

PROFILE OF THE MUNICIPALITY OF VELES



Data sources:

"Municipality of Veles Economic Development Study"

Government of the Republic of Macedonia,

World Bank,

Privatization Agency of the Republic of Macedonia,

Photo-monography "Veles through the Centuries"

State Statistics Office, regional unit – Veles,

Pension and Disability Insurance Fund

Public Revenue Office

Employment Bureau

Social Works Center

Education Development Bureau

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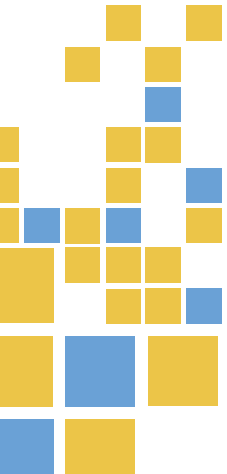
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PROFILE OF THE MUNICIPALITY OF VELES



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Introduction

The fossils discovered in village Mamutcevo area prove the theories about the first signs of life in Veles region. The research done in Peshti area resulted in unique data on the Paleolithic age in Macedonia, hidden and preserved in the cave Makarovec dating 70,000-10,000 B.C.

In the Bronze Age the Povardarje region was inhabited by Paeonians, Brigeans and ancient Macedonians.

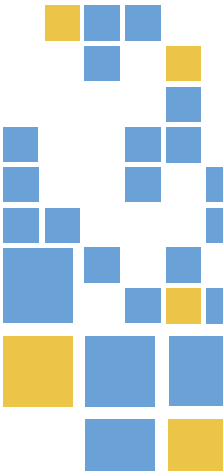
Sites dating from the Iron Age in the villages Dolno Orizari and Ivankovci complete the mosaic of life during the first millennium B.C. In the early ancient era, Veles territory was a part of the Paeonian state.

The remnants of the ancient town Stobi depict the ancient times for today's generations. The first traces of Stobi date 197 B.C., the year when the Macedonian king Philip V defeated the Dardanian army. The excavated monumental and sumptuous artifacts, such as parts of the theatre, the town gate, the facility Kaza Romana betoken that Stobi reached its economic and cultural apex in the early and middle period of the Roman Empire. However, many structures still keep their secrets deep down in the earth.

Veles is for the first time mentioned in 1018. Until then the town was named Vila Zora.

The location of Veles at the main crossroad of Via Ignacia and Via Militaris on the Balkans in the Middle Ages was tempting for the Slavs who invaded the Balkan Peninsula in the sixth century. They established the first Slavic settlements near the rivers Vardar, Topolka and Babuna.

The strategic geographic location of Veles brought to its citizens both opportunities and sufferings through the history. Even then, the town withstood as a part of Bitola eparchy within Ohrid patriarchate.

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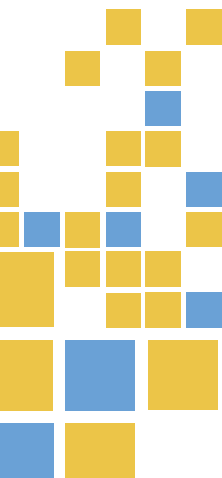
Through the centuries, Veles tasted the power of feudalists, Epirotes, Nicaeans and Serbs. It resisted to the turbulent times caused by decline and fall of the Byzantine Empire and to the turmoil in the XIV century, when the Ottomans conquered the Balkan Peninsula and Veles citizens were forced to accept the Ottoman rule.

During the Ottoman rule, Veles reached its peak in trade and raised its revolutionary spirits that will be its essential token through the history. The flourishing of monasteries in this period was a key factor for preserving the national identity, the language and the culture. St. Dimitrija monastery (XIV century), St. Nedela church and St. Nikola church betoken the Middle-Age Veles.

In XIX century the town developed its trade and artisanship and products made in Veles could be found on Balkan and European markets.

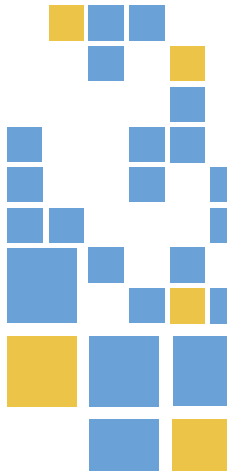
In XX century it grew into city of revolution, inventive spirit, courage and resistance.

Today Veles is proud of its revivers, revolutionists and culture reformers: Jordan Hadzi-Konstantinov Dzinot, Panko Brasnar, Vasil Glavinov, Kole Nedelkovski, Rajko Zinsifov and many others whose names still beat in the heart of the city today. But maybe most of all, Veles will remain known as the home of the poet whose life and work reflect the historic uproar and human destinies engraved in the ancient stones in these regions - immortal Koco Racin. Veles through centuries, Veles today and Veles in the future lives as Racin did, *with a heart as broad as the eye can see, a heart as deep as the deepest sea, and yet too tiny to fit in the breasts of Macedonia.*





BASIC FEATURES OF THE MUNICIPALITY OF VELES

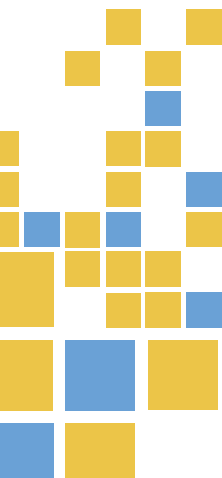




BASIC FEATURES OF THE MUNICIPALITY OF VELES

Located in the central area of the Republic of Macedonia, the Municipality of Veles covers an area of 507km² or 2.1% from the territory of the state.

It has 1,071km² agricultural land. 370km² or 34.5% of the overall agricultural land is arable soil, which makes 5.6% of the total arable soil in the Republic of Macedonia. According to the current territorial boundaries, Municipality of Veles covers 35 populated areas.





Population

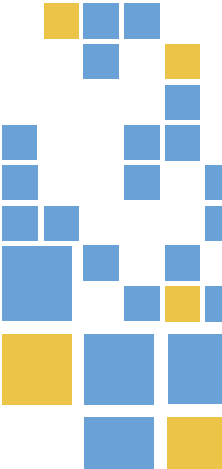
On the basis of data provided by Veles regional office of the State Statistics Office, the Municipality of Veles has 56,751 citizens, 44,195 out of which live in the city. Population density is 42 per square meter. The Municipality of Veles has 16,819 households with 17,558 residential units and 4,673 agricultural units.

Table 1 Population structure

gender structure		age structure								
male	female	0-6 yrs.	7-11 yrs.	12-14 yrs.	15-17 yrs.	18-24 yrs.	25-27 yrs.	28-59 yrs.	60-64 yrs.	Over 60
28.403	28.348	5.839	4.719	2.925	2.735	5.824	2.521	24.936	2.785	4.398

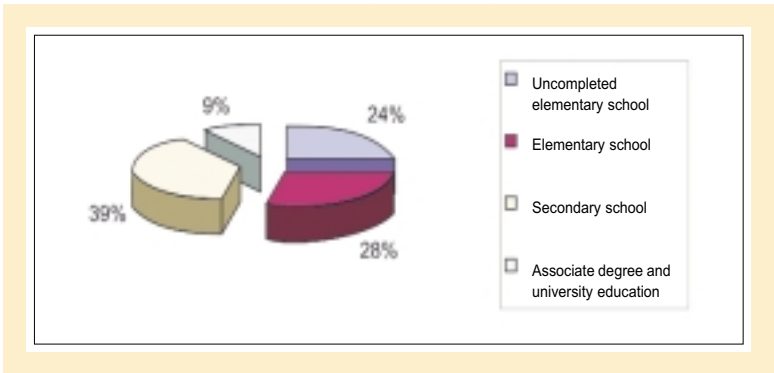
Table 2 Nationality structure of population

Total	Macedonians	Albanians	Turks	Roma	Vlachs	Serbs	Other	Not declared
56.751	47.350	4.011	1.638	422	312	560	2.437	21

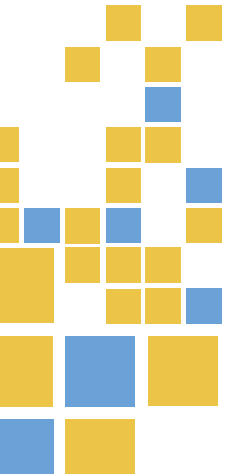
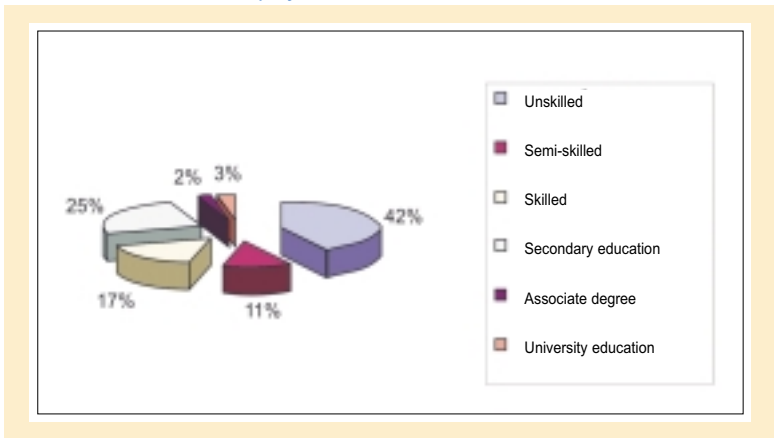


18,122 persons are registered as employed, and 14,537 as unemployed. However, these figures are variable and change on day-to-day basis. 2,555 working age beneficiaries of welfare are registered in the Social Work Centre. The number of these beneficiaries varies throughout the year, but in average it is about 2,500 beneficiaries per month.

Education level of population over 15 (43.268 total)



Education structure of unemployed





Natural Resources

Hydrography

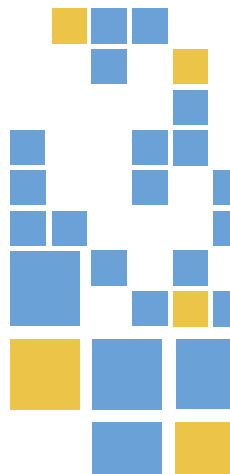
Being open to north and subject to cold continental masses in the winter period, Veles region has continental climate with average annual temperature of 12-15°C. Average annual precipitation is 447 mm/m².

The Municipality of Veles covers the areas of the larger waterways Babuna, Topolka and Otovica that flow into the river Vardar.

The geologic composition, poor vegetation upper layer and the improper usage of the land caused large part of the municipality to be susceptible to erosive processes with total annual erosive deposit of 688,000 m². The Municipality of Veles faces with problems in the field of water supply of population, agricultural units and cattle-breeding farms. Water supply systems use the waters of the major waterways Vardar, Babuna and Topolka, from the accumulation lake Mladost, as well as waters from underground springs.

Table 3 Annual average of water flow

waterway	Babuna	Topolka	Otovica	Vardar Water gauge Veles	
Annual average flow	4,65 m ³ /s	2,41 m ³ /s	1,31 m ³ /s	83,1 m ³ /s	
				Direct watershed from the left side	Direct watershed from the right side
				1,31 m ³ /s	0,3 m ³ /s



Forests

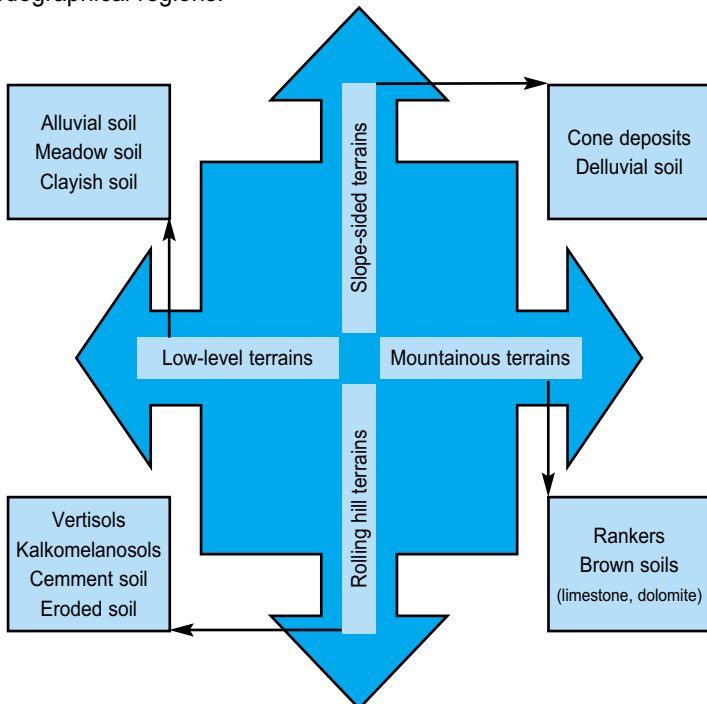
Out of 53,000 hectares forest land on the territory of the Municipality of Veles, arranged forests make up 35,500 hectares. Low-stem forests participate with 80%, and high-stem forests with 20%.

Table 4 *Forest structure*

Forest land	Forests	Available timber	Annual growth	planned timber harvest (timber annually)	Planting the areas used for planned timber harvest (1992-1996)
53.000 ha	38.500 ha	3.200.000 m ³	73.500 m ³	48.000 m ³	150 ha

Soil

The soil on the territory of Municipality of Veles has heterogeneous composition. The spatial arrangement of soils is characterized by 4 pedogographical regions:

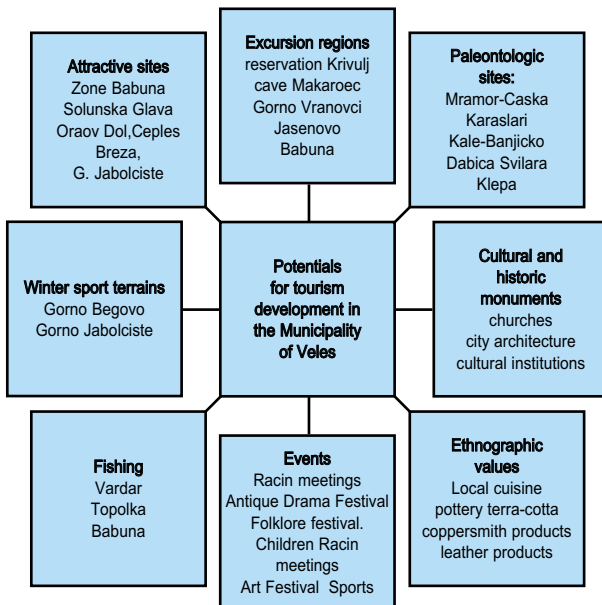


- Low-level terrains/plains by the watershed of the river Topolka and in Povardarje region
- Slope-sided terrains in Povardarje region and in the watershed of the river Babuna making up 43.2%
- Rolling hill terrains are typical for the watershed of the river Otovica, and they are partly found at the mid course of the rivers Babuna and Topolka
- Mountainous terrains can mainly be found by watersheds of the rivers Babuna and Topolka.

The first three regions fall under valleys, and the fourth one under mountainous regions.

Tourism

As a clasp of the most important international and domestic routes, the Municipality of Veles has a dominant geographic and tourist-attractive location which is the driver of Veles development potentials. Veles has appealing archeological and excursion sites, architectural features and cultural monuments which are key elements for tourism development. Many locations are suitable for sport development, especially for winter sports and fishing.

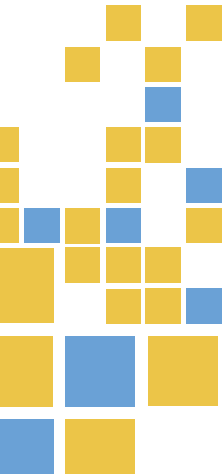


Another thing Veles can offer to the tourists is its ethnographic values developed through the centuries, prevailed by pottery, handcrafting and local cuisine. Being a center of the sacral architecture and a town of prominent ideologists and revolutionists, the Racin town is a reflection of the cosmopolitanism and timeless impulse of the poetry which gathers the world poets and authors each year in Veles. "Racin Meetings" is an event that makes us contemplate about expansion of activities to the end of tourism development.

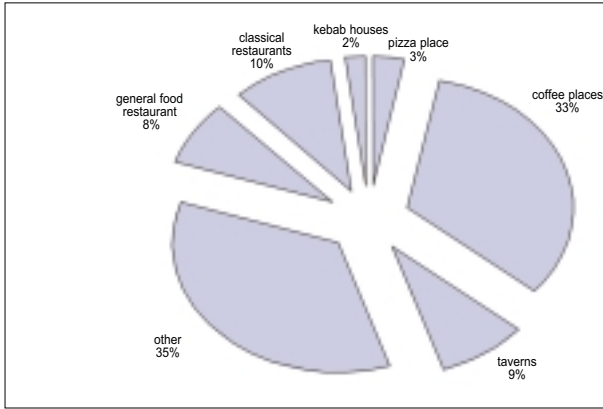
Table 5 Accommodation in Veles in 1999

Accommodation			
Facility	Number of rooms	Apartments	Number of beds
Hotel International	75	4	150
Motel Makedonija	38	1	90
Motel Mladost	10	-	40
Vila Zora	45	-	106
Motel Vranovci	47	-	157

Although the existing accommodation capacities are far from satisfying the needs, the development of the private sector in hotel and catering businesses has already shown positive effects.



Food facilities in Veles in 1999



The existing situation indicates that in the years to come Veles will need a new vision and practical implementation of activities in order to develop tourism. These activities will include maximum usage of its invaluable natural beauties, pleasant surroundings, cultural and historical monuments and the tourism potentials in general.

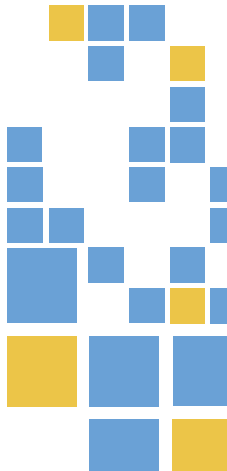
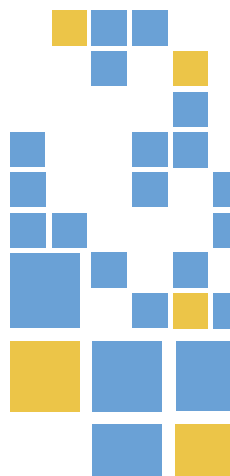


Table 6 *Tourism potentials and required interventions*

Sites and tourist attraction	Selective tourism	Activities	Required interventions
Orlov Dol	Mountain tourism	outing, hiking alpinism, sightseeing hunting	tourist promotion
Gorno Begovo Gorno Jabolciste	Mountain tourism Hunting tourism	skiing, hiking, alpinism, sightseeing, hunting	tourist promotion
Breza Buzalinovo	Mountain tourism Hunting tourism Herbal tourism	outing, hiking, hunting mushrooms and forest fruits	tourist promotion
Pesti-Makaroeoc	Excursion tourism Cultural tourism	visit to Pesti gorge visits to caves, education	improving the access to the gorge and caves
Karaslari	Excursion tourism, cultural tourism	education	promotion, signalization, land- scape arrangement
Kale Banjicko	Excursion tourism Cultural tourism	education	promotion, signalization, land- scape arrangement
Gorno Vranovci	Hunting tourism Cultural tourism	education, entertainment, sport	landscape arrangement, promotion, sport
The river Vardar quay	Cultural tourism Fishing tourism	outing, entertainment and fishing activities	landscape arrangement water protection
The river Topolka Gorge	Fishing tourism Excursion tourism	education walking through the gorge	tourist promotion
The river Babuna Izvorcica Jasenovo	Fishing tourism Hunting tourism Health tourism	hunting, fishing, walks, recreation	tourist promotion
Dolni Grad, Vila Zora, Mramor, Caska, Dabica, Sivilara, Dolno Orizari, Klepavo Voriste, Stobi, St. Nikola, St. Dimitrija, St. Gorgi, St. Pantelejmon, the Black Mosque, the White Mosque, the Clock Tower (Saat Kula), Old Gymnasium, the iron bridge, Racin house, Glavinov house, the National Museum, the Charnel House, the Art Gallery, Theater, library	Cultural tourism	education cultural activities	tourist promotion promotion
events	festive tourism	cultural activities sport activities economic activities	promotion



EDUCATION





Preschool Education

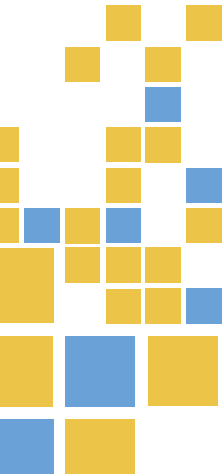
In the school year 2003/04, the process of education of preschool children (9-months old up to first grade) in the Municipality of Veles is realized in the kindergarten "Dimce Mircev", which has six organizational units.

655 children are covered and they are categorized in 43 groups. 81 persons are engaged in this process (managing and education personnel).

The facilities where the activities for children are organized and implemented are adequate to the pedagogic requirements and the norms according to the number of children. The furniture, equipment and other inventory in all organizational units meet the basic needs.

The courtyards are fenced and covered with grass and flowers. This institution has audio-visual aids. Its library has literature for education of children, children books and magazines.

The programme *Step by Step* is applied for all age groups in the school year 2003/04. Within this programme, one organizational unit is operating as model kindergarten.



Elementary Education

Table 7 Structure of Basic schools and pupils

School	Number of pupils 2003/2004				TOTAL
	PRESCHOOL	I - IV grade	V - VIII grade	I - VIII grade	
1 Vasil Glavinov	140	710	899	1609	Preschool 140 Elementary education 2045
BS Buzalkovo	-	154	196	350	
BS Rastani	-	7		7	
BS Slivnik	-	53		53	
BS Klukovec	-	26		26	
	140	950	1095	2045	
2 Blaze Koneski	79	400	382	782	Preschool 184 Elementary education 1892
3 Trajko Andreev	34	190	266	456	
4 Kiril i Metodi	65	271	355	626	
BS Crkvino	6	28	-	28	
	184	889	1003	1892	
5 Blagoj Kirkov	61	280	347		Preschool 61 Elementary education 667
BS Kalaslari	-	29	-		
BS Celosevo	-	11	-		
	61	320	347	667	
6 Jordan H. K. Dzinot	61	217	301	518	Preschool 75 Elementary education 555
BS Basino selo	14	37	-	37	
	75	254	301	555	
7 Dame Grujev Gradsko	29	112	157	269	Preschool 29 Elementary education 396
BS Vinicani	-	37	51	88	
BS Vodovrati	-	20	-	20	
BS Kocilari	-	6	-	6	
BS Nogaevci	-	13		13	
	29	188	208	396	

8	Stojan Burcevič Ivankovci	10	47	58	105	Preschool 10 Elementary education 183
	BS Sujaklari	-	10	43	53	
	BS Mamutcevo	-	17	-	17	
	BS Otovica	-	8	-	8	
9	Rajko Zinzifovič Orizari	39	128	182	310	Preschool 49 Elementary education 341
	BS Prevalec	10	31	-	31	
		49	159	182	341	
10	Todor Janevski Časka	28	101	97	198	Preschool 44 Elementary education 796
	BS Melnica	16	61	64	125	
	BS G. Jabolčiste		211	194	405	
	BS D. Jabolčiste		50	-	50	
	BS Lisice			-	-	
	BS Vranovci		18	-	18	
		44	441	355	796	
11	Kiril i Metodij Izvor	-	35	40	75	Preschool - Elementary education 75
	BS Martolci	-	-	-	-	
		-	35	40	75	
12	Petre Pop Arsovič Bogomila	-	18	45	63	Preschool - Elementary education 92
	BS Teovo	-	12	-	12	
	BS Oreše	-	7	-	7	
	BS Sogle	-	10	-	10	
	BS Omorani	-		-	-	
		-	47	45	92	
		592	3365	3677	7042	7042

The elementary education in the Municipality of Veles is carried out in 12 central elementary schools and 26 regional schools. 7 elementary schools are located in the city itself, one out of which is day-care center. There are also a school for disadvantaged children, Workers' University for education and crafts, and an elementary music school.

The pupils from other towns who study secondary education in Veles can stay in the dormitory located in the town, and there are also dormitories in the villages Caska and Bogomila for the pupils from other smaller villages.

Table 8 *Review of the educating personnel in elementary schools in the Municipality of Veles*

REVIEW OF THE EDUCATING PERSONNEL IN ELEMENTARY SCHOOLS IN THE MUNICIPALITY OF VELES																								
School	Preschool					I-IV grade				V-VII grade				Expert service			Directors			total				
	university education	associate degree ed.	secondary education	nurse maid	nurse maid	total	university education	associate degree	secondary education	incomplete education	total	university education	associate degree	secondary education	incomplete education	total	pedagogists	psychologists	social workers		total	university education	associate degree	total
Vasil Glavinov Veles	2	4	-	-	-	6	12	23	2	-	37	17	33	-	-	50	1	1	-	2	2	-	2	97
Blaze Koneski Veles	1	2	-	-	-	3	9	21	-	-	30	9	14	-	-	23	2	1	-	3	1	-	1	60
Trajko Andreev Veles	-	2	-	-	-	2	3	7	-	-	10	6	13	-	-	19	1	1	-	2	-	1	1	34
Kiril i Metodij Veles	-	4	-	-	-	4	5	8	1	-	14	17	33	-	-	50	1	1	-	2	2	-	2	72
Blagoj Kirkov Veles	1	2	-	-	-	3	4	10	-	-	14	6	11	-	-	17	1	1	-	2	-	1	1	37
JHK Dzinot Veles	1	3	-	-	-	4	1	10	2	-	13	7	7	-	-	14	1	1	-	2	1	-	1	34
Dame Gruev Grasko	-	2	-	-	-	2	1	9	-	1	11	10	8	-	-	18	-	-	-	1	-	1	1	33
Stojan Burcev Ivankovci	-	1	-	-	-	1	1	4	2	-	7	3	9	-	-	12	1	-	-	1	1	-	1	22
Rajko Zinzifov Orizari	-	3	-	-	-	3	5	5	1	-	11	2	9	-	-	11	1	-	-	1	1	-	1	27
Todor Janev Caska	-	2	-	-	-	2	5	13	3	-	21	7	14	1	-	22	1	1	-	2	-	1	1	48
Kiril i Metodij Izvor	-	-	-	-	-	-	-	2	-	-	2	-	5	-	-	5	-	-	-	-	-	1	1	8
Petre P. Arsov Bogomila	-	-	-	-	-	-	3	1	-	4	1	5	-	-	6	1	-	-	1	1	-	1	12	
Total 1-12	5	25	-	-	-	30	46	117	12	1	176	79	136	1	-	216	12	7	-	19	8	5	13	452



Secondary Education

The transfer from VIII grade (which is the last grade in elementary school) to 1st year secondary school is different, depending on the curriculum. Pupils who completed their elementary education in Macedonian language are enrolled in the secondary schools in Veles. High school education is carried out in four schools with different vocational trainings and subject departments. In the school year 2003/2004, 2895 pupils enrolled in secondary school with four-year degree education and they are divided in 92.5 classes. Three-year degree education is only available in secondary schools, "Dimitrie Cupovski" and "Kole Nedelkovski", and 281 pupils enrolled there divided in 12.5 classes, which makes up total of 3176 pupils enrolled both in three-year and four-year secondary schools.

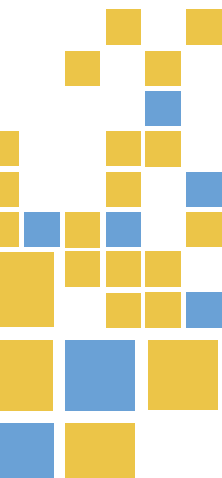
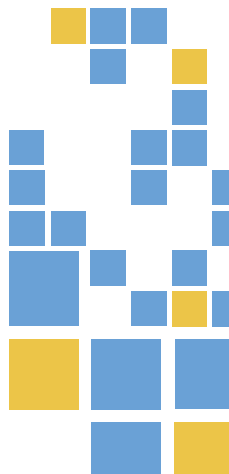


Table 9 *Review of number of pupils in public secondary schools in the Municipality of Veles*

REVIEW OF NUMBER OF PUPILS IN PUBLIC SECONDARY SCHOOLS IN THE MUNICIPALITY OF VELES						
No.	SCHOOL	I year	II year	III year	IV year	TOTAL
1	GIMNASIUM "KOCO RACIN"	246	240	212	215	913
2	JOVCE TESLICKOV	159	160	145	146	610
3	DIMITRIJA CUPOVSKI	158	167	181	130	636
4	KOLE NEDELKOVSKI	318	273	244	182	1017
	TOTAL	881	840	782	673	3176

Table 10 *Personnel in public secondary schools in the Municipality of Veles*

PERSONNEL IN PUBLIC SECONDARY SCHOOLS IN THE MUNICIPALITY OF VELES					
No.	SCHOOL	MBA/MSc	University education	Associate degree	TOTAL
1	GIMNASIUM "KOCO RACIN"	1	41	-	42
2	JOVCE TESLICKOV	-	39	-	39
3	DIMITRIJA CUPOVSKI	-	42	-	42
4	KOLE NEDELKOVSKI	1	55	7	63
	TOTAL	2	177	7	186





HEALTH

Within the existing organizational structure on national level, the health care in the Municipality of Veles is realized on three levels:

- Primary health care
- Secondary health care
- Health Care Institute

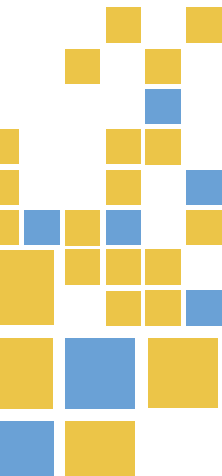


Table 11 Structure of the primary and secondary health care in the Municipality of Veles

PRIMARY HEALTH CARE				
Health center	Dispensaries	Outpatient hospitals	Units in the villages	Outpatient hospitals in the villages
5	1	5	36	8
SECONDARY HEALTH CARE				
Medical centers	General hospitals	Polyclinics	Dispensaries	Specialist hospitals
/	1	7	1	/

NUMBER OF EMPLOYEES				
Physicians specialists	Physicians in phase of specialization	General practitioners	Expert medical personnel	Nurses
88	15	28	57	714

Table 12 Services for primary and secondary health care in the Municipality of Veles

Hospital	Year of construction	Polyclinics	Year of construction	Out-patient hospitals and dispensaries within hospitals and polyclinics	Year of construction
Surgery ward	1963	Clinic	1947	otorhingo-laryngology	1947
Eye and ear treatment ward	1963	Tasevik	1926	Eye diseases	1947
Internal diseases ward	1963	Pance Vaskov	1960	outpatient hospital for internal diseases	1947
Gynaecology and obstetrics ward	1963	Nova naselba	1960	outpatient hospital for surgery services	2003
Child-care ward	1963	Penzionerski	/	Urology outpatient hospital	2003
X-ray ward	1963	Cabinet for sport medicine		Ortopedic outpatient hospital	2003
Infective diseases ward	1975	Kabinet for dermatological and venerological diseases	1947	Gradsko	1960
Neuro-psychiatry	1919			Caska	1960

The following are most often registered diseases in the primary-health polyclinic and dispensary services in the Municipality of Veles:

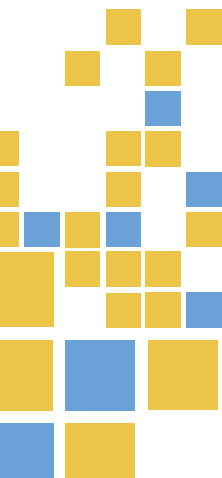
- Cardiovascular diseases
- Respiratory diseases
- Neurosis
- Psychosis
- Endocrinologic diseases
- Urinary diseases
- Malignant diseases

Health Care Institute-Veles encompasses the following:

- Epidemiology service
- Hygiene service
- Laboratory services
- Special medicine with medical statistics

In addition to the prevention activities and monitoring the epidemiologic status of the population, this institute continuously monitors the water, air and soil pollution by applying sophisticated equipment for measuring the concentration of smoke and sulphur in the air. The Institute also has operational ICP (Inductive Coupled Plasma) device for measuring the concentration of heavy metals in the surrounding and in the blood of Veles citizens. This device is a grant by the United Nations to the municipality.

4 state-owned pharmacies operate in the Municipality of Veles. 10% of the funds for operating costs of the local health care services are provided from the state budget, while 90% is provided by the Health Insurance Fund.

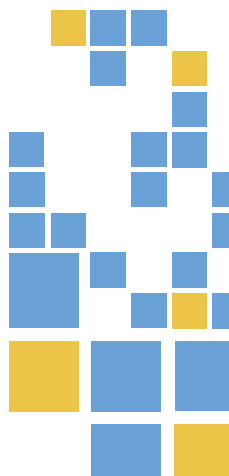




ENVIRONMENT PROTECTION

Given the long-lasting concerns about the effects from the heavy metal pollution, Veles and its citizens face an essential challenge - environment promotion. The environment concerns in the Municipality of Veles are elaborated in depth in the Local Environmental Action Plan (LEAP).

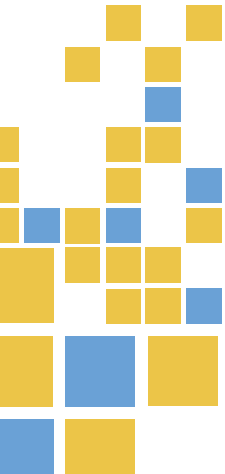
This document was prepared in 1998 and was among the first ones of this type ever prepared in the Republic of Macedonia. This Action Plan provides analysis of all relevant aspects of the options for economic development, health protection of the population and appropriate level of the quality of ecosystems in the Municipality of Veles. The focus is on the following:



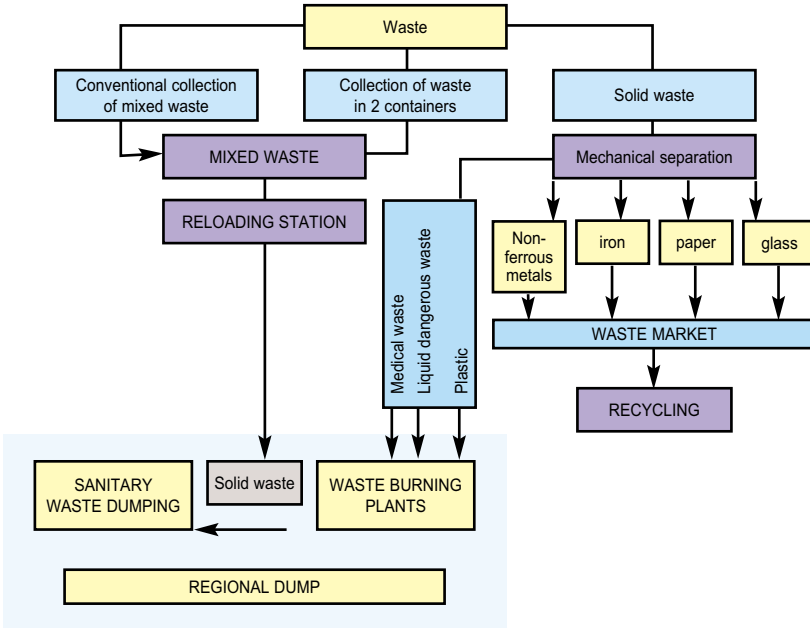
- The economic activities necessary for local economy development;
- The social factors relevant for health protection of population; enhancing the public awareness, including the citizens in the decision-making process regarding matters of local importance;
- Environment conditions;
- Strategies for ensuring healthy and clean environment and
- Concept of sustainable development.

The concept of sustainable development incorporates a development that meets the needs of today's generations meanwhile ensuring capacity for meeting the needs of the future generations. This approach enables a balance between the level of economic development and the level of environment protection.

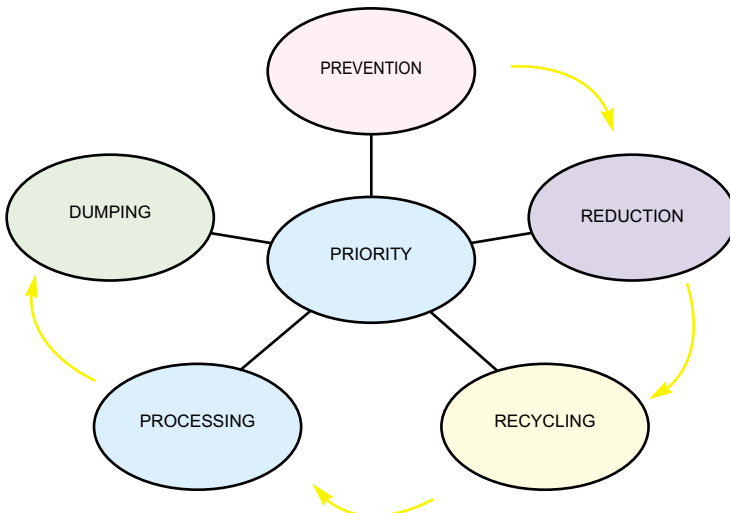
Successful implementation of the environment protection policy and the concept of sustainable development requires high-quality and comprehensive information and data on the sources of pollution, environment conditions and on the available technical and technological solutions in the production processes.



*Strategy for integrated solid waste management
in the Municipality of Veles*



Solid waste management priorities



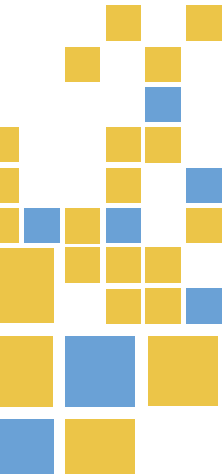
Activities to improve the environment

To the end of determining the real situation in the heavy metal pollution, a device for analysis with Inductive Coupled Plasma (ICP) was provided by UNDP for the Municipality of Veles. The so-far works and analyses by experts and the activities by several NGOs, such as "Vila Zora" and "Association of parents for healthy generations" turned the attention of competent government institutions towards the pollution problems in Veles. There are ongoing preparations for a project financed by the Italian Government, the aim of which is to determine the actual concentration of heavy metals in the blood of Veles citizens via expert analyses.

The non-government sector is very often the initiator and implementor of crucial projects for improving the environment.

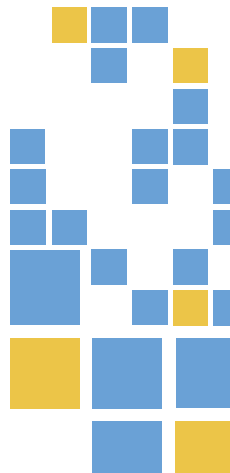
The Association of parents for healthy generations managed to capture the attention of the Macedonian public by initiating analyses of concentration of heavy metals in the bodies of 80 children from Veles in the Center for Biotic Medicine in Moscow. Supported by the UK Embassy, this Association initiated amendments to the legislations in the area of health, to the end of overcoming the environment problems Veles citizens face with.

The environment protection association "Vila Zora" provided device for allergy testing and donated this device to the Medical Center - Veles, in the function of contributing in prevention and healing allergies, since allergy is the most frequent disease caused by pollution.



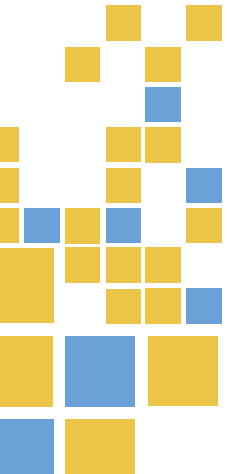
The Municipality of Veles has good cooperation with the non-governmental sector and this has already yielded results. Such coordination is especially significant in the fight for cleaner environment after the three-decade pollution with zinc, cadmium and other heavy metals. Priority activities in this field are focused on:

- Determining the actual status of air, water and soil pollution with smoke, sulphur dioxide and heavy metals;
- Determining the pollution effect over the health of Veles citizens;
- Taking precise measures by the competent institutions in the country, to the end of improving the Veles environment;
- Alarming the wider public in Europe and worldwide about the environment issues in Veles;
- Setting polluter pays measures;
- Providing benefits for the citizens exposed to pollution effects;
- Undertaking measures for introduction of clean production technologies.





INFRASTRUCTURE





Transport Infrastructure

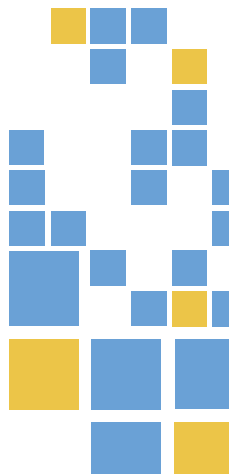
The geographic location of the Municipality of Veles in the central part of the state emphasizes that the transport infrastructure is one of the most significant factors for its long-term development. The international transport corridor that links Europe with Middle East and North Africa passes through the territory of the Municipality of Veles. The road infrastructure consists of national, regional and local roads. The road sections Tabanovce-Skopje-Veles-Bogorodica and Delcevo-Stip-Veles-Gradsko-Prilep-Bitola-Medzitlija link the Municipality of Veles with the national and international traffic.

Table 13 Road network

Roads maintained by the municipality	Roads maintained by the central government	Roads and streets in urban areas	Roads and streets in rural areas	Local road network	Asphalt road in the municipality	Non-asphalt road in the municipality	Gray road in the municipality
237,37 km	117,00 km	104,80 km	54,00 km	132,57 km	70,20 km	13,17 km	45,30 km

Public transport is available to 50% of the population, and the organized transport to 60% of the pupils. The road network is not completed yet, thus new investments are necessary in the road infrastructure, especially in the rural regions.

The railroad transport is carried out via the railroad system of the Republic of Macedonia. The national railroad Tabanovce-Skopje-Veles-Gevgelija, the railroad Veles-Prilep-Bitola and the railroad Veles-Stip-Kocani pass through the municipality.

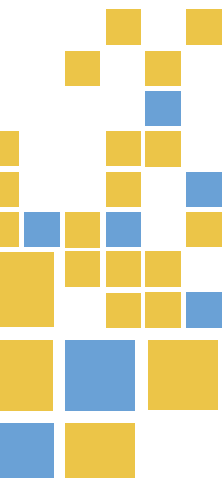




Water Supply

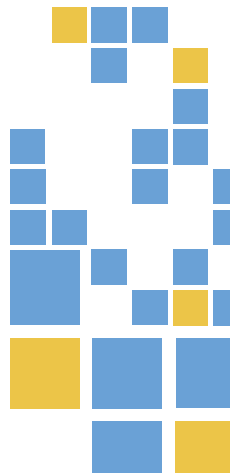
One decade ago, drinking water for the citizens of Veles was provided only from wells at the right bank of the river Vardar, via a system with capacity of 420 l/sec, out of which 300 l/sec from surface waters and 120 l/sec from underground waters. Today, except in the summer period, Veles gets clean drinking water via the hydro system "Lisice" built on the river Topolka. This is a multipurpose system and it is envisaged to be used for water supply for the city population and population of 8 rural settlements, for irrigation of 4,100 hectares arable land, for revitalization of the lake "Mladost" and for irrigation of additional 1,800 hectares vineyards.

EUR 36.5 million have been invested in this project so far, including the share contributed by the citizens of Veles in the amount of EUR 10,000,000. The public enterprise Lisice implements the project. In line with the dynamics, the project is anticipated to be completed by end-2005, thus creating conditions for long-term solution of the water supply problems.



To further improve the water supply, the Municipality of Veles, together with the public utility enterprise "Derven", also conducts activities for implementation of EBRD-supported project - MEAP related to rehabilitation of the old water supply network.

Water quality is controlled in terms of physical, chemical and bacteriological pollution. The functioning of the hydro system "Lisice" will have positive effects in this domain as well. The so-far practice of chlorinating the water from wells will be eliminated.



Utility Infrastructure

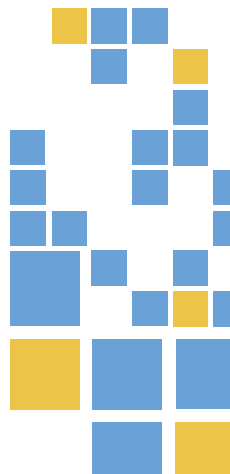
Wastewater from households and other entities and rainfalls in the city of Veles are disposed via the existing conduit network. Industrial wastewaters are directly disposed in the river Vardar, without any previous treatment.

Solid waste and other types of waste are disposed both collectively and individually. Solid waste dump is near the city and it does not meet the sanitary and technical conditions for exploitation. Rural regions face various problems regarding waste disposal and in certain rural regions waste disposal is not organized. This results in unplanned dumps that endanger the environment and human health.

Location of unplanned dumps in the Municipality of Veles



To the end of improving the current conditions via sustainable waste management, the Municipality of Veles is working on creation of alternative system for selective collection and separation of solid waste. The options are recycling non-degradable substances, defining technical and technological concept for construction of common regional dump in the central region of the Republic of Macedonia.

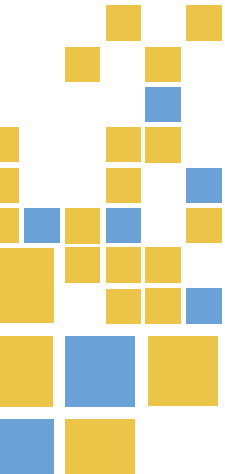




Energy Infrastructure

Due to lack of its own capacity for electricity production, the Municipality of Veles uses the energy system of the Republic of Macedonia. The basic electricity transmission network involves long-distance power lines and substations of 35 and 10 kV linked to the long-distance power line Skopje-Veles-Kavadarci. The main substation TS 110/35/10 kV in Veles is used for transformation from 110 kV to lower voltages.

The local electricity distribution system involves distribution network of 423km and it provides high quality and stable electricity supply. All rural settlements in the municipality are provided with electricity. Electricity consumption is 129 mWh annually, while the specific consumption per capita for household needs is around 980 kWh annually.





Telecommunications

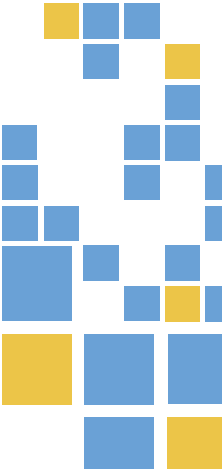
Within Veles region, telecommunications development is characterized by an intense level of implementation of adequate technical and organizational elements that contribute to the expansion and modernization of the national telecommunication network. There is a modern post office in Veles that performs all postal and telephone activities and other types of communication.

The present telephone network covers 19 populated areas (55% of the total populated areas), with a density of 25,5 subscribers per 100 residents.

Owing to the challenges of modern life, mobile telephone systems and internet network are largely used within the municipality.

Table 14 Most important informations

PUBLIC ENTERPRISE	CONTACT
Public Utility Enterprise "Derven"	231- 011
Public Water Supply Enterprise "Lisice"	234-193
Public Company for Residential and Business Premises Management Head office - Veles	212-010
Public Electric Power Company of Macedonia Branch office - Veles	231-600
Public Company for Postal Services	231-560
Branch office - Veles	

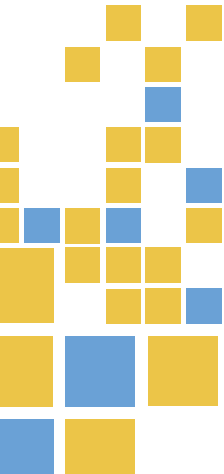


The public utilities

The public utility enterprise "Derven" was founded by the Assembly of the Municipality of Veles for the purpose of providing utility services of public interest. The company is financed from the income generated by providing services to its clients:

- Collecting water, piping, treating and distributing water to the clients together with maintaining the buildings and the water supply system.
- Receiving, draining the wastewaters and maintaining the sewerage system.
- Collecting, removing and dumping solid waste from the residential, business and industrial areas.
- Cleaning public areas and providing funeral services.
- Landscaping and maintaining the city greenery.
- Organizing retail markets.

Veles citizens can submit their opinions, reactions and remarks about the PUE "Derven" to the Citizen Advisory Board responsible for monitoring the operations of this public utility enterprise.



Organizational structure of the Public Utility Enterprise "Derven"

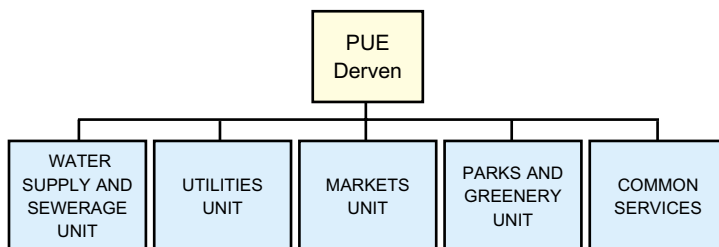
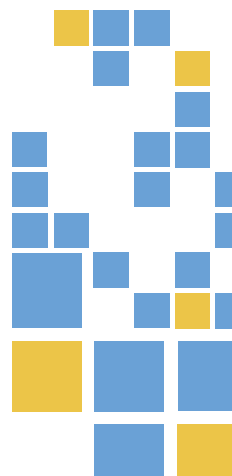


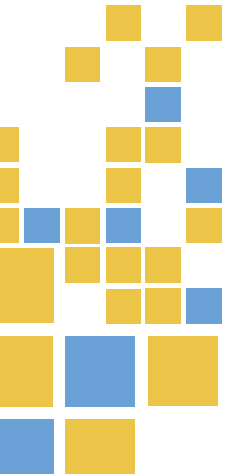
Table 15 Employees by qualifications (2003)

EDUCATION	Number of employees
University degree	22
Associate degree	5
Secondary education	60
Highly skilled	1
Skilled	71
Semi-skilled	76





LOCAL GOVERNMENT





Local Government

The Municipality of Veles consists of 39 local communities. One is still in a registration procedure. There are 12 local communities in the city area, while 27 in the populated areas.

Table 16 *LG and Populated areas*

LC - City area		LC - Populated areas	
1	Alekso Demnievski	1	Basino Selo
2	Bogdan Karakostev	2	Buzalkovo
3	Vasa Kosulceva	3	Venule
4	Dimce Mircev	4	Gorno Orizari
5	9-ti Noemvri	5	Gorno Jabolciste
6	Keramidna	6	Drenovo
7	Rodna Iveva	7	Dolno Karaslari
8	Slave Petkov	8	Dolno Jabolciste
9	Trajce Panov	9	Ivankovci
10	Trajko Kapcev	10	Kumarino
11	Tunel	11	Krusje
12	Sorka	12	Klukovec
		13	Mamutcevo
		14	Naselba Durutovec
		15	Naselba Prevalec
		16	Otovica
		17	Oraovec
		18	Rastani
		19	Rlevci
		20	Rudnik
		21	Slivnik
		22	SLP
		23	Sujaklari
		24	Crkvin
		25	Colosevo
		26	Dzidimirci
		27	Novacani
		28	Mladost, (not registered)

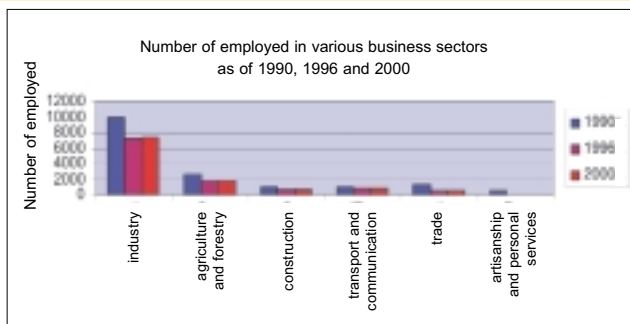
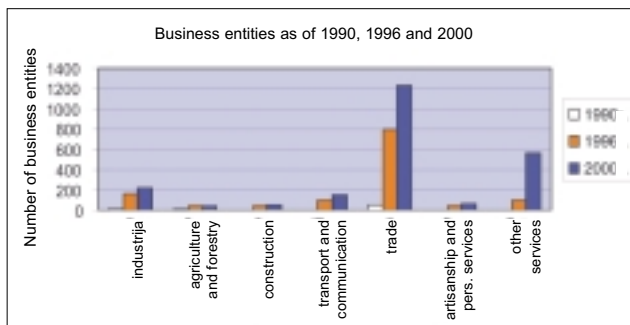
Economy

Prior to the process of transformation of the capital, Veles was well known for its industry, with a strategic significance for Republic of Macedonia and the Balkans. Today Veles faces one of the most difficult challenges in its economic growth. Problems resulting from the privatization process, obsolete fixed assets and lack of inventive technologies largely reflect in the development of the local business facilities, creating additional difficulties within the area of competition and export orientation of Veles economy as well. Nevertheless, expert analyses of the situation and development possibilities point out that even in such circumstances, thanks to the diverse structure, Veles economy can play an essential role in the local business development.

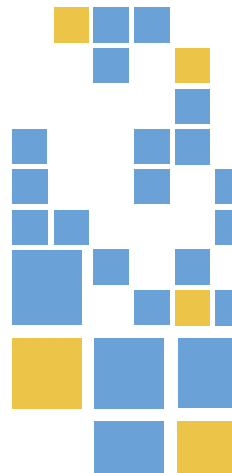
Table 17 Business entities in the Municipality of Veles and current markets

Company	Basic information	Current markets
MHK "Zletovo"	Zinc, lead, silver, ammonium phosphate, artificial manure	Metals - abroad Mineral manure - in Macedonia
AD "Porcelanka"	Porcelain, floor and wall ceramic tiles	Former SFRJ countries, EU, Near East
AD "Kiro Kucuk"	Bricks, blocks, grinded stone - rizla	Former SFRJ - (Kosovo)
AD "Dimce Mircev"	Metal zinc, slate and calcite, lime, micro talc	Former Yugoslav Republics, Bulgaria
AD "Nokateks"	Fibre, fabrics, embroidered fabrics, ready made clothes	Germany, UK, Italy, former SFRJ, Greece
AD " Dimko Mitrev"	Fur products (ready made clothes, car seats covers etc.)	Germany, Sweden, Russia, Netherlands, Romania
"Braka Kosulcevi Brako"	Metal furniture, storage shelves for electro equipment, archive boxes, freight trailer	Local market Former SFRJ

“Dinamo Leov”	Boilers	Former SFRJ, Greece, Bosnia and Hercegovina
AD “Zito Vardar”	Flour, bread, yeast, fodder	Local market
AK “Lozar”	Agricultural products, wine production, livestock production	Slovenia, Croatia, Germany, Austria, Greece
AD “Blagoj Gjorev”	Refined oil, fatty acid, confectionery, juices, vinegard	Local market
Factory for railway cars “Veles”	Repair of passenger and freight railroad cars	Local market
AD “Tabak Veles”	Fermented tobacco	USA, Ukraine, Italy, Japan, former SFRJ



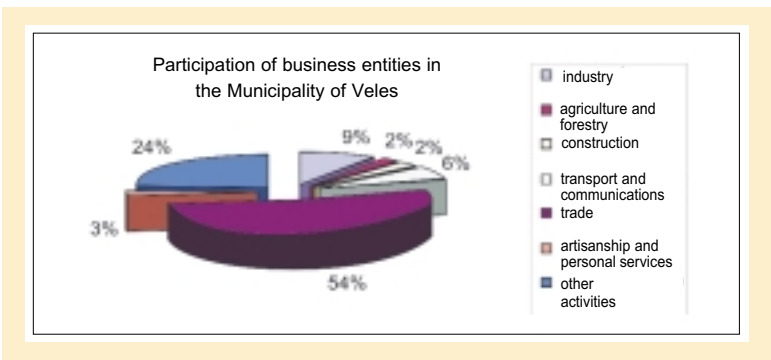
Parameters presented above show absolute increase in the number of business entities in the industry and trade for a period of 10 years. Data from the State Statistics Office of the Republic of Macedonia concerning the total number of registered business entities in the Muni-



pality of Veles (87 in 1990 and 2345 in 2000), show increasing trend in the number of business entities tending to duplicate the number on a yearly basis. Thus, in the industry the number of 18 business entities in 1990 increased to 221 in 2000, while in the trade the number of 52 registered business entities in 1990 increased to 1234 in 2000.

Nevertheless, the increase in the number of business entities does not correspond to the employment level. The data pertaining the employment level by sectors for a period of 10 years show decreasing trend. This contradiction is especially stressed out in the trade that has the largest participation in the total number of business entities, at the same time the number of persons employed in this sector is minimal. Data from the State Statistics Office indicate that in 1990 there were 1275 employed in the trade, while in 2000 only 500.

Within the industry, the parameters (18 business entities with 9,927 persons employed in 1990 compared to 221 business entities with 7,400 persons employed in 2000) indicate rapid decrease in the number of employed and a development recession. As presented in the table, the number of employed has the same trend in the other fields as well. In the Municipality of Veles there was an enormous decrease in the number of employed i.e. 16,179 employed in 1990 and 11,193 in 2000, which implies that about 4,986 persons were laid off.



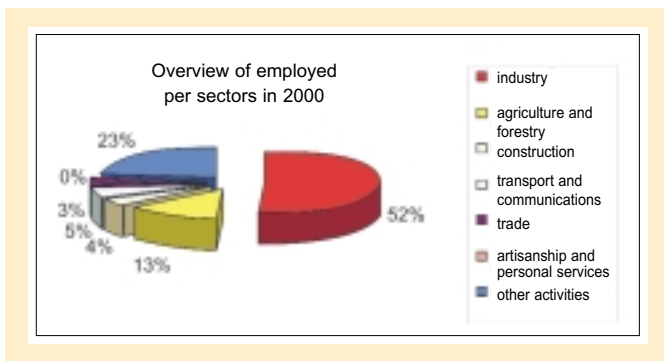
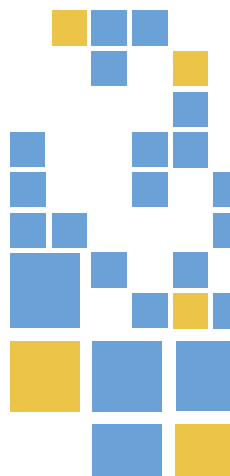
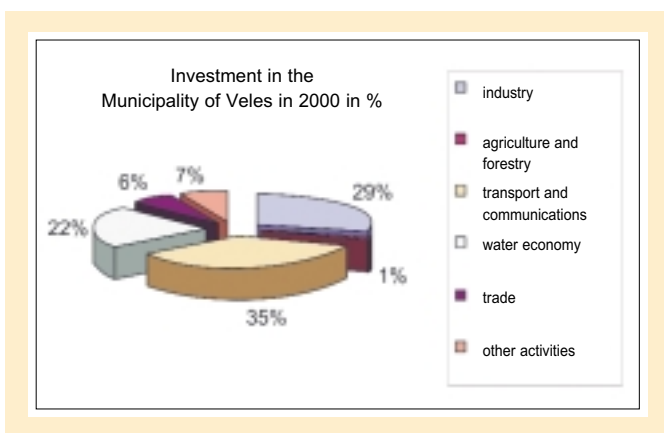


Table 18 *Investment in the Municipality of Veles*

Employment by sectors	Number of entities	Number of employed	% of investments
Industry	221	7.400	29
Agriculture and forestry	46	1.840	1
Construction	56	650	0
Transport and communications	151	800	35
Trade	1.234	500	6
Water economy			22
Artisanship and personal services	66	3	
Other services	571	3.360	7
Total	2345	2354	100



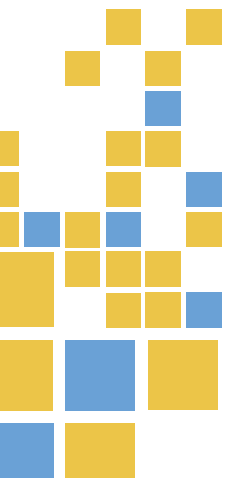
The comparative analysis of the above presented situation of Veles economy in 2002 gives the following parameters: graphically presented data as well as the table show that the industrial facilities participate with 24% in the total volume of facilities, while from the point of view of the employment their participation is 52%. These two parameters show that the industry is the major employer, while from the aspect of investments it is apparent that its share in the total investments on local level is 29%, which is insufficient for further development of industrial entities and affects the employment.

An analysis of the total investments in the municipality shows that the investments are the highest in transport and communication sector, implying that investments in the infrastructure are much higher than the investments in the industry as a mainstay of the development and employment.

On one hand, Table 4 shows that trade companies make 54% of the total number of entities, but on the other hand their participation in the employment is not significant (less than 1%). It is the same with the total of investments, where the trade participates with 6%. We can conclude that even though trade companies predominate from the aspect of quantity, they little contribute to employment in the municipality.

Regarding other services, the participation in the total number of entities, expressed in percents, is much closer to the number of employed (24 to 23%), but on the other hand investments again have low participation in the total investments of merely 7%.

General findings arising from the last comparative table show that Veles economy is characterized with low level of industry investment, low accumulation of labour force in the trade and high investment rate in the infrastructure as the only positive trend and precondition for development of all other business sectors.



A decorative graphic consisting of several colored squares. There is a blue square at the top left, a yellow square below it, and a blue square to the right of the yellow square. The word "Projects" is written in a blue, sans-serif font, with the letter "P" being significantly larger and positioned to the right of the yellow square.

Projects

In addition to the efforts for implementation of the Public Sector Investment Program, since 2002 the infrastructure development in the Municipality of Veles increased as a result of the support by number of foreign and local funds and donors. Part of the projects submitted to the potential donors were accepted and implemented, while some of them are still underway.

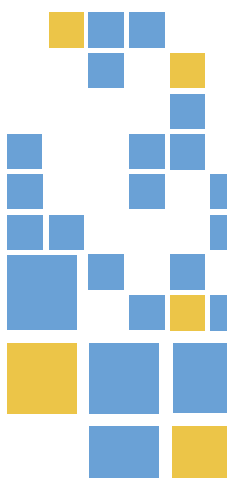


A decorative graphic in the bottom right corner consisting of a cluster of blue and yellow squares of various sizes, arranged in a somewhat abstract, pixelated pattern.

Table 19 *Projects realized*

	Project	Donor
1	Reconstruction of public buildings and infrastructure	UNDP
2	Arranging the river Vardar waterway	UNDP
3	YES	UNDP
4	Donation of device for heavy metals analysis in the blood and environment with a method of analysis with Inductive Coupled Plasma	UNDP
5	ITC	UNDP
6	Urban Equipment	UNDP
7	Office equipment	UNDP
8	Computer equipment	UNDP
9	Donation conference	UNDP
10	Children amusement parks	USAID
11	Paving	USAID
12	Citizens Information Center	USAID
13	Skate park	Embassy of the Kingdom of Norway
14	Tunnel	Embassy of the Kingdom of Norway
15	Arranging the river Vardar waterway	Ministry of Environment
16	Reconstruction of the water supply network	Counterpart Fund PHARE
17	Landscaping Dimko Najdov Street	Road Fund of Macedonia
18	Solid waste management development	ECOLINKS
19	Parks and forests	World Bank
20	Incubator	World Bank
21	Malo movce	AD Kiro Kucuk
22	Malo movce – project	GP Izgrev
23	Malo movce	Komercijalna Banka
24	Malo movce	Sprint Cable TV
25	Restoration of fasades in the central city area	Trifun Kostovski
26	Koco Racin Monument	Trifun Kostovski
27	Restoration of St. Pantelejmon Church	Trifun Kostovski

Media

Dynamics of the media development in Veles contributes to the efforts to accept the challenges of the modern information communications. Despite the continuous financial problems, lack of options for professional development and increased competition, each media has special characteristics and creativeness.

In addition to the national electronic media, today Veles citizens can watch the program of two local privately owned TV stations, one public radio broadcasting station, five privately owned local radio stations and one local newspaper.

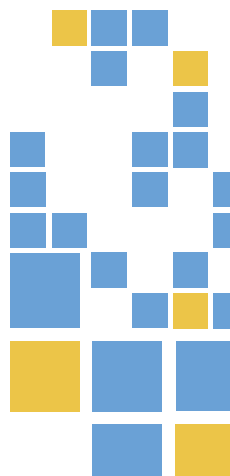


Table 20 Media

	MEDIA	CONTACT TELEPHONE
1.	TV STATIONS	
	TV ZDRAVKIN	212 900
	TV KANAL 21	211 445
2.	RADIO STATIONS	
	RADIO VELES	231 046
	RADIO GOLDI	235 103
	RADIO CD	232 312
	RADIO MERAK 5FM	231 523
	RADIO SI-BI-EM	232 532
	RADIO ROMANI BAH	223 827
3.	LOCAL NEWSPAPER	-
	VARDARSKI GLAS	235 103
4.	BRANCH OFFICES	
	MTV Stoilko Andreevski	070 795 069
	MAKEDONSKO RADIO Kire Vasilevski	070 617 832
	TV A1, Radio KANAL 77, VEST Ubavka Janevska	070 306 825
	TV KANAL 5 Milka Smilevska	070 639 127
	TV TELMA Jadranka Stefkova	070 426 257
	DNEVNIK Petar Peckov	070 265 460
	UTRINSKI VESNIK Bozana Kulavkova Chadieva	235 103
	VREME Antoanela Gajdova Dimitrievska	075 596 874

