



BULLETIN

Number 26-27
December 2003 - January 2004.

Ministry of tourism of the Republic of Montenegro and the Tourism Organisation of Montenegro

AN EXCERPT FROM THE MASTER PLAN

Wild and romantic mountain world of the hinterland supports and increases the value of generally ideal prerequisites for summer beach vacation. In the exciting, rapidly changing variations, a visitor encounters craggy plateaus, dense woods, gurgling rivers and deep ravines, 4 national parks and culturally diverse accents: orthodox monasteries (Moraca, Ostrog, Piva Monastery), a mosque in Pljevlja, a miniature royal capital in Cetinje.

Mountain world is not only a very attractive excursion site, but it also has the resources for regional and international segments of tourism niches: mountaineering, skiing, bike trips, horseback riding, canoeing, "cultural trips", etc.

A visitor is looking for "opposite worlds", he wants to see and experience something totally different. But this "opposite world" may be staged by enriching the experience of nature with Montenegrin elements (turning mountain farms into resorts, building walking paths, explanations on rock formations, etc).

(Master plan for the development of tourism by the year 2020)

Press conference of NTO held on 24 December 2003 at Ribnica restaurant

AT THE END OF PREPARATIONS FOR THIS YEAR WINTER TOURISM SEASON, A PRESS CONFERENCE OF NATIONAL TOURISM ORGANISATION WAS HELD AT RIBNICA RESTAURANT ON 24TH NOVEMBER. APART FROM THE DIRECTOR OF NTO, MR VOJIN VLAHOVIC, THE GUESTS AT THE PRESS CONFERENCE WERE ALSO MR ZORAN VUKCEVIC, DIRECTOR OF THE AGENCY FOR THE DEVELOPMENT OF SME, MR ERWIN POPOV, EXECUTIVE DIRECTOR OF SKI CENTRE BJELASICA AND MR VESELIN PERUNICIC, BANKRUPTCY MANAGER OF SKI CENTRE DURMITOR. JOURNALISTS WERE PROVIDED WITH DETAILED INFORMATION ON THE CAMPAIGNS AND EVENTS ORGANISED BY THE MINISTRY OF TOURISM AND NATIONAL TOURISM ORGANISATION: "HOT WINTER IN THE HILLS" PROGRAMME OF EVENTS, "A YEAR OF MONTENEGRIN CUISINE" CAMPAIGN, PRIZE COMPETITION "I KNOW A RECIPE, TOO", ACCOMMODATION PRICES IN MONTENEGRO FOR THE WINTER SEASON 2003/2004, AND IN THE HOTELS AT THE COAST THAT ARE TO OPERATE THROUGHOUT WINTER.

MR VLAHOVIC POINTED OUT THAT THE "HOT WINTER" CAMPAIGN CONTRIBUTES TO THE QUALITY OF WINTER TOURISM OFFER. WITHIN "HOT WINTER IN THE HILLS", A PROJECT OF HEALTH FOOD PRODUCTION IN MONTENEGRO "MADE IN MONTENEGRO" WILL BE PROMOTED.

VLAHOVIC REMINDED OF THE NTO CAMPAIGN IN SERBIA UNDER THE SLOGAN "WINTER AMONG FRIENDS, TOO". IT IS THE CONTINUATION OF "SUMMER AMONG FRIENDS" CAMPAIGN AIMED AT PROVIDING INFORMATION REGARDING THE CONDITIONS OF STAYING IN MONTENEGRO IN SUMMER AND WINTER RESORTS. NTO AND THE MINISTRY OF TOURISM ARE CURRENTLY PREPARING THE CAMPAIGN "A YEAR OF MONTENEGRIN CUISINE" IN ORDER TO PRESENT GASTRONOMIC OFFER OF MONTENEGRO TO DOMESTIC AND FOREIGN VISITORS. PART OF THE CAMPAIGN IS ALSO A PRIZE COMPETITION TO GATHER A NUMBER OF AUTHENTIC CULINARY RECIPES. REWARDED DISHES WILL BE INCLUDED IN THE MENUS OF NATIONAL RESTAURANTS IN MONTENEGRO", ANNOUNCED VLAHOVIC.

THE CONFERENCE WAS ATTENDED BY JOURNALISTS FROM THE FOLLOWING MEDIA: DAN, PUTOVANJA, POBJEDA, NOVOSTI, VESTI, POLITIKA, ANTENA M, RADIO CRNE GORE, TELEVIZIJA BUDVE, MBC TV, ELMAQ TV, TV PINK, MINA BUSINESS, PUBLIKA, RTCC, BETA AND BBC.

HOT WINTER IN BERANE, VUCJE, ROZAJE AND IVANOVA KORITA

"Hot Winter in the Hills" is a social and sporting event that is organized this year for the third time in a row in order to enrich tourism offer and promote winter tourism resorts at the north of Montenegro.

AS WAS THE CASE IN PREVIOUS YEARS, THIS YEAR EVENT IS ORGANISED BY THE NATIONAL TOURISM ORGANISATION, UNDER THE AUSPICES OF THE MINISTRY OF TOURISM. SPONSORS OF THE EVENT ARE MONET, TELEKOM, "MARINE ZONE MANAGEMENT", SKI CENTRE BJELASICA, HOTEL COMPLEX "BOKA" AND THE MINISTRY OF AGRICULTURE, FORESTRY AND WATER MANAGEMENT.

DIFFERENT FROM LAST YEAR, WHEN THE EVENT WAS HELD IN TWO RESORTS, KOLASIN AND ZABLJAK, THIS YEAR, APART FROM THESE TWO, THE EVENTS ARE ALSO HELD IN ROZAJE, BERANE, VUCJE AND IVANOVA KORITA.

THIS YEAR "HOT WINTER.." STARTED ON 26TH DECEMBER IN KOLASIN BY A THEATRE PERFORMANCE "TWO PIRATES" FROM BAR AND THE DISTRIBUTION OF NEW YEAR'S EVE'S GIFTS AND IS TO LAST UNTIL 18TH MARCH WITH THE LAST EVENT – SKI CHAMPIONSHIP "GOLDEN EAGLE". THE MOST FREQUENTED EVENTS HELD SO FAR WERE MASQUERADES VISITED BOTH BY MANY TOURISTS AND LOCAL POPULATION LIVING IN THE VICINITY OF SKI CENTRES AND ANIMATOR PROGRAMMES AT SKI RUNS, ATTENDED MOSTLY BY CHILDREN.

MOST OF THE PROGRAMMES ARE HELD DURING WEEKENDS (FRIDAY, SATURDAY, AND SUNDAY) AND INCLUDE BOTH DAY AND EVENING EVENTS. DAY PROGRAMMES ARE HELD AT SKI RUNS AND INCLUDE ANIMATOR, DJ AND MC PARTIES AND SPORT COMPETITIONS. EVENING PROGRAMME IS HELD IN HOTELS AND INCLUDES CONCERTS GIVEN BY FAMOUS PERFORMERS FROM MONTENEGRO AND SERBIA.

"A YEAR OF MONTENEGRIN CUISINE"

BASED ON SURVEYS THAT SHOWED MARKETS OF WEST, CENTRAL AND EAST EUROPE ARE INTERESTED IN GASTRONOMIC OFFER OF MONTENEGRO, THE MINISTRY OF TOURISM AND NATIONAL TOURISM ORGANISATION INITIATED THE CAMPAIGN ENTITLED "A YEAR OF MONTENEGRIN CUISINE". THE AIM IS TO EMPHASISE THE PARTICULARITIES OF CULINARY SPECIALTIES OF THE NORTHERN, CENTRAL AND SOUTHERN REGIONS AND, THUS, ENRICH TOURISM OFFER OF MONTENEGRO. THE CAMPAIGN WILL BE PRESENTED AT THE DOMESTIC MARKET FOR THE FIRST TIME AT THE BEGINNING OF FEBRUARY IN SERBIA AND VOJVODINA, AND ABROAD AT THE PRAGUE FAIR ON 12TH FEBRUARY THIS YEAR.

ACCORDING TO THE PROGRAMME OF ACTIVITIES, THE CAMPAIGN "A YEAR OF MONTENEGRIN CUISINE" COMMENCED WITH A PRIZE COMPETITION "I KNOW A RECIPE, TOO" WHERE ALL CITIZENS OF SERBIA AND MONTENEGRO HAD THE RIGHT TO PARTICIPATE AND SEND ORIGINAL, AUTHENTIC, OLD RECIPES FOR A DISH PREPARED IN MONTENEGRO. PRIZE COMPETITION WAS OPEN FROM DECEMBER 15 2003 TO JANUARY 10 2004 AND WAS INTENDED TO GATHER AS MANY RECIPES AS POSSIBLE. OVER 270 LETTERS WITH OVER 500 RECIPES ARRIVED AT NATIONAL TOURISM ORGANISATION AND THEY ARE TO BE CATEGORISED BY AN EXPERT JURY INTO THE FOLLOWING CATEGORIES: RESTAURANT DISHES, NATIONAL CUISINE DISHES, MEALS PREPARED IN THE OPEN, APHRODISIAC DISHES AND MONASTERY DISHES. UPON THE COMPLETION OF "I KNOW A RECIPE, TOO", A PRESS COCKTAIL WILL BE ORGANISED TO OFFICIALLY HAND MONEY REWARDS TO WINNERS AND TASTE THE DISHES MADE ACCORDING TO THE REWARDED RECIPES. THE PRESS COCKTAIL WOULD ALSO BE USED AS A GOOD OPPORTUNITY TO INFORM THE PUBLIC ABOUT THE "A YEAR OF MONTENEGRIN CUISINE" CAMPAIGN, WHICH WOULD BE THE OFFICIAL START OF THE CAMPAIGN. THE RECIPES GATHERED THROUGH COMPETITION WILL BE INCLUDED IN THE ADVERTISING BROCHURE "WINE & DINE".

A TV AND RADIO SPOT WAS MADE TO PROMOTE THE COMPETITION AND WERE BROADCASTED AT TV ELMAQ, TV MONTENA, TV IN, TVCG, MBC, RADIO DELFIN, RADIO CG, RTS, PINK TV, AND PUBLISHED IN THE DAILIES VIJESTI, DAN AND POBJEDA.

Tourism promotion of "The Icon of Bogorodica Filerska"

The project of tourism promotion of "The Icon of Bogorodica

Filerska" is done under the auspices of the Government of Montenegro, and the Ministry of Tourism, National Tourism Organisation and National Museum of Montenegro are in charge of its implementation.

The trend of cultural and religious tourism revenue growth in Europe and the invaluable importance and possibilities of this object of culture, hidden so far from the eyes of domestic and foreign public, became the project goal - marketing advertising to influence the source markets and target clients of cultural and religious tourism providing them with the information and business opportunities related to one of the most valuable cultural and religious objects in Montenegro.

Therefore, marketing agency MAPA started the preparation of a web site about Bogorodica Filerska, making brochures, and a CD film in four languages. The implementation of this project will introduce the next stage in presenting cultural identity of Montenegro, particularly stressing the town of Cetinje and Montenegro Heritage - a brochure on cultural heritage of Montenegro, as a part of advertising and information activities of NTO planned for the year 2004.

Study group visit of journalists from Serbia 19-21 December 2003



Aiming at enhancing public relations in Serbia, a study group visit of editors in chief and journalists of the leading Serbian media was organised at the beginning of this season. The group consisted of the representatives of the following media: Politika, Politika Expres, Ilustrovana Politika, Danas and Glas javnosti. Their itinerary included visiting of winter and summer resorts and a press conference held on 21 December 2003. On the occasion the Minister of Tourism, Mr Predrag Nenezic, the Director of NTO, Mr Vojin Vlahovic and the Director of "Marine Zone Management", Mr Dragan Ivancevic acquainted Serbian journalists with the preparatory activities for the coming winter and summer tourism season. On the same day, the journalists also had a separate meeting with Deputy Prime Minister, Mr Branimir Gvozdenovic. Judging by press clipping analysis, the effects of this visit are already visible in the press and are mostly affirmative and regularly cover the activities of winter tourism season.

Ski centre "Lokve" opens its door

After refurbishment of its restaurant, hotel "Lokve" in Berane opened its door on 27 December and thus officially opened winter tourism season. This was confirmed by Mr Djordje Delevic, executive director of "Euro turist GMBH" company which is now major shareholder of HTP "Berane".

– We have done great many things; first of all, we reconstructed completely the funicular, the ski run was reinforced with ratrack, and we also acquired motor sleighs from Slovenia; thus, we are ready for the beginning of the season, said Delevic, expressing pleasure because of the presence of a large number of skiers but also parents and children who managed to try out ski runs with sledges and in the best way possible contribute to official opening of winter tourism season in this centre. Hotel "Lokve" is located at the altitude of 1675 meters, and the nearby ski run was appraised by MASI as the best slalom path in Montenegro. Apart from this main run, there are other paths for all categories of skiers, and ratrack machine is in an excellent working order. Thus, with good reasons, after several "dry" seasons, the revival of yet another winter tourism resort, apart from Bjelasica and Durmitora, is duly expected.



Delevic thanked in particular the Ministry of Tourism for including this ski-centre in the programme of "Hot Winter in the Hills", and the first slalom and giant slalom competitions were held at Smiljevica run on 15 and 16 January, and on 14, 15, 24 and 25 January snow games will also be held, and the entertainment will be provided by MC Marko, Pero Stefanovic Trokadero and Ceca Slavkovic. Delevic mentioned that New Year's packages were sold as early as mid December, and the guests at hotel "Berane" had a rich programme for New Year's Eve.

"Winter among friends, too"

In Serbia winter tourism season of Montenegro is promoted under the slogan "Winter among Friends, Too". This marketing campaign is the continuation of "Summer among Friends" campaign whose effects on improving the image of Montenegro as a tourism destination and the increase in the number of tourists from this market were the reason for continuing with these in preparation of this year winter tourism season. Five video spots were made that are broadcasted on RTS and Pink television.

Transformation of Ski centre "DURMITOR"

After seven-year stalling of transformation process, finally, on 25 December a bankruptcy procedure was initiated for Ski Centre Durmitor, thus creating necessary conditions for privatisation.

Assembly of shareholders of the Ski Centre made a decision to establish the new ski centre, verified by Commercial Court and registered the company in August this year. In accordance with that decision, new CKI Centre was given Hotel Durmitor, the farm and office premises in Podgorica. The Statute of the newly established company, registered in early August 2003, envisaged buying shares of the new company by the managerial team and renting of Savin Kuk ski runs.

As for the minor share holders, it is beyond any doubt that they have the right to question the decisions, if they are illegitimate and contrary to law, and the matter will be brought to court.

Until then, the Ministry of Tourism is very interested for the coming season to be successful and that everything goes smoothly, that hotels and ski runs operate without problems, and that as soon as possible information memos are prepared and international tenders invited for the hotels Jezera, Planinka and Zabljak, where the price, future investment programs, social welfare and bidders references will be decisive in selecting a strategic partner.

At the same time it is necessary to have bid sale and start operation of the accompanying establishments, primarily motels Tara and Njegovodja with maximum support to the rights of minor shareholders.

The Ministry of Tourism, Bankruptcy Court in Bijelo Polje and bankruptcy manager of the Ski Centre Durmitor are in accordance that the inventory of all assets and company liabilities is to be done as soon as possible for planned activities to be done successfully.

Montenegrin resources presented to the Greeks

Montenegro and its capital were promoted in Athens from 27 December to 10 January. On the occasion the delegation of Podgorica, headed by Vice-mayor Milorad Cadjenovic, visited the Greek capital. With Montenegrin music, food and beverages served at the Athens square Gizi, the resources of Montenegrin tourism, economy and art were presented.

In October, when Podgorica was the host to representatives of Southeast and Central European capitals, the invitation of the Athens mayor to present its resources in that city was accepted. - This is the opportunity for Podgorica to present own potentials in different fields and deepen the cooperation of these two towns, said Cadjenovic. Deputy Minister of Tourism, Zoran Duletic, reminded that Montenegrin government set tourism as one of main generators of economic growth. We support such events, said Duletic, in order for tourism product of Montenegro to be better presented.

Consul of Greece in Montenegro, Sotirio Atanasiju, expressed his pleasure with today's event emphasising that it is yet another proof of good cooperation between Podgorica and Athens. Numerous guests enjoyed the rich social and artistic programme.

Soon – loans for tourism businesses

When visiting Berane (05 January), Ministar Nenezic announced that the Ministry of Tourism will soon start a new 4 million credit line for small and medium size enterprises. Signing of contract with Montenegrin business banks is expected between 15 and 20 January, upon which a competition will be opened. After the meeting with the managerial team of the hotel complex Berane, the Minister said that entrepreneurs from the north of Montenegro may also apply for credits for small and medium size enterprises for improving extra services, for establishing small hotels and enterprises, and village tourism. Credits will be realised within Government project for Legalisation of jobs. Nenezic is pleased with the current situation in HTP Berane after privatisation and with the cooperation of this company with the ministry.

FEATURE ON DURMITOR BROADCASTED IN AMERICA

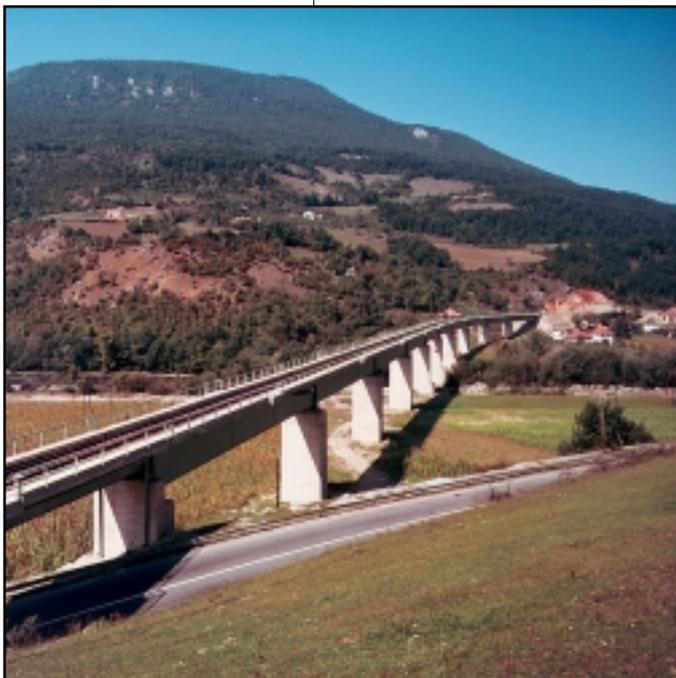
The NGO "Friends of Durmitor", gathering lovers of this mountain aiming at preserving nature and its promotion, is preparing the presentation of this area for the American market. As we were informed by prof. dr Mladjen Kovacevic and Milos Stanic, president and secretary of the society, a short feature on particularities, rarities and beauties of Durmitor is to be made. Among other things, it is to include rafting on Tara river, its attractions and the time of the year most suitable for rafting. Also, it is to present cyclist tours across the mountain, horse back riding, mountaineering, skiing, snowboarding, and Nordic tours, speleological tours and other activities. They say the feature is to be completed by May this year. Kovacevic and Stanic say these activities are done in cooperation with the Centre for Development of Durmitor area. They expect support and participation from National park "Durmitor". In the meantime, a brochure on Durmitor with basic tourist information is to be published shortly. Stanic says the brochure will be published before the feature on Durmitor is finished.

Preparations for the coming tourism season started

In early December the Government adopted the proposed Action plan for the preparation of the coming tourism season. Part of the activities on water and energy supply and traffic improvements already commenced. This plan sets time frame for the activities, and some public bodies are obliged to actively participate in the preparations for the coming season.

Better cooperation between public bodies, local self-governments, non-governmental sector and tourism industry should be established. Shortly, the Ministry of Agriculture is to propose strategic partnership with all parties so that projects for the preparation of the coming season are finished as soon as possible. Minister Nenezic announced that the Government will inform the public of all the activities undertaken in preparation of winter tourism season and overcoming the problems that arose in the meantime.

In tourism industry, in the year 2004 it is estimated to have about 4.3 million overnights (an increase of 8% compared to 2003), 3.2 mil. by domestic visitors and 1.1 million foreign. In relation to this, the financial effects are expected to increase and total revenue to be about 203 million (an increase of 7% compared to the previous year). Estimated increase in the



number of overnights of foreign visitors and, the increase of revenues in this category compared to the last year ones, are based on contracts already made with foreign tour operators.

In order to achieve this, it is necessary to upgrade the quality of overall tourism product, have better occupancy of existing facilities, have more efficient reintegration into world tourism trends and develop a recognisable image of Montenegro, extend the season and improve basic conditions for safer and more comfortable stay of our visitors.

The main orientation of the Ministry of Tourism and National Tourism Organisation is towards further activates and measures defined by the Master plan for the development of tourism in Montenegro. In terms with the plan, in 2004 it is necessary to::

- solve the water supply problem in coastal municipalities and Cetinje, to be able to provide one of basic prerequisites for a pleasant stay of our visitors. The project will enable solving the problem of water supply to the greatest extent possible before the commencement of the season so that tourism businesses at the coast may be better prepared for the arrival of visitors;
- great efforts done by hotel complexes, public enterprises, local self-governments and other stakeholders in establishing tourism offer on preparing and implement-

ing plans for summer and winter tourism season, particularly regarding cleanliness and solid waste disposal, control of parking services and street sale;

- create better environment for foreign investments – necessary measures will be undertaken to create a favourable general foreign investment framework, efforts will be made to initiate projects on improving roadways, modernisation of airports, development of solid and liquid waste disposal systems, etc.;
- solve the problem of devastation of coastal region – define measure to prevent further illegal building and implement them;
- create conditions for faster privatisation, to enable tourism business to be free, simple, unburdened with complicated procedures and great dues and taxes, in order for tourism as a low-accumulation industry to become attractive for investments and privatisation.

Establishment of a special Tender Commission for Tourism will speed up privatisation in tourism through defining a combination of models of hotel sale and management;

- provide support to the program of modernisation of existing hotel complexes in terms with international standards, but also the development of new ones. Further development of tourism will be directed not only towards the increase of accommodation capacities but also towards better quality and diversity of Montenegrin tourism offer;

- have the diversification and specialisation of offer in the sense of stimulating development of different types of tourism (nautical, health, mountain tourism);

- change and amend land use plans for the area of Ulcinj –Velika Plaza–Ada Bojana and Boka Kotorska, to be able to offer projects to strategic partners (integration of regional and local land use plans);
- considering the lack of access to available sources of finance presents the main obstacle for small and medium size enterprises, special attention will be paid to find out ways for stimulating entrepreneurship, thus enabling small and medium size enterprises in tourism the access to credit lines under favourable conditions.
- finish reorganisation of National Tourism Organisation leading to better management quality in which all tourism stakeholders will participate. This will provide for stable sources of finance, which was not the case in the past, and that will have a positive effect on overall activity of National Tourism Organisation,
- tourism signposting at the north of Montenegro,
- intensify cooperation with tour – operators, airline companies and non-governmental sector;
- implement Program for presentations at foreign and domestic fairs, organise study groups and have on-going promotional activities – media presentations, publication of information and advertising materials.

""Sveti Stefan" and "Milocer" unique historic hotels

Categorisation commission of the Ministry of Tourism completed assessment of hotels, villas and small hotels at the whole coasts. Hotels "Sajo" and "Admiral klub" in Budva and villa "Montenegro" at Sveti Stefan were awarded the most prestigious category, five stars.

Four stars were awarded to "Akva marin" in Budva, "Maestral" and "Kraljicina plaza" at Milocer and "Bela vista" in Becici.

Town-hotel "Sveti Stefan" and "Milocer" were awarded four stars and a special category of a unique historic hotel.

According to the information of the Secretariat for Economy and Finance for the municipality of Budva so far 35 restaurants have been categorised. At this secretary they estimate that it is a relatively low number compared to the total number of restaurants in the municipality of Budva, but they expect the number of categorised restaurants to be much higher by the end of the year. Considering that many more applications for categorisation have been submitted now than during the season it is to be expected that by the end of this year there will be more categorised restaurants.

When it comes to private accommodation, so far 211 rooms and apartments have been categorised in the municipality of Budva, and some 250 more approvals are being prepared.

They say at the Secretariat for Economy and Finances that from the beginning of this year till now 795 applications for categorisation have been filed, but a great problem being incomplete documents and numerous establishments without permits.

EXECUTIVE BOARD OF THE PUBLIC ENTERPRISE FOR MARINE ZONE MANAGEMENT OF MONTENEGRO: TENDER FOR 170 BEACHES

Preparing for the coming tourism season, the "Marine Zone Management" organised a seminar on conditions and equipment for developed beaches on 9 December in Becici.

Director of "Marine one Management" Dragan Ivancevic emphasised that several days before Executive Board of the company approved the decision to have new procedure for leasing 150 to 170 beaches and marine zones by the beginning of the new season. When it comes to equipping



beaches, the Executive Board recommended the use of natural materials, and to avoid the use of plastic. In cooperation with a Spanish company "Beach troters" a new experimental beach will be equipped in front of Hotel "Splendid". All those being awarded the Blue Flag and who manage to upkeep that quality will be given maximum lease period of seven years, said Ivancevic.

ACCORDING TO TSA ESTIMATES FOR MONTENEGRO:

BY 2013 A BILLION OF EUROS FROM TOURISM

Tourism economy of Montenegro, according to World Travel and Tourism Council (WTTC) contributes 14.4% of the total GDP. World Travel and Tourism Council, with their economic consultants from Oxford Economic Forecasting, prepared Tourism Satellite Accounting and tourism impact estimates for Montenegro, which include the introduction of new international standards adopted by the UN Statistical Commission. This methodology is applied in 161 countries. According to WTTC estimates, Montenegro's travel and tourism economy directly and indirectly accounts for 14.5% of total employment.

Total revenue generated by travel and tourism economy amounts to about 280 million. When import of commodities and services connected with tourism (about 10% of total import of goods) and the expenditure of Montenegrin citizens abroad is subtracted from total revenue, according to TSA methodology, tourism contribution in

GDP amounts to 190 mil.

Over the next ten years, Montenegro's travel & tourism is expected to achieve annualized real growth of 10.3% in total travel and tourism demand which, according to TSA estimates, should increase the revenues of Montenegro from this industry to about one billion euros.

Tourism satellite accounting is a methodology for calculating economic contribution of travel and tourism to national economy.

This methodology provides reliable data on the impact of tourism on employment and is a standardised framework for organising tourism statistical data. TSA was developed by World Travel and Tourism Council (WTTC), based in London.

At the demand of Montenegrin government, WTTC in cooperation with Oxford Economic Forecasting, prepared Montenegro TSA estimates for tourism impact on overall GDP of Montenegro.

The results show that tourism economy of Montenegro contributed 14.4% to total GDP last year.

According to WTTC, by 2013 tourism is expected to achieve 20% of GDP. It is expected that by 2013 employment in tourism, directly or indirectly, will be about 34.1 thousand, which is 20.7% of total employment.

The estimates show that last year tourism generated 32.3 % of exports, and by 2013 it is expected to increase to 45.2 % or EUR 710.1 million.

Investments in tourism are expected to have the annual increase of 7.4 %. By 2013 it is expected to achieve 109.5 million or 19.8 of total investments.

Last year 600,000 tourists visited Montenegro with the total of 4 million overnights, and total tourism revenue amounted to EUR190 million, or 7% more than in 2002. The number of tourists increased for 11.2% and overnights for 8%.

TSA is the international methodology approved by UN Statistical Commission and is a powerful tool for creating economic policy relating to tourism growth and providing data of its impact on national economy.

TSA methodology was developed in 1990 and till now over 160 countries introduced it to estimate tourism impact.

Herceg Novi "Praznik mimoze" promotion started in Serbia, BiH and Republika Srpska

The program of this year "Praznik mimoze" was presented in Uzice, Cacak, Beograd and Nis. The promoters are the members of festival directorate, representatives of the institute "Dr Simo Milosevic" which, together with "Herceg fest" organises this floral festival, and the general sponsor "Knjaz Milos" from Arandjelovac.

Organisers make efforts for this year program to be as good as possible since this is a jubilee year - 35 years of this winter floral festival. Mimosas were first brought to Herceg Novi by seamen. Nowadays, Herceg Novi is recognised by mimosa and events in honour of the flower.

First "Mimosa" festivities started with picking mimosa flower along the Herceg Novi coast, where best mimosas are grown, and this event has become a tradition and one of the most attractive programs attracting many visitors.

Traditionally, exhibitions of flowers, carnivals and masquerades are also organised. The program of "Praznik mimoze" was presented in Banjaluka, Bjeljina and Sarajevon on 15th January.



PRESS CONFERENCE

23 JANUARY 2004,

MEDIA CENTAR- BEOGRAD

On Friday, 23 January this year at 12.30, the Ministry of Tourism and National Tourism Organisation are having a press conference at Media Centar in Beograd, in order to inform the public in Serbia of current events during winter tourism season in Montenegro and plans and projects for this year.

Current tourist events and happenings in Montenegro will be presented, as well as promotion campaigns of the Ministry of Tourism and National Tourism Organisation for Serbia and Montenegro.

Press conference will be headed by Mr Lav Lajovic, Secretary to the Ministry of Tourism, and Mr Vojin Vlahovic, Director of National Tourism Organisation.

New Bill on Tourism Organisations adopted by Government commissions

NEW BILL ON TOURISM ORGANISATIONS ADOPTED BY THE END OF DECEMBER BY GOVERNMENT AND PASSED TO THE PARLIAMENT FOR ADOPTION.

DRAFTING LAW ON TOURISM ORGANISATIONS AND THE LAW ON VISITOR TAX IS THE FINAL STAGE OF TWO-YEAR ACTIVITIES OF THE MINISTRY OF TOURISM ON REORGANISATION OF THE PROMOTION SYSTEM FOR MONTENEGRIN TOURISM. THE MAIN AIMS OF THE NEW LAW ARE TO REORGANISE NATIONAL TOURISM ORGANISATION AND CREATE A NEW AND MORE EFFICIENT SYSTEM, MUCH DECENTRALISED.

MUNICIPALITIES ARE EXPECTED TO ESTABLISH LOCAL TOURISM ORGANISATIONS TO PROMOTE THEIR DESTINATION.

ACCORDING TO THE SECRETARY OF THE MINISTRY OF TOURISM, MR LAJOVIC, THE NEXT STEP IS TO INCLUDE TOURISM STAKEHOLDERS IN THE OVERALL FINANCE SYSTEM OF TOURIST ORGANISATIONS. IT IS A PARTNERSHIP OF THE STATE, LOCAL SELF-GOVERNMENTS AND TOURISM INDUSTRY. TO THAT EFFECT, A DECISION-MAKING SYSTEM HAS BEEN DEFINED: WHERE EVERYONE DECIDES ON THE AMOUNT OF PARTICIPATION IN FINANCING.

LOCAL TOs ARE TO BE FINANCED FROM MUNICIPALITY BUDGETS, FROM VISITOR TAX, MEMBERSHIP FEES OF TOURISM SERVICES PROVIDERS AND POSSIBLE DONORS OR SPONSORS. THE MEMBERSHIP FEE

AMOUNT WILL DEPEND ON THE TYPE OF ACTIVITY AND LEVEL OF DEPENDENCY ON TOURISM, I.E. REVENUE. MEMBERSHIP FEE, WHICH IS OBLIGATORY, WILL RANGE FROM 50 – 10,000 EUROS (TO BE PAID BY LARGEST HOTEL COMPLEXES). THE MUNICIPALITY, THROUGH ITS TAX DEPARTMENT, IS IN CHARGE OF PASSING DECISIONS AND COLLECTING ANNUAL FEES. EFFECTS OF THIS MONEY WILL BE MULTIPLIED THROUGH VARIOUS PROGRAMMES AND PRESENTATIONS AT MARKETS WHICH INDIVIDUAL BUSINESSES MAY NOT BE ABLE TO REACH. THAT IS WHY TOs ARE ESTABLISHED IN THE FIRST PLACE, AS NON-PROFIT ORGANISATIONS, WORKING FOR COMMON BENEFIT.

TOGETHER WITH THIS LAW, THE LAW ON VISITOR TAX IS TO BE BROUGHT. ACCORDING TO THE PROPOSITION OF THE MINISTRY OF FINANCE AND THE MINISTRY OF TOURISM, VISITOR TAX WILL BE UNDER THE COMPETENCES OF MUNICIPALITIES. MUNICIPALITIES WILL SET THE AMOUNT OF VISITOR TAX, LIMITED TO THE RANGE FROM 0.10 EUROS IN LOW SEASON TO 0.80 EUROS IN HIGH SEASON IN DEVELOPED TOURISM MUNICIPALITIES. 80% OF VISITOR TAX IS FOR LOCAL TOs, AND 20% FOR NTO.

Interview given by the Minister, Mr Predrag Nenezic to MINA agency

1. Are you satisfied with this tourism year?

- Yes, I am. Planned impact from Economic policy of the Government for 2003 has been achieved. This year 600,000 visitors visited Montenegro, having the total of 4 million overnights. Compared to the same period last year, the number of tourists increased for 11.2%, and overnights for 8%. The growth of 10.4% was achieved in domestic overnights, while the number of foreign visitors was the same as in 2002, but their structure is more favourable, i.e. there are more tourists from West European markets. Therefore, the growth of interest for Montenegro is evident, but also very limited capacities to satisfy their demands.

We achieved these results thanks to the efforts, activities and resources mostly by the Government of Montenegro invested in the preparation of the season and promotion of tourism offer. Thus, in the course of 2003 a number of projects aimed at creating a higher quality tourism product were initiated. Road infrastructure, considerably reconstructed in coastal and central regions, contributed to better quality of the offer. Classification and categorisation of hospitality establishments was initiated in order to standardise and upgrade product quality. So far, over 100 hotels, motels and pensions have been categorised by the commission of the Ministry of Tourism, while local commissions are categorising establishments under their authority. There are two main goals; first, to create a special Montenegrin-Mediterranean product, which includes mountain region of Montenegro as well, through precisely defined framework given in categorisation regulation; second, investments into all categorised establishments is expected as of now, considering that it was the practice in all other destinations, regardless of the ownership structure of the establishment.

Beach quality upgrading campaign result-

ed in better equipment and organisation of the offer at beaches compared to previous years. Upgrading the quality of services in this segment of our tourism product was confirmed through "Blue Flag" campaign which includes six beaches that were given blue flag certificate, a prestigious internationally recognised sign of beach quality and safety.

The problem of noise, both in daytime and night time, was suppressed considerably, which is a sign of approaching European and international standards. This is also a proof of the rising awareness of the public and readiness to accept tourism as a development and prosperity opportunity.

Tourism signposting, according to international standards, was finished

in central and southern part of Montenegro. Northern part will be covered in spring 2004.

A special quality is the emergence of a number of small hotels both at the coast and at the north of Montenegro. This trend will continue.

Finally, we may conclude that Montenegro definitely justified the image of a safe destination at the Mediterranean, which is today a great asset, in this time of global instability and terrorism.

What is of particular importance is that tourists who stayed in Montenegro felt qualitative changes and the elimination or significant reduction of a number of problems that were evident during 2002. It is one of the main goals of the Ministry of Tourism every year to see positive trends compared to the previous one since the planned strategy is a long-term process that will last a certain number of years.

2. What is the total revenue Montenegro achieved this year from tourism? Is it more or less than the year before and how much?

- Tourism economy of Montenegro partici-

pates with 14.4% in GDP according to the report of World Travel and Tourism Council (WTTC) which, as demanded by the Government of Montenegro, and engaging the consultants from Oxford Economic Forecasting, prepared Tourism Satellite Accounting estimates for Montenegro. Tourism Satellite Accounting (TSA) is a methodology for estimating total impact of tourism on national economy. TSA is a methodology providing reliable data on impact of tourism on employment; it is a standardised framework for tourism statistics; it is a new international standard approved by UN Statistical Commission; it is a powerful tool for designing economic policy relating to the development of tourism and provision of data on the impact of tourism on national economy.

From now on this methodology is to be applied in our country, together with 161 countries worldwide. According to WTTC estimates, Montenegro's travel and tourism industry directly or indirectly accounts for 14.5% of total employment.

Total revenue generated by travel and tourism industry amounts to about 280 mil. When import of commodities and services connected with tourism (about 10% of total import of goods) and the expenditure of Montenegrin citizens abroad is subtracted from total revenue, according to TSA methodology, tourism contribution to GDP amounts to 190 mil. Compared to the year before, it shows growth of 7%.

3. When will the Government and the Ministry in cooperation with business banks start a credit line for SME? Will there be such projects the following year as well?

- As part of Legalisation of existing jobs and opening new ones and Stimulating entrepreneurship projects, the Government of Montenegro, in cooperation with business banks and relevant ministries announced new credit lines which will be opened by the beginning of January next year at the latest.

For four credit lines in tourism, which relate to improving extra services, rural tourism, upgrading the quality of lodg-



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ing establishments and development of small hotels, some 4 million euros have been planned. Maximum amount per credit will amount to 50,000 euros, grace period up to 12 months, payment due in 3 years and interest rate of 5%. Also, for one newly employed person there is a credit of 3,000 euros, for two newly employed persons 4,000, three 5,000 euros. Interest rate for the funds for newly employed people will be 3%. The fact that our banks fully supported the project is encouraging, and proves that tourism is becoming an attractive industry for bank support.

If people registered with Employment office or persons that have been made redundant are offered employment, extra credit support is envisaged under more favourable conditions.

These credit arrangements are part of the activities on the part of the Government directed to stimulate employment and entrepreneurship. Our aim is to have more such arrangements in the following year.

4. Do you have the information available on which institution participated in transformation of Ski Centre Durmitor?

- Certainly. However, I have to stress that this company was not transformed in the traditional sense of the word. We believe that if transformation of this important company for Montenegrin tourism had been done in due course, it would have been privatised by now as well. The problem arose when managerial team was not given approval by the Agency for Economic Reconstruction and Foreign Investments and Fund for Development to finalise the transformation procedure using the model of buying the ideal share of the company and therefore the court proceedings were initiated, that postponed privatisation until reaching court decision. I believe that it mostly harmed Zabljak and the development of tourism in this important area. Initiating bankruptcy procedure will enable to complete privatisation and upgrade the quality of tourism offer of the Ski centre. We believe that international tenders for the sale of Jezera, Planinka and Zabljak hotels will open

new markets and bring strategic investors. I think there is no alternative for the development of Durmitor area.

5. Are you of the opinion that the company was transformed in a legal way and what is your view on the whole case?

Once again, there was no transformation of the company. And as of my opinion of the decision made by the assembly of shareholders of ski centre from 5 May this year on excluding some assets - hotel Durmitor, office premises in Podgorica and a farm at Zabljak and establishing a new company and the sale of 51% of shares to the managerial team, I was officially informed by the Commercial Court in Podgorica that in early August this court registered the new company under the name of "NEW Ski Centar Durmitor" based on the proper application. Personally, as a minister of tourism, I believe that every transformation leading to privatisation and upgrading quality of offer must be supported by us. It is not up to us to discuss ownership relations and rights of shareholders, proper courts, Agency



for Economic Reconstruction and Foreign Investments and Privatisation Council are to resolve these matters, and until, possibly, they annul decisions of competent bodies of this company, I will personally respect them.

The priority of the Ministry is for the coming season to be as well prepared as possible and be successful and that hotels and ski runs operate as should. Therefore we have undertaken a number of activities and provided urgent credits to assist in the preparation of the Ski centre for this season. Managerial team, headed by Mr Perunicic, did their best to prepare hotels. Furthermore, we are undertaking a series of activities to promote the Ski centre at the markets of Serbia, Bosnia and Herzegovina, and Montenegro etc. We will also make the program of the "Hot Winter in the Hills" for Zabljak this year to be as rich and eventful to be able to offer better extra services. I'd like to inform you that we have reached an agreement with the competent institutions that all roadways to Zabljak are maintained and cleaned regularly, especially roads via Savnik, Boan and Bukovica. Also, we engaged foreign consultants of European Agency for Reconstruction to prepare the Information Memo on privatisation of hotels, which will be a good basis for inviting international tender for hotels Jezera, Planinka and Zabljak. We emphasise that when evaluating offers, apart from the price offered and the quality of investment programs and bidder's references, we will particularly evaluate social welfare programs for current employees, further training, specialisation, etc, and all of this will be decisive in selecting a strategic partner. It all clearly shows that the Ministry on its part is making great efforts to improve the situation at the Ski centre and create conditions for Zabljak to become regional skiing and tourism centre as was originally envisaged by the Master plan, but you'll agree that all other organisations and institutions are to make their contribution as well.

6. Will Montenegro have some novelties next year in promoting its tourism offer at world fairs?

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- In terms with trends at world tourism market, new ways of promoting tourist destinations, the use of channels of sale and animating visitors, the Ministry of Tourism drafted the new Law on Tourism Organisations and promotion of Montenegrin tourism, using positive experiences from the surrounding countries. After public debate, the Law was passed to the Parliament and we expect it to be soon adopted.

Among other things the Law envisages new presentation of Montenegro at the market, agreed among the Ministry of Tourism, National Tourism Organisation and tourism industry, which implies creation and promotion of tourism product.

As you know, this year marketing campaign at the market of Serbia and Vojvodina went under the slogan "Summer among Friends" and resulted in an increase of a number of tourists from Serbia of 28% and overnights for 22% compared to 2002.

To that effect, we also designed marketing and promotion campaign both at domestic and foreign markets that are the continuation of the previous campaign.

Market research shows that the markets of West, North and Central Europe are very interested in the offer that will be promoted through "A Year of Montenegrin Cuisine" campaign, designed jointly by the Ministry of Tourism and the National Tourism Organisation. It has been planned for the campaign to be promoted at the Prague fair, then in Ljubljana, Berlin and Moscow, and certainly at the market of Serbia, Vojvodina and Montenegro.

The introduction into the campaign was a prize competition announced in Montenegro, "I know a recipe, too", that aims at gathering old, forgotten and authentic recipes of Montenegrin cuisine, in order to create a recognisable product that would be promoted through the announced campaign.

Of course, we expect active participation on the part of tourism industry and local self governments in our activities.

7. Are you satisfied with the amount of money the Government planned for the Ministry and the NTO for the next year?

- In the budget for the next year the Government planned the amount of money that enables a number of important projects to be implemented. Certainly more is needed but we have to be aware of the current situation and try to have more tourism revenue in 2004 which will certainly influence the increase of the budget share for the Ministry of Tourism.

Also, the new Law on Tourism Organisations and Promotion of Montenegrin tourism, apart from money from the budget, also defines additional sources of finances for Tourism Organisations through strategic partnership with the industry, primarily the part of it having positive effects from tourism season, through membership fees and municipal budgets that are actively included in the creation of a tourism product and promotion of their tourism destination.

8. What do you regard as this year's success and this year's failure?

- Physical and financial results of 2003 are a success.

Introduction of TSA methodology, becoming part of a family of over 160 countries using this methodology and tourism contributing 14.4% of the total GDP is extremely important for this sector. I am certain that the contribution of tourism to GDP will grow in future, in terms with World Travel and Tourism Council estimates.

I also believe one of the achievements of the Ministry of Tourism this year was the classification and categorisation of hotels, that resulted in 100 hospitality establishments acquiring operational licences and 105 hotels being awarded categories so far. Categorisation and classification is aimed at economic growth in tourism, modernisation of hotels and upgrading the category, prolongation of the season, etc.

This is a very significant process also because thus we identified for the first time some small hotels that were mostly awarded 3-5 stars. Also for the first time we introduced special categories of hotels like hotel unique, beach, historic. This process will continue in 2004, and we also plan to have categorisation and classification of villas and apartments.

Problems that marked the previous tourism season relate to water supply, Lovanja landfill and electrical energy supply failure for the coast that lasted a day and half and may be seen also to a certain degree in the light of the responsibility on the part of the Ministry of Tourism. In order not to have similar things in future, in September we started the activities on solving the problems, aimed at their significant reduction or total resolution and we informed the public of these activities on several occasions.

What displeases me is the low increase of foreign trade in the total amount, although the structure from these markets is of better quality, i.e. more visitors from West and North Europe than before. Still, lack of good quality facilities influences slow growth of trade from these markets and that is something that has to be changed.

9. What are the plans of the Ministry of Tourism for the following year? What will the Ministry focus on as the most important task?

- The analysis of this year tourism season is encouraging, but also points to the need for urgent measures to solve problems that burdened this year season, and have been in our backyard for years. To that effect, the Government adopted the Action plan of measures and activities for the preparation of season 2004 that include all stakeholders directly or indirectly involved in creating tourism product.

Priorities here are urgent measures to reduce water supply problem at coastal municipalities and Cetinje, as a part of the long-term project for solving this problem so that it would be resolved as much as possible for the coming season. The project will enable that, by the beginning of tourism season, the coast is more prepared for the arrival of visitors regarding water supply.

Continuing to create favourable environment for foreign investments, through projects aimed at elimination of business obstacles, creating tax and other incentives for foreign investments is an on-going task of the Government.

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It would lead to faster privatisation since our idea is that tourism business should be free, simple, relieved of all complicated procedures and large dues so that this industry, as a low-accumulation one, would become more attractive for foreign investments and privatisation. Multiplying effects tourism has point to the fact that this sector is the backbone of development of a considerable number of other industries. Establishing a special Tender Commission for Tourism will speed up privatisation in tourism. Facilities at the north of Montenegro are to be privatised shortly.

Government will make great efforts in 2004 to initiate projects to improve road infrastructure at the north, modernise airports, make solid and liquid waste disposal systems, etc. All of these are infrastructure projects directly connected with tourism without which there is no quality product. The implementation of a certain number of these projects has already started and it inspires optimism. We will make great efforts to resolve the problem of land devastation. Defining measures against illegal development and their implementation is one of priority tasks of the Government in future.

One of the most important activities must be support to intensive modernisation programme of current hotel facilities according to international standards, but also the development of new hotels. Further development of tourism should be towards not only the increase of lodging facilities, but also towards better quality and diversification of Montenegro's tourism offer. Recognising the need to adapt to modern market trends, we will strive for diversification and specialisation of offer by stimulating the development of different aspects of tourism (nautical, health, mountain, religious). We have identified as most attractive locations for new hotels Ulcinj-Velika Plaza-Ada Bojana and Boka Kotorska. The development of Velika Plaza

and Ada Bojana will provide greatest potential for economic growth in tourism, it will "open the door" to a world class destination. Detailed development concepts have been made in cooperation with foreign experts. The next step is to change and amend land use plans for this area to be able to offer these projects to strategic partners. It is something that has to be completed next year.

Finally, another significant task in 2004 is the final reorganisation of National Tourism Organisation that will provide for new better management that will involve all tourism stakeholders. This will provide for stable sources of finance, which was not the case before, and will have positive effect on overall activity of the NTO. This project will also generate 100 new jobs.

Lastly, 2004 campaign for foreign and domestic markets will focus on promoting health food of Montenegro, and it will influence closer links of our farming and food production industry with travel and tourism.

Resources of Montenegrin tourism are great, but a lot of efforts and investments are needed to create a sustainable tourism product that will result in gradual growth of the number of visitors, revenues and employment. Montenegro has a great position at the Mediterranean and great natural resources relevant for the development of tourism. Using smartly comparative advantages (combining offer at the coast with the one at central and northern regions) and adapting to modern trends, we are sure that tourism will generate new jobs, lead to better living standards, increase budget income and cash flow from abroad, and make the benefit from tourism be seen in all sectors of national economy.

For the time being, all the parameters set in the Master plan are realised according to planned time frame.

Montenegrin Ministry of Tourism at the First World Conference on Communication in Tourism

PR ADVISOR AT THE MINISTRY OF TOURISM, Ms JELENA PAOVIC, will ATTEND THE FIRST WORLD CONFERENCE ON COMMUNICATION IN TOURISM TO BE HELD ON 29 AND 30 JANUARY IN MADRID.

SOME 800 DELEGATIONS FROM OVER 100 COUNTRIES WILL TAKE PART; 300 FROM PUBLIC SECTOR, 300 FROM PRIVATE (LARGEST TOUR-OPERATORS, HOTEL OWNERS AND OPERATORS, AIRLINE COMPANIES, ETC) AND 200 JOURNALISTS.

A MEETING WITH THE WORLD TOURISM JOURNALISTS WILL BE ORGANISED AS A PART OF THE CONFERENCE AT THE MEDIA MARKETPLACE, AN EVENT DURING WHICH A BRIEF PROMOTIONAL FILM ON TOURISM PRODUCT OF MONTENEGRO WILL BE SHOWN.

Briefing on season preparations

ON 20 JANUARY AT 12 o'clock, AT THE PR OFFICE, THE MINISTER OF TOURISM, MR PREDRAG NENEZIC, AND THE DIRECTOR OF "MARINE ZONE MANAGEMENT", MR DRAGAN IVANCEVIC HAD A BRIEFING REGARDING ACTIVITIES ON THE PREPARATION OF SUMMER TOURISM SEASON 2004.



A visit to Berane, Rozaje and Kolasin

More attention to the development of tourism at the north

Minister of tourism, Mr Predrag Nenezic, was in a working visit to winter resorts at the north of Montenegro. On 5 January he visited Berane. He had talks with the director of HTP Berane, Fuad Ramusovic, visited Lokve and the ski run to see first hand the winter tourism season in Berane.

On Friday, 9.01. Minister Nenezic visited Rozaje.

- I am pleased with the fact that Rozaje see their opportunity in wood processing and tourism and that they plan to establish a Secretariat for the development of sport and tourism. Also, thanks primarily to commitment of its employees, HTP "Turjak" managed to survive - said Minister of Tourism at the meeting in Rozaje with the director of National Tourism Organisation, Vojin Vlahovic, mayor Nusret Kalac and director of HTP Rafet Hajdarpasic.

Minister Nenezic said that this year the Government will pay more attention to the development of tourism at the north of Montenegro, that would be greatly aided by planned reconstruction of roads there. A special support to the development of tourism will be 4 million euros that will be used, with the aid of banks, to credit

entrepreneurship in tourism, said minister Nenezic. Combination of mountain and beach tourism makes Montenegro a unique destination in this part of the world. To that effect, we are about to sign a contract on the preparation of the strategy for the development of mountain tourism with the Institute for Tourism of Slovenia. It will be the basis for defining specific projects and attracting strategic partners for investing into the north of Montenegro, said the minister.

Director of National Tourism Organisation, Vojin Vlahovic said that, in terms with the new law, municipalities will soon be able to establish own tourism organisation which will contribute to better tourism offer.

Minister Nenezic and his associates watched the ski cup "Golden snowflake" that was held in Rozaje within "Hot Winter in the Hills".

While visiting Kolasin and Ski centre "Bjelasica", he expressed his pleasure in Kolasin being again chosen to organise the Ski fest of Serbia and Montenegro. Weekends to come are expected to be even livelier and attract even more visitors.