



BULLETIN

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

AN EXCERPT FROM THE MASTER PLAN

*... Quantitative reconstruction should be the impulse for qualitative reorientation. Focusing on new businesses with 3*** - 5*** according to international categories would change the average quality for the better. One expansive strategy offers a chance for the image of quality, consequent market orientation and primarily economic recovery of the country.*

Extension of capacities should be done through companies of different size and different types of hotels, different specialisation category and varying standards to offer diversified products for diversified markets.

From the economic and atmospheric standpoint, and from marketing aspect, the ideal size of separate companies is 400-800 beds. Qualitative and quantitative centres for the increase of capacities should be the regions of Ulcinj, certain coves selected for swimming and Boka Kotorska Bay.

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

HALF A MILLION EUROS FOR STIMULATING THE DEVELOPMENT OF TOURISM

The Program for incentives in tourism for the year 2004 was adopted at the session of the Government of Montenegro chaired by the Prime Minister, Milo Đukanović, held on 19th February. The Program relates to subsidies on interest rates for commercial banks credits for tourism businesses, incentives for domestic and foreign organised travels, human resources development and suppression of grey economy in tourism. Some 500,000 euros will be allocated for program implementation to provide for adequate environment and positive trends in tourism economy.

The Government also adopted the Code of Civil Procedure, and thus Montenegro takes over the competences over procedural law. New legal provisions done in accordance with international standards and practice will lead to more efficient civil procedure, better legal safety and protection of right and freedoms of citizens and legal persons. Key solutions envisage the abolition of lay-judges, measures to make court procedure more efficient, the introduction of arbitration etc.

Considering the information on illegal construction in the Marine zone with the proposal for dealing with the issue, the Government is of the opinion that it is necessary first to establish a coordination body consisting of the representatives of relevant ministries in order to provide conditions for removal of illegally constructed buildings, revision of acts for construction and re-inspection of already constructed or buildings under construction.

GOVERNMENT AND SIX MONTENEGRIN BANKS ANNOUNCED 14 CREDIT LINES

13.2 MILLION EUROS FOR THE UNEMPLOYED, AGRICULTURE AND TOURISM

Montenegrin Government and six banks announced credits for stimulating employment, and financing projects in agriculture and tourism.

Montenegrin Prime Minister Milo Đukanović and six bankers, directors of CKB, Atlasmont, Montenegro, Podgorica, Nikšić and Pljevlja bank, signed on Wednesday a contract for 14 credit lines, providing 13.2 million euros for new employment.

Announcements have been made for credits for stimulating employment of the unemployed, for people made redundant, for stimulating entrepreneurship and new employment, for stimulating successful small enterprises and new employment and stimulating employment and entrepreneurship for individual farmers.



Regarding agriculture, there are credit lines for projects in fruit and vegetable production, family cattle farms, mini chicken farms, deep sea fishing and modernisation and development of food processing plants.

In tourism credits are planned for upgrading lodging facilities, extra services, village tourism and development of small hotels.

Funds will be allocated through four credit lines:
1. Construction of mini hotels – EUR 600,000, credits up to 200,000

2. Extra services – 1.2 million euro, credits up to EUR 50,000

3. Upgrading existing lodging facilities – EUR 1,800,000, credits up to EUR 50,000

4. Village tourism – EUR 400,000, credits up to EUR 15,000

CATEGORISED

ESTABLISHMENTS

The total number of categorised object is 122: 56 hotels, 49 small hotels, 3 garni hotels, 5 apart hotels, 4 tourist settlements, 3 pension and 2 motel.

Hotel Unique: Sveti Stefan, Aurora i Imanje Knjaz.

Historic hotel: Splendido, Sveti Stefan.

Beach hotel: Brunsweek, Inex Zlatna obala

The Ministry of Tourism has published a Design Guide for Standardisation of Lodging Facilities in Montenegro. Classification and Categorisation Commission designed a "Guide" providing detailed instructions for modernisation of lodging facilities defining general principles for owners, operators, architects, designers and other stakeholders in modernisation of lodging facilities in Montenegro.



HOTELS	SMALL HOTELS	APART HOTELS	PANSIONS
Topla BIP Budva Berane	Oaza Galeb Pelikan Rožaje	Villa EBD	Hrast Lovćen



HOTELS	SMALL HOTELS	APART HOTELS	TOURIST SETTLEMENTS	PANSIONS
Centar Igalo Tamaris Centar/Igalo Delphin Metalurg Loza Park hotel /BU Alexander Šumadija Bellevue Montenegro Podgorica Ljubović MOC/Alet Sidro Niš Nikšić Lovćen Fjord Albatross Otrant Mimosa P. horizont Lovćen Planinka Bjelasica Jezerca	Grbali Adrović Sv. Nikola Vardar Adria Renome Palma/BU Budva Sozina Hotel RR Bok. Dvor El Mar Glava Zeta Žabljak Turjak Piva Ideal	Vila Park Buljarica	Biserna obala Ada Bojana	Beograd

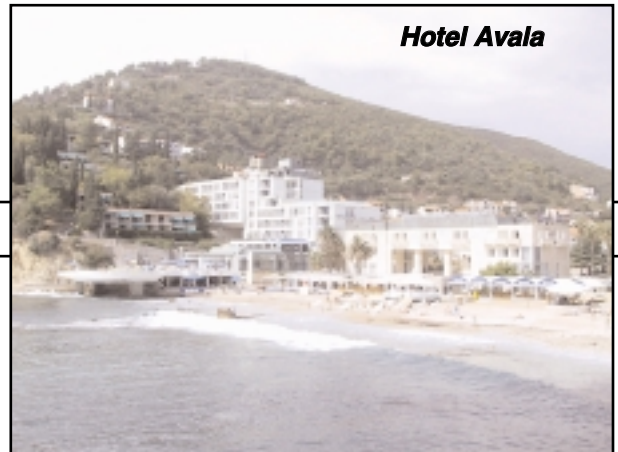




HOTELS	SMALL HOTELS	GARNI HOTELS	APART HOTELS	TOURIST SETTLEMENTS	MOTELS
Plaža	V. Mirelli	V. Lux	V. Balkan	S. Plaža	Select
Avala	Gazivoda			Z. Obala	Buče
Korali	Mirela				
Mogren	Marija				
Jovanna	V. Panonnia				
Brunswick	Trebjesa				
Splendida	Pine				
Panorama	Aurora				
Naftagas	Fontana				
Teuta	Imperial				
Galeb	V. Balšića				
Palas	Vidikovac				
Vile Olivia	Čile				
Onogošt	Lovćen				
Mediteran	Pejović				
Palma	Šarović				
Topolica	Ambijent				
Korali	Europa				
Grand Cetinje	Tri bora				



HOTELS	SMALL HOTELS	GARNI HOTELS	APART HOTELS
Xanadu	Perla	Eminent	Bella Vista
Splendido	Aquamarine	Bojatus	
Sveti Stefan	Danica		
Kraljičina plaža	Azimut		
Maestral	Miločer		
	Vila Royal		
	Imanje Knjaz		



SMALL HOTELS
Šajo
Admiral klub
V.Montenegro

CONTRACT SIGNED BY COASTAL MUNICIPALITIES, GOVERNMENT AND BANKS FOR IMPROVING WATER SUPPLY DURING THE COMING TOURISM SEASON

Contract between the Government, coastal municipalities and the consortium of local banks regarding credits for improving water supply for the coming summer tourism season was closed on 13 February in Podgorica. The representatives of Ulcinj municipality did not take part at the celebration held at the Government building because the local Parliament of Ulcinj did

not adopt the urgent measures since the coalition of Albanian national parties in power did not reach an agreement on the issue. A contract was signed between local water companies "Vodovod" and equipment dealers and constructors to intensify the activities on the project. It is expected that works will start during the month of March.

Ministry of Tourism and International Institute for Tourism From Slovenia signed a contract for making the study

PROGRAMME FOR THE DEVELOPMENT OF MOUNTAIN TOURISM IN MONTENEGRO

By July this year Montenegro is to have the "Programme for the development of mountain tourism". This was agreed by the representatives of the Ministry of Tourism of Montenegro and the International Institute for Tourism from Slovenia. The contract for making the study "Programme for the development of mountain tourism in Montenegro" was signed in Podgorica on 10 February by Mr Predrag Nenezic, Minister of Tourism and Mr Janez Fiše, director of the International Institute from Slovenia. The General Consul of the Republic of Slovenia in Montenegro, Mr Branko Rakovac was also present at official

signing of the contract. – The study will be made on the principles of sustainable development of tourism aimed at preserving natural, cultural and social resources and will be based on the compatibility of development of both coastal and mountain tourism as a unique tourism product. It will also be based on already made integral development strategies for Durmitor, Prokletije, Bjelasica and Komovi, it was said on the occasion of signing the



contract. The main aim of the "Programme for the development of mountain tourism in Montenegro" is to use natural and other resources for the development of tourism at the north of Montenegro throughout the year, to position specific resorts and tourism offer at the international market.



NEW LAW ON TOURISM ORGANISATIONS AND VISITOR TAX

THE LAW ON TOURISM ORGANISATIONS AND VISITOR TAX THAT WAS ADOPTED BY THE PARLIAMENT OF MONTENEGRO ON 16 FEBRUARY THIS YEAR IS A SIGNIFICANT CONTRIBUTION TO TOURISM REGULATIONS AND WILL GREATLY CONTRIBUTE TO THE INCREASE OF TOURISM REVENUES. IN THE FOLLOWING SIX MONTHS, WHICH IS THE TIME FRAME ENVI-

AGED FOR THE IMPLEMENTATION OF THESE TWO LAWS, ONE OF THE MOST SIGNIFICANT PROJECTS OF THE TWO MINISTRIES IS TO BE IMPLEMENTED, POINTED OUT LAV LAJOVIĆ, SECRETARY TO THE MINISTRY OF TOURISM AND KOVILJKA MIHAILOVIĆ, DEPUTY MINISTER OF FINANCE IN THE GOVERNMENT OF MONTENEGRO AT THE PRESS BRIEFING.

THE NOVELTY IN THE LAW ON TOURISM ORGANISATIONS IS THAT EVERY MUNICIPALITY MAY, I.E. IT IS OBLIGED TO ESTABLISH A TOURISM ORGANISATION IF AT ITS TERRITORY THERE IS AT LEAST ONE RESORT. THIS LAW ENVISAGES TWO STABLE SOURCES OF FINANCE, MEMBERSHIP FEE AND VISITOR TAX, WHICH WILL LEAD TO BETTER PROMOTION AND HAVE INFLUENCE ON BETTER QUALITY OF TOURISM PRODUCT THROUGH THE IMPLEMENTATION OF MAJOR PROJECTS AT BOTH LOCAL AND NATIONAL LEVEL, SAID LAJOVIĆ. HE REMINDED THAT THE MINISTRY OF TOURISM IS OBLIGED TO PASS BY-LAWS ON CATEGORISATION OF TOURISM CENTRES WITHIN 90 DAYS. THAT IS REQUIRED FOR THEIR IDENTIFICATION AND CATEGORISATION, AND A PREREQUISITE FOR ESTABLISHING A TOURISM ORGANISATION IN A CERTAIN MUNICIPALITY.

VISITOR TAX LAW ENVISAGES THAT VISITOR TAX COLLECTION IS WITHIN THE COM-

PETENCES OF LOCAL SELF GOVERNMENT BODIES WHICH ARE ENTITLED TO 80% OF VISITOR TAX, WHILE THE REMAINING 20% GO TO NATIONAL TOURISM ORGANISATION. THE NATIONAL BUDGET WILL BE LEFT WITHOUT SOME 400,000 EUROS BUT THAT WOULD BE THE MONEY "TRANSFERRED" TO THE MUNICIPALITIES. THUS, ACCORDING TO LAJOVIĆ, FINANCIAL SOURCES FOR PROMOTION AT INTERNATIONAL MARKETS WILL BE INCREASED.

A SPECIAL FEATURE OF THE NEW LAW IS IN THE FACT THAT ALL FUNDS COLLECTED AS VISITOR TAX WILL BE USED FOR STIMULATING TOURISM ORGANISATIONS, BOTH LOCAL AND NATIONAL. THE USE OF THESE FUNDS WILL DEPEND ON THE DECISION OF LOCAL PARLIAMENTS, THE PRESIDENT OF WHICH WILL AT THE SAME TIME BE THE PRESIDENT OF TOURISM ORGANISATION IN THE GIVEN MUNICIPALITY. LAW ON VISITOR TAX SETS IT AS AN OBLIGATION OF ALL STAKEHOLDERS IN LODGING INDUSTRY TO COLLECT VISITOR TAX WITHOUT REMUNERATION, EXPLAINED MIHAILOVIĆ.

REPRESENTATIVES OF THE MINISTRY SAID THAT THE IMPLEMENTATION OF THIS LAW WOULD CONTRIBUTE SIGNIFICANTLY TO BETTER RECORDS OF TOURISM TRADE IN ALL MUNICIPALITIES AND TOURISM CENTRES. SUPREME AUDIT COMMISSION, THAT IS TO BE ESTABLISHED WITHIN THE PARLIAMENT OF MONTENEGRO BY THE END OF THIS YEAR, AND INTERNAL BUDGET AUDITORS WILL MONITOR SPENDING OF THE FUNDS DEDICATED FOR THE NATIONAL TOURISM ORGANISATION AS A STATE AGENCY.

HOLIDAY WORLD 2004

Prague, 12-15 February

This year "Holiday World" was traditionally held at Vystaviste, Prague 7, from 12-15 February. National Tourism Organisation of Montenegro hired a 63m² stand at the right wing of the Industrial Hall, presenting Montenegro for the ninth time in a row at this, according to the experts, largest and most influential tourism fair of Central and Eastern Europe. This year the new mobile stand of the National Tourism Organisation was presented at "Holiday World". The Association of Travel Agencies of Montenegro had their info point where they exhibited their advertising materials and the visitors were able to get first-hand information.



There were presentations of Montenegrin cuisine for two hours a day. The stand was well-visited and good interest by Czech agencies was shown. Apart from brochures of National Tourism Organisation, hotels and travel agencies, the catalogues of Czech tour operators selling Montenegro for the summer of 2004 were also distributed at the stand.



In order to promote and increase visitor influx from this market a press cocktail with the presentation of Montenegrin cuisine was organised at hotel "Savoy" on Thursday, 12 February. It was hosted by Mr Predrag Nenezić, the minister of tourism of Montenegro and Mr Vojin Vlahović, acting director of National Tourism Organisation. The guests were also greeted by the ambassador of Serbia and Montenegro in Czech Republic, Mr Aleksandar Ilić. Over 65 representatives of different media were present at the cocktail, together with the representatives of the diplomatic

corps, Czech government and tourism community.

The deals made, old contracts confirmed and signed and some new contracts made between Montenegrin hotel operators and Czech partners, are the confirmation of successful presentation of Montenegrin offer for the coming summer at the Czech market which was a great source market for Montenegrin resorts in the previous years. According to the statistics, Montenegro was visited by 16,842 Czech visitors with 133,000 overnights in 2003.

The most renowned tour operators "Fischer" and "Cedok" enlisted Montenegro in their catalogues, and the same was done by "Globtour", "Vitkovice tours", "Kompas Holiday", "Gong tour", "Kovotour Plus", "Poznani", "Valaške", "Tour line", "Dean International" etc.



PRICES IN TOURISM AND HOSPITALITY BUSINESS

The newly adopted Changes and Amendments to Tourism Law envisage the prices in tourism and hospitality business to be set every six months. They are to be set before the commencement of summer and winter tourism season. Having in mind the protection of tourists and visitors, all hospitality establishments are obliged to submit to the Ministry and NTO the pricelists to be applied in the

following six months, as of 01 March. The prices will be published, and checked whether being adhered to. High penalties are envisaged for not respecting regulations regarding the pricing policy in order to prevent prices going up, i.e. protect the rights of tourists. The Ministry of Tourism continues to appeal with all tourism stakeholders not to raise their prices to prevent having again the negative consequences of last year's increase of prices in high season.

ARRIVALS AND OVERNIGHTS OF FOREIGN VISITORS ACCORDING TO COUNTRIES FOR THE YEAR 2003

Country	From January 1st		Average staying days	Overnights in %	Index overnights
	Tourists	Overnights			
	3	4	5 (4:3)	6 (4:5)	7
Bosnia and Herzegovina	29559	174273	5.90	19.03	116.41
Croatia	3952	15775	3.99	1.72	55.87
Macedonija	5415	34547	6.38	3.77	100.15
Slovenia	6813	33312	4.89	3.64	103.48
Austria	1509	6686	4.43	0.73	118.17
Belgium	1479	9862	6.67	1.08	95.60
Bulgaria	4612	13622	2.95	1.49	362.29
Czech	16842	133230	7.91	14.55	87.43
Slovakia	9080	74086	8.16	8.09	71.99
Denmark	457	2009	4.40	0.22	120.23
Germany	14328	135178	9.43	14.76	130.91
Finland	249	757	3.04	0.08	140.71
France	1510	5430	3.60	0.59	96.74
Greece	714	1849	2.59	0.20	141.90
Netherland	1687	15890	9.42	1.74	172.49
Ireland	527	3188	6.05	0.35	435.52
Island	96	505	5.26	0.06	454.95
Italijjy	3295	10573	3.21	1.15	74.79
Hungary	3917	24574	6.27	2.68	209.77
Norway	1816	29808	16.41	3.26	105.35
Poland	1898	13428	7.07	1.47	37.67
Portugal	259	1290	4.98	0.14	234.12
Romania	1097	6430	5.86	0.70	142.07
Russia	10115	90529	8.95	9.89	86.10
Spain	578	1336	2.31	0.15	219.02
Switcerland	1061	6108	5.76	0.67	87.75
Sweden	889	3810	4.29	0.42	86.10
Great Britain	2597	14238	5.48	1.55	281.05
Luxemburg	157	488	3.11	0.05	364.18
Other European countries	3370	16191	4.80	1.77	61.28
Israel	1937	3317	1.71	0.36	86.67
Japan	177	363	2.05	0.04	44.16
Turkey	383	2028	5.30	0.22	387.02
Canada	501	2224	4.44	0.24	86.40
USA	2156	6871	3.19	0.75	94.07
Australia	250	778	3.11	0.08	104.99
New Zeland	49	145	2.96	0.02	170.59
Other noneuropean countries	1388	4580	3.30	0.50	44.46
Albania	5068	16430	3.24	1.79	
Total:	141787	915738	6.46	100	100.42

Mimosa Festival

The organisers of this year "Mimosa festival" are the directorate of "Mimosa Festival", representatives of the Institute "Dr Simo Milošević" and "Herceg fest", "Knjaz Miloš" from Arandelovac being the general sponsor of the event. Organisers strive for this year programme to be as eventful as possible since it is the 35th jubilee of the event.

First mimosas were brought in Herceg Novi by seamen. Today, mimosa and the associated events are something people recognise Novi by. The first "Mimosa" festivities started by mimosa harvests along the Herceg Novi Riviera, where best mimosas are grown. This event is still one of the most attractive programmes having the largest number of visitors.

Traditionally, flower exhibitions, carnivals and masquerade balls are organised as well. Visitors showed great interest in all the programs, from flower exhibitions and official opening at the main square, to central events held this weekend. On Saturday, 7 February there were some 20,000 visitors at the Riviera. The first

masquerade ball was fully booked, and the children's masquerade ball was also very well visited, over 700 children wore masks on the occasion. Both social and sport events attracted great attention.

Paragliding show, 20th lawn-bowling tournament, 9th international swimming meeting, 22nd judo and karate cup, open chess championship, and sailing boat regatta were successfully organised and had international participants.



The Mediterranean health centre was fully booked and other hotels had good occupancy which speaks for itself about the great interest of visitors shown for this event. From 13 to 15 February the municipality and the Institute "Dr Simo Milošević" hosted tourism journalists from Serbia and Montenegro. The idea of organising international meeting of journalists in May was considered on the occasion, with the wish on the part of the organisers for it to become a known tradition of Herceg-Novi.

Vice president of the Government of Montenegro, Mr Branimir Gvozdenović, mayor of Herceg Novi and the PR of the Ministry of Tourism had a press conference regarding the activities undertaken in preparations of the coming summer tourism season and current projects.

KOTOR CARNIVAL MASQUERADE PARTY

Traditional Kotor carnival festivities were officially opened on Friday, 6 February at Trg od oružja. It is a festival with more than a three century old tradition. The programme included many entertainment and social events. The second masquerade ball with 462 group and individual masks was held at hotel "Fjord" on Saturday 21 February. The first prize of the jury and 400 euros and the first prize of the audience and 500 euros went to the same group, disguised as "Adam and Eve". Kotor carnival was supposed to be held the day after, on Sunday 22 February, but due to adverse weather it was postponed for the following Sunday, February 29. The carnival procession was led by Carnival Head, Mr Jovan Martinović, and followed by brass bands from Kotor, Baošići and Herceg-Novi, majorettes from Kotor, Tivat and Herceg-Novi, carnival groups "Oridinali", "Kraljevstvo Gašlera", "Karampana", "Bambole", "Bruštulin", "Feral", "Meštri 5 do 12", prize winning masks from Kotor mas-

querade ball and many others. At the rear was Krnjo—the symbol of all the troubles and sins that befell the people of Kotor during the past year. The procession went along the main road, and the sinner Duplicate Clone was trialled in front of the Kotor community court at Šuranj (near the old Maceo). The glorious court sentenced the bi-headed carnival doll named Duplicate Clone to death and the sinner was burnt at the stake to the joy of all the people present since the flames symbolically took away all the troubles, raising hope for better days and approaching spring. The fiesta continued at the Trg od oružja with music performance of the band "Tri kvarta" and awarding prizes for best masks. Humorous paper "Karampana" was also issued, the first number of which was published for the 1926 carnival. The carnival on Sunday 29 February was the official closure of Kotor carnival festivities organised by the NGO "Fešta" and sponsored by the Ministry of Tourism and the municipality of Kotor.

Prize winners of "I know a recipe, too" competition

The prize competition "I know a recipe, too" ended by a press cocktail held at hotel "Crna Gora" on Friday, 20 February. The competition was a part of the "A year of Montenegrin Cuisine" campaign, one of the activities planned by the Work plan and Action plan of the Ministry of Tourism and National Tourism Organisation.

The participants, 7 competitors previously selected, prepared their dishes at the kitchen of the hotel "Crna Gora" and showed their skill in front of the commission and the media.

After the dishes have been prepared, the contestants were assessed according to the set criteria and the decision on the prize winners was announced by the commission at the beginning of the press cocktail.

The prizes went to:

- "Krap u tavu", Žana Knežević, first prize, money award of 600 euros

- "Pletenice Crnogorke", Ljiljana Rajak from Bar, second prize, 400 euros

The remaining five participants, dr Ilijaz Usenagić from Podgorica, Matilda Černous from Igalo, Olivera Kujundžić from Podgorica, Danica Perišić from Kotor, and Vojislavka Prelević Banjević from Podgorica, all won the third prize and 200 euros each.



Further activities within the campaign An advertising brochure "WINE & DINE" will be published based on the recipes gathered during the contest. Also, these recipes will assist gastronomy experts, with the support and participation of other experts and competent authorities, to compile the final version of "National Menu of Montenegro".

Under the label "Recommended by NTO", they will be included in the menus of national restaurants in Montenegro.



On behalf of the organisers, Mr Vojin Vlahović, director of NTO and Mr Vuko Mitrović, commission chair, greeted all present and awarded prizes.

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ROLE OF NGO IN THE DEVELOPMENT OF ECO TOURISM

Round table

The possibility of cooperation among tourism organisation, non-governmental organisations, travel agencies and other stakeholders in sustainable tourism development was the topic of discussion at the workshop organised by UNDP office Podgorica on 18 February.

In his welcoming speech, the director of NTO, Mr Vojin Vlahović, emphasised the openness of Tourism organisation for the cooperation with the 3rd sector and the possibility for their programmes to be included in NTO programmes. Sanja Bojanić, coordinator for environmental and energy programmes of UNDP Podgorica, mentioned the programmes already supported by this office, and then the representatives NGOs "Lynx", "Društvo prijatelja Durmitora", "Natura", "Green home", and "Expediatio" presented their projects like bird watching, eco tourism map of Montenegro and eco travel guide of Durmitor.

During the discussions the director of NTO, Mr Vojin Vlahović, said there is a possibility for preparing a brochure with all these projects included to be able to present them at domestic and international fairs. Deputy director of NTO, Miss Maja Liješević, reminded that some sort of cooperation with the NGO was present even before, but that the period of reorganisation of NTO is ideal time for designing the aspects of possible cooperation in future.

Conclusions from the round table discussion are, among other things, the necessity of quality education and training of travel guides as significant factors of each tourism destination, and that state bodies and agencies in tourism may be assisted by experts from NGO in offering quality and diverse tourism product.