincide with the arrangements and destinations of travel organizers from Leskovac and Elin Pelin. If we look at the variety and structure of the offers for tourists, i.e. the types of tourist arrangements from travel organizers in Leskovac and Elin Pelin, we see that the offered arrangements are in correlation with outgoing destinations. For example, 23.50% of the offer of travel organizers from Leskovac are arrangements related to holidays and seasonal tours, so it is not surprising that as much as 24.57% of sold arrangements were for the destination in Greece. In the second place as far as travel organizers from Leskovac are concerned, is Serbia, with 13.76% of sold arrangements, while Bulgaria is in the third place with 11.07% of sold arrangements. It is interesting to note that other destinations, such as Turkey, Montenegro, Hungary, and Spain account for less than 10% of arrangement sales. As for travel organizers from Elin Pelin, the largest number of sold arrangements are for destinations in Turkey, 13.33%, followed by Hungary and Great Britain with 11.67% of arrangements sold, and in the third place are destinations in Bulgaria with 11.67% of sold arrangements. Equal percentage, 10% of arrangements, were sold for destinations in Spain and Germany, while other destinations have a significantly lower percentage of arrangements sold. An overview of major outgoing destinations for travel organizers from Leskovac and Elin Pelin is presented in the chart and the map below.

Graph 9 Outbound destinations (%)



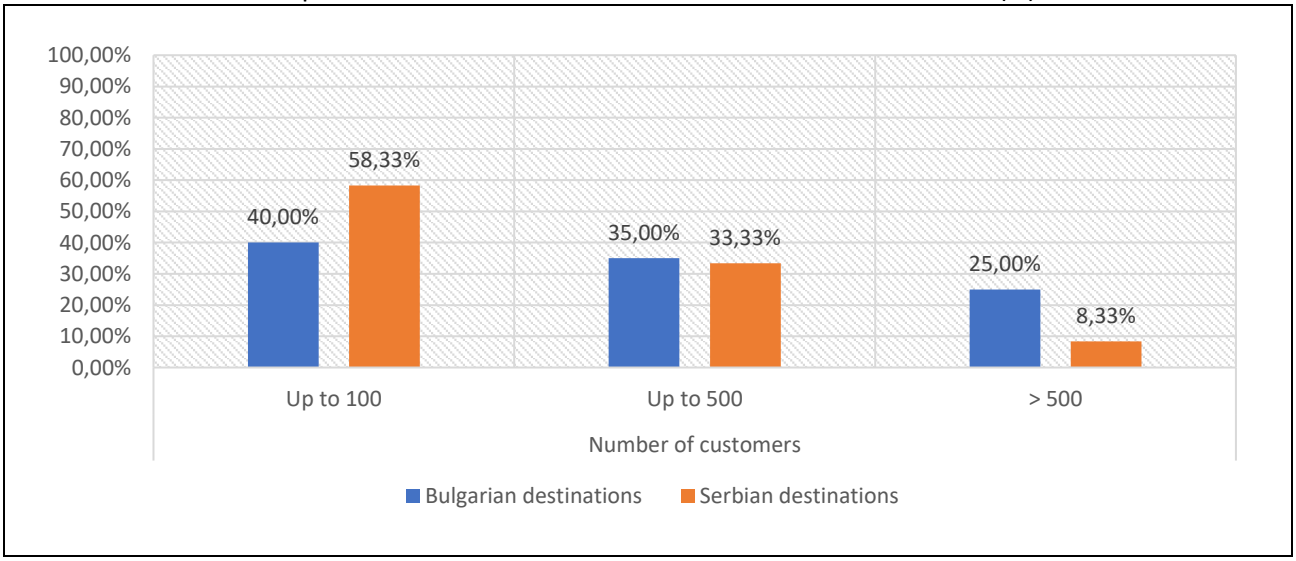
If we look at the travel organizers from Leskovac and Elin Pelin together, their main destinations are Greece with 17.29%, Bulgaria 11.36%, Serbia 11.05%, Turkey with 10.97% and Germany with 9.42% of the travel arrangements. It is interesting that Spain, Hungary, and Great Britain almost have an equal share in sold tourist arrangements (slightly more than 8%) while Montenegro and the rest of the world account for about 7% of travel arrangements.

Map 7 Outbound destinations



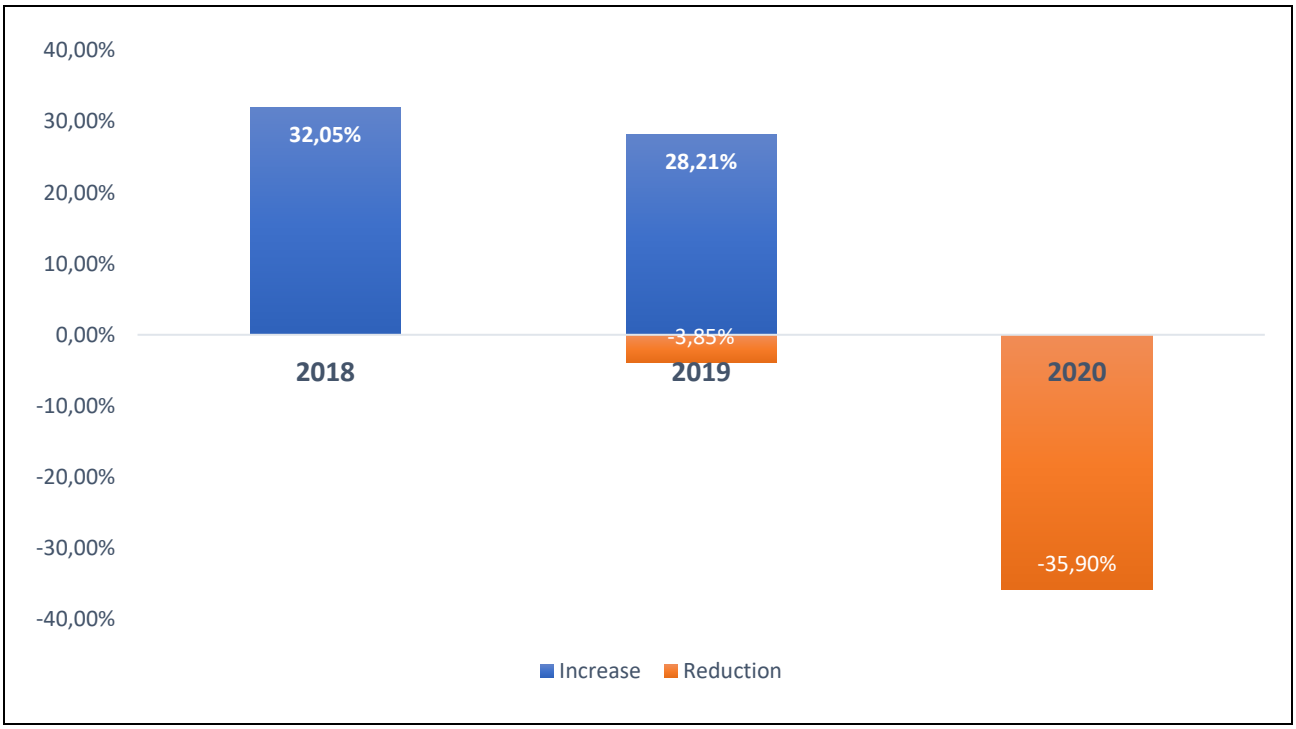
The level of interest of travel organizers (i.e., their clients) from Leskovac in destinations in Serbia is pretty much even with that of travel organizers from Elin Pelin in destinations in Bulgaria, the research has shown. The average interest in domestic destinations is 34.17%. This information shows that domestic tourism certainly has potential for development. During 2020, because of the closed borders and the epidemiological situation, a large number of citizens chose to spend their vacation in their own country. Also, it is important to note that both countries implement various measures to encourage domestic tourists to spend their holidays in their home country. The interest of travel organizers, that is, of their clients from Elin Pelin for destinations in Bulgaria was 35.00% while the interest of travel organizers for Serbian destinations was 33.33%. The interest in domestic destinations is presented in the following chart.

Graph 10 The interest of customers for domestic destinations (%)



As for the structure and the number of clients of travel organizers from Leskovac and Elin Pelin, according to the findings of the research, in both cases the domestic clients prevail, with 56.25% of domestic clients and 43.75% of foreign clients. When asked if there was a change in the number of clients, 83.33% of respondents stated that the change was evident, while only 16.67% of travel organizers stated that there were no changes in the number of their clients. According to all official indicators, international and domestic decline in the number of tourists has marked 2020 in all segments. If we observe the last three years, it can be noticed that the travel organizers have seen a slight decline in the number of clients, 3.85% from 2018 to 2019, while in 2020, the decline is much more drastic due to the impact of the COVID 19 pandemic (chart below).

Graph 11 Dynamics of the number of clients in the period 2018-2020 (%)



By the type of the travel arrangement, the current offer for tourists is characterized by the highest percentage of arrangements related to holidays and seasonal tours (vacations) 18.2%, then an equal percentage, 13.6%, related to cultural and thematic tours, educational tours, family tours. In the third place, with 9.1%, there are culinary and wine tours, then shopping tours, weekend vacations and others. The smallest percentage is accounted for by adventure tours, 4.5%.

Table 23 The structure of tourist offers (%)

Type of tour package	Elin Pelin	Leskovac	Average	Rank
Adventure tours	0%	5,9%	4,5%	4
Culinary and Wine tours	20%	5,9%	9,1%	3
Cultural and Thematic Tours	20%	11,8%	13,6%	2
Education tours	20%	11,8%	13,6%	2
Family tours	20%	11,8%	13,6%	2
Holiday and Seasonal tours	0%	23,5%	18,2%	**1**
Shopping tours	0%	11,8%	9,1%	3
The Weekend Break	0%	11,8%	9,1%	3
Other (hiking tour)	20%	5,9%	9,1%	3

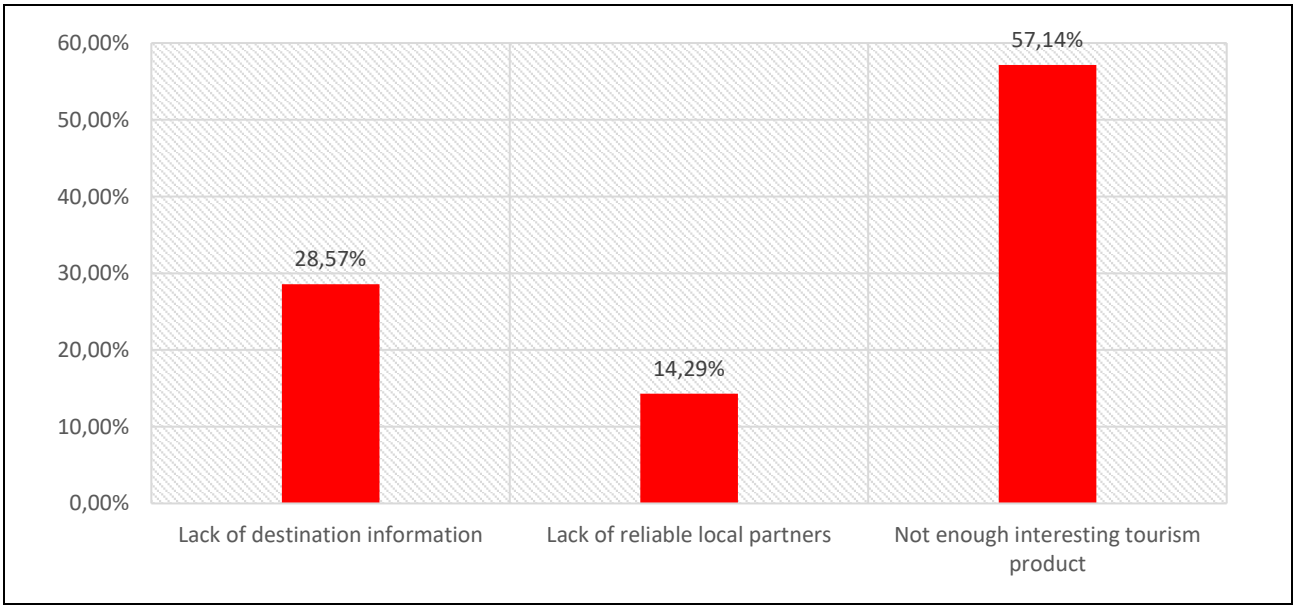
Only 12.50% of travel organizers have local tourist arrangements in their offer. It is especially symptomatic that even though both Leskovac and Elin Pelin are known for a large number of festivals and events, festival tours are not offered by travel organizers. When asked to list the local tourist destinations they have in their offer, only one stood out, a travel tour named 'a tour of the Vučijanka canyon' in Leskovac. As for the participation of the travel organizers in the preparation and organization of local festivals and events, 25% said that they do participate in the organization of local festivals and events, while 75% stated that they do not participate in the organization of these events. In organizing Roštiljijada (The Grill Festival), the largest event in Leskovac, travel organizers participate with 16.67%. As for the attractiveness of local travel destinations from the point of view of the travel organizer, the answer that prevails is that the local travel destinations are somewhat attractive. However, there is an interesting difference in terms of the perception of local tourist destinations. While 58.53% of travel organizers from Elin Pelin consider the local tourist destination attractive, only 18.33% of travel organizers from Leskovac consider it to be an attractive travel destination.

Table 24 Assessment of tourist destination (%)

Assessment	Elin Pelin	Leskovac	Average	Rank
Attractive	58,33%	18,33%	38,33%	2
Somewhat attractive	25,00%	68,33%	46,67%	1
Not attractive	16,67%	13,33%	15,00%	3

As the main reasons for insufficient attractiveness of local destinations, the travel organizers point out the lack of interesting tourist products, the lack of information about the local tourist attractions, as well as difficulties in identifying a good and reliable local partner to cooperate with.

Graph 12 Reasons for insufficient attractiveness of destinations (%)



The analysis of the factors that influence the choice of a travel destination resulted in an interesting ranking. In travel organizers' opinion, the quality of service and the safety of the destination have the greatest influence on the choice of a destination. These are followed by the attractiveness of natural locations, food, and drinks, accommodation, and the value they get for their money. These are the most important factors for choosing a travel destination.

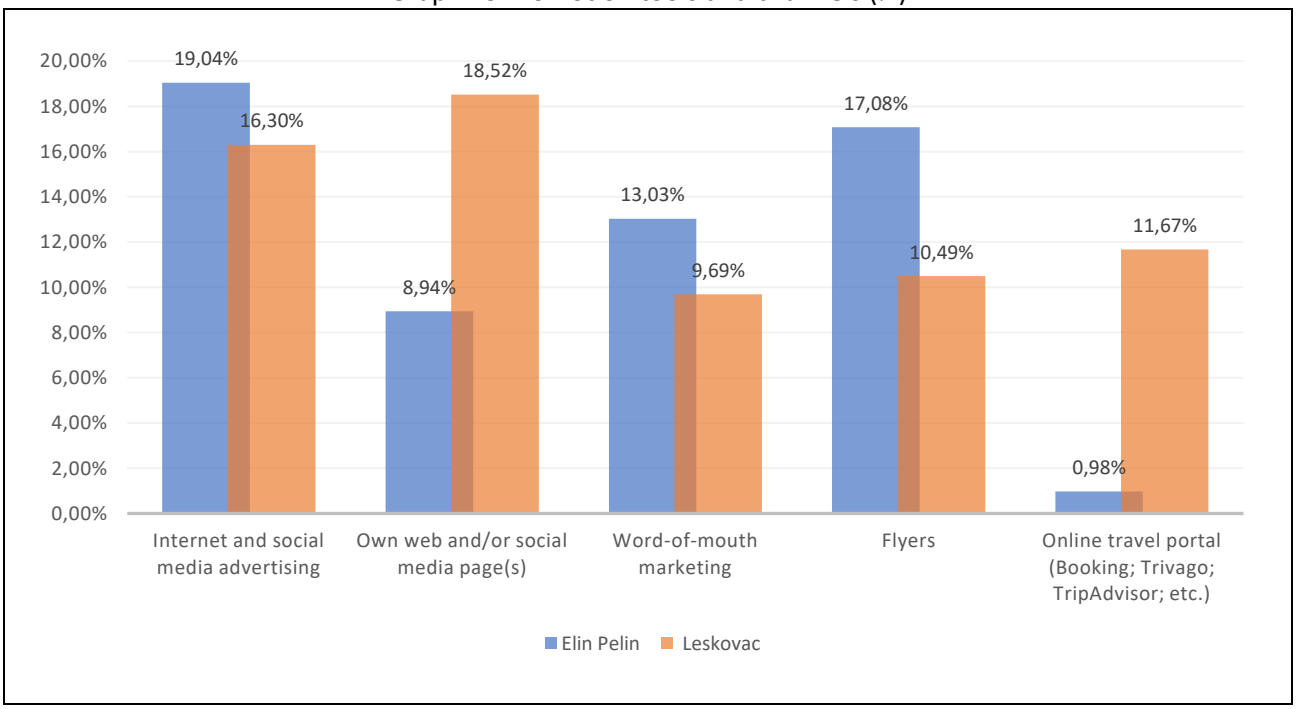
Other factors include hospitality, comfort, and accessibility, as well as cultural and historical festivals, gastronomy, reputation, and shopping (the following table).

Table 25 Factors influencing the choice of tourist destination (%)

Factor	Elin Pelin	Leskovac	Average	Rank
Accommodation	6,06%	7,94%	7,00%	5
Attractive natural location	9,09%	7,32%	8,20%	3
Comfort and accessibility	6,06%	5,85%	5,95%	7
Cultural and historical attractions	6,06%	5,66%	5,86%	9
Entertainment and nightlife	3,03%	3,97%	3,50%	14
Facilities and infrastructure	0,00%	5,66%	2,83%	17
Festivals & other events	6,06%	2,50%	4,28%	11
Food and Beverage	6,06%	8,79%	7,42%	4
Gastronomy	3,03%	5,44%	4,24%	12
Joining local activities (e.g., crafts, traditions, local food)	3,03%	2,72%	2,88%	16
Opportunities for learning	0,00%	0,63%	0,31%	20
Previous visit	3,03%	1,88%	2,45%	18
Reputation	6,06%	2,72%	4,39%	10
Hospitality	6,06%	5,85%	5,95%	8
Safety	9,09%	10,26%	9,67%	2
Service quality	9,09%	12,35%	10,72%	1
Shopping and markets	6,06%	2,10%	4,08%	13
Transportation	3,03%	3,57%	3,30%	15
Value for money	9,09%	3,35%	6,22%	6
Other	0,00%	1,47%	0,74%	19

Tour operators most often use advertising on the internet and social networks to promote their offer. It is interesting that this type of promotion accounts for 19.04% of total promotions of travel organizers from Elin Pelin, while the percentage is 16.30% with organizers from Leskovac.

Graph 13 Promotion tools and channels (%)



A big difference in the way of promotion was noticed when it comes to promotion on one's own website. Namely, this type of promotion is used by 18.52% of travel organizers from Leskovac, while only 8.94% of travel organizers from Elin Pelin use this type of promotion. There is an even bigger difference in the promotion through booking. Travel organizers from Leskovac use this type of promotion in a percentage of 11.67%, while with travel organizers from Elin Pelin, this percentage is negligible, and it amounts to 0.98%. The leaflet as a means of communication with the clients and as a means of promotion is used by 10.49% of organizers from Leskovac, while this type of promotion is used by 17.08% of organizers from Elin Pelin. The most uniform marketing tool, word of mouth (recommendation), is used by 9.69% of respondents in Leskovac, and by 13.30% respondents in Elin Pelin. In relation to the possibilities for the development of local tourism, the travel organizers estimated that the gastronomic tourism has the greatest potential. As many as 29.63% of respondents said so. In the second place, they recognized the cultural tourism, and the third place is shared by business tourism and festival tourism. Then, by the potential they have, what follows is adventure tourism and other types of tourism. According to travel organizers, in the fifth place are nature-based tourism and recreational tourism. It is interesting to note that travel organizers observed that rural, eco and sports tourism do not have potential for the development of local tourism in Leskovac and Elin Pelin.

Table 26 Potential for the development (%)

Type of tourism	Elin Pelin	Leskovac	Average	Rank
Adventure tourism	0,00%	9,52%	7,41%	4
Business tourism	33,33%	9,52%	14,81%	3
Culinary tourism	33,33%	28,57%	29,63%	1
Cultural tourism	16,67%	19,05%	18,52%	2
Eco tourism	0,00%	0,00%	0,00%	
Festival tourism	0,00%	19,05%	14,81%	3
Nature based tourism	0,00%	4,76%	3,70%	5
Outdoor tourism	16,67%	0,00%	3,70%	5
Rural tourism	0,00%	0,00%	0,00%	
Sport tourism	0,00%	0,00%	0,00%	
Other types of tourism	0,00%	9,52%	7,41%	4

By their potential for the development of travel arrangements or offers for tourists, travel organizers recognized and valued the most the culinary and wine tours (30.00% of respondents). Following them were cultural and thematic tours with 25% each. All other potentials have insignificant percentage (5%) and are therefore not considered to have the potential for development.

Table 27 Potential for the development tourist package / offer (%)

Type of tourist package / offer	Elin Pelin	Leskovac	Average	Rank
Adventure tours	0,00%	7,14%	5,00%	3
Culinary & Wine tours	33,33%	28,57%	30,00%	1
Cultural & thematic tours	33,33%	21,43%	25,00%	2
Education tours	16,67%	0,00%	5,00%	3
Family tours	0,00%	0,00%	0,00%	
Festivals tours	0,00%	35,71%	25,00%	2
Holiday and seasonal tours	0,00%	0,00%	0,00%	
Shopping tours	16,67%	0,00%	5,00%	3
The Package Holiday	0,00%	0,00%	0,00%	
The Weekend Break	0,00%	7,14%	5,00%	3

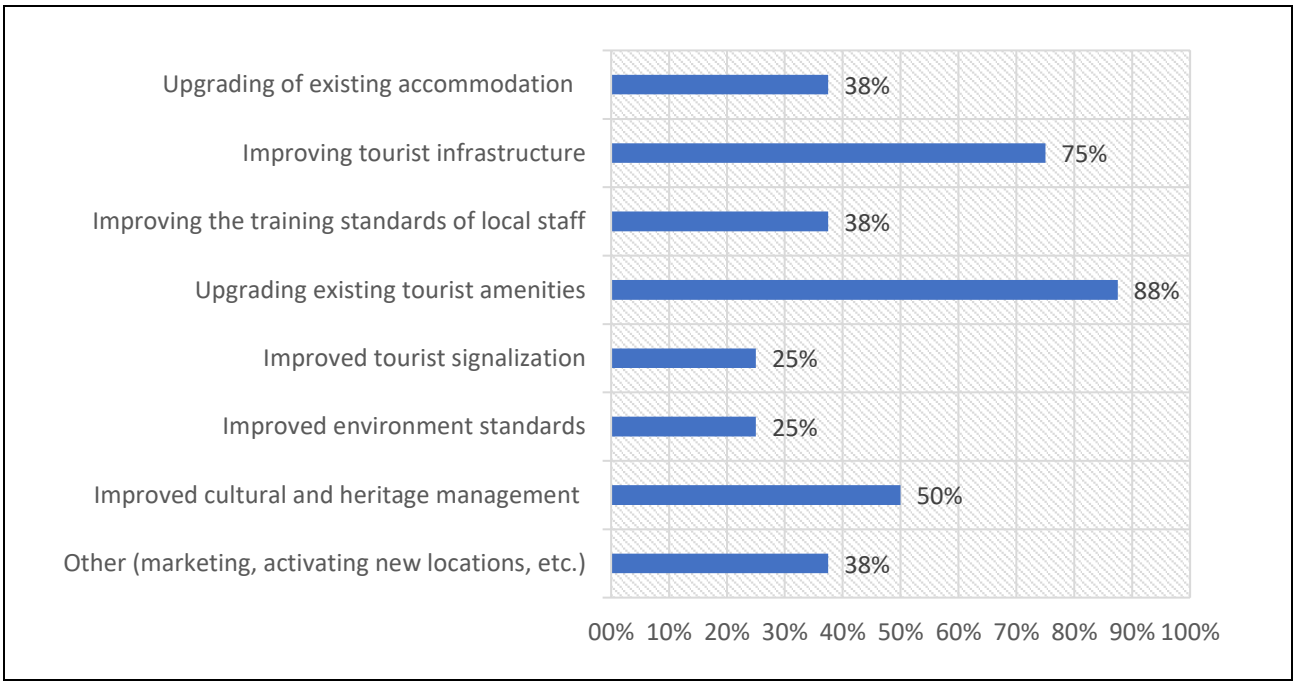
Regarding the proposals for the improvement of tourism in the local community, 23.33% of travel organizers stated that the upgrade of the existing tourist content was the most important activity, 20% stated that improving the tourist infrastructure is the second most important activity, while 13.33% said that improving the cultural heritage management was important for improving the tourism in their communities. It is interesting that for the travel organizers from Elin Pelin, the improvement of tourist infrastructure stands out as the most important activity (40%), while they equally valued upgrading the existing accommodation, improving the standard of local staff training, and upgrading the existing tourist facilities (20%). For travel organizers from Leskovac, the most important activity is upgrading the existing tourist facilities (24%), followed by improving the tourist infrastructure and culture and heritage management (16%). Marketing and the activation of new locations accounts for 12%, while 8% considers that upgrading the existing accommodation, improving the standard of local staff training, improving tourist signage, and improving the standards of environmental protection are equally important.

Table 28 Proposed activities to improve tourism (%)

Activity	Elin Pelin	Leskovac	Average	Rank
Upgrading of existing accommodation	20,00%	8,00%	10,00%	4
improving tourist infrastructure	40,00%	16,00%	20,00%	2
Improving the training standards of local staff	20,00%	8,00%	10,00%	4
Upgrading existing tourist amenities	20,00%	24,00%	23,33%	1
Improved tourist signalization	0,00%	8,00%	6,67%	5
Improved environment standards	0,00%	8,00%	6,67%	5
Improved cultural and heritage management	0,00%	16,00%	13,33%	3
Other (marketing, activating new locations, etc.)	0,00%	12,00%	10,00%	4

The travel organizers' recommendation for priority actions relates mostly to improving tourist signage (88%), then improving the cultural heritage management (75%), and then improving transportation and road conditions. Then with the same priority (38%) are upgrading the existing accommodation, improving the standards of environment, and marketing, that is, activation of new locations. And finally, 25% of the respondents believe that actions aimed at improving the local staff training standards and upgrading the existing tourist facilities are priority actions.

Graph 14 Priority actions (recommendations of travel organizers)



4.1.2. Transportation

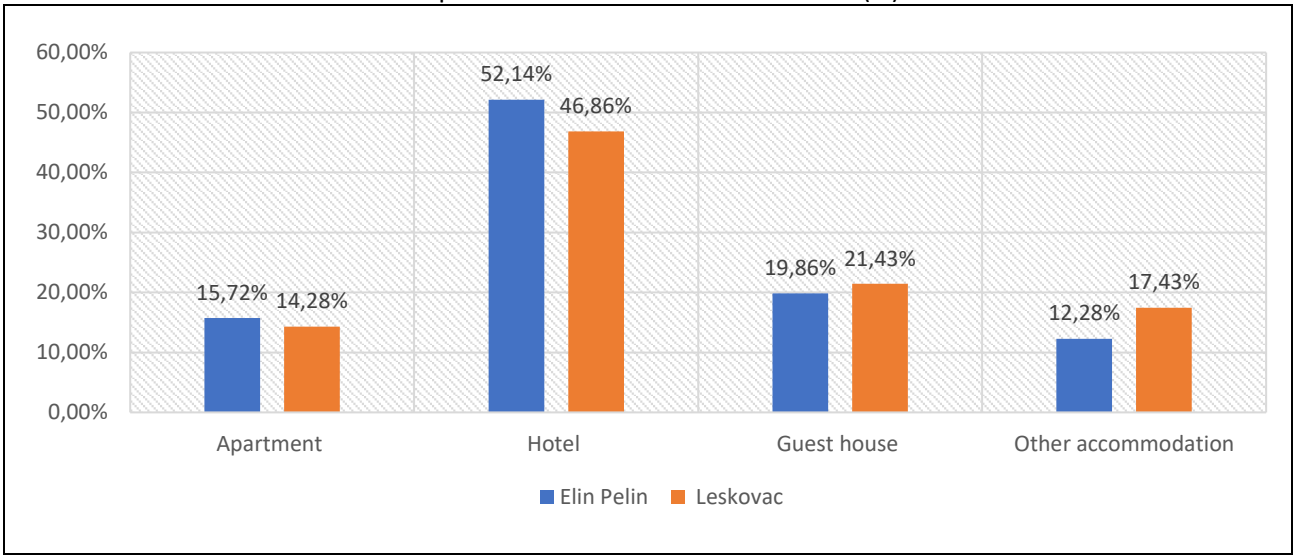
Transport is a critical resource for the tourism sector, which is both a user and a contributor to its development. Transportation in its modest meaning is to carry passengers from one place to another. At the point, when transportation is considered from tourism outline, it just alludes to carrying tourists from their place of living to the spot where the touristic products are presented to them. The travel and tourism experience of tourists and the ideas regarding tourism products begin and end with transportation. The advancement of transportation (vehicles), infrastructure and using new technologies and machineries in this sector speed up the improvement and development of tourism sector. The rapid advancement of transportation segment and application of technological innovations enable the tourists to reach numerous destinations of the world. Whether transportation assumes a vital part in advancing the travel experience of a tourist depends on the mode of transportation and the frequency of usage. The effective and powerful factors in selecting the mode of transportation in tourism are time limit, distance, status, comfort, security, benefit, price, and geographical position. Accessibility is the main function behind the basics of tourism transport. In order to access the areas that are mainly aimed, tourists will use any transportation mode. Tourism and transportation can be divided in two categories. Independent means of travel controlled by individual tourists and travel where tourists travel in groups. Car traveling is the dominant mode in world tourism (80% of all journeys), notably because of advantages such as flexibility, price, and independence. Local and international visitors can reach to Elin Pelin and Leskovac destinations either by car, bus or by train. The road infrastructure is well-maintained and accessible. Sofia Airport is 20 km from Elin Pelin. Nis Airport is 47 km away from Leskovac. The frequency of flights and the number of destinations to major airports and transit hubs is sufficient, whereas the ticket prices are competitive to other countries in the region. Regarding Leskovac and Elin Pelin, both destinations are exceptionally accessible and affordable. The immediate vicinity of the airports, highways, and railways offers the potential visitors an opportunity to choose. The frequency of departures from bus stations in both Elin Pelin and Leskovac indicates that the availability of both destinations is at an extremely high level. On the topic of transport, it should be noted that Elin Pelin is home to one of the largest transports and logistics companies in Europe, Gebruder Weis, which deals with the transport of all types of goods by land, sea, or air around the world. Although not causally related to tourist transportation, this and many other international companies that have their production and storage capacities positioned in Elin Pelin, attract a large number of business visitors annually. The effects of Elin Pelin's highly developed business life is also reflected in tourism and tourist transportation. The Elin Pelin's excellent location near the highway results in transportation by car or bus being a dominant mode of transportation. Leskovac has also attracted an increasing number of investors in the last few years, and is also located on the highway, so in the case of this city as well, a large number of visitors uses a car as a means of transportation. As for the organization of internal transport, there is a very noticeable difference between Leskovac and Elin Pelin. The distinct difference is in the number of organizations that deal with taxi transport. While there is only one taxi company, with one taxi vehicle, in Elin Pelin, taxi transport in Leskovac is very developed, which is shown by the number of registered business entities for providing taxi transport. In Leskovac, there are 52 business entities registered for providing taxi transport[39]. Also, Leskovac has a developed public transport system consisting of buses or vans, while the visitors to Elin Pelin do not have such a possibility. When we talk about transportation, it is necessary to point out that the access roads in both Leskovac and Elin Pelin are in good condition and are adequately maintained in all weather conditions. In Leskovac, the roads are maintained by the Public Company Urbanism and Construction, which hires local subcontractors in public tenders for road maintenance. As for Elin Pelin, The Road Infrastructure Agency is responsible for maintenance of roads of national importance, while the local government takes care of the local roads' maintenance.

[39] Source: Business Register Bisnode Serbia (February 2021)

4.1.3. Accommodation

Accommodation services refer to providing accommodation services for a shorter period of time to the visitors and other passengers, as well as preparing meals and drinks for immediate consumption. The scope and type of additional services can greatly vary. Accommodation providers are hotels, motels, boarding houses, etc. Accommodation varies depending on the type of the tourist destination or tourist attraction. There are primary and additional accommodation service providers. Hotels rated by stars, business hotels, resorts and international hotels are common accommodation services operators which also provide catering services. The accommodation industry is facing intense global competition, hotels are expected to offer not only accommodation and catering services but also a certain level of customer satisfaction through a wide range of standardized services. However, this is becoming a challenge for many hotel organizations because the hotel industry is dramatically dynamic, competitive, the customer sophistication has increased, as it was influenced by rapid technological progress. Quality of service is the integration of facilities and human resources to provide a service of excellent quality in order to meet the expectations of sophisticated customers. Additional accommodation providers are hostels, boarding houses, guest houses, etc. A total of 35 business entities provides accommodation services in Leskovac and Elin Pelin. Out of that numbers, 23 are hotels and similar accommodation (17 from Leskovac and 6 from Elin Pelin), 10 business entities are registered as resorts and similar facilities for shorter stay, 5 in Leskovac and 5 in Elin Pelin. In the other accommodation category, 2 business entities are registered, one in Leskovac and one in Elin Pelin. Among the service providers in this field, a total of 21 subjects participated in this research, 14 from Leskovac and 7 from Elin Pelin. The structure of accommodation in Leskovac and Elin Pelin is presented below.

Graph 15 Structure of accommodation (%)



There are more than 30 different hotel classification systems in the world. Every country has its own national standards. The most common classification system is the “star” system, which includes five hotel categories. This classification was developed in 1989 by the World Tourism Organization. It determines the requirements for hotels of one category or the other. Out of the total number of respondents from Leskovac and Elin Pelin, 28.57% has 4 stars. The same percentage of respondents is not categorized, while 23.81% have 3 stars, and 19.05% have 2 stars.

Table 29 Categorization of facilities (%)

Category	Elin Pelin	Leskovac	Average	Rank
2 stars	28,57%	14,29%	19,05%	4
3 stars	42,86%	14,29%	23,81%	3
4 stars	14,29%	35,71%	28,57%	1
Unrated	14,29%	35,71%	28,57%	2

When it comes to accommodation services, the expectations of modern tourists are constantly increasing. For this reason, many accommodations providers resort to the standardization of accommodation facilities. Standardization is a process that is carried out with the aim of introducing the future users to the type and quality of service. Regarding standardization, 35% of the total number of respondents have the quality standards of their services. Human resources are regarded as the most important factor in the growth and development of any business entity, and it can be said that in the tourism sector, the role and significance of the human factor is especially prominent. Along with the modern technical progress in society and the technological revolution, the direct human work in all service providing jobs, has not only retained its importance but its importance continues to grow. The average number of employees in these facilities during the year is up to 5 employees, as during the season there is an average of 6 employees and out of season an average of 4 employees per business entity surveyed. Out of the total number of respondents, 90.48% said that their employees speak foreign languages (100% of respondents from Leskovac and 71.43% from Elin Pelin). More specifically, English is spoken by 48.72%, then there are Bulgarian, Serbian and Spanish with 23.08%, in the third place is German with an average of 15.38%, while Russian is spoken by 7.69% of employees. It is interesting that French is spoken neither by the employees in Leskovac nor in Elin Pelin.

Table 30 Structure of accommodation capacities (%)

Number of rooms	Elin Pelin	Leskovac	Average
One bed	23,26%	13,99%	18,62%
Two beds	58,14%	30,77%	44,45%
Three beds	6,98%	24,83%	15,90%
Four beds or more	0,00%	13,99%	6,99%
Apartments	9,30%	13,29%	11,29%
Rooms for people disabilities	2,33%	3,15%	2,74%

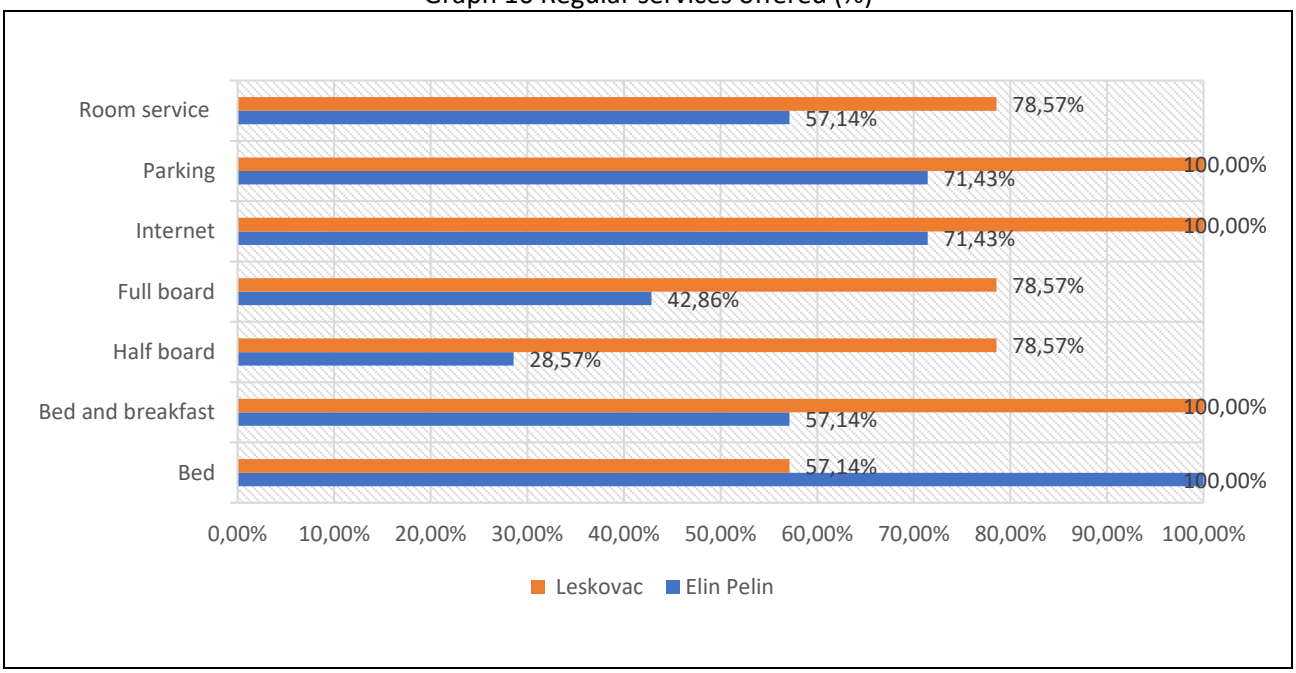
Tourist destinations Elin Pelin and Leskovac are characterized by the following structure of accommodation capacity. 18.62% are single rooms, 44.45% are double rooms, 15.90% are triple rooms, accommodation with four or more beds amounts to 6.99% of accommodation capacity, while suites occupy 11.29% of the total accommodation capacity. Viewed as a whole, it is indicative that only 2.74% of accommodation facilities are rooms suitable for people with disabilities. For providing the tourist services in the hotel, it is necessary to ensure a minimum set of the following basic services, which ensure that the basic hotel services are provided: room management, administrative service, catering service, commercial and technical services. There are also mandatory and free services provided by the accommodation providers. In regard to these, the respondents in this survey stated that on average, 15.93% of respondents provide the service of bed and breakfast, 11.50% provide half-board services, and 12.39% provide full-board services. Free internet service is provided by 16.81%, parking service by 16.81%, and room service by 13.27% of accommodation providers. The structure and representation of regular services is shown below.

Table 31 Structure of service (%)

Type of services	Elin Pelin	Leskovac	Average	Rank
Bed	23,33%	9,64%	13,27%	4
Bed and breakfast	13,33%	16,87%	15,93%	2
Half board	6,67%	13,25%	11,50%	3
Full board	10,00%	13,25%	12,39%	3
Internet	16,67%	16,87%	16,81%	1
Parking	16,67%	16,87%	16,81%	1
Room service	13,33%	13,25%	13,27%	3

The combination of free and billed services can be very tempting for the users, i.e. tourists. The list and the quality of the provided services must be in accordance with the requirements of the category assigned to the hotel.

Graph 16 Regular services offered (%)



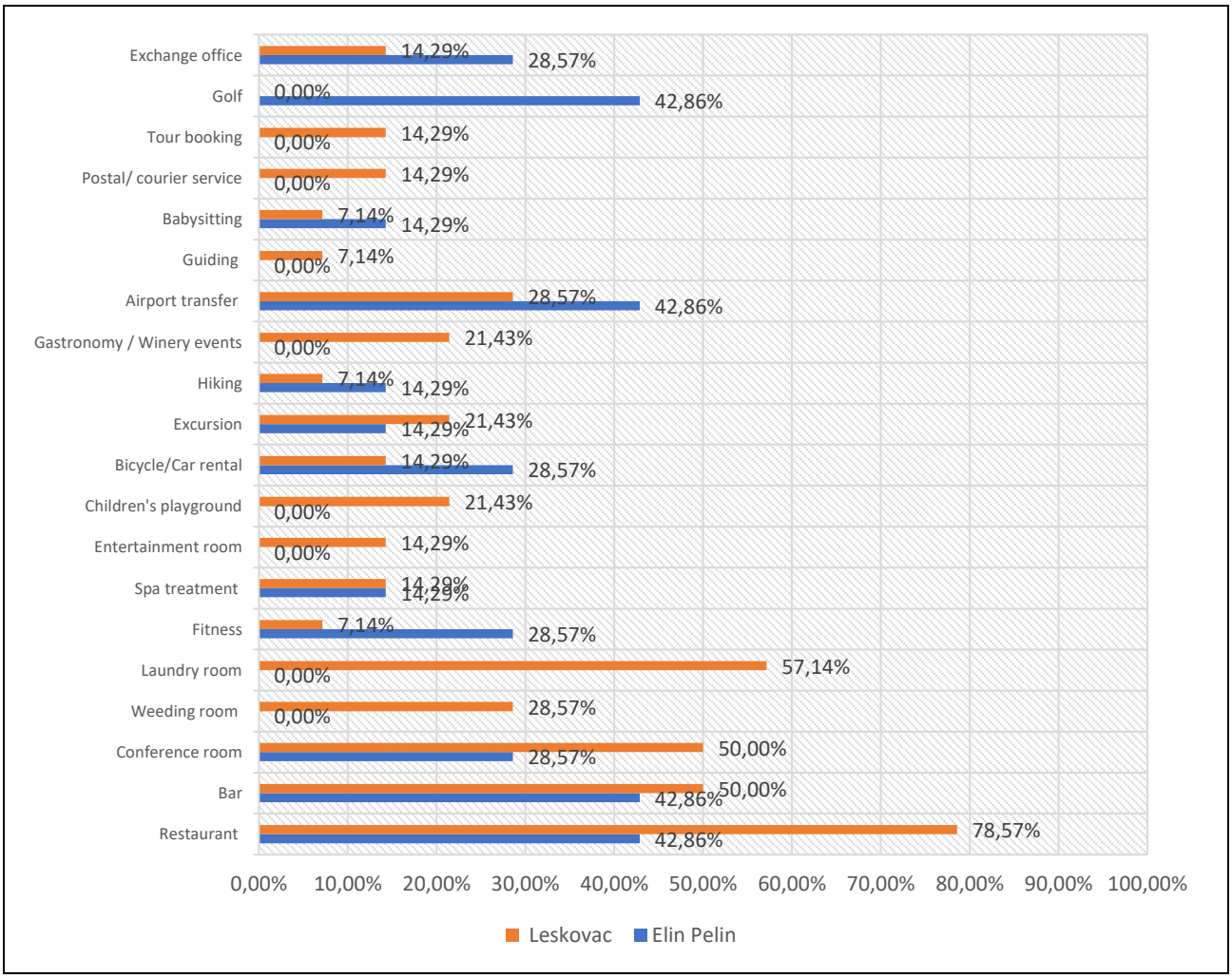
Additional services have a very wide range and occupy up to 50% of the total revenue of developed hotels. It is a whole range of different additional services that are charged for. Additional services are an integral part of the offer. From the range of these services, it can be concluded what type of hotel it is. When providing services, what is important is not only their quantity but also their quality. The most common additional services: excursion services, guide-translator services, organization of ticket sales for all types of transport, organization of ticket sales for theatres, concerts, etc., ordering vehicles at guests' request, taxi call, car rental, reservation of seats in city restaurants, shopping and delivery of flowers, sale of souvenirs, postcards and other products, shoe repair, repair and ironing, laundry and dry cleaning services, sauna services, hairdressing services, bars and restaurants, conference hall rental, meeting rooms, business centre services, etc.

Table 32 Structure of additional services (%)

Type of services	Elin Pelin	Leskovac	Average	Rank
Restaurant	12,50%	16,67%	15,56%	1
Bar	12,50%	10,61%	11,11%	2
Conference room	8,33%	10,61%	10,00%	3
Weeding room	0,00%	6,06%	4,44%	6
Laundry room	0,00%	12,12%	8,89%	4
Fitness	8,33%	1,52%	3,33%	17
Spa treatment	4,17%	3,03%	3,33%	11
Entertainment room	0,00%	3,03%	2,22%	12
Children's playground	0,00%	4,55%	3,33%	7
Bicycle/Car rental	8,33%	3,03%	4,44%	13
Excursion	4,17%	4,55%	4,44%	8
Hiking	4,17%	1,52%	2,22%	18
Gastronomy / Winery events	0,00%	4,55%	3,33%	9
Airport transfer	12,50%	6,06%	7,78%	5
Guiding	0,00%	1,52%	1,11%	19
Babysitting	4,17%	1,52%	2,22%	20
Postal/ courier service	0,00%	3,03%	2,22%	14
Tour booking	0,00%	3,03%	2,22%	15
Golf	12,50%	0,00%	3,33%	16
Exchange office	8,33%	3,03%	4,44%	10

The research has shown that accommodation providers offer the following additional services: Restaurant (66.67%), Bar (47.62%); Conference room (42.86%); Laundry (38.10%); Transfer from the airport (33.33%); Wedding Hall, Bike/Car Rental, Excursion, Currency Exchange (19.05%); Fitness, Spa treatment, Children's playground, Gastronomic/Wine promotions, Golf (14.29%); Hall for entertainment, Hiking, Babysitting, Postal/courier service, Travel reservation (9.52%); Guide services (4.76%). The structure is dominated by restaurant services (15.56%) and bar services (11.11%). All other services are below 10%. Golf services are specific to Elin Pelin, given that the golf course and the famous golf club are there, and these services are offered by 12.50% of accommodation providers from Elin Pelin.

Graph 17 Additional services offered (%)



Accommodation service providers have shown great interest in improving their services, first and foremost by introducing new additional services in the incoming period of time. In these additions, many respondents see an opportunity for improving their position on the market and making higher profits. Also, the service users' needs indicate that there is a demand for additional services. As far as the structure of planned additional services is concerned, the introduction of spa treatments is in the first place, since as many as 11.76% of the total number of respondents stated that they plan to make an investment in order to enable this additional service. In the second place is the bicycle/car rental service, which 9.80% of the total number of respondents intend to introduce. As for the other types of services they plan to introduce, the respondents stated as follows: Restaurant services 7.84%, bar services 1.96%, conference room services 3.92%, laundry services 3.92%, fitness services 7.84%, and entertainment hall security services 3.92%. 7.84% of respondents plan to build a playground for children. 3.29% plan to introduce excursion services.

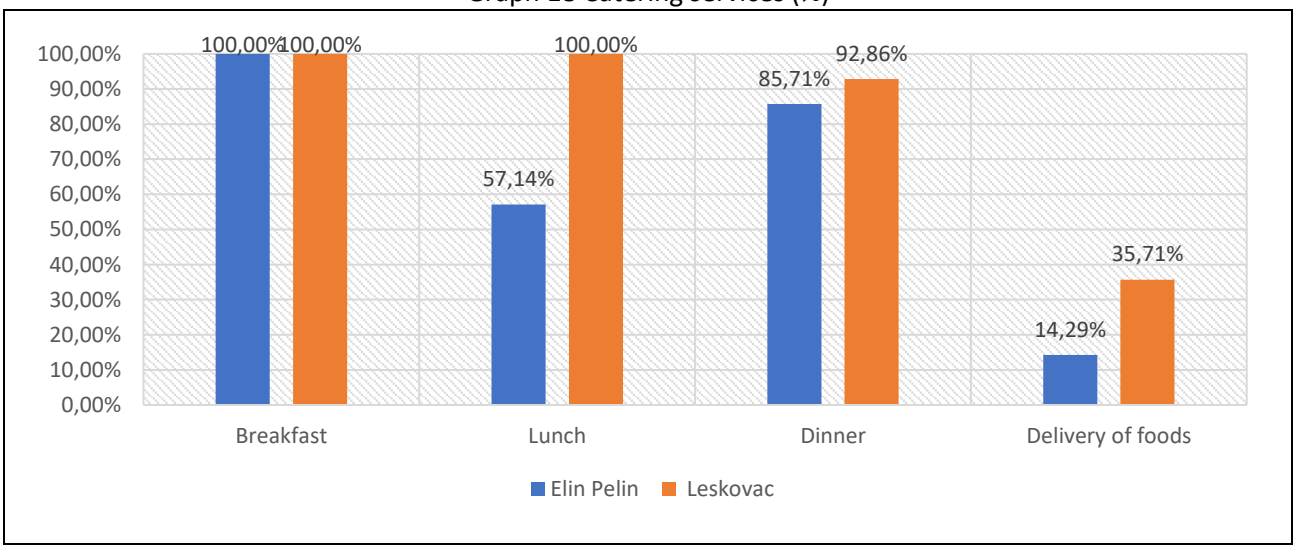
As an additional service, 1.96% of respondents plan to introduce gastronomic/wine promotions, 5.88% plan to introduce organized transport from the airport, 5.88% guide services. Also, as an additional service, 7.84% of respondents plan to introduce childcare services. 1.96% of respondents plan to introduce postal/courier services, while 1.96% plan to introduce the service of travel reservations. Currency exchange services are to be introduced by 7.84% of respondents, and organized fishing trips only 1.96% of respondents. It is especially interesting that the respondents from Leskovac plan to introduce the golf service.

Table 33 Structure of planned additional services (%)

Type of services	Elin Pelin	Leskovac	Average	Rank
Restaurant	0,00%	11,43%	7,84%	3
Bar	6,25%	0,00%	1,96%	6
Conference room	0,00%	5,71%	3,92%	5
Weeding room	0,00%	5,71%	3,92%	5
Laundry room	0,00%	11,43%	7,84%	3
Fitness	12,50%	11,43%	11,76%	1
Spa treatment	6,25%	2,86%	3,92%	5
Entertainment room	6,25%	8,57%	7,84%	3
Children's playground	18,75%	5,71%	9,80%	2
Bicycle/Car rental	6,25%	2,86%	3,92%	5
Excursion	6,25%	0,00%	1,96%	6
Hiking	12,50%	2,86%	5,88%	4
Gastronomy / Winery events	12,50%	2,86%	5,88%	4
Airport transfer	6,25%	8,57%	7,84%	3
Guiding	6,25%	0,00%	1,96%	6
Babysitting	0,00%	2,86%	1,96%	6
Postal/ courier service	0,00%	2,86%	1,96%	6
Tour booking	0,00%	11,43%	7,84%	3
Golf	0,00%	2,86%	1,96%	6

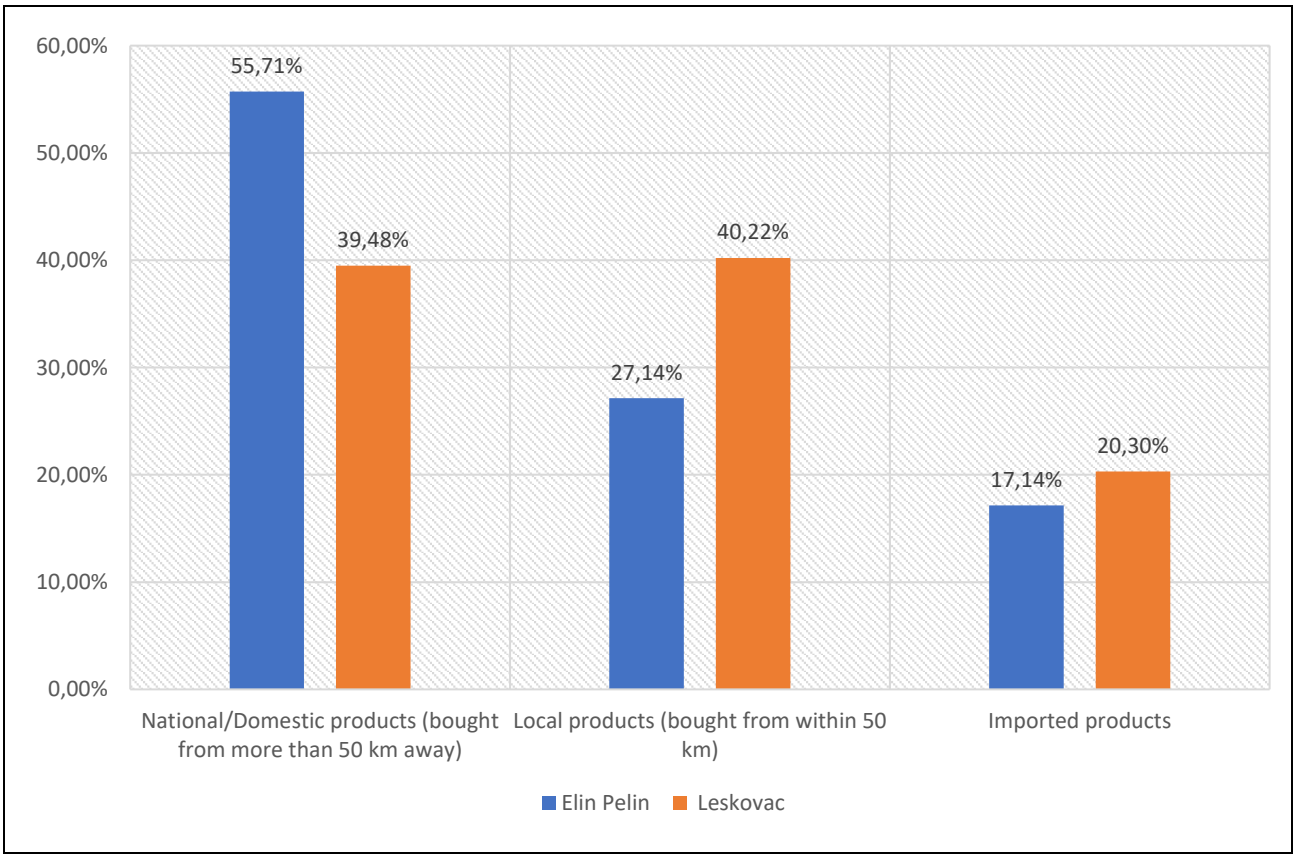
Of the catering services, 32.81% of respondents offer breakfast service, 28.13% lunch service, 29.69% of respondents offer dinner service, while food is delivered by 9.38% of respondents. 75% of respondents have a menu or a wine card. Regarding the language in which the food service is offered, i.e., the languages in which the menu or wine card is presented, 50% of the respondents have menus in English, 3.33% in German, 33.33% in Serbian, and 13.33% of respondents have menus in Bulgarian.

Graph 18 Catering services (%)



Tourism is an industry that affects many other sectors, such as transport, construction, banking, agriculture, service activities, rental of various equipment, as well as many other sectors involved in the creation of a comprehensive tourism product. The importance of tourism for economic growth and development at the global level is visible in the launch of many new pilot projects which aim to stimulate demand for domestic products. Respondents from the hotel industry (47.62%) use national products, produced at a distance of more than 50km from Elin Pelin/Leskovac. In the case of Elin Pelin, as many as 55.71% of respondents buy national products produced at a distance of more than 50km, while 39.48% of respondents from Leskovac have such a practice. As for the products that are produced and bought in an area of up to 50km, 30.68% of respondents buy those products. Here the relationship is somewhat different, namely 40.22% of respondents buy domestic products from their immediate environment in Leskovac, while 27.14% of respondents from Elin Pelin opt for this type of supply. After talking to business entities in Elin Pelin, it became clear that the reason for that lies in the extremely poor supply of domestic products in Elin Pelin. The local manufacturers in Elin Pelin that are active are a honey producer, a dairy producer, and a couple of vegetable producers. The emergence of large retail chains and import of cheap subsidized products from abroad results in the fact that domestic products, although of better quality, are much more expensive, so the market regulates and affects purchasing and demand negatively for local producers, unfortunately. As far as imported goods are concerned, the respondents stated that in their offer, these products occupy 18.72%. Among the respondents from Leskovac, 20.30% of the products they use are imported, while 17.14% of products in respondents from Elin Pelin is imported.

Graph 19 Origin of products (%)



In terms of consumption of basic groceries, it was clearly distinguished that the largest percentage of domestic products such as bread and pastries, home canning products, and even alcoholic beverages is procured locally (next chart). The products that they prepare independently are home canning products, 13.33%, followed by bread and pastries, sausages, and ljutenica (12.00%). Ajvar is prepared by 10.67% of respondents. When we look at Leskovac only, ajvar is prepared by 50% of respondents from the sector of accommodation and catering.

9.52% of the total number of respondents stated that they have difficulties in procuring local products, but it is necessary to differentiate this average because there is quite a big difference in the statements of the respondents from Elin Pelin and Leskovac on this issue. Namely, 28.57% of respondents from Elin Pelin have stated that there are difficulties in procuring local products, while the respondents from Leskovac do not have any difficulties at all in procuring local products. This information is understandable if we keep in mind the level of development of agricultural production and the processing industry in Leskovac. However, when it comes to obstacles in the procurement of local products, the respondents stated that they are most bothered by fluctuations in terms of quality, namely 38.10%, 33.33% of the total respondents singled out small quantities as a problem, and 19.05% listed non-compliance with the previous agreements. Only 9.52% cited high prices as a reason or an obstacle to the procurement of local products. It is especially interesting to note that 52.94% of respondents have a contract of production with local suppliers (70.00% from Leskovac and 28.57 from Elin Pelin).

Graph 20 Local products in offer (%)

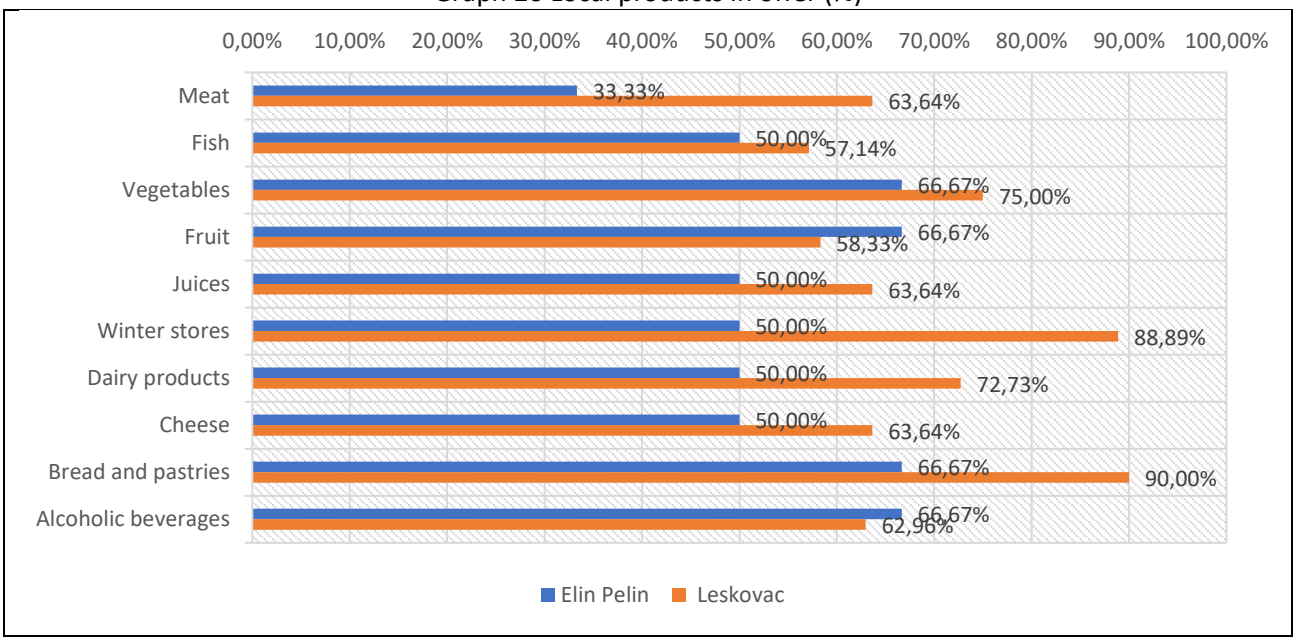


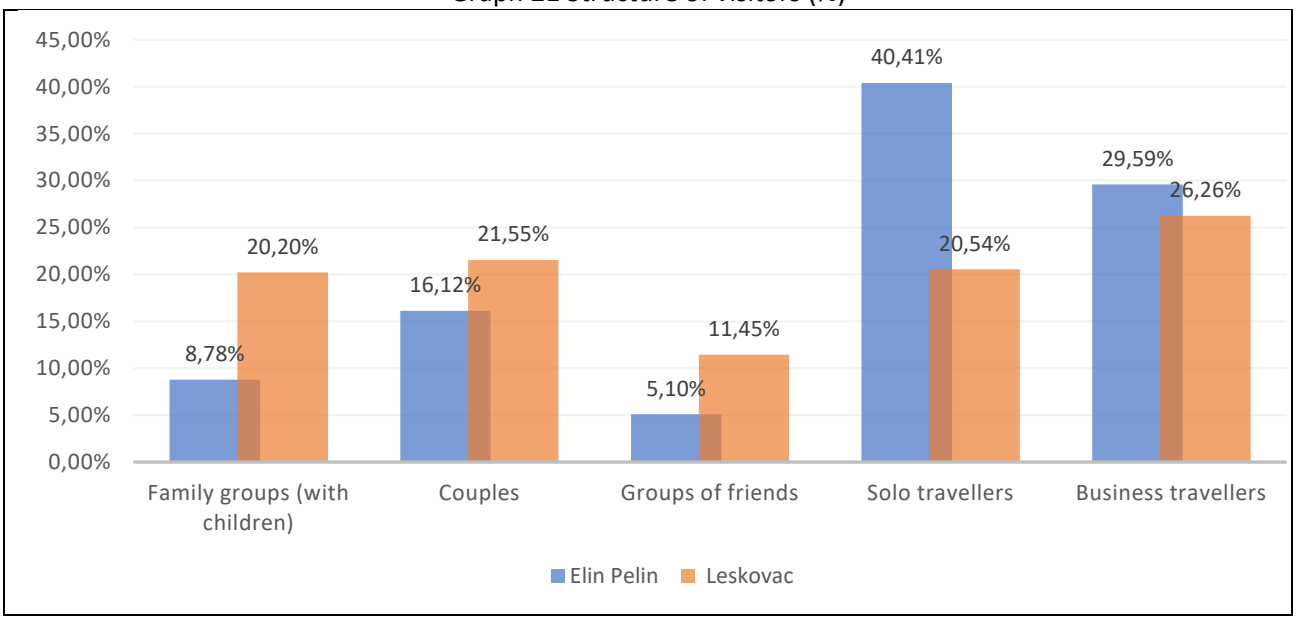
Table 34 Structure of home maid products in the offer (%)

Type of products	Elin Pelin	Leskovac	Average	Rank
Ajvar	4,17%	13,73%	10,67%	3
Lutenitsa	12,50%	11,76%	12,00%	2
Soup	12,50%	7,84%	9,33%	4
Sausages	12,50%	11,76%	12,00%	2
Winter stores	12,50%	13,73%	13,33%	1
Grill	8,33%	9,80%	9,33%	4
Cheese	4,17%	5,88%	5,33%	6
Delicatessen	12,50%	3,92%	6,67%	5
Sweets	12,50%	7,84%	9,33%	4
Bread and pastries	8,33%	13,73%	12,00%	2

According to experts dealing with tourism, understanding the needs of guests is extremely important for all participants in the value chain in tourism. Understanding the motives and needs is a key issue, if we want tourism to be sustainable and strategically oriented. However, in the end, it all comes down to whether the guest was satisfied with the destination and the service or not. If so, he/she will return and be our ambassador, if not, we will have to invest three times more energy and money in an attempt to win him/her back.

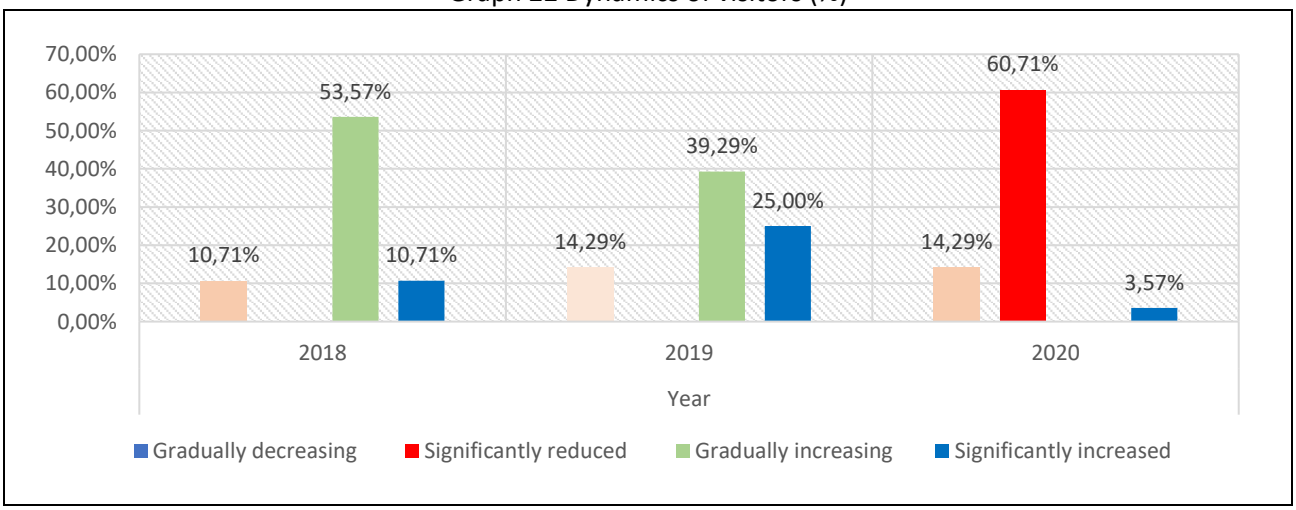
However, regardless of the digital transformation, the influence of various booking portals, social networks, digital tips and recommendations (which are unfortunately falsely collected and bought, which led to a decline in their credibility), today we have a lot of problems in communication between guests and service providers. There is too much information, so again the recommendation from tourist users on the spot comes to the fore. To know how to create guest experiences, you first need to learn how and why recognizing their wishes and needs is so important. The number of visitors who visited Elin Pelin and Leskovac for business reasons is equal. On the other hand, when we talk about individuals, there is an uneven percentage of visitors. In Elin Pelin, that percentage is almost twice as high as the number of individuals who visited Leskovac. Approximately the same number of couples visit Leskovac and Elin Pelin, but there is also a big difference in the percentage of families who visit Leskovac and Elin Pelin. This time, the number of families visiting Leskovac is more than twice as high as the number of families visiting Elin Pelin. The structure of the visitors is shown in the following chart.

Graph 21 Structure of visitors (%)



In the structure or relationship between domestic and foreign clients, i.e., guests, the ratio of 50% to 50% of domestic and foreign guests is found in 36.36% of respondents. The same percentage of respondents has a ratio of 75% of domestic visitors and 25% of foreign visitors. It is also important that 70.00% of respondents monitor and conduct guest satisfaction research. The dynamics of visitors in the period from 2018 to 2020 is shown in the following chart.

Graph 22 Dynamics of visitors (%)



As for the analysis of the average length of a guest's stay, the largest number of guests, 66.70%, stay from 2 to 4 nights, the identical percentage of guests 14.30%, spend one and 5 to 7 nights in Leskovac and Elin Pelin. The smallest percentage, only 4.80% of guests stay longer, has 8 nights. If we look at the places individually, these percentages are quite balanced, except in the case of guests staying from 5 to 7 nights. In addition to the length of guests' stay, an important indicator of the development of the tourist offer is the occupancy of accommodation capacities by years. In 2018, that percentage was 42.68% of the total number of respondents, the following year was significantly better, and the occupancy rate was 51.07% of accommodation capacity, to be followed by a significant decline in 2020, due to the consequences of the COVID-19 pandemic. If we observe the seasonality of the stay of guests in Leskovac and Elin Pelin, then we can conclude that there are periods with more and less visitors. The seasonal occupancy of accommodation capacities in Leskovac and Elin Pelin is shown in the chart below.

Table 35 Average length of stay (%)

Length of stay	Elin Pelin	Leskovac	Average	Rank
1 night	14,29%	14,3%	14,3%	2
2-4 nights	57,14%	71,4%	66,7%	1
5-7 nights	28,57%	7,1%	14,3%	2
Over 8 nights	0,00%	7,1%	4,8%	3

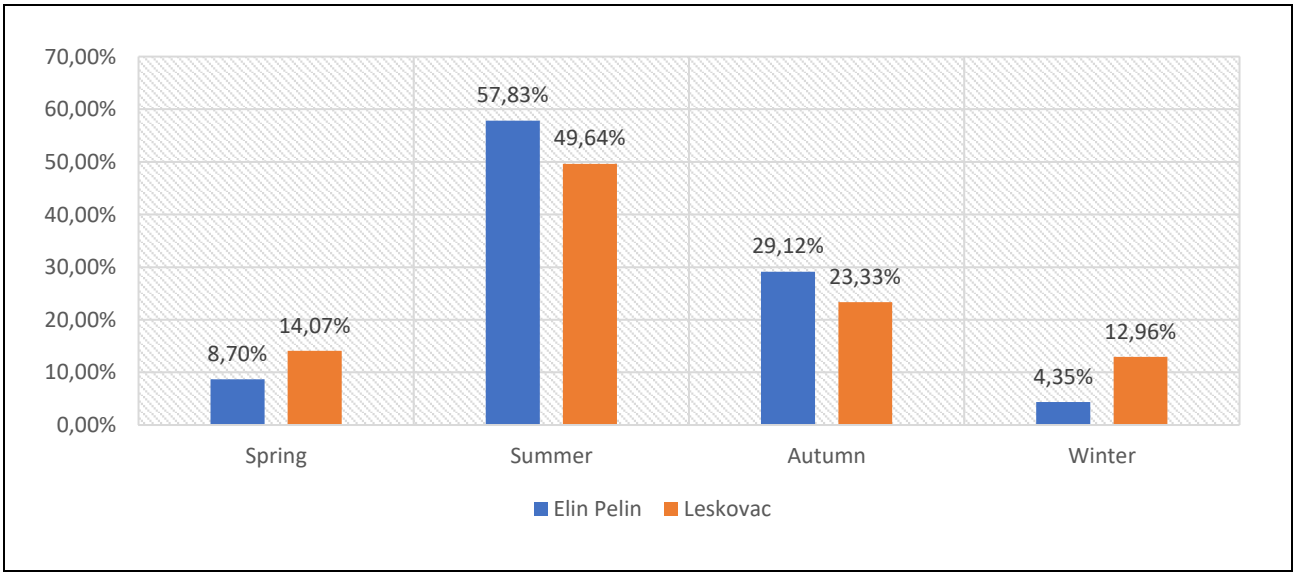
Table 36 Occupancy rate per year (%)

Year	Elin Pelin	Leskovac	Average
2018	40,00%	45,36%	42,68%
2019	50,71%	51,43%	51,07%
2020	30,71%	25,36%	28,04%
Average	**40,48%**	**40,71%**	**40,60%**

Table 37 Occupancy rate at different times of the year (%)

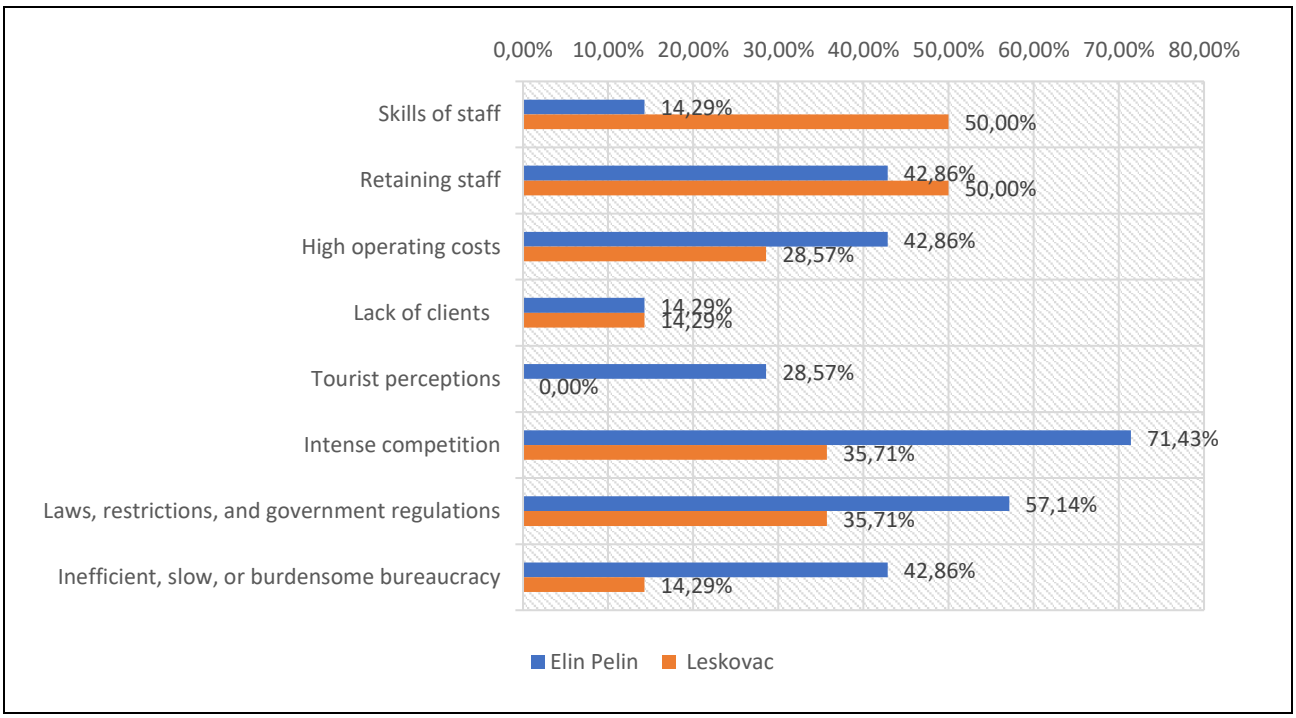
Destination	Spring	Summer	Autumn	Winter
Elin Pelin	8,70%	57,83%	29,12%	4,35%
Leskovac	14,07%	49,64%	23,33%	12,96%

Graph 23 Seasonal occupancy of accommodation capacities (%)



Business problems in the guest accommodation sector can be viewed from several aspects. Some of the general problems refer to the lack of clearly defined tourist products, tourist brand and recognizable tourist product, the respondents mentioned insufficiently developed tourist infrastructure, lack of urban planning documents and project-technical documentation and other problems. Regarding business challenges, respondents assessed the impact of business challenges, ie the problems they face in their business, as follows. Of the total number of respondents, 38.10% consider staff skills as an obstacle, 47.62% have problems with staff retention, 33.33% consider high operating costs. 14.29% of respondents perceive the lack of clients as a problem, 47.62% of respondents point out the increased impact of competition as a problem, 42.86% point out laws, restrictions, and government regulations, while 9.52% of respondents cite the perception of tourists as a problem and 23.81 as inefficient, slow or burdensome bureaucracy. % of respondents. The individually presented answers of the respondents from Leskovac and Elin Pelin can be seen in the chart below.

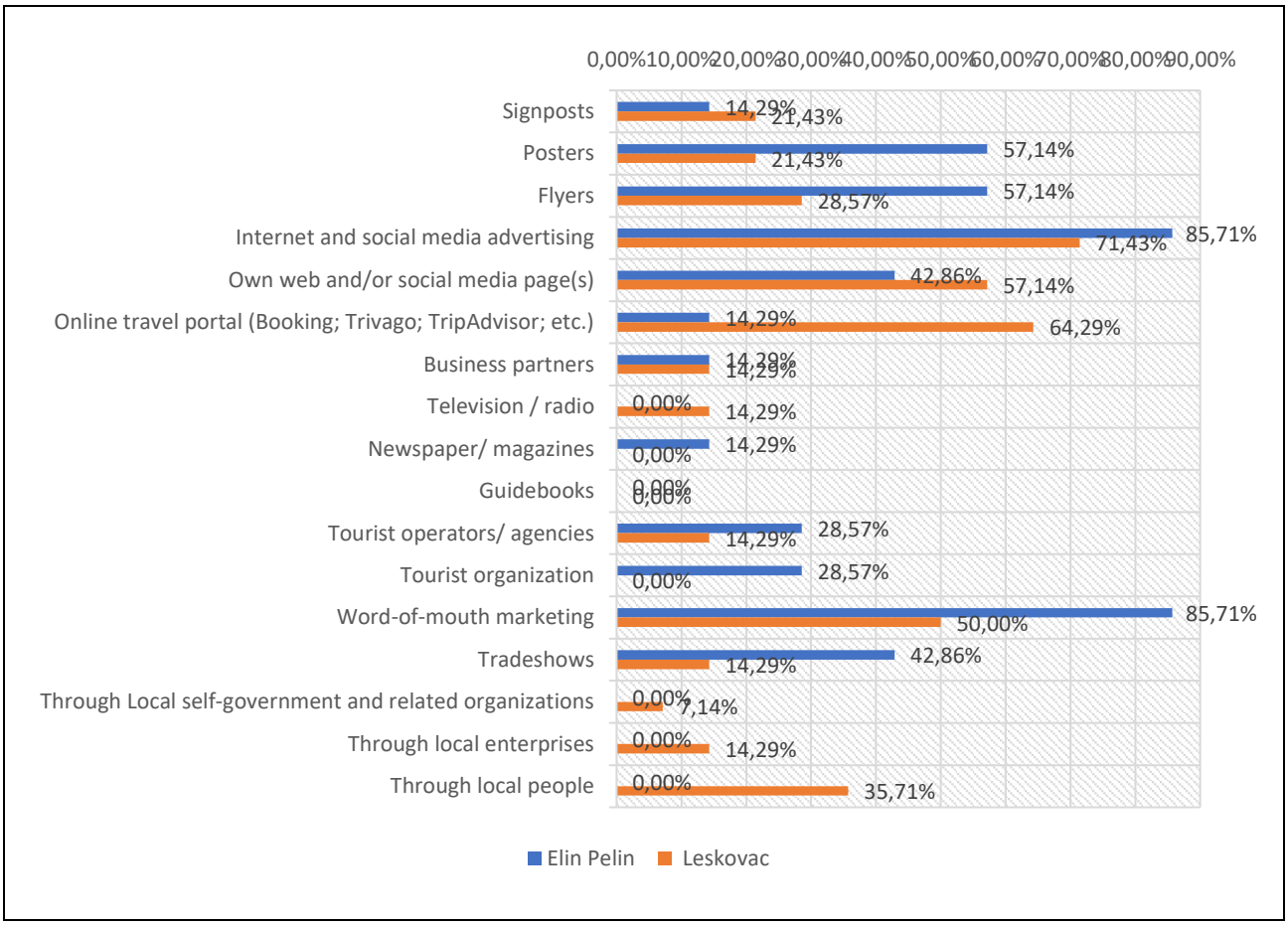
Graph 24 Main business challenges (%)



Business entities that provide accommodation services are important factors in the local tourist offer. Their interaction with other direct and indirect actors in tourism is important, and cooperation and coordination are particularly important, especially when it comes to local events, i.e., organizing events that promote local customs, culture and some other segments of the tourist offer. In that sense, it is important to point out that out of the total number of respondents, 46.67% stated that they take part and are involved in the organization of local festivals and events. All respondents from Elin Pelin who stated that they participate in the preparation and organization of events actually participate in the preparation of the Shopski Festival event. While the respondents from Leskovac who participate in the organization of events, equally participate in the organization of the Barbecue and Carnival - 26.67%, and slightly less, 20.00% are involved in the organization of music and theatre festivals. If we talk about the pricing policy, then it should be said that out of the total number of respondents, 61.90% stated that they do not change the pricing policy during the year, while 38.10% do so. 20% of respondents reduce prices during the season, and 15% increase during the season. The largest percentage of respondents, 33.33%, believe that there is a lot of potential, but that it has not been used yet. The basic role of promotion as an instrument of marketing in tourism is manifested in providing an appropriate level of demand based on creating a positive attitude towards products and services. In essence, it is a process of mass communication between producers and consumers, where the subject of communication is the exchange of information that can encourage the sale of tourist products and services.

Deciding on the purchase of a tourist product is a long process in which promotion has a special share. 80% of respondents are actively involved in the promotion of their business. A graphical representation of the responses of the research participants can be seen in the graph below.

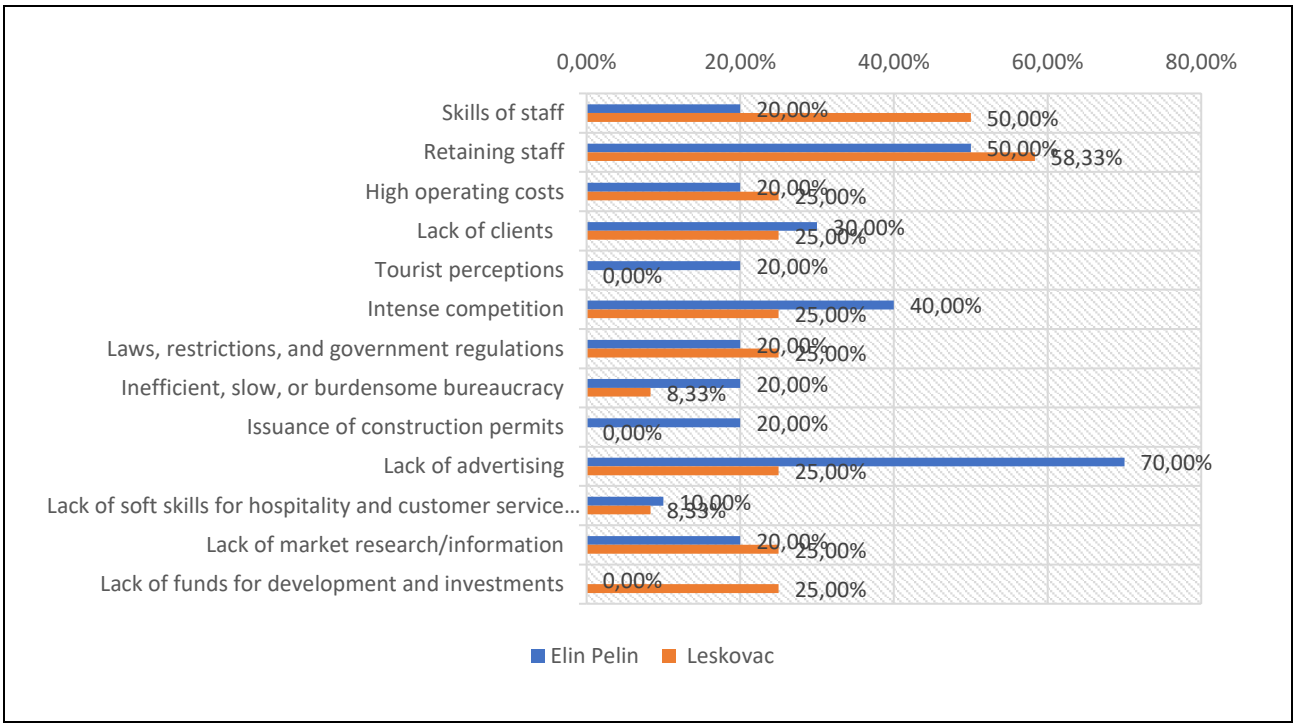
Graph 25 Promotion tools and channels (%)



4.1.4. Food services

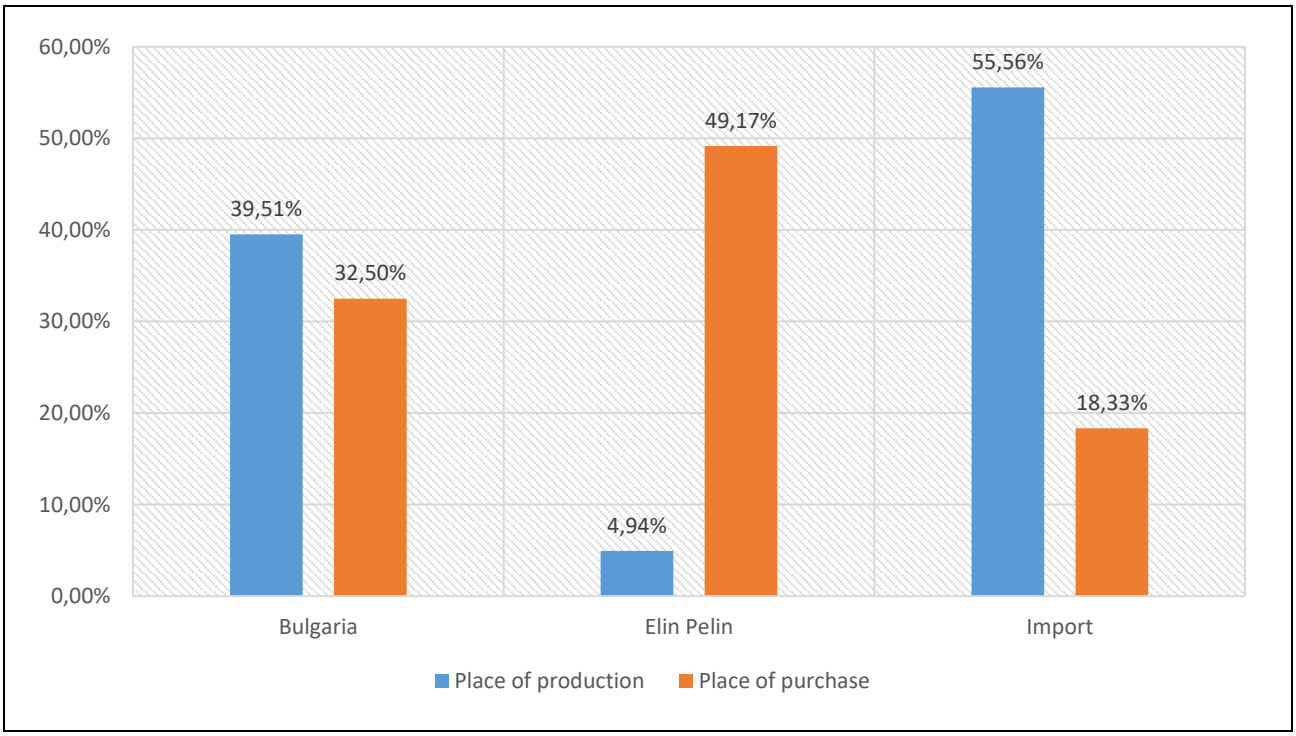
One of the main hidden factors that tourists consider in choosing the destination is food. Food takes a major part in opting for destination. Research indicate that as many as half of tourists decide to stay and shop based on the gastronomic offer. Food Tourists compared to other tourist groups, have been the most faithful group to destination (host). In their decision making for selecting the destination of travel, local meals perform a crucial role. Catering services in Leskovac are provided by 270 business entities, and in Elin Pelin by 38 business entities. When we explain this number of service providers, we see that there are in some restaurants and catering facilities, 235 in Leskovac and 18 in Elin Pelin. Beverage preparation and serving services are offered by 25 business entities in Leskovac and 18 in Elin Pelin, other food preparation and serving services are offered by 3 business entities in 1 Leskovac and 2 in Elin Pelin. Catering services are provided by 7 business entities in Leskovac. Most business entities are actually family restaurants, as much as 36.4%, ethno restaurants have 9.1%, fast food restaurants have 18.2%, bars and cafes 13, 60%, confectioners and wineries have the same percentage, 4.50%, and other 13, 60%. The number of employees per business entity is on average 7, with the fact that in the season there are usually 8 employees on average and out of season 5 employees per business entity. 77.27% of employees speak foreign languages. The highest percentage 68% speak English, 20% speak Bulgarian or Serbian, 8% speak German, and 4% speak Russian. Catering services are available in 28.79% of cases for breakfast, lunch, and dinner. Food delivery is done in 10.61%. Respondents stated that the average number of tables per entity is 24 with 62 seats. Respondents stated that they have an average of 40 visitors per day. Regarding the survey of satisfaction of service users, i.e., visitors, 73% of respondents monitor the satisfaction of their guests, but only 25.00% have a quality standard. Regarding the dynamics of providing their services, i.e., seasonality, 76.19% did not notice that there are changes during the year and 93.75% do not make any changes during the year in their pricing policy. Regarding the business problems of catering facilities, 36.36% of respondents believe that the problems lie in staff skills, 54.55% see the problem in retaining staff, 22.73% mention that these are high operating costs, 27.27% believe that it is a lack of clients, 9.09% Tourist perceptions 31.82 % that it is intense competition, 22.73% Laws, restrictions and government regulations, 13.64% Inefficient, slow or burdensome bureaucracy, 9.09% Issuance of building permits, 45.45% Lack of advertising and 9.09% see the problems in the lack of soft skills for hospitality and customer service (personality, kindness, enthusiasm, care, etc.). The views of respondents from Leskovac and Elin Pelin can be seen in the chart below.

Graph 26 Main business problems (%)



According to the origin of the products and groceries they offer to their visitors, it is evident that they are national products, while imported products participate in 12% among the respondents from Leskovac and 5.37% among the respondents from Elin Pelin. Respondents from the hospitality sector identified that the origin of the products they use in their hotels / restaurants according to the place of production comes from imports from Bulgaria / Serbia. Half of the respondents agreed that about 50% of the products they use in their restaurants can be bought locally. This fact suggests that the network of suppliers for the needs of restaurants at the local level is well developed. Respondents agreed that there are very few local products and that their share ranges from 5% to 10% in Elin Pelin and 40% in Leskovac.

Graph 27 Origin of products in the catering offer Elin Pelin (%)

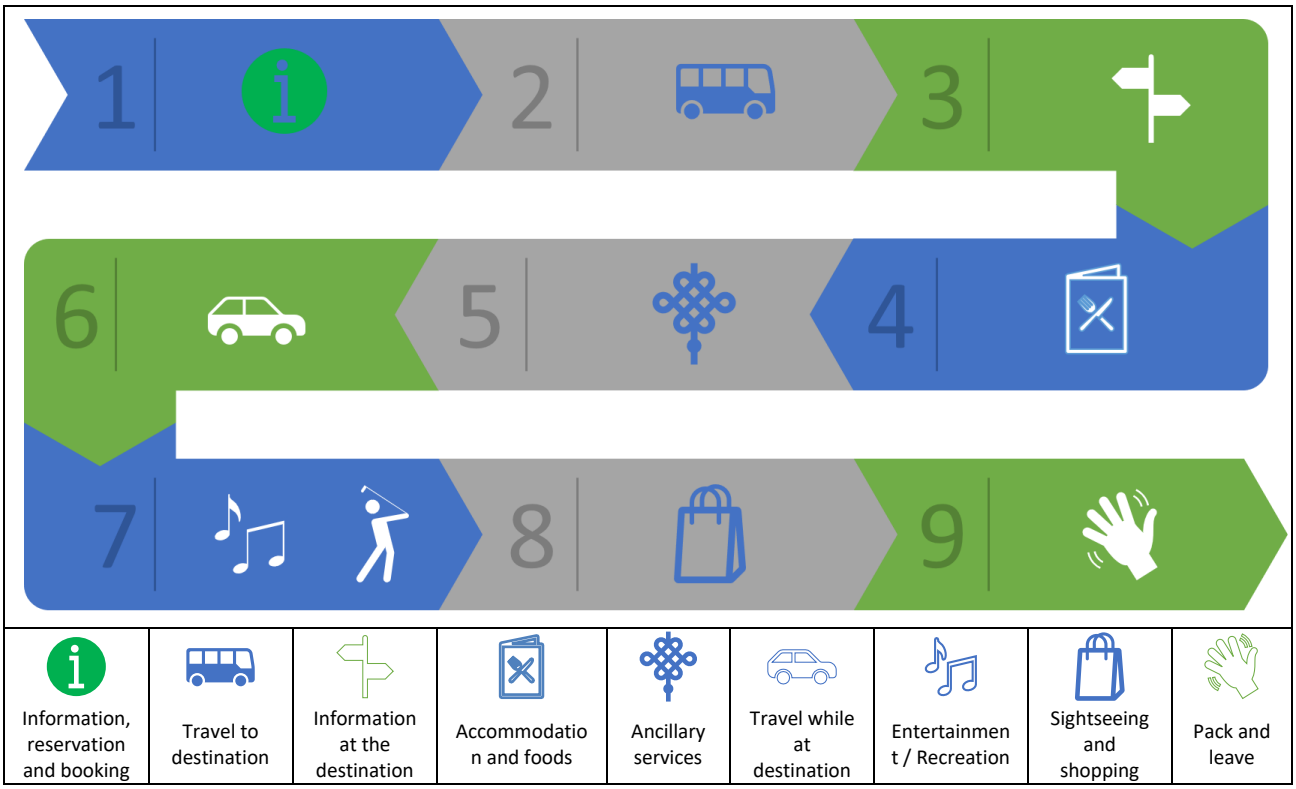


The research reveals that only a third of the respondents from the category of catering are involved in the organization of local festivals and events. Mostly caterers from Leskovac who most are involved in the organization of music and theatre festivals (50.00%) and the organization of the Barbecue (28.57%). According to the perception of potential concerns, the largest number of respondents from this category believe that there is a lot of potential and that it is well used. This position was taken by 46.67% of respondents. 26.67% of the respondents stated that there is travel potential but that it is not used enough, and the same percentage stated that there is a lot of potential, but it has not been used yet. It is interesting that no one stated that the potential for tourism development is small.

4.1.5. Tourists/Visitors

Tourism can be described as the activity of people traveling to a place which is not their home, staying at this place for a certain amount of time, exercising different activities at the place (leisure, business, or other purposes). Tourism is thus different from travel, which means the dislocation of somebody from one place to the other, because tourism involves, apart from the journey itself, the stay, and the activities during this stay as main elements. As tourism comprises of a specific sequence of certain recurring, consecutive elements, it is being described as a chain. The basic elements of this chain are the journey to and from the chosen destination and the stay at the destination. Additionally, the preparation phase (selection of the destination, booking and packing) and the wrap-up of the stay at home are considered as parts of the chain. Tourists search as much information regarding the travel destination and ends with the traveller's assessment after consuming the experience. Therefore, information search related to tourism destination is particularly important. The majority of EU-residents are confident travellers, who prefer arranging their holidays by themselves. Over 53% of Europeans booked their holidays via internet. "Word of mouth" was relevant to 40% of EU travellers. Travel experience is when customers spend on tourist products such as transportation, accommodation during the trip and on other tourist activities (entertainment, recreation, shopping, excursions, etc.). Those activities could be purchasing tangible products such as souvenirs, foods, and drinks. Even during consuming tourism services such as staying in the hotels, consuming the scenery of the natural tourism. Those activities could lead to the intention of revisit.

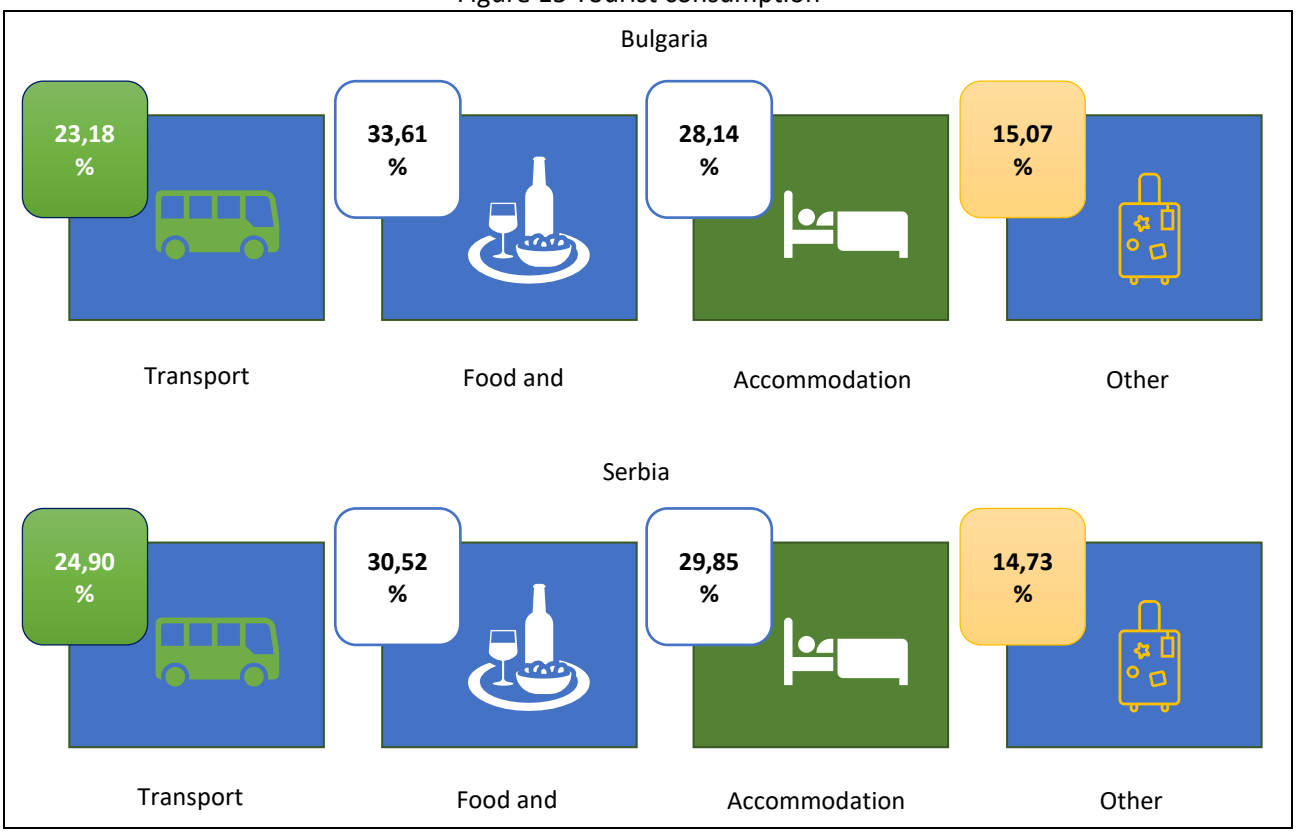
Figure 14 Tourist activities in the value chain



According to research by Euromonitor International, almost half (47%) of all trips abroad last between four and seven days. Short stays (one to three nights) abroad account for about 23%, and stays exceeding seven nights, about 30%. It is estimated that about 80% of domestic travel and transport is completed by car or other means of land transport. The amount that tourists spend on shopping, while staying in a tourist destination, it is important to determine not only for the policy of keeping the price, but also for other reasons, such as creating product range, promotions, and the like. The research conducted shows that the average consumption of tourists per day for both destinations is from 30 to 50 EUR. The average tourist in Elin Pelin spends between 25 and 30 EUR per night, spends between 10 and 20 EUR on food, while spends between 1 and 5 EUR on souvenirs. Other consumption is practically marginal.

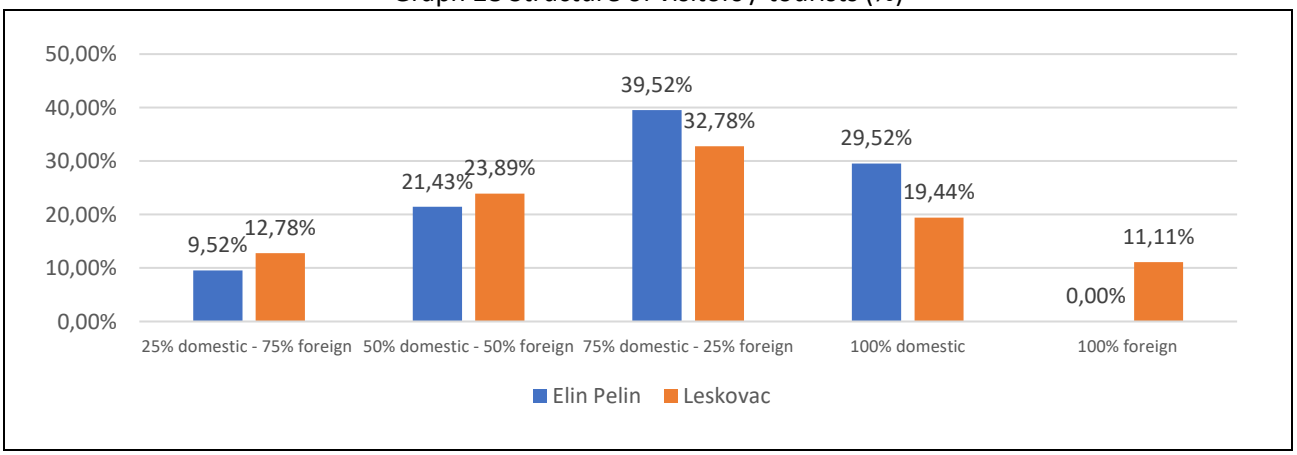
In Leskovac, the consumption of tourists per day is as follows: overnight stay 25 EUR per person (lower class of accommodation). Lunch / dinner: 10-15 EUR per person. Refreshments and coffee 10 EUR per person. Purchase of souvenirs 2-3 EUR per person. Other consumption 15 EUR per person. For the destinations Elin Pelin and Leskovac, it is characteristic that 64% of tourist consumption goes to accommodation and food services, while outside board consumption is 16%. The structure of tourist consumption for both destinations is approximately similar to the tourist consumption recorded in national statistics (illustration/figure below). The presented structure indicates the need to improve tourist products and complete "package" offers.

Figure 15 Tourist consumption[40]



According to the structure of visitors, 75% are domestic tourists while only 25% are foreign tourists. This attitude was singled out by 36.15% of respondents who are direct participants in the value chain. This is the average value for both destinations. The structure of visitors / tourists by destination is shown in the following chart.

Graph 28 Structure of visitors / tourists (%)



[40] Source: Eurostat -Tourism Database (https://ec.europa.eu/eurostat/data/database) and OECD -Tourism Database (https://stats.oecd.org)

The research also included the attitudes of tourists. He annexed a total of 13 tourists. The small number of annexed persons is primarily a consequence of the COVID-19 pandemic, which was very current at the time of the survey. It should be noted that the Magic of Synergy project does not envisage surveying tourists for the purposes of this study. However, the authors are of the opinion that in order to understand the value chain and take action to upgrade it, the attitudes of tourists are particularly useful. The surveyed tourists come from Northern Macedonia, Kazakhstan, Bulgaria, Serbia, Korea, Romania, France and Spain. The ratio of tourists who participated in the research is such that out of the total number of surveyed tourists, 84.62% are tourists who visited Leskovac and 15.38% are tourists who stayed in Elin Pelin. 69.23% of tourists are male. The age structure of the surveyed tourists is such that most of the respondents, 67.54%, are in the group between 25 and 44 years of age. 23.08% are aged 45 to 54, and only 7.69% are aged between 18 and 24. There were no older tourists over the age of 64 among the respondents. Tourists could evaluate the quality of the tourist offer as bad, average, good, very good or excellent the lowest grade is one, the highest is five). The results of the research show that the visitors of Elin Pelin, with a score of 4.00, rated the general impression they gained during their stay in Elin Pelin, rated the services with a score of 4.20, attractions and opportunities with a score of 3.71, infrastructure in Elin Pelin with 3.90 and the quality of the tourist offer with a score of 3.95. Visitors - tourists who stayed in Leskovac rated the general impression with 3.95, services with 4.42, attractions and opportunities with 2.19, infrastructure with 1.90 and the quality of the tourist offer with a rating of 3.12. The main objections of the visitors are related to the cancellation of the festival, road infrastructure and limited accommodation in terms of quantity.

Table 38 Elin Pelin - Tourist offer quality assessment (%)

	Poor	Average	Good	Very Good	Excellent	Average score
General impression	0,00%	0,00%	1,85%	3,70%	1,85%	4,00
Services	0,00%	0,00%	3,70%	22,22%	9,26%	4,20
Attraction and possibilities	0,00%	3,70%	14,81%	12,96%	7,41%	3,71
Infrastructure	0,00%	0,00%	5,56%	9,26%	3,70%	3,90
Quality of tourism offers	0,00%	3,70%	25,93%	48,15%	22,22%	3,95

Table 39 Leskovac - Tourist offer quality assessment (%)

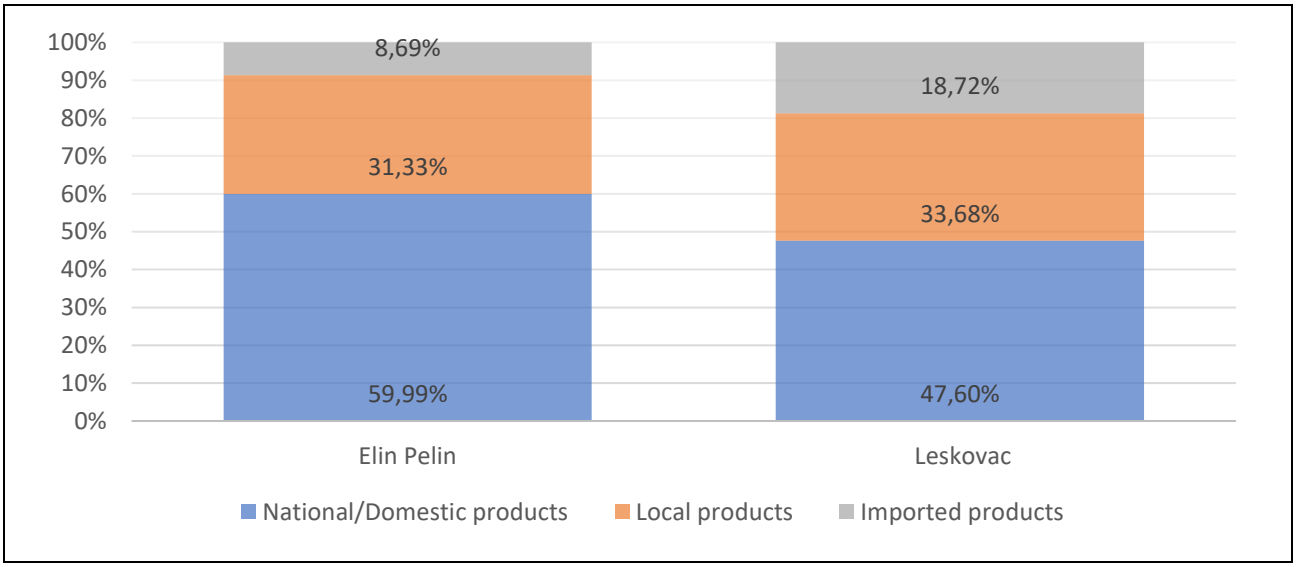
	Poor	Average	Good	Very Good	Excellent	Average score
General impression	0,00%	0,00%	1,28%	4,79%	0,96%	3,95
Services	1,92%	0,96%	0,64%	8,31%	22,68%	4,42
Attraction and possibilities	16,93%	10,54%	6,39%	6,39%	1,92%	2,19
Infrastructure	9,27%	2,24%	2,88%	1,28%	0,64%	1,90
Quality of tourism offers	28,12%	13,74%	11,18%	20,77%	26,20%	3,12

4.2. Indirect Value Chain Actors

4.2.1. Suppliers

Tourism is a significant driver of economic and social development. It stimulates economic growth by generating income, employment, investments, and exports. It also generates valuable spin-of benefits, including preservation of cultural heritage, improved infrastructure, and local community facilities. Tourists consume a wide range of products and services, including among others transportation, accommodation, food, and entertainment services. The tourist sector in Elin Pelin and Leskovac creates demand and employment in non-tourism sectors of the economy, such as agriculture, construction, manufacturing, retail and trade, and intra-sectoral demand. The cumulative effect of tourist income through direct, indirect, and induced effects is described by using tourism income multipliers, which show the relationship between an additional unit of tourist spending and the changes that result in the level of income in the economy. Tourism provides a high share of semi-skilled jobs, but also offers opportunities for high-quality employment. 9 suppliers from Leskovac and Elin Pelin participated in the research. Regarding the structure of participants in the research, 22.22% are those who are engaged in handicrafts and souvenir production, in the field of entertainment 22.22%, in the field of transport 22.22%, while 11.11% are representatives of food suppliers. Other suppliers are 22.22%. We asked suppliers in tourism who their customers are, and research shows that they sell their products in practically the same percentage of 21.43% to tourists, restaurants, hotels and bars, craft shops and more. While businesspeople are buyers of these products in 14.29%. Regarding the participation of organizations representing suppliers in the tourism sector, on average only 25% of them stated that they participate in the organization of local festivals and events. However, it should be clarified here that in fact, only suppliers from Leskovac participate in the organization of local festivals and events, mostly the Barbecue Festival, and that suppliers from Elin Pelin do not participate in the organization of local events. As for the structure of procurement in the chain, it is interesting to show the difference between suppliers from Leskovac and Elin Pelin. When it comes to local products, the percentage of procurement is fairly uniform with suppliers from Leskovac and Elin Pelin. There are differences in imported products and domestic products. The structure in the supply chain is shown in the chart below.

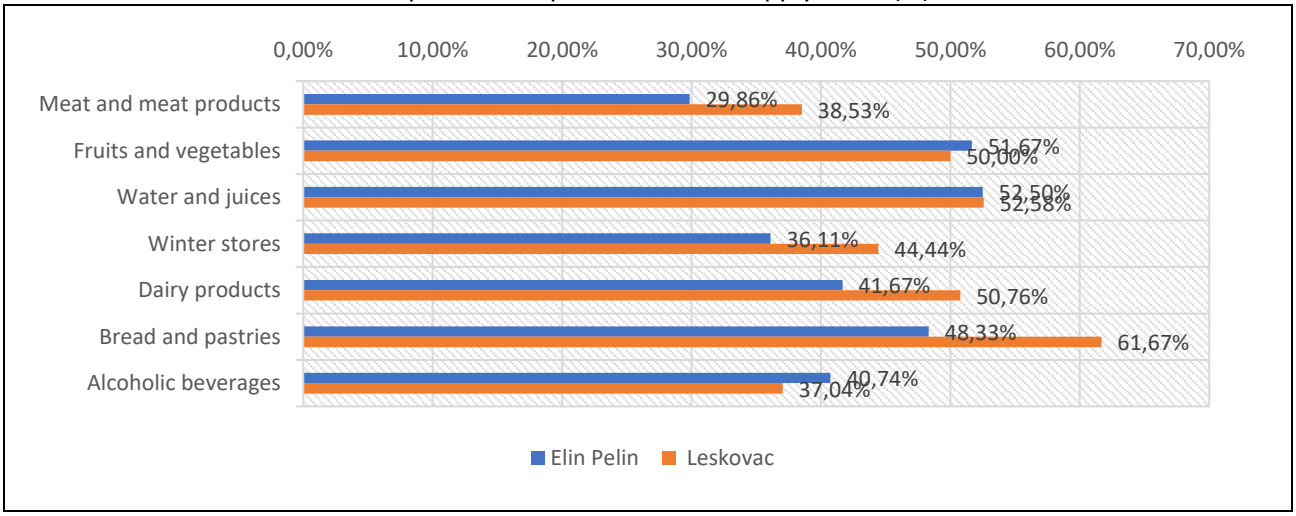
Graph 29 Structure of the supply chain (%)



The purchase of domestic products by tourism actors has multiple implications for the local economy. The fact is that the positive effects of the participation of local products in the tourism sector have been pointed out by many economists, but also by all those who deal with the development of sustainable tourism.

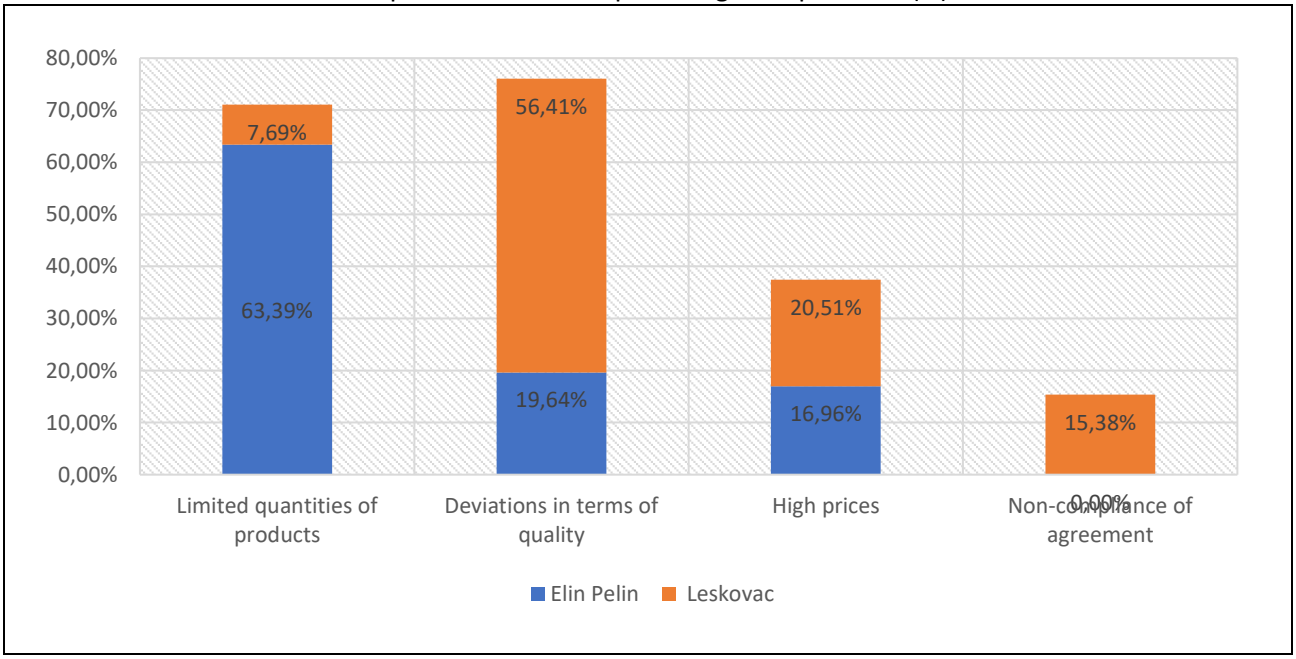
When we talk about specific products, respondents stated that Meat and meat products participate with 34.19%, fruits and vegetables with 50.83%, water and juices with 52.54%, while winter products participate with 40.28%, dairy products are represented with 46.21% and bread and pastries are 55.00%. Alcoholic beverages are represented in 38.89%. What local products look like in the supply chain in Leskovac and what Elin Pelin looks like can be seen from the chart below.

Graph 30 Local products in the supply chain (%)



As for the obstacles to the procurement of local products, it is indicative that the respondents from Leskovac and Elin Pelin have a different view of this issue. While 63.39% of respondents from Elin Pelin believe that small quantities are a problem in procurement, only 7.69% of respondents from Leskovac see that small quantities are obstacles in procurement. As for the deviation in terms of quality, 56.41% of respondents from Leskovac believe that this is an obstacle in the procurement of local products and only 19.60% of respondents from Elin Pelin see this problem as an obstacle. A somewhat more uniform attitude of respondents is in terms of high prices of local products, where 21.51% of respondents said that high prices are an obstacle and for 16.96% of respondents from Elin Pelin, high prices are a problem. It is an interesting fact that only the respondents from Leskovac, 15.38% of them, stated that they did not respect the agreement as an obstacle in the procurement. Barriers to sourcing local products can be seen in the chart below.

Graph 31 Obstacles in procuring local products (%)



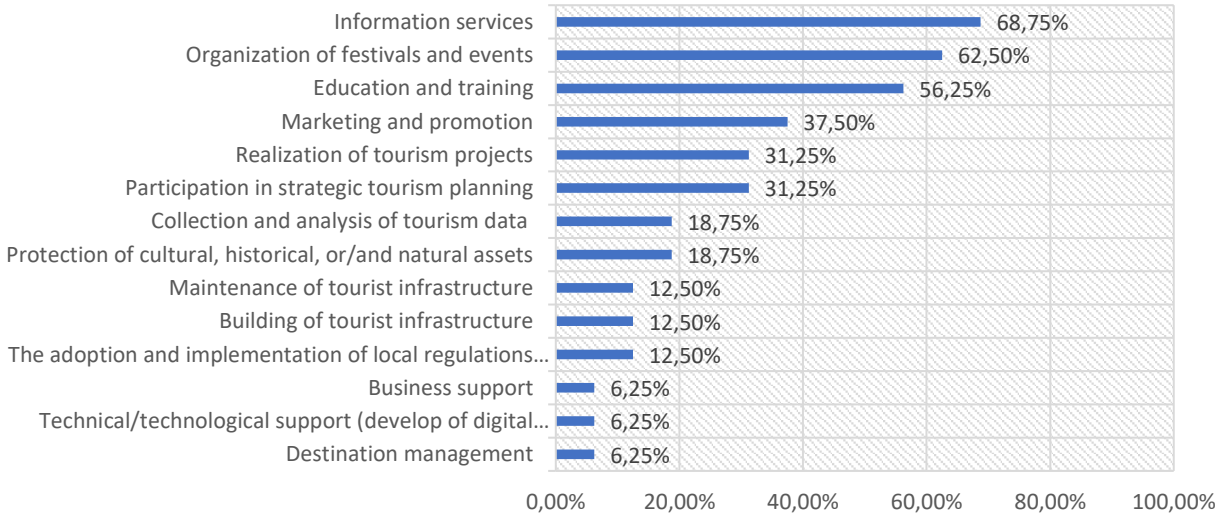
4.2.2. Service providers

Support services are those activities or services required by the tourist sector, but not produced by it. They are necessary for the chain to function effectively but are generally not tied to one stage and are often used across multiple stages. These activities might be much larger than a straightforward value chain, such as the sale of fuel. On the demand side, a large number of tourists recognize and appreciate local products, because prevailing domestic tourists stated that local products are one of the side motives to visit this destination. Local products are important because they have economic as well as traditional and cultural values which create significant elements of the overall experience of tourists and visitors of each destination. Contemporary tourists and consumers, as representatives of the global and almost unified society, want to consume more of typical products of the tourist destination they visit - locally produced food and beverages, craft products as souvenirs, local customs, and traditional events, i.e., they look for authentic experience of the destination. Local products provide additional value to the overall destination tourism offers and decreases promotion and transport costs of small and medium producers, which in the end provides better profitability.

4.2.3. Support institutions

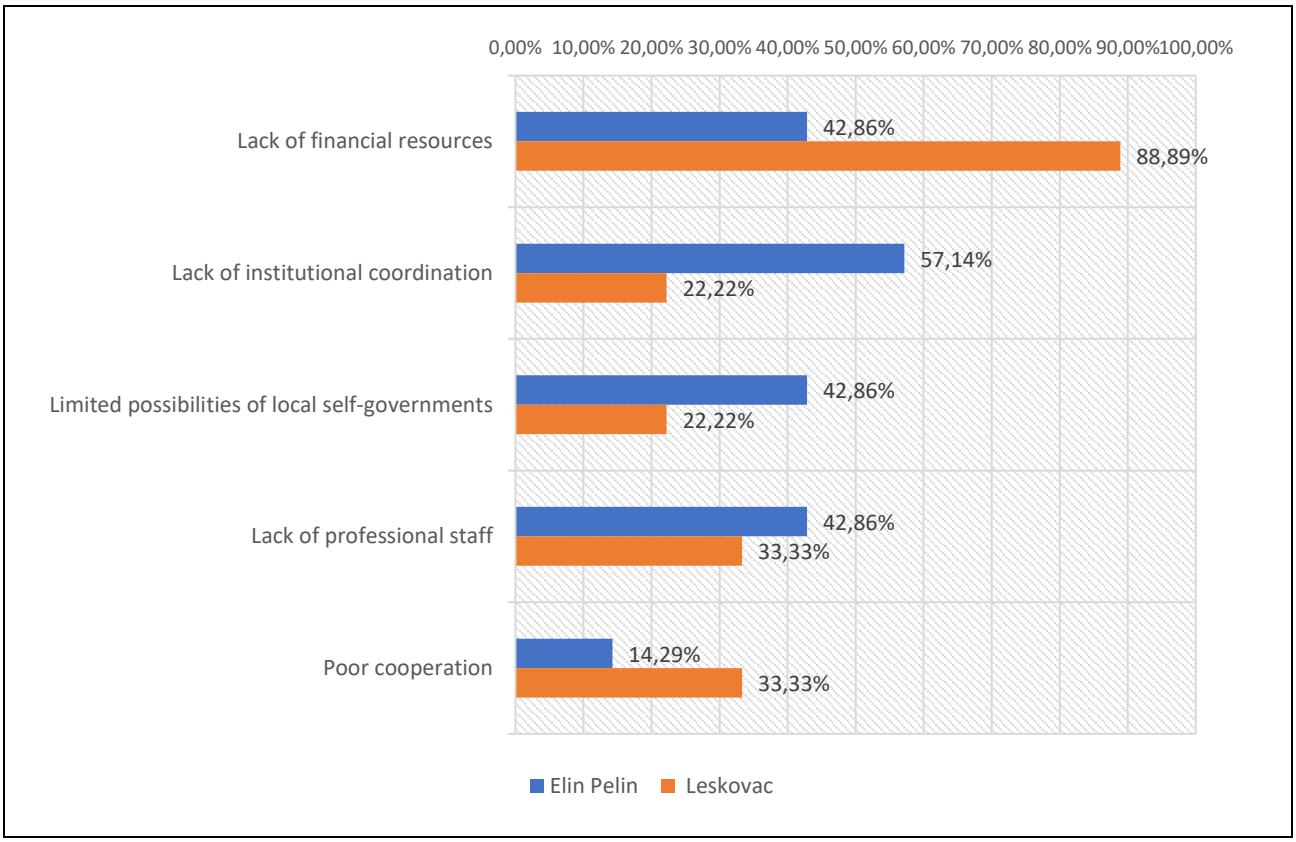
Tourism as a sector relies on good management. There is increasing recognition of the need for collaboration between public, private, and other stakeholders within the sector, covering the economic, social, and environmental aspects of tourism. Successful sustainable tourism at a local destination level requires the engagement of private sector and civil society bodies, including the local community, alongside knowledgeable local authorities. Good management, involving the creation and operation for effective institutions and structures, is important for tourism. Close cooperation between government and the private sector is essential. Local governments play decisive role in many forms of tourism, given that they usually include management of many key elements of the tourist product, such as amenities and attractions, transportation, public services, and infrastructure and can further influence the behaviour of private operators. 16 representatives of support institutions and organizations participated in the research (9 from Leskovac and 7 from Elin Pelin). The structure of respondents in the field of support institutions is such that 12.50% of representatives of local governments, 31.25% of representatives of cultural institutions (Museum, Theatre, Cultural Centre, etc.), 6.25% of representatives of tourist organizations or similar local organizations participated in the survey, 31.25% of representatives are educational institutions, 6.25% of respondents are representatives of public institutions/organizations and the non-governmental sector.

Graph 32 Activities of institutions and support organizations in field of tourism (%)



Regarding the activities of institutions and support organizations, information services are provided by 68.75% of respondents, 62.50% of respondents are engaged in the organization of festivals and events, and 56.25% of respondents are engaged in education and training. 37.50% of respondents are active in marketing and promotion. Projects in the field of tourism are implemented by 31.25% and the same percentage has a share in strategic tourism planning. Regarding the collection and analysis of tourist data, 18.75% of respondents are engaged in this area. The same percentage, 18.75% of organizations are engaged in the field of protection of culture, historical and / or natural attractions. Out of the total number of respondents, 12.50% of respondents are engaged in the field of reflecting tourist infrastructure, construction of tourist infrastructure as well as the adoption and implementation of local regulations and planning documents and 6.25% of respondents are in the field of business support, technical and technological support, and tourist site management. The perception of development opportunities for the representatives of the support institution says that 41% of respondents believe that tourism helps to initiate international cultural exchange, 11.00% believe that tourism creates a large number of jobs and income for residents, 30% believe that tourism preserves and develops local culture, 3% believe that tourism increases the quality of local businesses, increases the knowledge of residents and helps raise the awareness of residents. Regarding participation in the organization of local festivals and events, 68.75% of respondents said that they participate in the preparation and organization. When assessing the tourist potential, 42.11% of respondents believe that there is a lot of potential and it is well used. 36.84% think that there is a lot of potential, but it is underused, while 15.79% think that there is a lot of potential, but it has not been used yet. Only 5.26% of respondents believe that the potential for tourism development is small. The main challenges for the development of tourism from the point of view of support institutions seem so that 68.75% of them stated that the biggest problem is the lack of financial resources, 37.50% believe that the lack of institutional coordination is a challenge, 31.25% believe that limited opportunities for local governments 37.50% believe that the lack of professional staff is an obstacle to development, and 6.25% of respondents said that poor cooperation is the cause or challenge for tourism development.

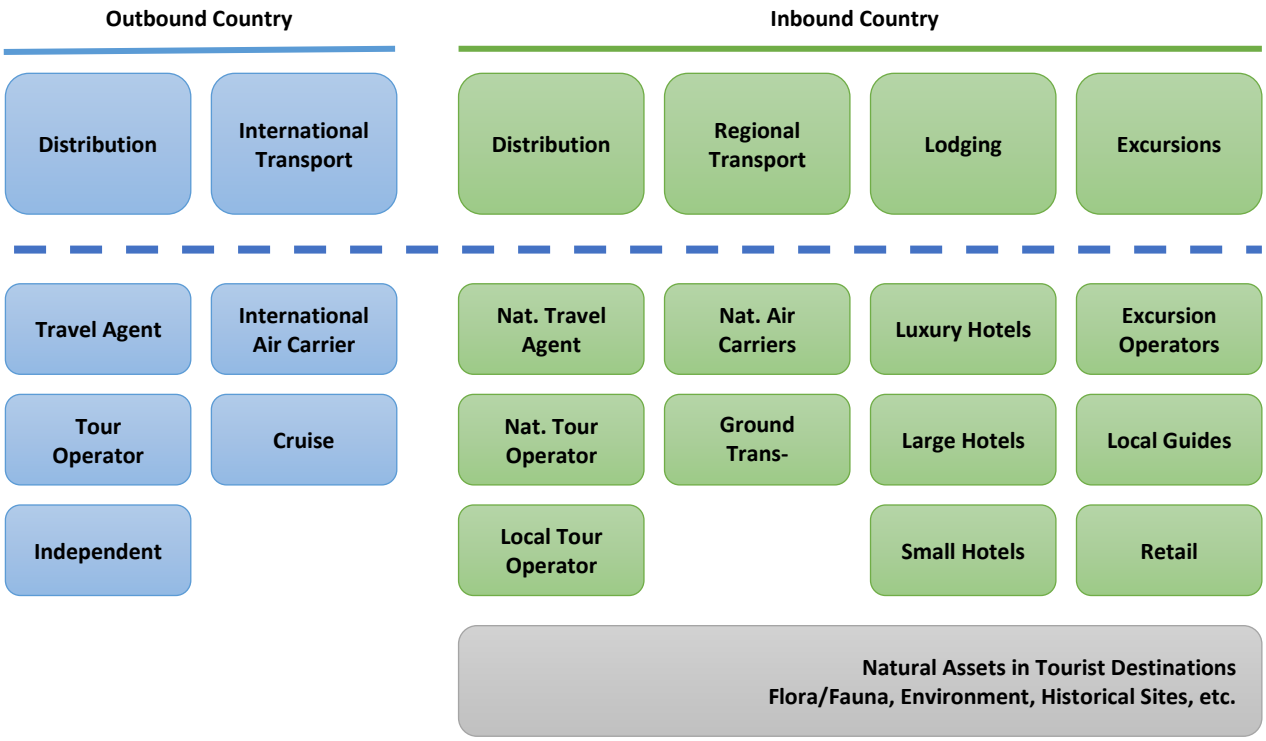
Graph 33 Main challenges for tourism development (%)



4.3. Value chains linkages

Tourism is characterized as an industry with a strong competition. Therefore, it is crucial to create a competitive advantage in order to stay in the market. In case of the tourist industry, creating competitive advantage could be done by providing an extraordinary experience which is the ultimate goal for travel leading to customer satisfaction and customer loyalty. Competitiveness potential considers the scale and intensity of the sector and its competitiveness on regional and global markets and the dynamics of the global value chain. In contrast to Value Chain in a manufacturing industry, tourism is categorised as a service industry. Service specifically possesses the characteristics of inseparability (when production, sales and consumption happen at once), intangibility, and variability (difficulties in maintaining the consistency of quality). These characteristics are causing complexity for the value chain of tourism industry. Moreover, the tourist industry is composed of various suppliers that operate in different industries (lodging, transportation, attractions, food and beverages, retail, etc) and most of these are small and medium enterprises. These business players offer one or more goods and services that need the role of intermediaries to combine, coordinate, and distribute their elements that will then be sold to tourists and end consumers. The Tourism Global Value Chain (figure below) starts from tourists as a focus point. Following a tourist "footprint" in a value chain details the steps and the firms, a tourist interacts with from the moment they decide to take a trip to the completion of their international journey.

Figure 16 The Tourism Global Value Chain[41]



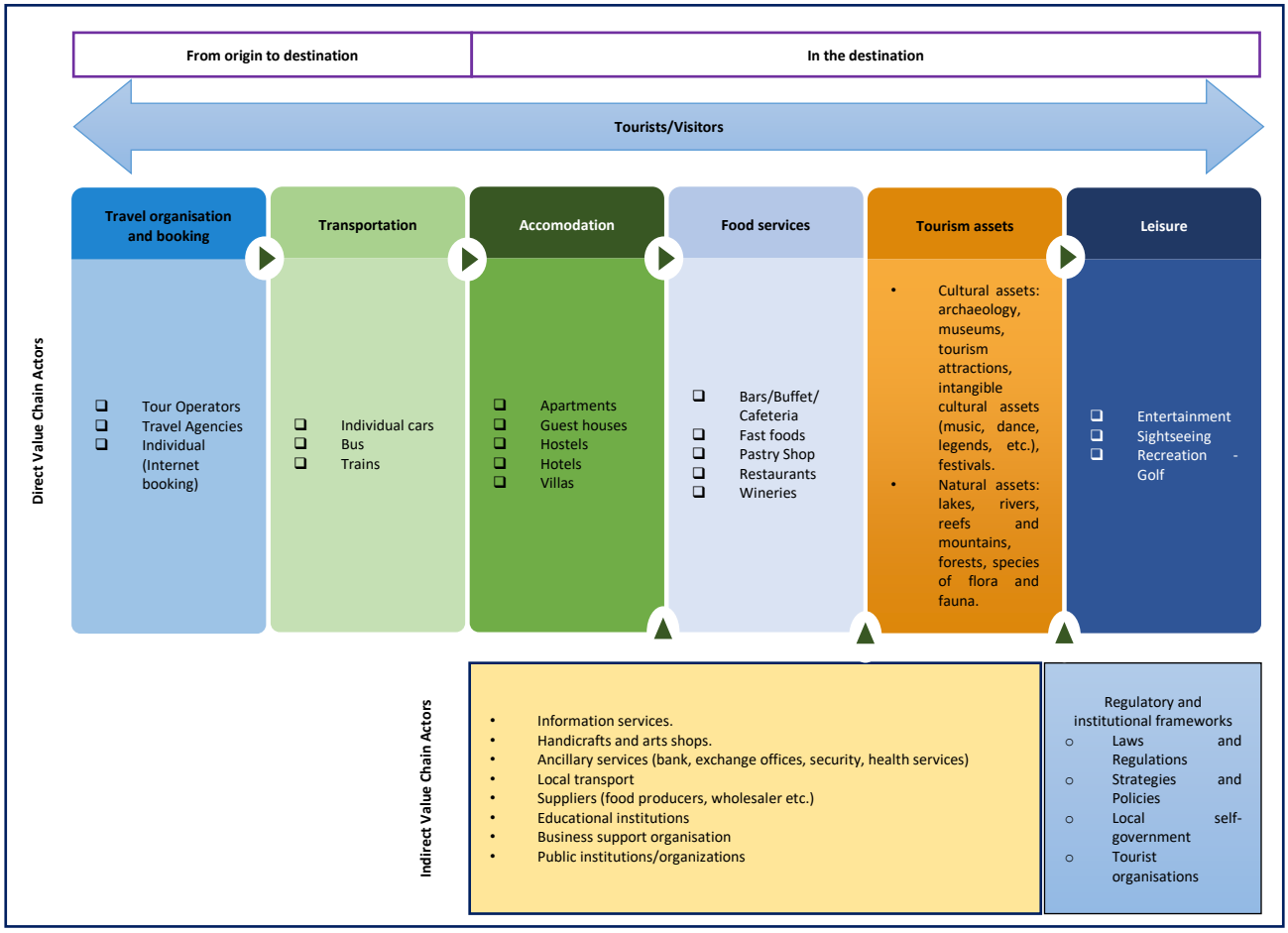
International airline carriers, global tour operators, and multinational hotel brands are the lead firms in the tourism Global Value Chain. These firms from developed countries play a key role in shaping tourism trends through strong marketing campaigns and close contact with the consumer. When top-tier tourism companies move into new destinations, they consider factors such as level of economic development in the country, the policy and regulatory environment, human resources, infrastructure level, and market demand.
Mostly travelling agencies act as the retail outlets for tourist products (lodging, transportation, attractions), and tour operators act as the wholesalers who buy blocks of airline seats, hotel rooms, and tourist activities

[41] Source: Christian M., Fernandez-Stark K., Ahmed G., and Gereffi G. The Tourism Global Value Chain: Economic Upgrading and Workforce Development. Center on Globalization, Governance & Competitiveness, Duke University 2011.

which will then be arranged into various tour packages. These products will then be sold through travel agents or even directly to tourists. Tourists can also buy these same services directly without any intermediaries. The most common model of international transportation is international airlines, followed by cruise services as a quite popular alternative. Trains, although often found in Europe and some parts of Asia countries, usually are not an option for long distance travel. The international distribution of transportation usually is performed in the country of origin. However, the distribution of regional transportation is done in the destination country. Destination countries usually already own their own distribution actors and often work directly with an international distribution firm. For instance, national tour operators arrange and carry out the operation of global tour packages. When this happens, a national tour operator will meet the tourists at the airport and take them to their destination for tourist activities. In a destination country, tourists are involved in activities that require local transportation (air, sea and/or land), lodging, and excursions. There are a lot of choices for lodging from the humble hostelry to luxurious choices. Excursions are local activities that are the products of tourism and the assets of the destination. Visiting local bazaar and crafts centres also categorised as part of the overall tourism activities. International tourism demands a sophisticated level of coordination and marketing that reaches tourists based in numerous countries and regions. Firms that have coordination capabilities and marketing prowess carry the most value. The multisectoral nature of tourism allows for multiple paths to be pursued with one form of upgrading happening simultaneously with another. Some avenues are more accessible based on the global arrangement of the sector and local capabilities. Quality has become the most important element in the business of the tourism industry in the ever-widening global market. Therefore, tourism is in constant search of quality at all levels of business and in all elements of creating a tourist product. Tourist destinations increasingly depend on the quality of their services and products and their placement on the tourist market. The final product in a tourist destination that tourists consume is a set of all products and services that the tourist used during his stay in that destination. Individual elements are key to attracting tourists and meeting their needs (accommodation capacities, transport, built attractiveness, travel organizers), others have the role of support (guides, insurance and financial activities related to tourism, educational institutions, media, tourist organizations at all levels, etc.). All these elements of the stay are interconnected and affect the complete experience that the tourist takes with him as a mental image of his tourist trip. A tourist destination that wants to take a good position in the world tourist market should be guided by the basic principles of sustainable development, respecting the requirements of the clientele for the maximum quality of offered resources and services. That is why the research and assessment of the quality of a tourist destination must be approached extremely carefully and thoughtfully. If all participants act together in determining what they really want from tourism and in what way they want to place it, everyone will benefit. The complexity of the tourist activity with all its specifics affects the constant need to take new actions in order to adapt the tourist product to the requirements of tourist demand through recognizing the needs of tourists and prudence in creating a tourist product, its realization and appearance on the tourist market. Horizontal integration enables economies of scale, while vertical integration provides more, more efficient marketing systems (multiple distribution channels, packaging, transportation, direct sales, and input production). The process of creating added value requires coordinated activity of tourism actors (horizontal and vertical connections within the market chain), which would strengthen the territorial network. The tourism value chain in Elin Pelin and Leskovac follows the Global Value Chain to some extent and has its own peculiarities. In tourism, main actors are a part of a big value chain from the tour operators of tourist originating country to local restaurants in the smallest tourism destinations. Tourism value chain comprises of suppliers that deliver all goods and services to the customers. This value chain includes not only accommodation and transportation but also bars, restaurants, handicraft, food production, waste treatment and other supporting activities. The research shows that the value chain for the tourist destinations of Elin Pelin and Leskovac is made up of complex relationships between different actors, activities, and policy measures at the local and national level. This is an extended chain that starts from the organization of travel and tourist activities at the destination (following illustration/figure). The horizontal links in this chain represent the activities of travel organizers, transport, accommodation services, food, entertainment, recreation, and trade. Vertical links consist of the activities of actors outside the tourism sector as well as tourism development policies at the local and national levels. The common feature of these connections is that they are not long-term oriented and that they lack coordination in order to create greater added value.

The research identified the interaction between direct and indirect participants in the value chain. However, this interaction is limited. Horizontal and vertical ties need to be strengthened through productive cooperation. A good way to prosperity is to create joint tourism products based on culture and valorisation of events with an emphasis on marketing existing local products and souvenirs that may be of interest to tourists.

Figure 17 Tourism Value Chain in Elin Pelin and Leskovac



The tourism industry is engaged in selling experiences. The perceived value of a tourism product or service is the dominant factor influencing consumer decision-making. Tourists are looking for emotional experiences, and memories from the trip are their most important characteristic. While goods are tangible and services are intangible, experiences are remembered, that is, etched in memory. With that in mind, it can be said that tourist attractions are the main generators of tourist experiences and memories. The delivery of value within these activities is indirect and serves to support the creation of tourist experiences. These activities are infrastructure, planning, human resources development, technology, and activities such as construction, trade. The specificity of these activities is that they are dealt with by public and private actors for whom tourism is not the primary activity. In the case of Elin Pelin and Leskovac, they are indirect participants in the value chain. When looking at infrastructure, it is the main determinant of the quality of the tourist experience and the image of the destination, the integrity of the environment and infrastructure (transport, telecommunications, water supply, electricity system, etc.), services related to security in the destination, etc. Local governments Elin Pelin and Leskovac are making efforts to create a favourable investment environment. Cooperation between the private and public sectors is especially needed in the construction or improvement of tourism capacities and infrastructure. The distribution of respondents' ratings from different parts of the tourism value chain shows that the existing infrastructure is good (following table). The infrastructure is pretty well rated by the tour operators. On the other hand, only 22.99% of respondents gave poor grades (average for both destinations).

Competitiveness between tourist destinations is one of the important features of modern tendencies on the tourist market. The desire to achieve competitiveness, on a long-term sustainable basis, is permeated with the desire to create harmony between the various effects of tourism development. The starting point for this purpose is a developed tourist infrastructure. These include facilities for information, respite, recreation, education, and entertainment of tourists. According to the data from the research, the destinations of Elin Pelin and Leskovac have a moderate level of development of the tourist infrastructure. The tourist infrastructure consists of various accommodation and catering facilities. Further, there is an adventure park, tourist information centre, roadside rest areas, golf course, tennis court, open and closed sports recreation facilities, artificial reservoirs, swimming pools, wellness facilities, etc. The plan is to build walking paths at locations around Lake Ognjanovo Elin Pelin and along the canyon of Vucjanka Leskovac.

Table 40 Rating of existing tourist infrastructure (%)

Business entity	Rating				
	Very poorly	Poorly	Good	Rather good	Particularly good
Travel organizers	4,86%	19,98%	32,21%	**35,63%**	7,32%
Accommodation providers	5,09%	19,38%	36,83%	29,42%	9,28%
Food services providers	**5,36%**	**20,68%**	35,26%	27,22%	11,49%
Supporting Services & Suppliers	4,45%	15,14%	**42,73%**	28,43%	9,25%
Support Institutions & Organization	2,29%	17,71%	37,15%	30,13%	**12,72%**
Average	**4,41%**	**18,58%**	**36,83%**	**30,17%**	**10,01%**
Minimum	2,29%	15,14%	32,21%	27,22%	7,32%
Maximum	5,36%	20,68%	42,73%	35,63%	12,72%

Respondents rated the existing tourist infrastructure on a scale ranging from 1 to 5 (with 1 being the lowest and 5 being the highest). The average grade for Elin Pelin is 3.33 and for Leskovac 3.07. The average rating of the existing tourist infrastructure and facilities for both destinations is 3.20. It shows that 63.96% of the tourist infrastructure is well developed. According to the results of the research from the existing tourist infrastructure, the respondents best assessed the scope and availability of accommodation and catering facilities (following table). The accessibility of the facility for people with disabilities as well as the installation of public equipment for sports activities received low marks.

Graph 34 Average rating of tourist infrastructure

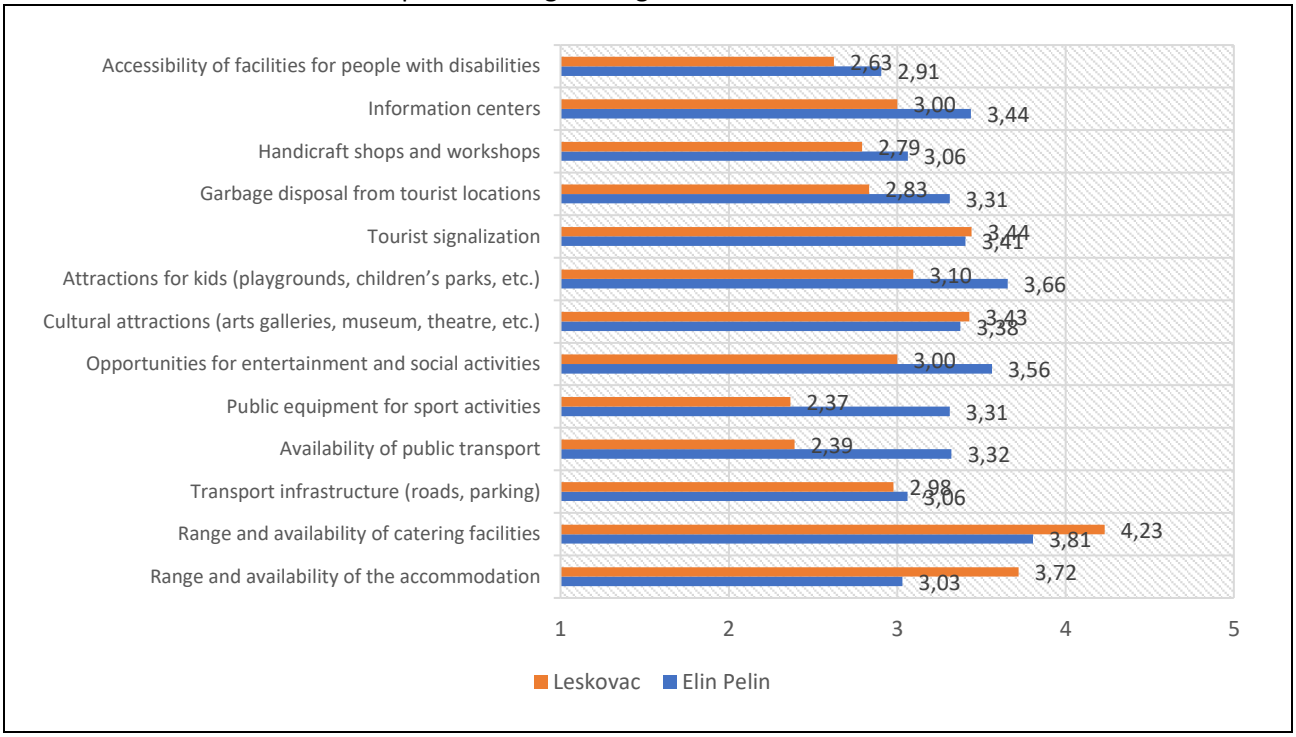


Table 41 Rating of existing tourist infrastructure and facilities (%)

Tourist infrastructure	Rating				
	Very poorly	Poorly	Good	Rather good	Particularly good
Range and availability of the accommodation	1,56%	9,74%	54,91%	17,11%	16,68%
Range and availability of catering facilities	0,00%	1,61%	21,49%	50,23%	26,67%
Transport infrastructure (roads, parking)	6,36%	23,94%	38,59%	23,64%	7,47%
Availability of public transport	7,71%	31,24%	30,37%	29,07%	1,61%
Public equipment for sport activities	12,88%	21,76%	37,04%	25,19%	3,13%
Opportunities for entertainment and social activities	0,00%	19,38%	43,13%	27,50%	10,00%
Cultural attractions (arts galleries, museum, theatre, etc.)	2,75%	17,71%	37,80%	20,09%	21,65%
Attractions for kids (playgrounds, children's parks, etc.)	2,38%	21,28%	29,17%	30,73%	16,44%
Tourist signalization	1,16%	11,30%	41,61%	35,83%	10,10%
Garbage disposal from tourist locations	11,46%	16,59%	29,91%	37,28%	4,76%
Handicraft shops and workshops	8,94%	24,89%	38,52%	19,88%	7,78%
Information centres	2,73%	18,64%	43,97%	23,36%	11,30%
Accessibility of facilities for people with disabilities	7,19%	36,25%	31,88%	22,19%	2,50%
Minimum	0,00%	1,61%	21,49%	17,11%	1,61%
Maximum	12,88%	36,25%	54,91%	50,23%	26,67%

In the conditions of global economic changes, many tourist destinations face intense competition in all fields of business. In order to gain a competitive advantage, they must constantly look for new ways to differentiate themselves in the market. Quality service is the key to retaining existing and attracting new tourists. Tourist services appear not only in the field of catering but also in the field of traffic, insurance, trade, banking, and the like. The quality of services and personal relationship with tourists within the destination is one of the key elements of the value chain. Respondents from different categories within the value chain rate the existing tourist services within the destinations of Elin Pelin and Leskovac as good (following table). Only 24.63% of respondents rate existing services poorly.

Table 42 Rating of existing tourist services (%)

Business entity	Rating				
	Very poorly	Poorly	Good	Rather good	Particularly good
Travel organizers	7,35%	12,99%	42,65%	32,60%	4,41%
Accommodation providers	8,33%	21,43%	31,55%	27,98%	10,71%
Food services providers	9,21%	13,50%	35,35%	19,32%	22,61%
Supporting Services & Suppliers	5,83%	20,83%	42,08%	23,75%	7,50%
Support Institutions & Organization	3,04%	20,63%	39,29%	26,19%	10,85%
Average	**6,75%**	**17,88%**	**38,18%**	**25,97%**	**11,22%**
Minimum	3,04%	12,99%	31,55%	19,32%	4,41%
Maximum	9,21%	21,43%	42,65%	32,60%	22,61%

Most respondents rate accommodation services, catering services and information services as quite good. The general objection is that tourism and hotel companies should constantly improve their services and invest in human resources. Accompanying services in tourism in the form of services for cyclists or tourist guides were rated worse.

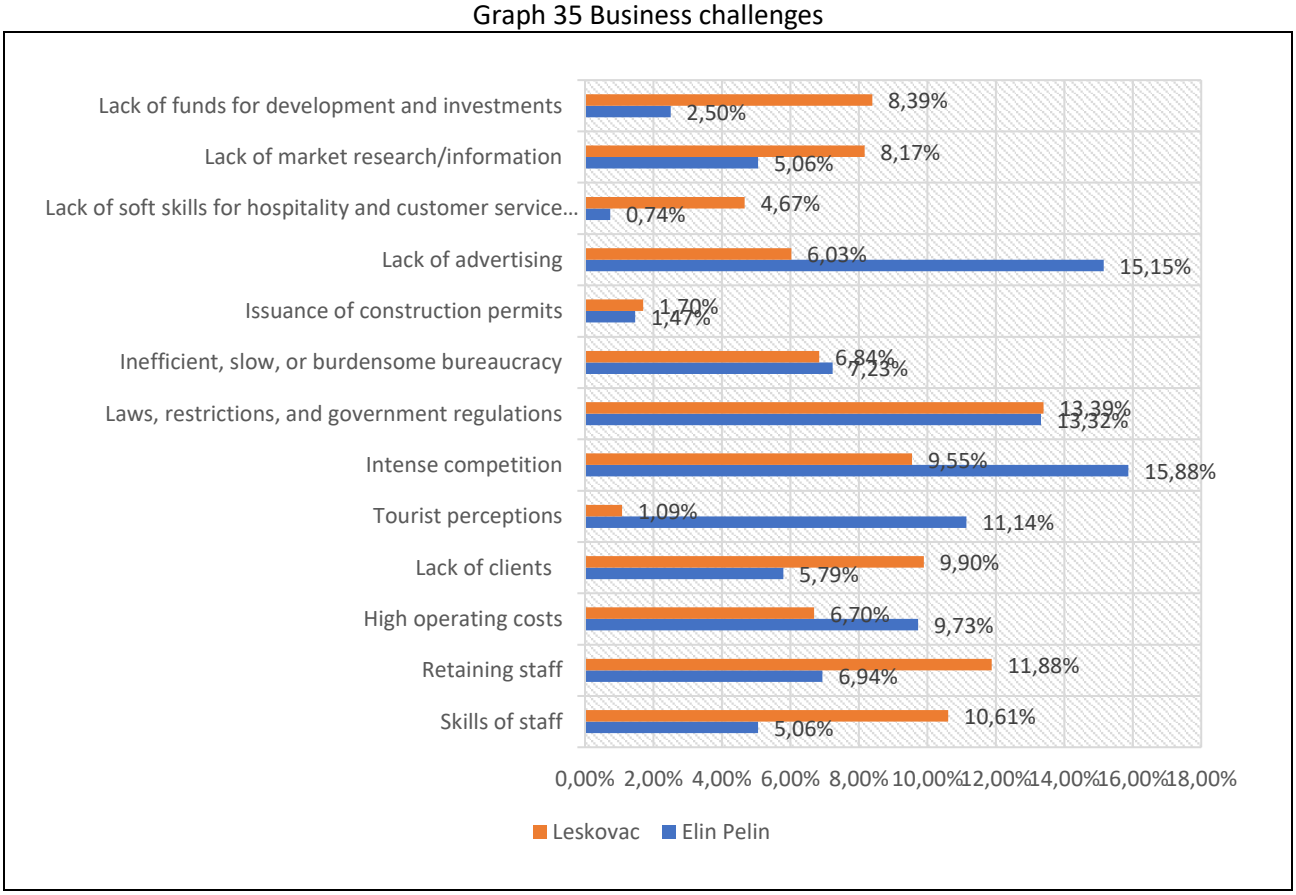
The challenge for the next nature is to raise the quality of these services. The benefits of improving service quality in tourism include increased customer satisfaction, increased customer retention, word of mouth, reduced employee turnover, reduced operating costs, increased market share, increased profitability, and improved business. Investing in improving the quality of services should be a priority for direct participants in the value chain.

Table 43 Rating of tourist services (%)

Services	Rating				
	Very poorly	Poorly	Good	Rather good	Particularly good
Accommodation services	1,67%	18,33%	48,86%	17,50%	13,64%
Catering services	0,00%	3,33%	26,74%	39,47%	30,45%
Information services	0,00%	16,11%	40,00%	28,89%	15,00%
Utilities (water supply, garbage collection, etc.)	4,76%	11,43%	37,86%	37,14%	8,81%
Services for cyclists	25,38%	34,85%	26,89%	8,41%	4,47%
Guiding services	12,19%	25,42%	39,29%	17,32%	5,77%
Minimum	0,00%	3,33%	26,74%	8,41%	4,47%
Maximum	25,38%	34,85%	48,86%	39,47%	30,45%

The business challenges faced by participants in the value chain are similar on both sides of the border. According to the majority of respondents, the main business challenges they face are laws, restrictions, and government regulations (13.36%), intense competition (12.71%), lack of advertising (10.59%), staff retention (9.41 %) and high operating costs (8.21%). Business entities from Elin Pelin see the biggest problems in intensive competition (15.88%), absence of advertising (15.15%), existing regulations (13.32%), tourist perceptions (11.14%) and operating costs (9.73%). Respondents from Leskovac point out that the main obstacles they face are the regulatory framework for business (13.39%), staff retention (11.88%) and staff skills (10.61%).

Graph 35 Business challenges



Travel organizers emphasize that their main challenge is the regulatory framework. On the other hand, hoteliers and caterers point out that they are constantly faced with intense competition (table below).

Table 44 Business challenges

Business challenges	Travel organizers	Accommodation providers	Food services providers	Supporting Services & Suppliers
Skills of staff	4,35%	10,71%	11,27%	5,00%
Retaining staff	2,17%	15,06%	17,08%	3,33%
High operating costs	14,35%	11,40%	7,11%	0,00%
Lack of clients	6,52%	4,61%	8,58%	11,67%
Tourist perceptions	12,17%	4,35%	2,94%	5,00%
Intense competition	12,17%	16,97%	10,05%	11,67%
Laws, restrictions, and government regulations	16,52%	14,79%	7,11%	15,00%
Inefficient, slow, or burdensome bureaucracy	6,52%	8,96%	4,33%	8,33%
Issuance of construction permits	2,17%	1,22%	2,94%	0,00%
Lack of advertising	10,00%	1,22%	14,46%	16,67%
Lack of soft skills for hospitality and customer service (personality, politeness, enthusiasm, attentiveness, etc.)	2,17%	2,44%	2,86%	3,33%
Lack of market research/information	2,17%	2,17%	7,11%	15,00%
Lack of funds for development and investments	6,52%	6,10%	4,17%	5,00%
Other	2,17%	0,00%	0,00%	0,00%

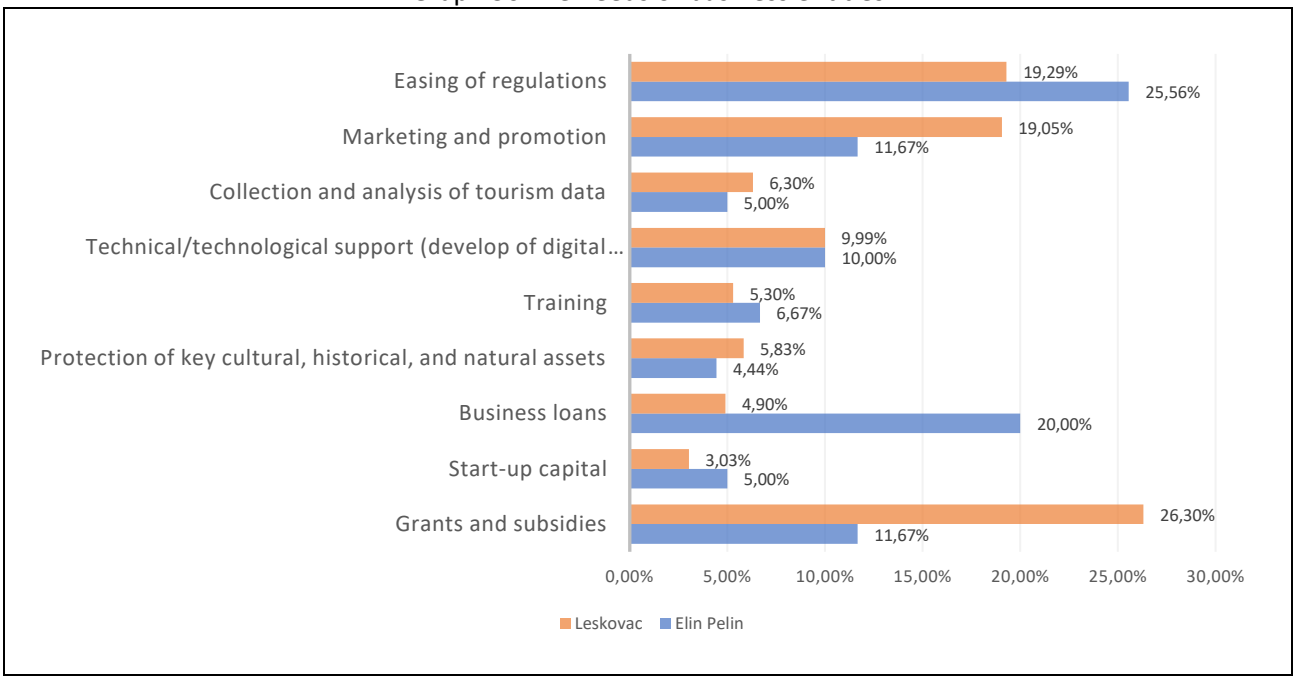
Regarding the business needs of direct participants in the value chain, the easing of regulations (22.42%), grants and subsidies (18.98%), marketing and promotion (15.36%), business loans (12.45%) and technical and technological support through the development of digital promotion tools (10.00%). In that sense, the respondents propose measures in the form of tax reduction, debt rescheduling, interest-free loans, business facilitation, implementation of promotion and connection projects and cooperation, realization of a vase with other cities from the EU and beyond and realization of market research according to business needs.

Table 45 The needs of business entities

Need	Travel organizers	Accommodation providers	Food services providers	Supporting Services & Suppliers	Support Institutions & Organization	Average
Grants and subsidies	8,70%	12,50%	14,52%	31,25%	27,96%	18,98%
Start-up capital	4,35%	0,00%	1,61%	12,50%	1,61%	4,01%
Business loans	50,00%	2,78%	3,23%	6,25%	0,00%	12,45%
Protection of key cultural, historical, and natural assets	6,52%	0,00%	1,61%	0,00%	17,56%	5,14%
Training	2,17%	1,39%	3,23%	0,00%	23,12%	5,98%
Technical/technological support (develop of digital advertising/promotional tools, etc.)	6,52%	5,56%	33,06%	0,00%	4,84%	10,00%
Collection and analysis of tourism data	6,52%	15,28%	1,61%	0,00%	4,84%	5,65%
Marketing and promotion	6,52%	13,89%	24,73%	18,75%	12,90%	15,36%
Easing of regulations	8,70%	48,61%	16,40%	31,25%	7,17%	22,42%

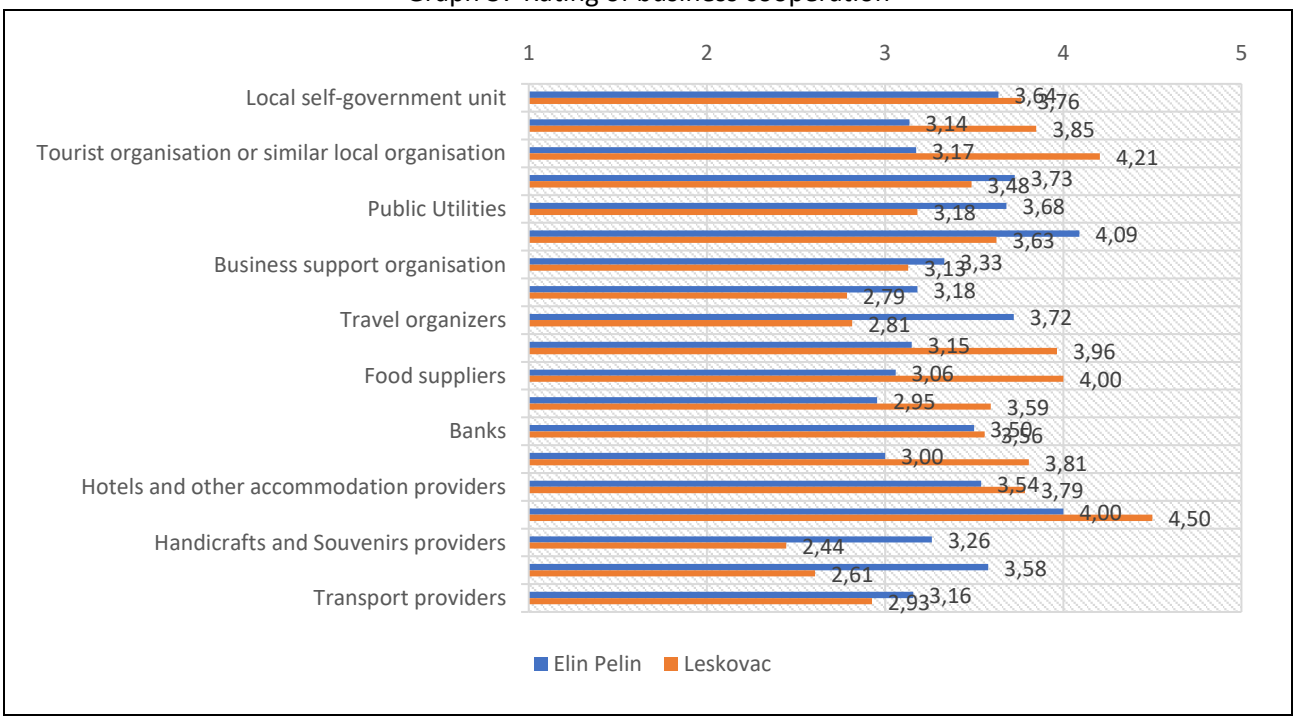
Geographically, the needs of economic entities from the tourism sector, Elin Pelin and Leskovac, are approximately identical. A significant deviation was registered in relation to obtaining grants and subsidies, for which economic entities from Leskovac showed more interest (chart below).

Graph 36 The needs of business entities



One of the essential preconditions for creating a competitive destination is that all participants in value creation must cooperate with each other. Cooperation is an essential prerequisite for synergy so that a combined effort to create value yields greater results than the sum of individual efforts. The average assessment of the degree of cooperation (3.42 Elin Pelin and 3.48 Leskovac) shows the need to improve mutual cooperation between tourism actors. The lowest score of cooperation (2.85) is related to suppliers of handicrafts and souvenirs. The highest score (4.25) of cooperation was recorded with catering service providers.

Graph 37 Rating of business cooperation



The public sector evaluates the cooperation with the private sector as particularly good. On the other hand, the private sector is reluctant to give average grades when it comes to business cooperation. Most respondents agree that cooperation must be improved between actors in the value chain. These findings are supported by the views of focus group participants.

Table 46 Rating of business cooperation

Business entity	Rating				
	Poor	Weak	Good	Very good	Excellent
Local self-government unit	1,47%	14,17%	29,14%	23,26%	31,95%
Cultural institution (Museum, Theatre, Cultural centre, etc.)	2,27%	16,67%	31,06%	29,55%	20,45%
Tourist organisation or similar local organisation	1,47%	15,28%	26,15%	26,98%	30,12%
Public institutions	3,03%	10,61%	21,21%	53,03%	12,12%
Public Utilities	1,52%	16,67%	28,79%	43,18%	9,85%
Educational institutions	3,13%	6,96%	23,15%	34,52%	32,24%
Business support organisation	3,99%	23,27%	27,19%	36,71%	8,83%
Non-governmental organization	7,63%	25,16%	34,25%	27,11%	5,84%
Travel organizers	9,26%	18,52%	19,44%	41,67%	11,11%
Local suppliers	1,79%	14,29%	28,21%	37,86%	17,86%
Food suppliers	0,00%	19,82%	30,69%	26,21%	23,27%
Local service providers	4,55%	17,61%	36,93%	27,70%	13,21%
Banks	2,50%	13,82%	30,74%	34,12%	18,82%
Business competition	3,23%	13,16%	36,59%	34,13%	12,90%
Hotels and other accommodation providers	3,57%	7,42%	29,95%	37,36%	21,70%
Restaurants and food services providers	0,00%	0,00%	16,67%	41,67%	41,67%
Handicrafts and Souvenirs providers	16,67%	19,01%	36,65%	17,64%	10,04%
Entertainment providers	10,71%	12,41%	46,05%	18,52%	12,31%
Transport providers	9,26%	22,42%	31,38%	28,75%	8,19%
Minimum	0,00%	0,00%	16,67%	17,64%	5,84%
Maximum	16,67%	25,16%	46,05%	53,03%	41,67%

Shopping is an important activity within the tourism sector today due to the need for tourists to buy local souvenirs to take home and show to friends and relatives, or just to remember a holiday in a specific tourist destination. Tourist destinations Elin Pelin and Leskovac can offer local products to tourists. These are primarily handicrafts and works of art (paintings, works in ceramics and glass, etc.), organic honey, cheese, sausages, and other types of (dried) meat, mushrooms, dried fruits, and vegetables, etc. Most respondents believe that the integration of local products or services into the tourist offer of Elin Pelin and Leskovac is good.

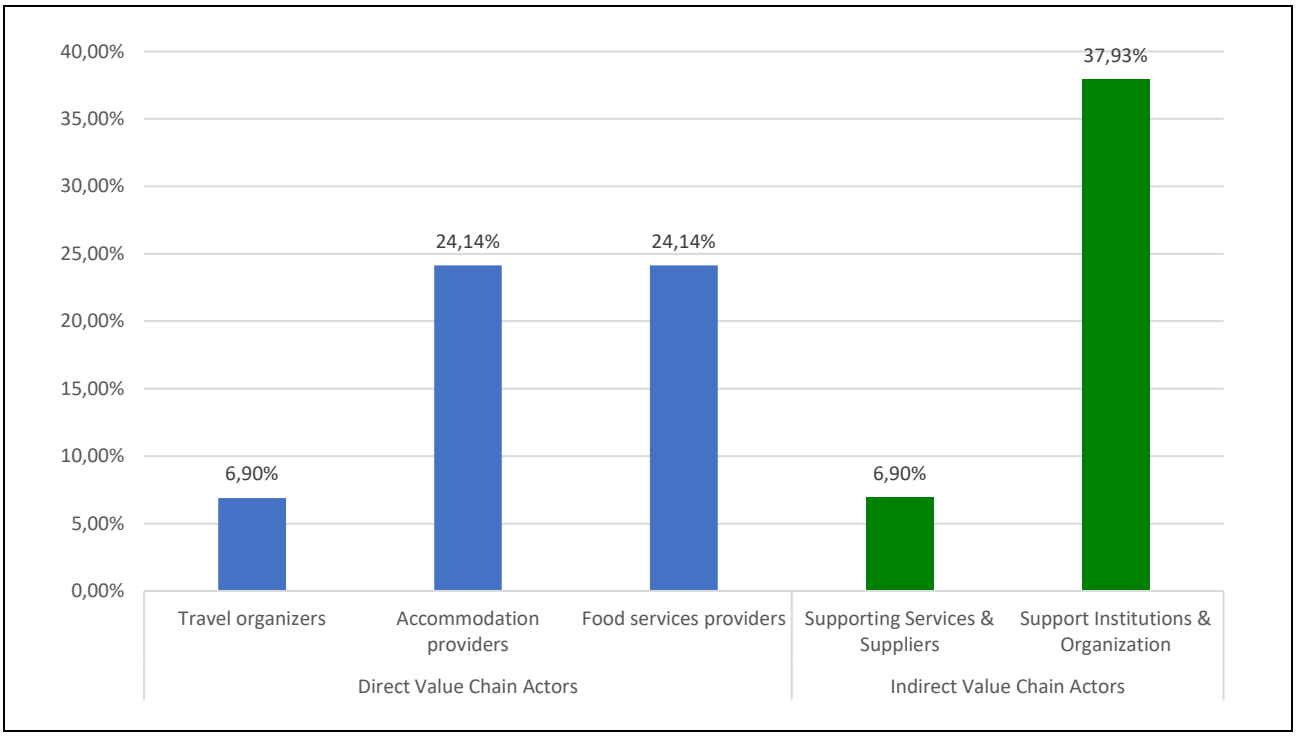
Table 47 Assessment of the integration of local products or services into the tourist offer

	Very poorly	Poorly	Good	Rather good	Particularly good
Elin Pelin	0,00%	0,00%	83,33%	16,67%	0,00%
Leskovac	7,14%	14,29%	64,29%	7,14%	7,14%
Average	3,57%	7,14%	73,81%	11,90%	3,57%

Tourism and culture are recognized as two strong drivers of development. In the modern, tourist offer, event tourism is an independent form of tourist movements that can contribute to increasing the volume of demand, according to the natural and cultural-historical values of a potential or established tourist destination.

The manifestations aim to satisfy certain needs as basic tourist resources or a formed tourist product. Tourist Destinations Elin Pelin and Leskovac are primarily recognizable for organizing events that have a national character. Most of these events are organized by the public sector (local self-government, tourist organization, cultural centres, etc.). Slightly more than half (57.35%) of respondents take part in the organization of local festivals and events. The results of the research show that 55.17% of direct and 44.83% of indirect participants in the value chain participate in the organization of local festivals and events (chart below). A special specificity of the climate of Elin Pelin and Leskovac is the diversity of food and nutrition, the way of preparing that food, but also the need for tourists to try something new. These circumstances bring gastronomic tourism to the fore. At the centre of this tourism are gastronomic products as well as activities related to the production, tasting of these products.

Graph 38 Participation of business entities in the organization of local festivals and events



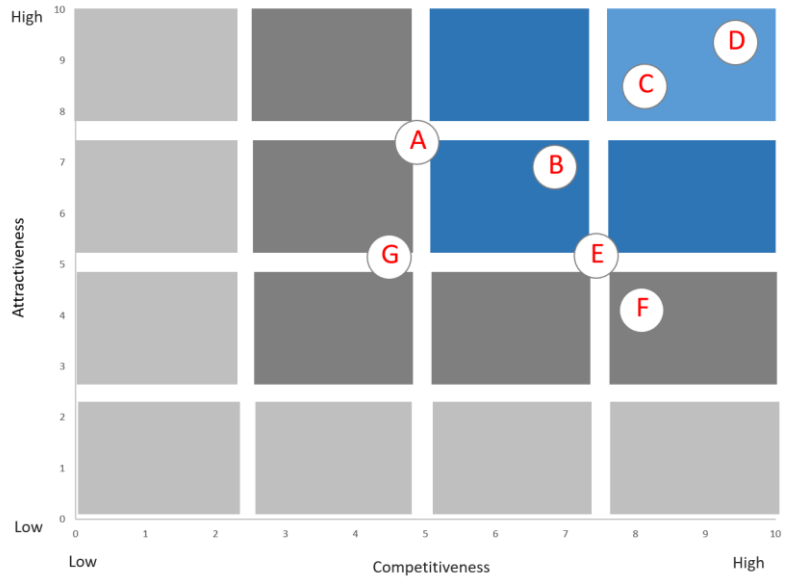
Competitiveness between tourist destinations is one of the important features of modern tendencies on the tourist market. The desire to achieve competitiveness, on a long-term sustainable basis, is permeated with the desire to create harmony between the various effects of tourism development. Only on that basis can we talk about the effectiveness of the development of a tourist destination. According to the respondents, gastronomic, festival, and cultural tourism have the greatest potential for development (table below).

Table 48 Potential for the development

Type of tourism	Elin Pelin	Rank	Leskovac	Rank	Average	Rank
Adventure tourism	4,34%	9	1,90%	9	3,12%	10
Business tourism	12,12%	4	9,49%	5	10,81%	4
Culinary tourism	19,83%	1	24,40%	1	22,11%	1
Cultural tourism	19,53%	2	12,78%	3	16,16%	3
Eco tourism	5,10%	7	3,59%	7	4,34%	8
Festival tourism	12,73%	3	23,29%	2	18,01%	2
Nature based tourism	8,54%	6	11,21%	4	9,88%	5
Outdoor tourism	8,79%	5	0,63%	11	4,71%	7
Rural tourism	4,20%	10	8,83%	6	6,52%	6
Sport tourism	4,83%	8	1,96%	8	3,39%	9
Other types of tourism	0,00%	11	1,90%	10	0,95%	11

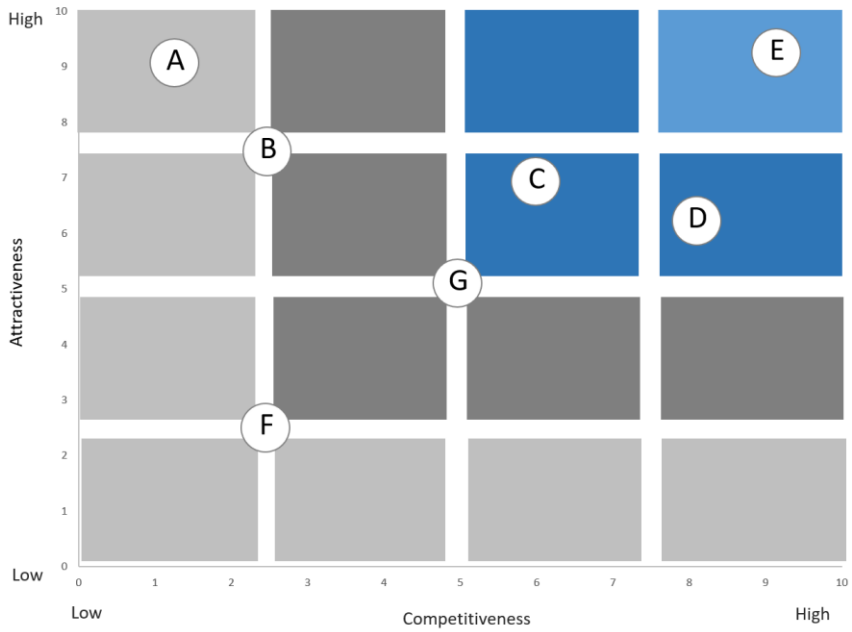
It is known that the destination is a complex system that requires careful analysis of the overall environment, both external and internal components, in order to successfully manage the destination in a turbulent tourism market. The considered characteristics of the tourist destination, above all the number and diversity of elements emphasize the importance of their harmonization in terms of creating added value for tourists while providing benefits for the local community, as well as appropriate sustainability of development. The focus groups discussed the attractiveness-competitiveness of destinations as a market positioning of potential products. Evaluation instruments in the form of matrices were used for this purpose. In this way, the competitiveness analysis in the field of tourism was performed in a participatory way. In addition, by merging the findings for both destinations, synergy points were created that need to be worked on in the future. The analysis of the competitiveness of tourist attractions (illustrations below) showed that the common points of contact between Elin Pelin and Leskovac are festivals and folklore with gastronomy as a spice for creating a successful tourist product.

Figure 18 Matrix of competitiveness analysis of tourist destination Elin Pelin



	Attractions
A	Cultural and historical heritage (fortresses, monasteries, monuments, etc.)
B	Natural resources (mountains, wetlands, flora, and fauna, etc.)
C	Festivals
D	Folklore
E	Gastronomy
F	Sport and adventure
G	Entertainment

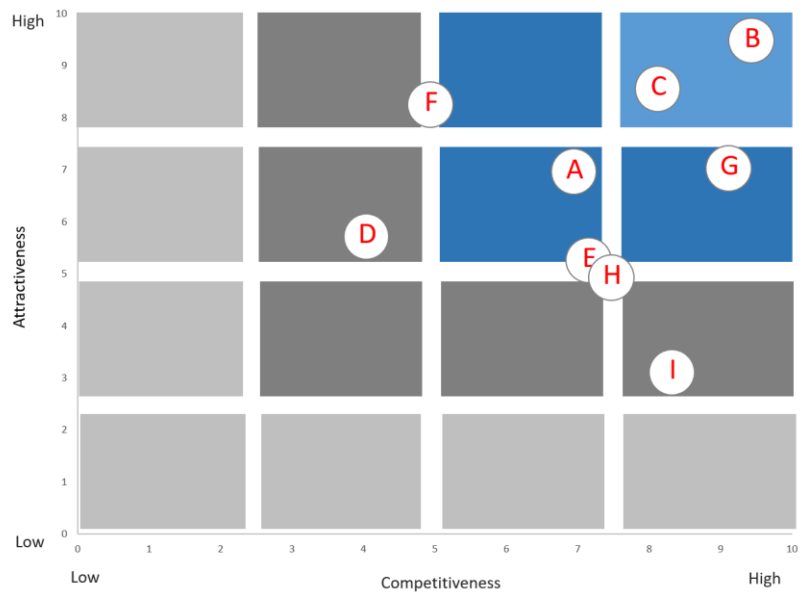
Figure 19 Matrix of competitiveness analysis of tourist destination Leskovac



	Attractions
A	Cultural and historical heritage (fortresses, monasteries, monuments, etc.)
B	Natural resources (mountains, wetlands, flora, and fauna, etc.)
C	Festivals
D	Folklore
E	Gastronomy
F	Sport and adventure
G	Entertainment

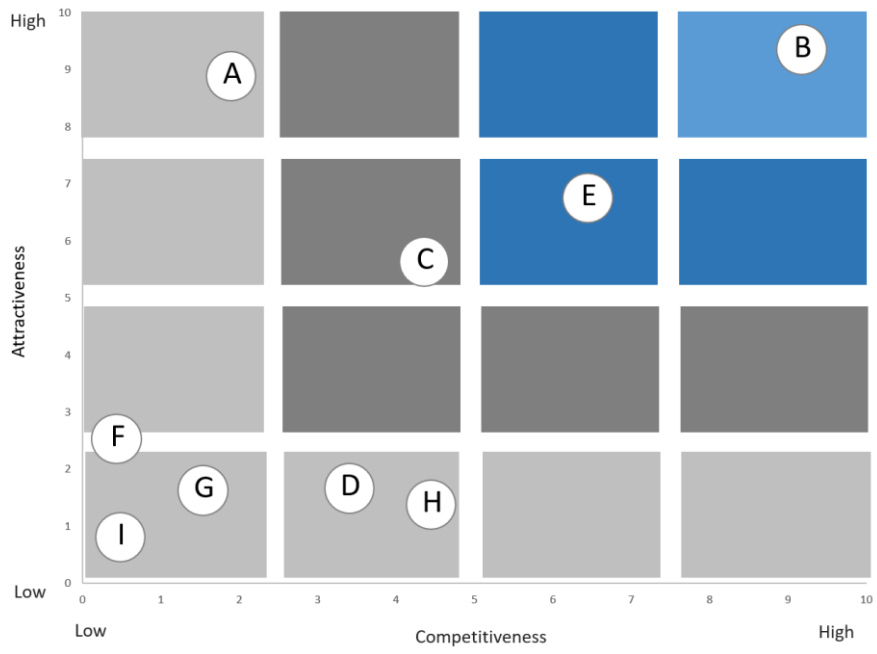
According to the type of tourism, Elin Pelin is the most represented festival and cultural tourism. Its competitiveness was assessed highly and is closely related to the high percentage of participation of manifestations of national character. Festival tourism is recognized in Leskovac as having the greatest attractiveness and competitiveness. The common points of synergy are festival tourism.

Figure 20 Matrix of competitiveness analysis according to the type of present tourism - Elin Pelin



Type of tourism	
A	Culinary tourism
B	**Festival tourism**
C	**Cultural tourism**
D	Business tourism
E	Nature based tourism
F	Rural tourism
G	**Outdoor tourism**
H	Eco tourism
I	Sport and adventure tourism

Figure 21 Matrix of competitiveness analysis according to the type of present tourism - Leskovac

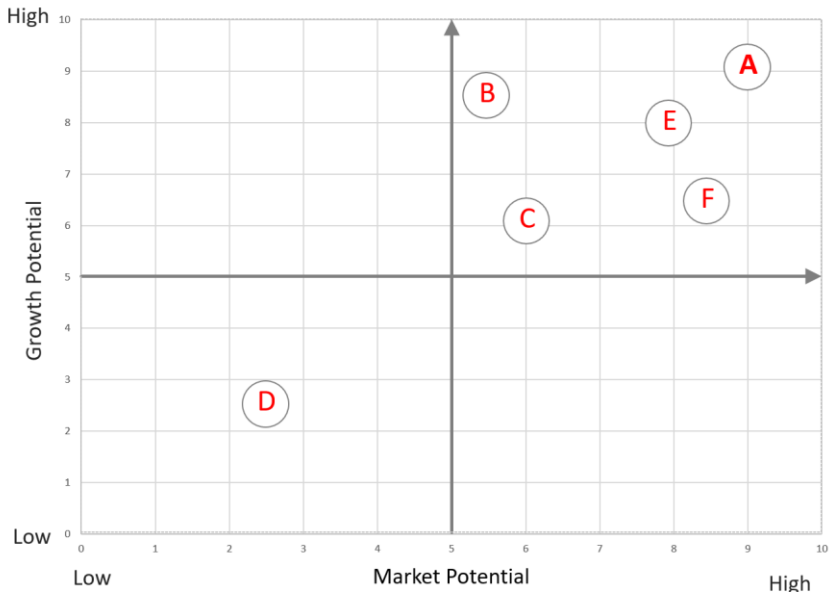


Type of tourism	
A	**Culinary tourism**
B	**Festival tourism**
C	**Cultural tourism**
D	Business tourism
E	Nature based tourism
F	Rural tourism
G	Outdoor tourism
H	Eco tourism
I	Sport and adventure tourism

Changes or trends that occur in either the economic, political, socio-cultural, technological, or environmental environment represent a chance to develop a new tourism product or to adapt the existing one to the changes in order to gain a competitive advantage. Especially important is the analysis of the market, which refers to the examination of market potential, determination of target segments, as well as the analysis of tourists in terms of their needs, perceptions, preferences, and behaviour.

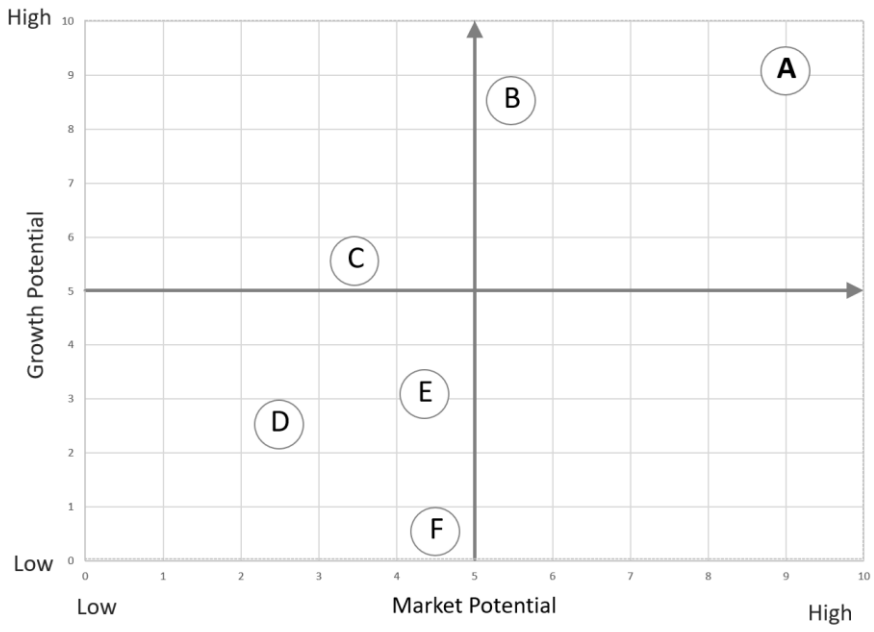
Valorisation of the market potential of existing attractions and the development of tourist products for which there is a good basis, is the first and basic step in creating a competitive offer. The selection of products that will make up the joint offer was identified during the research and verified in focus groups (illustrations below).

Figure 22 Positioning of potential tourist products -Elin Pelin



	Tourist product
A	**Festival tours**
B	Culinary tours
C	Cultural themed route
D	Eco-tours
E	**Adventure tours**
F	**MICE**

Figure 23 Positioning of potential tourist products - Leskovac

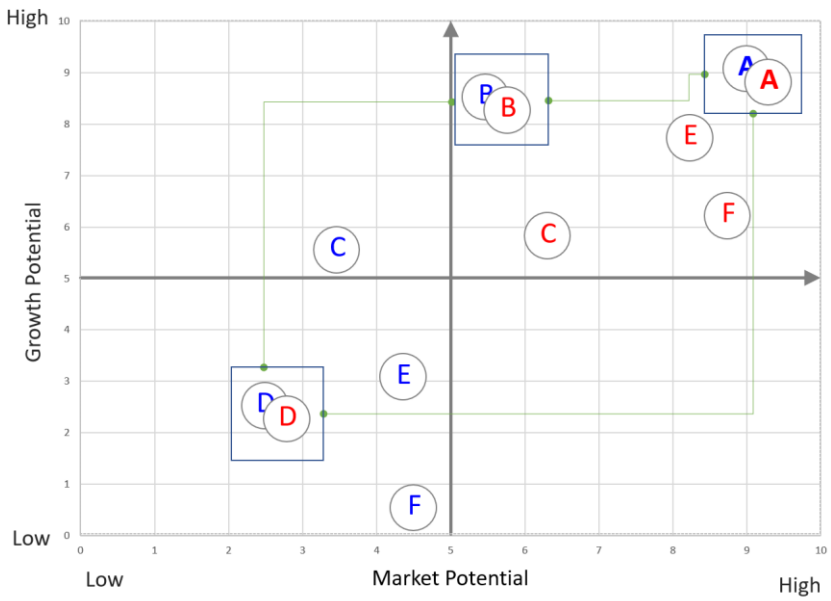


	Tourist product
A	**Festival tours**
B	**Culinary tours**
C	Cultural themed route
D	Eco-tours
E	Adventure tours
F	MICE

According to the research findings, festival and culinary tours are especially interesting for Elin Pelin and Leskovac. These potential products are in direct connection with the rich cultural life of Elin Pelin and Leskovac, as well as numerous events that are organized in this area.

Manifestations are activities of limited duration, which promote the tourism of a particular destination through the autonomous appeal of the event itself and thus stimulate tourists to directly participate in them. Manifestations are an awfully specific product because they are held in certain time frames and have an unusually strong influence on the formation of the image of a destination. The manifestations that have the greatest impact on Elin Pelin reputation are the national festival "Shopski Praznik", and for Leskovac "Rostiljijada - barbecue festival".

Figure 24 Synergy points: Joint potential tourist products - Elin Pelin and Leskovac



Elin Pelin	Leskovac	Tourist products
A	A	**Festival tours**
B	B	**Culinary tours**
C	C	Cultural themed route
D	D	**Eco-tours**
E	E	Adventure tours
F	F	MICE

Events organized by Elin Pelin and Leskovac are often part of various sports and entertainment activities. In some manifestations of the city of Leskovac, food, i.e., gastronomy appears as the basic factor, the basic content, the motive for when the manifestation itself is organized and which absolutely determines the essence and character of the manifestation itself. Food is the core of the whole manifestation and the whole manifestation is based around this motive. Motives play an important role in making the decision to travel to a particular tourist destination. In addition to the basic motives, determining the factors for the final decision of choosing a tourist place can influence the improvement of the entire process in creating a tourist offer. Motives that arise in the place of stay of tourists can be important for the re-arrival of tourists in the same tourist place. Manifestation motives are usually both the motive and the content of the manifestation itself. In the modern, general tourist offer, event tourism is an independent form of tourist movements or complementary that can contribute to increasing the volume of demand, according to the natural and cultural-historical values of a potential or established tourist destination. The complexity of the tourist activity with all its specifics affects the constant need to take new actions in order to adapt the tourist product to the requirements of tourist demand through recognizing the needs of tourists and prudence in creating a tourist product, its realization and appearance on the tourist market. The tourism industry is engaged in selling experiences. The perceived value of a tourism product or service is the dominant factor influencing consumer / tourist decision-making. Since the tourist market is very changeable, it is necessary to constantly adjust the product in accordance with the changes. In that sense, it can be said that the development of a tourist product is actually an ongoing process that does not end with the appearance of the product on the market. Like any other product, the tourist product has its own life cycle, which from the growth phase, through maturity and leads to the decline phase, followed by decay if measures are not taken to revive or improve the characteristics of the product.

5. Market Trends in the Tourism

5.1. Trends in the Tourism

Globally

Tourism is one of the largest and fastest growing sectors in the global economy bringing new opportunities for many countries, cities, and regions, while at the same time presenting many new challenges. Continued growth is causing pressure on infrastructure, the environment, local communities, other economic sectors, and wider society. Following six decades of consistent growth, tourism remains one of the world's most important economic sectors. It is a key part of a growing services economy, generating income and foreign exchange, creating jobs, stimulating regional development, and supporting local communities. Tourism exports are economically significant and have a larger impact on the domestic economy relative to other export sectors. Every USD 1 of expenditure by international tourists in OECD countries on average generates an estimated 89 cents of domestic value added, compared with 81 cents for overall exports. Globally, tourism continues to perform ahead of long-term growth forecasts, with a record 1.5 billion international tourist arrivals in 2019. Tourism growth to OECD countries has exceeded the world average since 2014, following a period of strong growth in recent years. OECD countries are among the world's top tourist destinations, and account for more than half of global arrivals (56.9%) and travel receipts (61.1%). In addition to the benefits of international tourism, domestic tourism is the mainstay of this sector in the majority of OECD countries with, on average, residents responsible for 75% of tourism expenditure.

Table 49 Trends in the tourism

	Tourists-Visitors	**Growth rate (%)**	
	2018	2014 -2018	2017- 2018
Bulgaria	12 368 000	7.1	6.7
Serbia	1 711 000	13.6	14.2
EU28		5.4	4.1
OECD members		5.5	5.0
World	1 407 000 000	5.3	5.4

There are many positive effects from tourism sector. Some benefits are following: Diverse employment opportunities (6.9% of total employment in OECD countries); Tourism has benefits for urban, regional, and rural economies; Tourism provide wide range of opportunities for innovative small-scale business operations; Tourism is support for the promotion of cultural authenticity and natural assets; Tourism support for infrastructure-related development and maintenance. Modern Trends in Tourist Motives (Expectations):

1) Intense holiday - most tourists expect a guaranteed cost-effective holiday filled with activities. These tourists enjoy sharing their holiday experiences and guided by the idea of a "hard-working holiday", they combine visits with a variety of events, festivities, and an activity holiday, which brings the special added benefit of coming home with a new set of skills, such as cooking or painting. It is expected that this way of thinking will take root in the holiday expectations of most tourists. City breaks that can offer a variety of activities can benefit from this trend. Cruises will become popular because they allow people to visit a number of destinations within one holiday.

2) Trying something new – for the last few years, research has shown that many tourists plan to explore new destinations; over a third (35%) think they will take a holiday to countries they have never been to before. Holidaymakers who prefer to stick to tried and tested destinations also look to try something new, and almost half (48%) are likely or almost certain to visit a resort or city in a country they have already visited, for example, visiting Venice instead of Verona or Mallorca instead of Malaga.

3) Living like a local – this has become a "getting under the skin" routine of many tourists. They are looking for a more authentic holiday experience and many companies are now offering travellers the chance to enjoy hidden gems alongside traditional tourist attractions. In addition to travel, blogs and social networks are an interesting way to discover hidden hotspots for a strong authentic experience.
4) It is also necessary to call attention to an upward trend in visits to the most important segments of cultural heritage, whether mobile (museums, libraries, archives, and galleries), immobile (archaeological sites, urban centres, protected heritage sites, monuments of folk architecture, fortifications, battlefields and execution sites) or immaterial (amenities).
5) A rise in group visits to important celebrations and events – an increase in the number of group visits to places of important celebrations and events. 2014 and 2015 recorded a rise (by 19%) in the number of group and family visits to important institutions and monuments of culture, war memorials and places of suffering, as well as sites of important events. Groups of tourists are increasingly choosing places of celebration of important events from world wars, sites of important battles, places known for traditional weddings, harvests, as well as family visits to the places that rekindle fond memories from childhood and youth.

6) No breaks for city breaks – city breaks overtook beach holidays as the most popular type of holiday in 2014 and are expected to hold the top spot in 2015, with 43% planning a city break (compared to 42% planning a beach holiday). The increased popularity of city breaks is likely due to an increase in low-cost flights to a variety of destinations, making this type of holiday more appealing to a wide range of people. Cities are most popular with people aged 25-44 and this age group choose them due to the constraints of taking time off from work. The most popular destinations are Amsterdam, Paris, Berlin, Rome, Barcelona, and Dublin.
7) Fitness and sport - according to research by the Association of British Travel Agents, (ABTA) (UK), 6% of people planned a sporting holiday in 2015, and 5% an adventure or other challenge break. 4% of people also planned a trip abroad to see major sporting events. This trend, incorporating fitness and other sporting activities and events, sees a notable increase in middle-aged people.
8) Wellness holidays - wellness and spa breaks also have a growth tendency which continued in 2015. The Global Wellness Institute recently reported that the sector is worth 494 billion USD globally (a growth of 13% in one year, placing the UK in the top ten countries for wellness breaks). Wellness breaks incorporate a wide range of activities: spa, yoga, detox, fitness, and stress relief. They are especially popular with businesspeople seeking to recharge on holiday. Wellness programmes are also popular with single travellers. Destinations are prized for their natural beauty, regardless of their remoteness, such as Oman, Arizona, Costa Rica, and Indonesia.
9) Gastronomic tourism - a new trend in modern tourism. Gastronomic tourism is a growing phenomenon, with over a third of tourist spending devoted to food, according to a report from the World Tourism Organisation. 22% of Europeans, according to EUROSTAT, said that the main reason for going on holiday is for a cultural experience, which includes the culinary arts. According to the same author, Bulgarians spend almost 40% of their trip budget on gastronomic products. As a result of this, local cuisine is an important factor in terms of holiday quality. One of the most commonly used definitions of gastronomic tourism is: gastronomic tourism "is a journey, in regions rich in gastronomic resources, which can generate recreational experiences or have entertainment purposes, which include visits to primary or secondary producers of gastronomic products, gastronomical festivals, fairs, events, cooking demonstrations, food tastings or any activity related to food."
10) Tourism and technology – broadband internet have already changed communication and electronic culture and has a direct impact on the (self) organisation of holidays. Mobile phones are becoming personal holiday organisers, with artificial intelligence software acting as a virtual personal tour operator. However, it is exactly due to the omni present technologies and telecommunications networks that a rapidly growing trend has emerged (which requires a domestic offer) - guests on holiday are increasingly looking for detoxification from online communication.

11) Having in mind changes in tourists' behaviour and habits, a lot of effort has been put into adequate segmentation of consumers and the consequent market segmentation of tourism and hospitality products and services, keeping in mind the gender, age, marital status, motivational, and all other important tourist segmentations, as well as the constant need for adjustments to the domestic offer. This shows that the structure of tourists today is complex and that the secret to successful marketing in tourism lies in the ability to understand trends and satisfy all market niches. In this regard, three groups of new trends should be given special attention:

a. New trends in promotion and booking.
b. New accommodation types.
c. Modern motives for travelling in the world tourist market.

The OECD Policy Statement on Tourism Policies for Sustainable and Inclusive Growth (OECD, 2018c) notes that moving towards coherent and comprehensive approaches to tourism policymaking will help countries to reframe tourism growth to better spread the benefits, address inequalities and improve the resilience of economies. OECD guidance on moving towards coherent and comprehensive policy approaches.

The OECD Policy Statement on Tourism Policies for Sustainable and Inclusive Growth highlights that for integrated policy responses to be effective, they should

1) Consider that tourism is not simply the preserve of central governments, but encompasses all levels of government, where different mandates and levels of autonomy apply in different countries.
2) Have the support and leadership of policy makers and adopt a medium- to long-term focus.
3) Recognise the value of strong dialogue between government, industry, and civil society in the development, implementation and monitoring phases.
4) Be evidence-based and clearly identify the roles, functions, and interactions of key public and private sector stakeholders and bring them together in an effective manner.
5) Fully consider the trade-offs and complementarities with related policy areas, including transport, environment, culture, security, education, agriculture, new technologies, digital transformation, and wider economic policy.
6) Identify win-win solutions that deliver stability for industry and promote economic growth, quality jobs, and prosperity for countries and regions.
7) Promote environmentally sustainable growth and support country efforts to meet national and international commitments.
8) Encourage tourism development and the creation of added value based on identified comparative advantages, diverse high quality tourism offerings, and sustainable management of natural and cultural resources.
9) Use tourism as an engine for inclusive growth, to create quality jobs, business, and regional development opportunities, mitigate the negative impacts on local communities, and better spread the benefits to all people and territories.

Source: OECD Policy Statement on Tourism Policies for Sustainable and Inclusive Growth (OECD, 2018c)

Bulgaria:

Tourism is a leading, rapidly growing economic sector in Bulgaria in terms of foreign exchange earnings, share of GDP and job creation. Its development contributes to the development of other sectors of the national economy (in particular, trade, transport, communications, agriculture, household goods, etc.), diversification of economic activities in underdeveloped regions, the economic well-being of Bulgarian citizens and their quality of life.

Up to 2020, more than 1/10 of Bulgaria's GDP is formed by revenues from international and domestic tourism and 15.6% of the Bulgarian economy is the result of the multiplier effect of tourism, more than 170 000 people are direct employment in the sector and the total number of employed in tourism and tourism-related industries are around 500 000 people. The different types of tourism - rural, ecological, cultural - have established themselves as an activity creating a gross added value for the regions based on a better use of local development potential - natural resources and landmarks, climatic conditions, cultural and historical heritage. The cultural and creative industries contribute to the development of cultural tourism in the regions and to the promotion of cultural traditions and identity. According to the World Tourism Organization, the expectations are for an average annual growth of international tourism trips by 3.3% by 2030. As the forecasts are to increase the interest of travellers to lesser-known destinations in Eastern Europe, and if Bulgaria is able to develop the necessary tourism products and take advantage of these trends to attract more tourists, it can be expected that tourist trips to Bulgaria will grow higher than the average for the world by 2020. or about 4% average annual growth by 2020. In the long run, it may expect a reduction in the growth rates in the number of tourist trips to Bulgaria and a 3% annual average growth in 2020-2030 and a 4% average annual growth for the period 2013-2020 due to the higher volume of tourism and greater market saturation. In line with these projections, and under the same conditions, it was expected that in 2020 Bulgaria will attract more than 9 million foreign visitors without transit (37% growth for 2012-2020), and in 2030 over 12 million foreign tourists

Serbia:

The current trend of growth in arrivals and overnights of foreign tourists is, undoubtedly, a great business opportunity for the development of both existing and new micro and small enterprises in the tourism and hospitality industry and related activities. Existing enterprises in tourism and its related activities can raise their own and the overall competitiveness only if they continue to accept entrepreneurial market trends, and if they continue to acquire new knowledge, skills and technologies that require constant improvement of the business environment and the entry of new competing companies. Measured by the number of overnight stays, tourism in Serbia first went through a phase of traffic growth in the period 2005–2008. Within 2009, the contraction phase came, which lasted the following year, and from 2011 to 2013 a period of stagnation followed, in which the average number of tourist nights remained at around 6.6 million per year. In 2014, due to weather disaster in May, with a decrease in the number of overnight stays by 7.3% compared to 2013, tourist traffic again experienced a strong contraction. However, despite the unfavourable weather conditions at the very beginning of the tourist season, 2014 is the year which marked the beginning of the expansive growth of tourist activity in Serbia. In 2019, 10.1 were registered million overnight stays, which is 7.9% more than in 2018. Growth has been stable since mid-2014 so good results are expected in the forthcoming period. In 2019, domestic tourists realized 6.1 million overnight stays, which is 6.8% more than last year. This group of tourists still make up the majority of visitors in Serbia, i.e., 60.2% total number of nights. As domestic tourists in the past had a dominant impact on the overall tourism activity, their movement is similar to the movement of the total number overnight stays. Number of nights of foreign tourists lying shows higher growth: 9.6% compared to 2018, i.e., four million November in 2019. The growth trend has existed since the beginning 2000 and everything is strong, which indicates that, in the following period, foreign tourists have it all greater impact on overall results tourism in Serbia. Expressed by the number of tourist nights, the most visited tourist places in 2019 were spas, with about 2.8 million realized overnight stays, which represents 27.6% of the total number of tourists overnight stays in the Republic of Serbia. Therefore, 1.5 million overnight stays were realized in Vrnjačka Banja and Sokobanja. The visitors of the spa were mostly domestic tourists (87.3% of the total number of nights). According to the frequency of visits to tourist places, the city of Belgrade and mountain places follow with 2.5 and 2.3 million, respectively overnight stays. In mountainous places, the majority of visitors were domestic tourists (83.4% of the total number of overnight stays), while 84.8% of overnight stays in Belgrade were realized by foreign tourists. The most visited mountains were Zlatibor (777 thousand overnight stays) and Kopaonik (566 thousand overnight stays).

Elin Pelin/Leskovac: Both tourist destinations have seen an increase in the number of tourists over the past few years. During 2018 and 2019, a gradual increase in the number of tourists was recorded (following table). The break occurs during 2020, which under the influence of the COVID-19 pandemic was very unfavourable for the tourism sector.

Table 50 Dynamics of clients

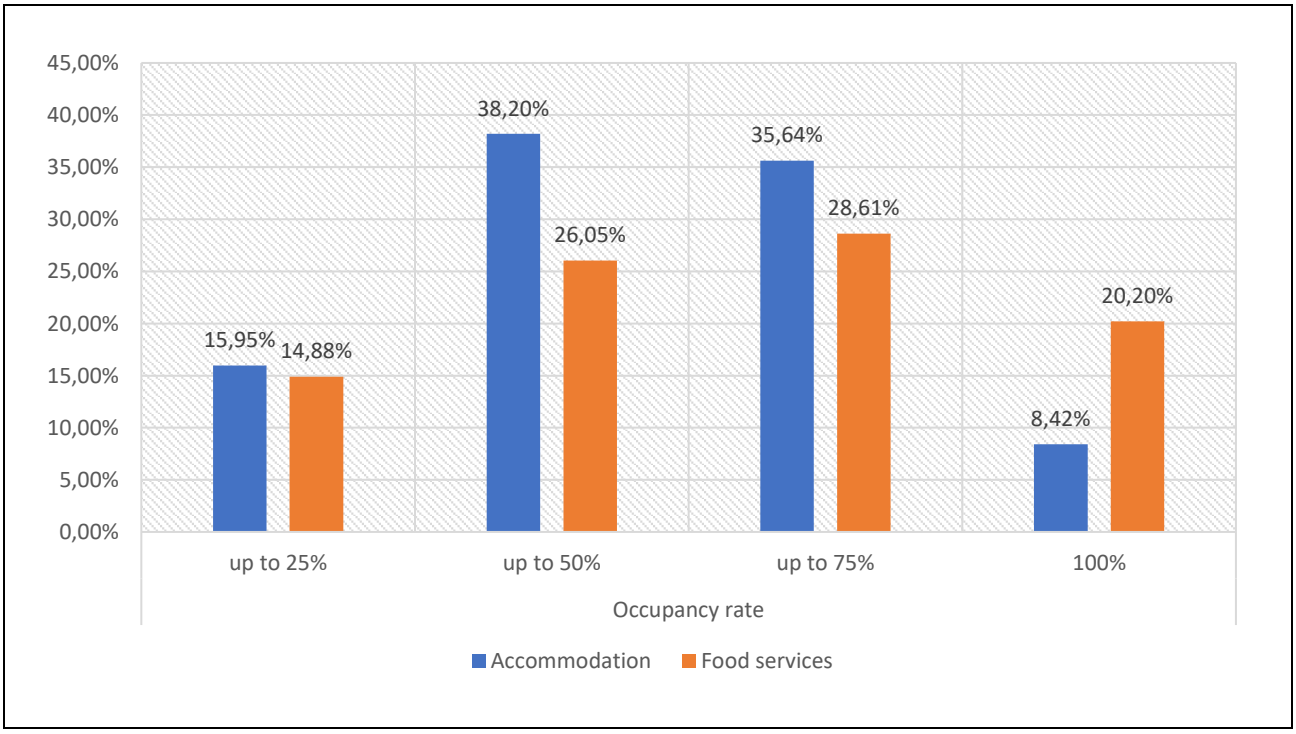
Dynamics	2018	2019	2020
Gradually decreasing	2,84%	3,66%	5,16%
Significantly reduced	3,70%	4,63%	29,01%
Gradually increasing	18,98%	13,57%	0,93%
Significantly increased	5,51%	11,29%	0,72%

The filling of tourist capacities in both destinations shows a distinct sensuality. It is a consequence primarily of the dominance of manifestation tourism, but also of not becoming a year-round tourist offer. In the future, tourism actors must work together to create an offer that will employ existing tourism facilities and at the same time create conditions for building new facilities.

Table 51 Occupancy rate at different times of the year

Season	Closed	Occupancy rate			
		up to 25%	up to 50%	up to 75%	100%
Spring	1,28%	4,54%	9,21%	6,82%	2,82%
Summer	1,28%	1,25%	5,98%	9,94%	6,18%
Autumn	1,28%	2,11%	9,21%	9,86%	4,04%
Winter	2,17%	7,52%	7,71%	5,51%	1,28%

Graph 39 Occupancy rate



5.2. Economic Impact from COVID-19

2019th was 10th consecutive year of growth, then in 2020, OECD estimates on the COVID-19 impact point to 60% decline in international tourism in 2020. This could rise to 80% if recovery is delayed until December. Based on just seasonal patterns, the greatest relative impact would be expected on travel to European countries. Almost half of total arrivals to the region occur in the summer season between June and September. In fact, under the downside scenario, international arrivals to Europe could drop by 78% this year. There could be up to 29.5 million Travel & Tourism job losses and $1,608 billion Travel & Tourism GDP loss this year.

Table 52 Global Economic Impact from COVID-19[42]

	Direct impact of COVID -19		If no improvement	
Travel and tourism: Lost Jobs (2020)	**142,6 million**	43%	**174,4 million**	53%
Travel and tourism: Losses in GDP in USD billion	**3,815**	43%	**4,711**	53%
Travel and tourism: Decline in the number of visitors	International 65%	Domestic 33%	International 73%	Domestic 45%

Table 53 Travel and Tourism Recovery Scenarios 2020[43]

	Travel and tourism: Jobs (in million)	**Travel and tourism: Decrease in GDP compared to 2019 in%**	**Visitor Arrivals**
Best case scenario	**14.2**	**⇩ 38%**	**⇩ 43% international**
	⇩ 38%		**⇩ 30% domestic**
Baseline scenario	**18.4**	**⇩ 50%**	**⇩ 55% international**
	⇩ 50%		**⇩ 40% domestic**
Worst case scenario	**29.5**	**⇩ 80%**	**⇩ 78% international**
	⇩ 80%		**⇩ 75% domestic**

Bulgaria: In September 2020, during the continuing epidemic situation in the country, the number of the trips of Bulgarian residents abroad was 555.6 thousand, or by 15.0% under the registered in September 2019. In September 2020, the number of arrivals of visitors from abroad to Bulgaria was 563.7 thousand or by 56.2% less in comparison with September 2019. A collapse in the trips, with all observed purposes, was registered: 'holiday and recreation' - by 67.3%, 'professional' - by 65.0% and 'others' (including as guest and passing transit) - by 39.7%. Transit passes through the country were 45.2% (254.6 thousand) of all visits of foreigners to Bulgaria. The share of visits of EU citizens was 52.9% of the total number of foreigners' visits to Bulgaria in September 2020 or by 62.1% less in comparison with the same month of the previous year.

[42] Source: World Travel Tourism Council: November 2020 Projections
[43] World Travel Tourism Council

A drop in the visits of citizens from all observed countries was registered. The visits of foreigners in the group of other European countries decreased by 40.2% [44].

Serbia: Tourist turnover - September 2020[45] In the Republic of Serbia, in September 2020, compared to September 2019, number of tourist arrivals was by 43.1% lower, while number of tourist overnight stays was by 22.9% lower. In September 2020, compared to September 2019, number of overnight stays of domestic tourists was by 18.8% greater while number of overnight stays of foreign tourists was by 76.3% lower. Expressed in number of tourist overnight stays, the most frequently visited tourist resorts over January - June 2020 were mountain resorts, with about 936 thousand nights spent, accounting for 36.9%% of total overnight stays in the Republic of Serbia, of which 564 thousand nights were spent in the largest ski resorts - in Kopaonik and Zlatibor. Visitors of mountains were mostly domestic tourists (81.7% of the total number of overnight stays). According to the frequency of visits to tourist resorts, spa resorts and the City of Belgrade are the next most visited destinations with about 637 i.e. 456 thousand overnights stays. Tourists in Belgrade were mostly foreign visitors (71.3% of the total number of overnight stays), while 90.2% of nights in spa resorts were spent by domestic tourists. The most visited spas were Vrnjačka banja (about 195 overnight stays) and Sokobanja (about 148 thousand overnight stays). In the first half of 2020, foreign tourists from about fifty different countries visited Serbia. Most nights were spent by visitors from Bosnia and Herzegovina, Russian Federation, Romania, Montenegro, Turkey, China, and North Macedonia. The visitors from these countries spent 48.3% nights of the total number of foreign tourists overnight stays in the first six months of 2020. In Serbia in the second quarter of 2020, influenced by the fall of activity in all sections and by COVID-19 precautionary measures, the Economic Sentiment Indicator in Serbia saw for the first time an under average value of 72.4 (average 100) as well as a fall of even 37.8% relative to the previous quarter. This is at the same time the largest recorded fall, but also the lowest value of this indicator since it has started to be calculated in Serbia.

Measures that have been undertaken globally: Based on information from governments, international organizations, and online official public sources, UNWTO has launched an online interactive dashboard on country and international policy responses to COVID-19 covering 220 countries and territories and more than 30 international and regional institutions. This briefing note offers an overview and analysis of the main measures adopted by countries to mitigate the effects of COVID-19 in tourism and support recovery.
Worst-case scenario can be avoided if countries follow WTTC´s five-point plan for recovery:

1. Immediate removal and replacement of any quarantine measures, with 'air corridors' to countries with similar circumstances, as well as the removal of travel advisories and bans on non- essential international travel, which prevent insurance protection cover for travellers.
2. Adoption of global health and safety protocols to provide assurance to travellers that it is safe to travel again.
3. Implementation of a rapid test and trace strategy to help contain the spread of the virus.
4. Greater collaboration between the public & private sectors to ensure a standardised, global approach to the crisis.
5. Continued government support for the sector in terms of fiscal and liquidity incentives as well as measures to protect workers.

Governments over the world stated that they responded quickly and strongly. The immediate and first response from governments consisted of cross-cutting fiscal and monetary measures to mitigate the economic impact of the crisis, with a special focus on SMEs liquidity, and protect jobs in the most severely affected sectors. Most countries have adopted economy-wide stimulus packages (fiscal and monetary measures) along with job support measures. As the situation evolves, countries increasingly adopted tourism specific measures as well as measures to reopen and restart the sector. UNWTO Recommendations for Action are divided into three key areas: (I) Managing the crisis and mitigating the impact, (II) Providing stimulus and accelerating recovery and (III) Preparing for tomorrow.

[44] Source: National Statistical Institute. Trips of Bulgarian Residents Abroad and Arrivals of Visitors from Abroad to Bulgaria in September 2020- Press release. Sofia 2020.
[45] Source: Catering and tourism statistics. Statistical release-Number 290 - Year LXX, 30.10.2020. Statistical Office of the Republic of Serbia Belgrade, 2020.

The overview of policy responses provided shows clearly that while the first wave of measures adopted fall into the first and second areas, countries are taking initial steps towards rebuilding tourism and preparing for tomorrow. Following these Recommendations and recalling the Priorities for Tourism Recovery, UNWTO has recently issued the UNWTO Global Guidelines to Restart Tourism which provide high-level guidance for reopening tourism operations and helping tourism sector emerge stronger and more sustainably from COVID-19.

Measures that have been undertaken in Bulgaria: The Ministry of Tourism undertook the following measures to support tourism business during the COVID-19 crisis: Possibility for tour operators to provide vouchers to customers for cancelled trips. Deadline extension for tourism businesses to fullfil obligations issuing of guidelines and recommendations for tourism packages. Tourism businesses will benefit as well of general fiscal policy, monetary policy, and labour measures, to support the recovery, the Ministry of Tourism is currently working on vouchers to stimulate domestic tourism for the late summer season. Recommendations for tourism accommodation establishments are being developed. Another crucial long-term measure under development is the establishment of a Guarantee Fund in the tourist interest protection. The Ministry of Tourism is working to integrate long-term support measures for the tourism sector in the next programming period under the EU Operational Programs and other EU programs. (Information last updated on 23 April 2020). In Bulgaria, the government will assist businesses (hospitality, travel agencies and tour operators, restaurants, and fast-food establishments among other) by covering the insurance payments owed by the employers. Some examples of measures and initiatives to restart tourism: Bulgaria has formulated guidelines for accommodation establishments and a special declaration for tourists and Bulgaria announced that the deadline for refunding from a tour operator is stipulated (13 June) in case the traveller does not accept the options given (a voucher or a tourist package replacement).

Measures that have been undertaken in Serbia: The COVID-19 pandemic, related containment measures, and a stimulus package of nearly 13 percent of GDP are taking a heavy toll on the Serbian economy, with a projected decrease in real GDP of 3 percent in 2020 and recovery starting in 2021. Serbia used most of the available fiscal space early on in the pandemic, resulting in an economic contraction of 6.4 percent (year-on-year [y-o-y]) in the second quarter of 2020 that was less pronounced than in neighbouring countries but still led to a small increase in unemployment and an uptick in poverty. As the economy experiences a recession and public debt sharply increases, the future fiscal space to stimulate a recovery is limited, requiring further reforms to bring the economy back to sustained growth. The new government to be formed in October 2020 (following June 2020 elections) is expected to continue to implement programs that address structural weaknesses, increase public sector efficiency, and eliminate bottlenecks to private sector growth, along with maintaining macroeconomic stability. An important aspect will be the introduction of a “green growth” program to its post-COVID-19 economic recovery efforts while responding to challenges that include a shrinking population, labour shortages, and climate change. Serbia’s continued growth will crucially depend on the pace of the European Union (EU) accession process. Serbia, as well as Slovenia and Slovakia, have announced direct payments to the companies (or a percentage of salaries) that have been obliged to close due to the pandemic. Travel vouchers issued by the government and granted to families to spend in domestic travelling have been approved by Serbian Government. In mid-March, the Serbian government announced some measures that would amortize losses in the tourism sector due to a drop in foreign tourist visits. Among them is the distribution of an additional 60,000 vouchers, which would increase the number of 100,000 awarded last year to 160,000 vouchers for Serbian citizens.

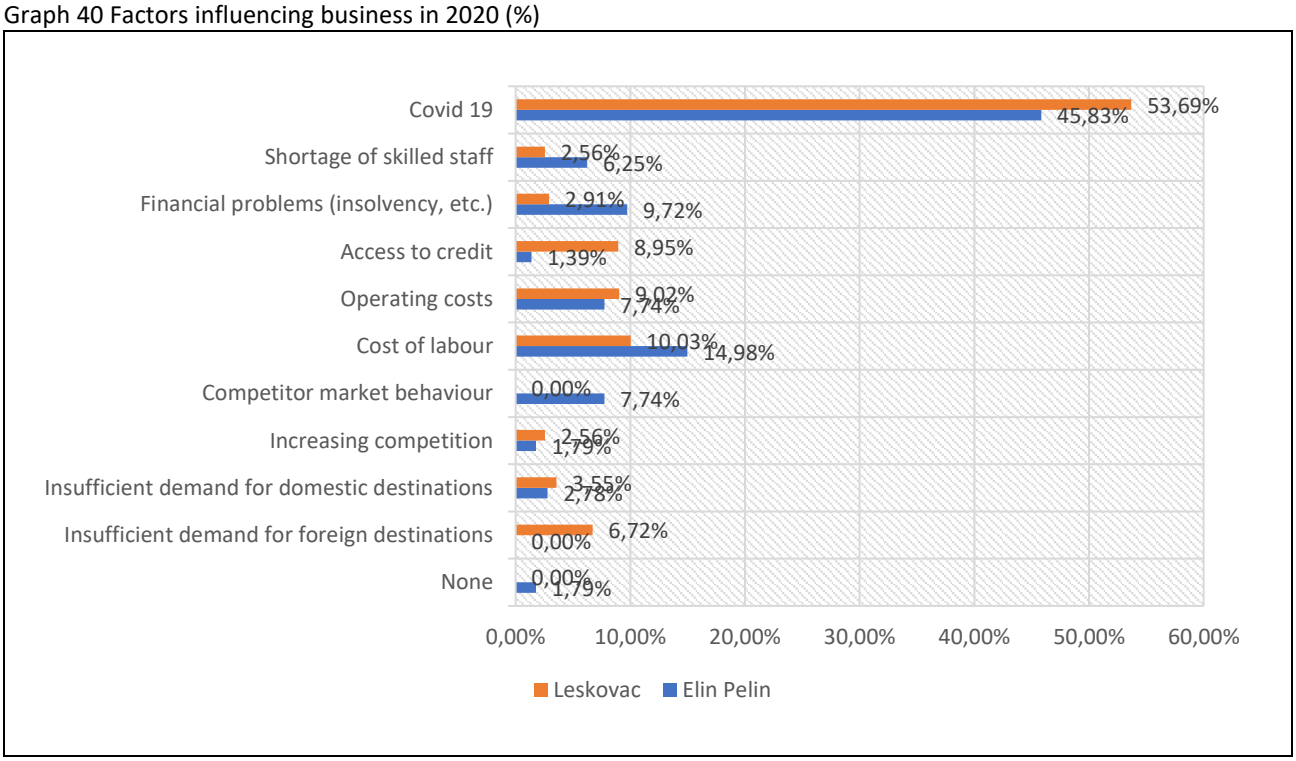
It is clear that there is no single solution, as the opportunities and challenges for tourism development will vary depending on the country, type of predominant tourist sectors, individual destinations within and between countries. The impact of the crisis is being felt throughout the entire tourism ecosystem and re-opening and rebuilding destinations will require a joined-up approach. A key challenge often emerging in the discussion of measures is the need to ensure that support reaches the ‘real economy’ and is accessible for businesses and families in a simple and effective manner. Considering the high impact of the crisis, as well as the fact that tourism is a labour-intensive sector, countries should consider specific programmes to support tourism namely in restarting the sector (adaptation to new protocols) and recovery. This time is critical to invest in human capital and talent through special programmes and capacity building on digital skills, health protocols, etc.

Measures and their influence in Elin Pelin/Leskovac: The COVID 19 pandemic had a devastating effect on the tourism sector in Elin Pelin and Leskovac. Respondents ranked COVID 19 in the first place as the dominant factor that marked the business in 2020. Restrictive national measures to ban gatherings in order to prevent the spread of the epidemic have caused revenues for over 90% of businesses operating in tourism. At the same time, losses increased as a result of high fixed costs of maintaining tourist facilities. All this has affected employment in this sector which has been reduced by 30 to 50%. At the time of this judge's writing (February 2021), measures prohibiting the operation of restaurants, bars and cafes are in force in the municipality of Elin Pelin. Most of these economic entities have stopped working. Some restaurants have found a short-term solution in the preparation and delivery of food on request. However, the realized revenues enable the reduction of losses. Focus group participants in Leskovac have the perception that 2/3 of business entities in the field of tourism have stopped working or have been shut down.

Table 54 Factors influencing business in 2020 (%)

Factor	Travel organizers	Accommodation providers	Food services providers	Supporting Services & Suppliers	Rank
None	0,00%	0,00%	3,57%	0,00%	11
Insufficient demand for foreign destinations	8,33%	2,94%	2,17%	0,00%	8
Insufficient demand for domestic destinations	4,17%	2,94%	0,00%	5,56%	9
Increasing competition	0,00%	2,94%	5,75%	0,00%	10
Competitor market behavior	0,00%	2,78%	7,14%	5,56%	7
Cost of labour	16,67%	12,75%	7,92%	12,70%	2
Operating costs	4,17%	10,13%	13,66%	5,56%	3
Access to credit	4,17%	7,19%	2,17%	7,14%	5
Financial problems (insolvency, etc.)	0,00%	15,36%	4,35%	5,56%	4
Shortage of skilled staff	12,50%	2,94%	2,17%	0,00%	6
COVID 19	50,00%	40,03%	51,09%	57,94%	1

Graph 40 Factors influencing business in 2020 (%)



The local tourism sector has taken measures to mitigate the impact of COVID-19 on business (following table). Primarily, the possibility of postponing and re-scheduling the service was introduced (27.67%), the working hours of facilities were shortened (24.94%) and the number of employees was reduced. Most respondents believe that these measures have not significantly improved their situation. According to the majority of respondents, the right measures to improve tourism are tax reduction, debt rescheduling, interest-free loans, business facilitation, promotion and connection projects and cooperation, creating a vase with other cities in the EU and beyond and conducting market research according to business needs.

Table 55 Measures regarding COVID -19

Measure	Travel organizers	Accommodation providers	Food services providers	Average	Rank
Offered customers option to re-schedule	38,20%	29,17%	15,66%	27,67%	1
Introduced alternative tourism products or services	6,80%	6,67%	9,60%	7,69%	6
Offered lower prices	18,70%	19,17%	10,10%	15,99%	3
Reduced staff size	0,00%	15,83%	14,65%	10,16%	5
Reduced working hours	23,80%	16,67%	34,34%	24,94%	2
Temporary closure	12,50%	10,00%	12,88%	11,79%	4
Permanent closure	0,00%	2,50%	2,78%	1,76%	7

6. Tourism Value Chain Diagnosis - Main findings

The most important challenge for achieving sustainable tourism development is to provide tourist offer that meets the interests of tourists and the well-being local population while preserving natural and sociocultural resources for future generations. Sustainable tourism should integrate the natural, cultural, and human environment and it must respect the fragile environmental balance that characterizes many tourism destinations, particularly in environmentally sensitive areas. Global tourism market increasingly offers products tailored to individual preferences and requirements of tourists or specific market segments, where competitive advantages and special features of tourist destinations are particularly important, such as natural and climatic conditions, rich and also high-quality gastronomy offer, as within the observed destination. Food and beverage segment provide the basis for further diversification of tourism offers and adjustment to the requirements of users focused on health preservation - back to nature, organic food consumption, use of medical herbs and natural cosmetics, etc.

Identified problems and challenges: The offer in hotels, restaurants and other facilities within the destinations does not meet the needs and expectations of tourists from the following reasons: 1) Small and limited share of the local products within the offer of hotel and catering facilities. In the existing offers, a negligible number of hotel and catering facilities offer souvenirs for sale; 2) Insufficient and inadequate promotion of local products. A few hotels and restaurants have separate menu sections dedicated to local meals. Small number of tourism service providers organize introduction with local tradition, customs, and testing of local products either in hotel/restaurant or at the production place in cooperation with producer; 3) Insufficient utilization of 'sales tools' such as healthy food, organic production, gluten free and slow food by producers. These 'sales tools' are the strong marketing tool because modern consumers are back to the nature and look for healthy food and products which will help them to mitigate consequences of stressful and fast lifestyle. It is necessary to conduct identification and branding of local products (for further develop in terms of quality, production quantities and promotion of specific characteristics, healthy and clean environment of production). These products should be promoted through gastronomic and other fair events and old crafts should be renewed through tourism offer. In addition, food (small packages of jam, ajvar, jelly, Rakia, cosmetic creams of herbs etc.) and handcrafts products should be developed in such a manner to become souvenirs which are important marketing tool in the tourism offer. Lack of communication and cooperation among all actors (producers, hotels, catering, shops, tourism agencies, tourism organization) complicate creation of destination package arrangement. The package arrangements which link the services of local producers, hotels, and restaurants directly or via tourism agencies are rarely offered. It would provide possibility for diversification of tourist offer through introducing activities of local customs and gastronomy through involvement of tourists in production and testing of local products at the production place. Insufficient utilization of tourism capacities is the answer on mongoose destination offer. In regard to that, passive holiday is the main motive of visits during summer season what indicate seasonal character of business. Low utilization of tourism capacities partially affects insufficient utilization of food and handcraft products production capacities that place them on the local market. The package arrangements which link the services of local producers, hotels, and restaurants directly or via tourism agencies are rarely offered. It would provide possibility for diversification of tourist offer through introducing activities of local customs and gastronomy through involvement of tourists in production and testing of local products at the production place.

Recommendations for future development of tourism

Product upgrading: Improvements to leisure and entertainment tourism products that appeal to local and regional visitors can help empower the position of travel organizers. Most tourists expect a guaranteed cost-effective holiday filled with activities. These tourists enjoy sharing their holiday experiences and guided by the idea of a "hard-working holiday", they combine visits with a variety of events, festivities, and an activity holiday, which brings the special added benefit of coming home with a new set of skills, such as cooking or painting. It is expected that this way of thinking will take root in the holiday expectations of most tourists. City breaks that can offer a variety of activities can benefit from this trend.

Process upgrading: Travel organizers must be able to forge relationships with global tour operators to access customers. In the area of accommodation, the focus must be on small family accommodation capacities have emerged, allowing the organisation of travel and stay according to one's choices and, furthermore, satisfying the ever-greater needs of the modern tourists for contact with nature and the local culture and environment. Tourists are looking for a more authentic holiday experience and many companies are now offering travellers the chance to enjoy hidden gems alongside traditional tourist attractions. In addition to travel, blogs and social networks are an interesting way to discover hidden hotspots for a strong authentic experience. It is also necessary to call attention to an upward trend in visits to the most important segments of cultural heritage, whether mobile (museums, libraries, archives, and galleries), immobile (archaeological sites, urban centres, protected heritage sites, monuments of folk architecture, fortifications, battlefields, and execution sites) or immaterial cultural heritage. The value chain assessment reveals that cooperation among the public and private sectors all along the tourism value chain is weak. Provide and strengthen cooperation between the public, private and civil sectors. It means, to include all stakeholders of tourism industry such as representatives of political and executive authorities at various levels, national tourism authorities, professional associations, owners and managers of tourist companies, NGOs, local people etc. It is also necessary to define tasks and responsibilities of a large number of participants from public and private sectors, both. The most important task of public sector is to ensure development sustainability and to ensure fair resources' allocation among participants. On the other hand, the private sector has a task to affirm tourist destination. In the future, synergy between these sectors will contribute to the development of the local economy, raise of awareness about the environment, the improvement of the residents' life quality, orientation towards a common goal, image creation, protection of cultural and historical heritage, education, improvement of the market position and competitiveness, etc.

Functional upgrading: The current trend of growth in arrivals and overnights of tourists is undoubtedly a great business opportunity for the development of both existing and new micro and small enterprises in the tourism and hospitality industry and related activities. Existing enterprises in tourism and its related activities can raise their own and the overall competitiveness only if they continue to accept entrepreneurial market trends, and if they continue to acquire new knowledge, skills and technologies that require constant improvement of the business environment and the entry of new competing companies. Potential business opportunities for entrepreneurs and their companies: 1) Improving the quality of promotions and presentations services by creating specialised websites; 2) Improving the quality of existing accommodation and hospitality facilities, the introduction of international standards of accommodation and preparing and serving food and drinks, with a high percentage of skilled and professionally trained employees in various occupations (cooks, pastry chefs, bartenders, waiters, chambermaids, cleaners, etc.); 3) Offering a more creative interpretation and presentation of attractions which the destinations has to offer new forms of storytelling and technology, information about and presentations of attractions for users, interactive maps and guides in the languages mostly spoken by the foreign tourists; 4) Special opportunities for organising inventive, themed round trips by creating interesting tours that can successfully form value chains - an attractive means of transportation (carts, horseback riding, etc.) to an attractive location. Services providers may functionally upgrade by including capabilities in the other input categories hotels and lodges can add restaurants (and vice versa) or offer tours to guests, etc. Providing quality and standardised sports and recreational services at all locations that have been developed as a tourist destination and famous resorts, represents a new business challenge through the acquisition of existing or the creation of new franchises for rental and equipment utilisation (bike, canoe, canoeing, horseback riding, skiing, and training for snow and water skiing, archery, survival in nature and other adrenalin activities). All of these and other business opportunities require a serious entrepreneurial approach, which primarily should be directed towards the actual volume and value of market demand and an assessment of available capacity (knowledge and skills, investment potential and time of return on investment) of anyone who intends to implement any of the mentioned possibilities.

Chain upgrading: In the last few years, research has shown that many tourists plan to explore new destinations. Over a third (35%) think they will take a holiday to countries they have never been to before. Holidaymakers who prefer to stick to tried and tested destinations also look to try something new, and almost half (48%) are likely or almost certain to visit a resort or city in a country they have already visited. Consumption is an integral part of the tourist experience, which are represented by visiting places, attendance to different traditions and customs and local cuisine. One of indirect approaches of networking of local service providers and development of the platform for creation synergy between gastronomy, tourism, old crafts, and other service providers are gastronomic and other similar events which should be addition-ally created and improved. Gastronomic tourism is a growing phenomenon, with over a third of tourist spending devoted to food, according to a report from the World Tourism Organisation. 22% of Europeans, according to EUROSTAT, said that the main reason for going on holiday is for a cultural experience, which includes the culinary arts. Bulgarians spend almost 40% of their trip budget on gastronomic products. As a result of this, local cuisine is an important factor in terms of holiday quality. The gastronomic routes are popular tourism products. This is a genuine system, and consists of a complex thematic tourist offer. Along the route tourists can find information about other attractions. According to a survey from World Tourism Organization, over 88% of its members believe that gastronomy is a strategic element in defining the destination brand and image, and over 67% say that their country has its own gourmet brand. In terms of tourism products, the research has shown that the most important gastronomic events are gastronomic routes (62%), cooking courses and workshops (62%), visits to local markets and producers (53%)[46]. Gastronomic events should be linked to other cultural, entertainment and similar events or create new one, like Days of restaurants' open doors - promotion of national cuisines per promotional prices affordable and attractive for wider population of tourists and visitors. In that sense, quality brochures and tourism guides are necessary to present historical stories, natural and cultural attractions, and gastro offer. The MICE tourism also provides opportunities for diversification. Business tourism is a highly profitable segment of the tourism industry and consists of all trips related to the travel of employees or business interests. Business tourists spend more, not only on hotels and restaurants but even on leisure activities such as visits to retail and local attractions such as museums and theatres. In fact, they have been found to spend three times more than an average leisure tourist. This, in return, generates foreign exchanges and creates job opportunities. The setting up of infrastructure required for MICE needs to be well-planned and executed so that positive attributes can benefit the destination. The planning and implementation of infrastructures such as transport, Information Technology (IT) and purpose-built conference and exhibitions venues should be adequate to support the demand for MICE.

End-market upgrading: The need for a new tourism positioning of the destinations is based on numerous parallel political, economic, and social processes that characterise today's internal and external surroundings. It is based on the objectification of dominant factors that affect the overall success and speed of establishment of the Elin Pelin and Leskovac as a tourist destination. Tourism valorisation of local values such as culture, people ready to have fun, art and literature, hospitality, passion and pride, and a blend of traditional and modern, contains products that can be commercialised. Use of cultural resources for the purpose of tourism development. It has been mentioned before that both destinations (Elin Pelin and Leskovac) are well known for its cultural and historical monuments. It must be noted that every cultural and historical monument has its own story, which is interesting to tourists and visitors. It is obvious that the future development of tourism should be based primarily on the existing tourism products (festivals) and cultural and historical treasure. Making the decision on which way to go at this moment, is not just a marketing issue. It is necessary to start the positive branding and of creating a positive image on the global market. It is estimated that the easiest approach to creating a positive image is through tourism branding, which should start immediately so that the Elin Pelin and Leskovac can, as soon as possible, successfully position themselves as a tourist destination and become a recognisable tourism brand. A precondition for branding is an established and well-functioning management of tourist development. Additionally, it requires the ability of the responsible public authorities and private companies to implement the tasks and activities through public-private dialogue.

[46] Source: Gheorghe G., Tudorache P., Nistoreanu P. Gastronomic tourism, a new trend for contemporary tourism. Bucharest University of Economic Studies, Bucharest. Cactus Tourism Journal Vol. 9, Issue 1/2014.

The table below summarizes the findings, i.e., provides a Tourism Value Chain Diagnosis as well as Pathways to Prosperity.

Table 56 Tourism Value Chain Diagnosis

Tourism Value Chain Diagnosis	Pathways to Prosperity
1) Improving the cooperation of tourism actors through the development of joint tourism products.	1. Support for mutual learning, networking and dissemination and promotion of good practices and methodologies in the field of sustainable tourism (establishment of a joint working group for tourism). 2. Develop and implement common tourism development policies. 3. Exploitation of synergies between tourism and creative industry (e.g., Festivals and culture) of business tourism, gastronomy, old crafts, etc. 4. Reduce the seasonality of tourism and develop year-round tourism. 5. Protection, promotion and development of natural and cultural tourist values and related services.
2) Match requirements and expectations of market demand with tourism offer.	1. Development of high-quality added value of products and services in market niches (cultural tourism, gastronomy, sports tourism, etc.) through the mobilization of specific local resources. 2. Creation of joint tourist products (festival culinary and eco-tours). 3. Vocational education, improvement of skills in catering and tourism. 4. Completion of development and commissioning of health trails around Lake Ognjanovo and along the Vučjanka gorge.
3) Improve the promotion of the destinations of Elin Pelin and Leskovac and the joint tourist products of Leskovac	1. Development of a joint marketing strategy and marketing tools for the promotion of sustainable tourism products. 2. Development of a mobile application and interactive tourist website for all attractions. 3. Development of interactive digital info points and interactive interpretation systems via QR codes (video, audio, tourist information, etc.) for all economically viable attractions.

The valorisation of tourist attractions must be realized through the joint work of tourist actors on the development of common tourism development policies and the development of new common tourist products. The Joint body and mechanism for realisation cooperation is Joint Tourism Working Group. This body represents 20 key tourist actors/players from Elin Pelin and Leskovac (10 from Elin Pelin and 10 from Leskovac). The primary tasks of the Joint Tourism Working Group are elaboration and monitoring of common tourist policies in the cross-border area Elin Pelin and Leskovac. Common tourism development policies will contribute to increasing the capacity of local communities for strategic planning, management, and efficient use of potential in the field of non-tangible heritage and tourism.

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