



# BULLETIN

Number 36  
October 2004

## Ministry of Tourism and National Tourism Organisation

***When restructuring its tourism offer, Montenegro should maintain, even increase, current demand, but at the same time try to position itself at the markets of West and North Europe. Medium and long-term activities on market positioning are decisive for achieving the economic goals of generating jobs and increasing revenues.***

***Apart from well-defined legal and economic framework, it is necessary to deal with the issues which burden its good reputation and damage the environment. These activities should be accompanied by quality offer, tourist attractions, new image, good sale and education***

***(An excerpt from the Tourism Master Plan)***

# TOURISM DATA FOR JANUARY - SEPTEMBER 2004

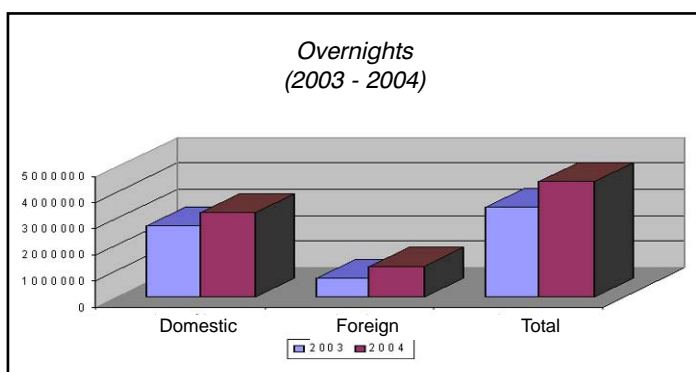
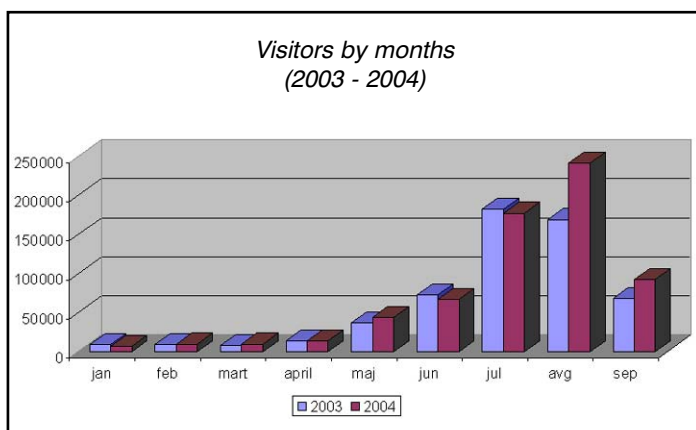
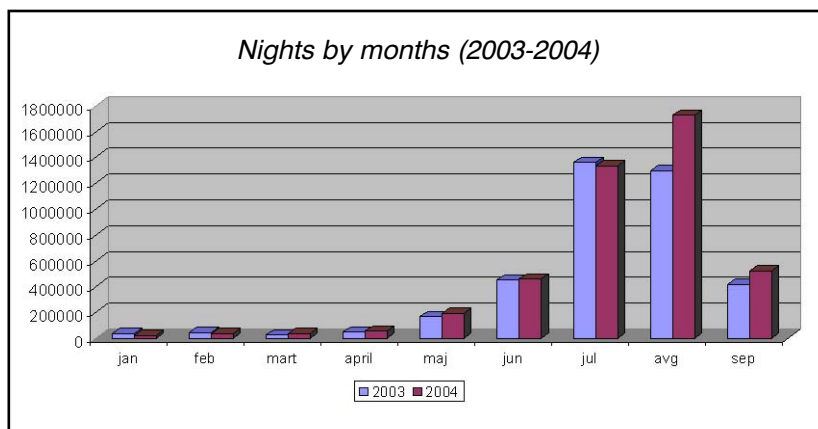
## MONTENEGRO TOURISM DATA FOR THE FIRST 9 MONTHS OF 2004

### ARRIVALS AND NIGHTS

According to the National Institute for Statistics, during the first nine months of 2004 Montenegro was visited by

–664,675 visitors, or an **increase of 16.22 %**, accounting for

– 4,399,814 nights, or an **increase of 13.94%** compared to last year figures.



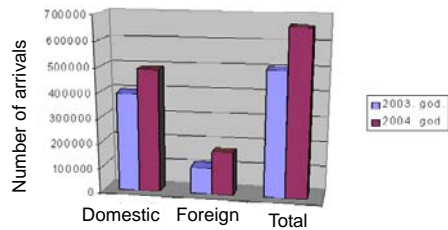
**International visitors** - 1,157,939 nights, or **30.52% more than over the same period last year**

**Domestic visitors** - 3,241,875 nights, or **8.99% more than over the same period last year.**

	Direct tourism revenues	IV – IX 2004/2003
Nights	4,4 million	<b>+13,94%</b>
International	1,16 million	<b>+30,52%</b>
Domestic	3,24 million	<b>+8,99%</b>
Arrivals	664 thousand	<b>+16,22%</b>
International	172 thousand	<b>+29,79%</b>
Domestic	492 thousand	<b>+12,10%</b>

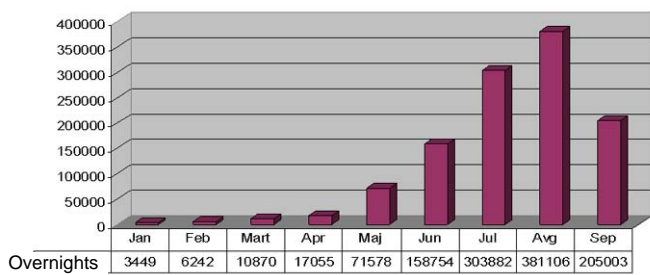
[www.montenegro-cijene2004.cg.yu](http://www.montenegro-cijene2004.cg.yu)

**Total arrivals  
(2003 - 2004)**

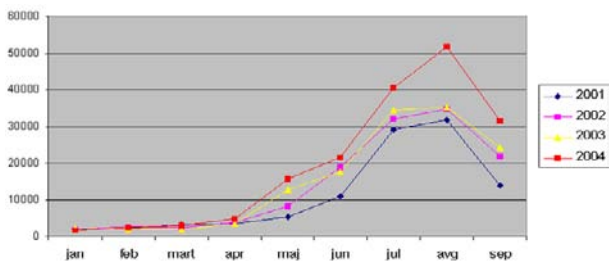


As can be seen in this graph, the largest number of tourists visited Montenegro in August.

**Foreign visitors  
(overnights over the period I - IV 2004)**

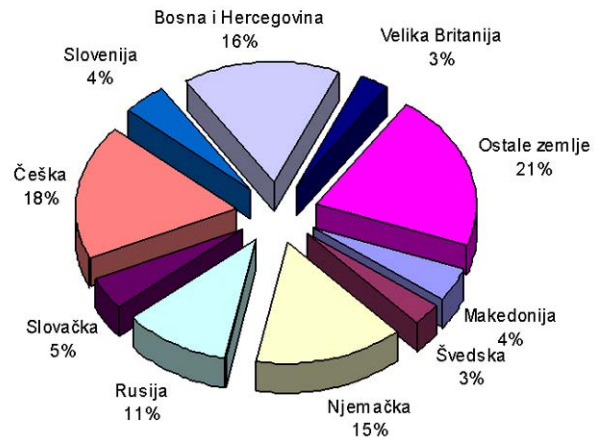


**Foreign visitors for the past four years  
(2001 - 2004)**



	2001	2002	2003	2004
Jan	1990	1928	2126	1597
Feb	2009	2573	1782	2414
Mar	3076	2487	1898	2955
Apr	3594	3848	3414	4758
May	5243	8302	12677	15774
June	11064	18972	17593	21676
July	28991	31992	34350	40480
Aug	31727	34621	35199	51810
Sep	13843	21960	24226	31501

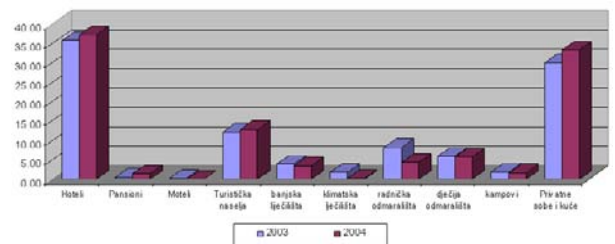
**Arrivals from international source markets for the first nine months 2004**



**UTILISATION OF ACCOMMODATION FACILITIES**

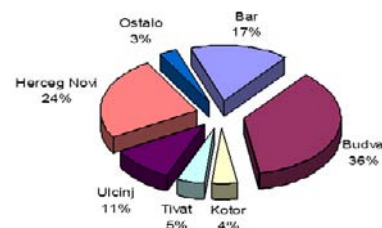
- 56.93% visitors used hotel accommodation
- 43.07% visitors used other accommodation

**Utilization of accomodation facilities**



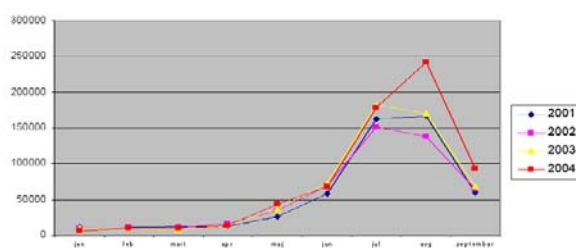
**NIGHTS BY MUNICIPALITIES FOR THE FIRST 9 MONTHS OF 2004**

**Overnights by Municipalities (2004)**



Figures for the past four years show the trend of stretching the length of summer tourist season and increased number of visitors in September.

Visitors for the past four years  
(2001 - 2004)



	2001	2002	2003	2004
Jan	11520	10450	9519	6720
Feb	10953	11648	9520	9922
March	12594	11194	7874	9765
Apr	12768	15584	13792	14198
May	26328	34190	37457	43697
June	58648	69184	72822	67633
July	161832	151284	182814	177957
Aug	165750	137230	169966	241916
Sep	59441	64204	68130	92867

## INTERNATIONAL VISITOR ARRIVALS AND NIGHTS BY THE COUNTRY FOR THE FIRST NINE MONTHS

Source market	Arrivals	Nights	Average stay in day	Structure of nights %	Index nights
	3	4	5 (4:3)	6 (4:5)	7
Bosnia and Herzegovina	31,146	182,501	5.86	15.76	106.09
Croatia	4,326	18,856	4.36	1.63	138.40
Macedonija	9,577	50,473	5.27	4.36	148.55
Slovenia	9,279	51,468	5.55	4.44	166.94
Austria	1,752	7,414	4.23	0.64	115.11
Belgium	2,678	12,885	4.81	1.11	135.50
Bugaria	1,815	5,904	3.25	0.51	44.52
Czech Republic	24,143	209,911	8.69	18.13	157.89
slovakia	6,680	52,863	7.91	4.57	71.42
Denmark	331	1,104	3.34	0.10	73.40
Germany	17,679	172,234	9.74	14.87	132.08
Finland	132	386	2.92	0.03	55.54
France	1,855	7,747	4.18	0.67	160.96
Greece	531	1,398	2.63	0.12	91.13
The Netherlands	1,634	16,381	10.03	1.41	122.25
Ireland	475	2,131	4.49	0.18	70.26
Island	35	113	3.23	0.01	26.84
Italy	4,306	16,744	3.89	1.45	181.25
Hungary	4,129	25,988	6.29	2.24	106.64
Norway	1,862	27,887	14.98	2.41	99.00
Poland	2,267	15,416	6.80	1.33	121.27
Portugal	122	498	4.08	0.04	43.68
Romania	1,087	5,653	5.20	0.49	91.43
Russia	15,408	124,581	8.09	10.76	139.88
Spain	628	1,205	1.92	0.10	102.21
Switzerland	1,532	7,179	4.69	0.62	120.27
Sweden	5,016	37,715	7.52	3.26	1,031.87
United Kingdom	4,901	32,094	6.55	2.77	240.10
Luxemburg	95	427	4.49	0.04	94.47
Other European countries	3,126	20,148	6.45	1.74	127.92
Israel	1,476	3,772	2.56	0.33	128.65
Japan	216	534	2.47	0.05	248.37
Turkey	362	609	1.68	0.05	31.88
Canada	537	2,503	4.66	0.22	118.35
USA	2,441	9,426	3.86	0.81	153.64
Australia	401	1,308	3.26	0.11	173.47
New Zeland	65	121	1.86	0.01	90.98
Other non-European countries	1,477	5,805	3.93	0.50	148.92
Albania	7,443	24,557	3.30	2.12	159.67
<b>Svega:</b>	<b>172,965</b>	<b>1,157,939</b>	<b>6.69</b>	<b>100.00</b>	<b>130.52</b>

[www.mturizma.cg.yu](http://www.mturizma.cg.yu)

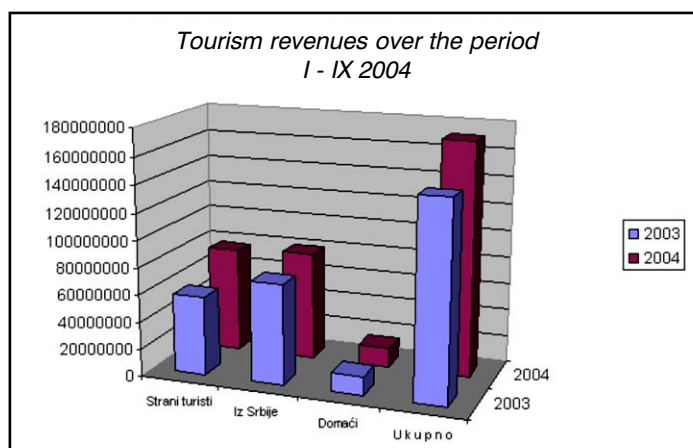
[www.visit-montenegro.com](http://www.visit-montenegro.com)

## TOURISM REVENUES

According to the Central Bank data, for the first nine months this year total tourism revenues amounted to **€171,692,300**, which makes an **increase of 18.33 %** compared to the same period last year

### Revenues in € for the first 9 months 2004

	2003	2004	Index 2004/2003	Structure 2004
Foreign	58.188.473	77.228.383	132,72	44,98
Serbia	73.266.679	79.772.830	108,9	46,46
Domestic	13.646.612	14.691.087	107,7	8,56
Total	145.101.764	171.692.300	118,33	



Having in mind tourism growth realised over the first nine months, it is evident that the increase in tourism revenues is greater than the increase in the number of arrivals and nights, clearly illustrating the change of structure of guests towards high-yield tourists.

## WTTC FORECASTS

WTTC estimates for 2004 show that tourism industry of MONTENEGRO CURRENTLY REPRESENTS 14.8% of TOTAL GDP AND IS EXPECTED TO INCREASE ITS SHARE TO 21.1% by 2014.

Similarly, TRAVEL & TOURISM IN MONTENEGRO TODAY ACCOUNTS FOR 14.9 PER CENT OF TOTAL EMPLOYMENT, AND THIS IS FORECAST TO RISE TO 21.3 PER CENT by 2014.

TOURISM IS FORECAST TO BECOME THE LEADING EXPORT SECTOR OF MONTENEGRO ECONOMY, GENERATING HIGHEST FOREIGN REVENUES AND HAVING THE POTENTIAL TO DIVERSIFY ITS ECONOMY, FOSTER ENTREPRENEURSHIP, ESPECIALLY SMALL AND MEDIUM SIZE ENTERPRISES, CATALYSE INVESTMENTS, GENERATE A LARGE NUMBER OF SUSTAINABLE JOBS AND HELP THE SOCIAL DEVELOPMENT OF COMMUNITIES.

WTTC estimates capital investment in tourism economy in 2004 to €42.8 million or 14.8% of total investments. By the year 2014 total capital investment will increase to €121.2 million or 20.4% of total investment.

FURTHERMORE, WTTC projected annualised growth of 10.3% in total travel and tourism demand which, if realised, would make MONTENEGRO THE FASTEST GROWING TRAVEL AND TOURISM ECONOMY OVER THE COMING DECADE OUT OF 174 COUNTRIES MONITORED by WTTC.





# PR AND PROMOTIONAL EFFORTS IN 2004

In cooperation with the NTO a monthly bulletin is being sent to 2000 addresses in the country and abroad. This year there were 7 issues of the bulletin.

## Web sites

The Ministry of Tourism and the NTO use two web sites for promotional activities:

[www.mturizma.cg.yu](http://www.mturizma.cg.yu).

[www.visit-montenegro.cg.yu](http://www.visit-montenegro.cg.yu) - from 1 January - 31 August 2004 this site had 116,623 hits, or 16% more than during the same period last year.

[www.montenegro-cijene2004.cg.yu](http://www.montenegro-cijene2004.cg.yu) - from 1 May - 5 October 2004 there were 5,951 visits.

In cooperation with other partners, the following web sites have been designed and are regularly updated:

[www.mtc.cg.yu](http://www.mtc.cg.yu),

[www.turizamcg.com](http://www.turizamcg.com),

[www.montenegroextreme.cg.yu](http://www.montenegroextreme.cg.yu),

[www.krstarica.com](http://www.krstarica.com) - from 1 June to 1 September from "Krstarica" site there were 10,633 visits to "visit-montenegro".

## 2.1.2. Tourist info line

In cooperation with Montenegro Tourist Centre, this year the tourist info line 9797 was put to use to provide information to tourists, visitors and Montenegro residents. Also, the Ministry of Tourism telephone for complaints and objections 9817 continued operation within the Centre and was in operation 24 hours a day.

## 2.1.3. Tourist info points

Tourist info points were established to provide information to tourists and operated from 08 to 20 o'clock from 1 June to 1 October at the following locations:

- border crossings at Debeli Brijeg, Sitnica, Scepan Polje, Bozaj
- Bar railway station,
- TIC in Bar
- Podgorica airport (for the first time this year) and Tivat airport (third time in a row)

## Promotional campaigns

The following promotional campaigns were held in Montenegro:

- I KNOW A RECIPE, TOO.
- WINTER AMONG FRIENDS TOO
- HOT WINTER IN THE HILLS
- BLUE FLAG
- LET IT BE CLEAN
- LET'S WELCOME OUR GUESTS WITH A SMILE



Promotional campaigns at the source markets:

- WINTER AMONG FRIENDS TOO
- SUMMER AMONG FRIENDS
- A YEAR OF GOOD FOOD - with DOBRO VAM UCINJELO slogan at the domestic market and GIFTS & FLAVOURS OF NATURE at the international market.
- SEPTEMBER - a campaign aimed at stretching the length of tourist season that involved a video clip "September" being shown on TV IN and PINK M in Montenegro and RTS and TV Pink in Serbia, TV Pink in BIH and the satellite programme.

## Publication of promotional material

The Ministry of Tourism and the NTO published several promotional materials, such as: Our Lady of Philerm, Magalog, catalogues - Welcome. The Coast, The Mountains, Wine/Dine, Tourist map, Active/Extreme, folders, bags, leaflets, mini cook book, 2 back drops, 2 roll ups "Dobro Vam ucinjelo", and in cooperation with strategic partners: newsletter "Montenegro today", T shirts, caps.

In early November a new Catalogue of categorised hotels in Montenegro was published.

Also, several promotional video clips were made, as follows:

- "Winter among friends, too" - 5 clips
- "Dobro Vam ucinjelo" - 9 clips
- "the Sea" - 1 clip
- "September" - 5 clips

Billboards: Dobro Vam ucinjelo - Sv. Stefan, National Cuisine



# CATEGORY OF TOURISM RESORTS

RESORT	CATEGORY	RESORT	CATEGORY
ANDRIJEVIĆA	D	ČANJ	A
SUTOMORE	A	BAR GRAD	A
Veliki Pijesak	B	BUŠAT (UTJEHA)	B
VIRPAZAR	B	Bijelo Polje	C
BERANE	C	Budva GRAD	A
BEČIĆI	A	SVETI STEFAN—Miločer	A
PETROVAC	A	DANILOVGRAD	D
Žabljak	A	KOLAŠIN	B
Stoliv	B	KOTOR GRAD	A
PERAST	A	RISAN	A
PRČANJ	A	MORINJ	B
Bičova	B	LASTVA Grbaljska	C
Mojkovac	D	Nikšić	C
PLAV	C	PLUŽINE	C
Pljevlja	C	Podgorica	B
ROŽAJE	C	TIVAT	A
Ulcinj	A	Iqalo	A
HERCEG Novi GRAD	A	CETINJE	B
HERCEGNOVSka RIVIJERA	A	ŠAVNIK	C
(OSTALO)			

## TOURISM SIGNPOSTING

IN 2004 THE STAGE THREE OF THE "TOURISM SIGNPOSTING" PROJECT WAS IMPLEMENTED THAT REFERRED TO ROADWAYS AT THE NORTH OF MONTENEGRO:

- Podgorica – Nikšić – Plužine/Savnik – Zabljak
- Podgorica – Kolašin – Mojkovac – Bijelo Polje/Berane – Rožaje/Andrijevića – Plav
- Mojkovac – Zabljak – Pljevlja.

THUS, TOURIST INFORMATION SIGNS AND GUIDE-POSTS ARE NOW PLACED AT ALL MAJOR ROADS IN MONTENEGRO.

THE MINISTRY OF TOURISM HAS COMMISSIONED A COMPANY FOR THE MAINTENANCE OF SIGNPOSTS. THEIR STAFF CHECK SIGNS REGULARLY AND MAKE REPORTS OF THE CURRENT STATE OF SIGNS AND PROMPTLY REPAIR DAMAGES. ALSO, A CONTRACT WAS SIGNED WITH AN INSURANCE COMPANY.

A PILOT PROJECT "TOURIST SIGNPOSTING IN URBAN CENTRES" IS CURRENTLY IN PROGRESS. SIGNS ARE BEING PLACED IN THE MUNICIPALITIES OF CETINJE AND BAR, WHILE PROJECT DOCUMENTS ARE BEING PREPARED FOR THE MUNICIPALITIES OF TIVAT AND HERCEG NOVI.

## Strategic partnership of the Ministry of Tourism and the NTO with businesses

The strategic partnership was supported by the Government of Montenegro in its decision adopted in February this year when it put the Ministry of Tourism and NTO in charge of making contacts with businesses, and recommended to potential partners to join the partnership.

The Agreement of Strategic Partnership, a unique example of public-private partnerships, was signed with:

Telekomom

CKB

Kompanijom Fresh &Co

Hotelskom grupom "Montenegro stars"

HTP "Boka"

Monetom,

Pivarom "Trebjesa",

JP Morsko dobro

"Beppler&Jacobson",

HTP "Budvanska rivijera"



Strategic partnership entails participation in promotion and marketing efforts, the right to joint decision-making, participation in development and implementation of joint activities, agreement regarding the strategy, campaigns and promotional activities.

On the occasion of their joint project, the Ministry of Tourism and the NTO organised a working dinner with strategic partners in July that was attended by the Deputy Prime Minister, Branimir Gvozdenovic, Minister of Tourism, Predrag Nenezic and the director of NTO, Vojin Vlahovic. The next meeting with strategic partners has been scheduled for October.

All the partners fulfilled their obligations towards the Ministry of Tourism or the NTO either by financial contribution or by compensation through the delivery of their services.

# ACTIVITIES TO FOSTER TOURISM DEVELOPMENT

## Hotel privatisation

A PREREQUISITE FOR UPGRADING THE CURRENT OFFER OF HOTEL ACCOMMODATION OWNED BY THE STATE IS THEIR PRIVATISATION, I.E. FINDING A STRATEGIC PARTNER.

THROUGH INTERNATIONAL PUBLIC TENDER ALTOGETHER 19 HOTELS IN MONTENEGRO WERE PRIVATISED. THE TOTAL SALE PRICE VALUE IS €30.5 mil, WHILE TOTAL PLANNED INVESTMENT AMOUNTS TO €80.5 mil.

FOR THE FIRST EIGHT MONTHS 2004, 8 HOTELS HAVE BEEN PRIVATISED FOR THE TOTAL SALE PRICE OF €10.7 mil AND PLANNED INVESTMENT OF €25.5 mil. THE HOTELS WHICH WERE SOLD ARE: "Splendid" IN BECICI, "RIVIJERA" IN NJIVICE, "Topla" IN HERCEG NOVI, "CENTAR" IN HERCEG NOVI, "Podgorica" IN Podgorica, "PANORAMA" IN BECICI, "JEZERA" IN Zabljak AND "Zabljak" IN Zabljak.

NOW INTERNATIONAL TENDERS HAVE BEEN ANNOUNCED FOR 4 MORE HOTELS. TENDER FOR "PLANINKA" HOTEL IN Zabljak WAS ANNOUNCED ON 01.10.2004, AND THE DEADLINE FOR SUBMITTING BIDS FOR HOTELS OF HTP "Ulcinjaska RIVIJERA", THE HOTELS "Galeb", "OTRANT" AND "MEDITERAN", IS 31.10.2004.

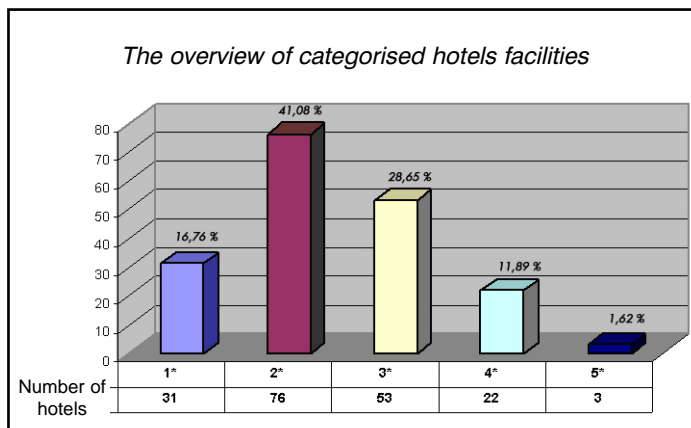
A NUMBER OF RENOVATED HOTELS WERE OPENED FOR THIS SEASON, NAMELY: "RIVIJERA" – PETROVAC, "MONTENEGRO" – BECICI, "MAESTRAL" – PRZNO AND "MEDITERAN" – BECICI. ALSO, THE NEW HOTEL "BLUE STAR" WAS OPENED IN Budva.

## Categorisation of hospitality establishments

The commission for standards and categorisation of lodging and catering establishments awarded categories to 185 establishments, as follows:

- 154 hotels
- 7 garni hotels
- 3 motels
- 8 vacation settlements
- 5 apart hotels
- 8 pensions

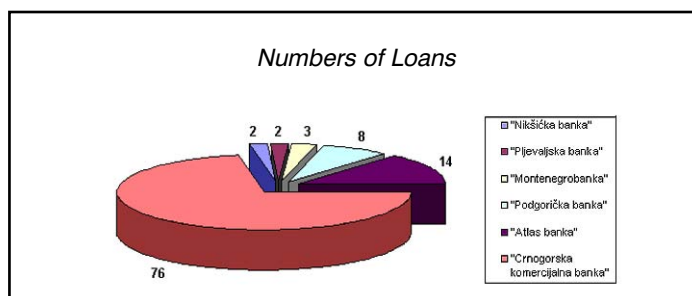
The overview of establishments according to categories:



## Loans for SME

1. Development of a mini hotel – €600,000, loans up to €200,000
2. Extra services – 1.2 million euros, loans up to €50,000
3. Upgrading current facilities – €1,800,000, loans up to €50,000
4. Village tourism – €400,000, loans up to €15,000

Distribution of loans by banks:





## DEVELOPMENT PROJECTS

In cooperation with foreign experts, the Ministry of Tourism is currently undertaking a number of development projects. The activities within the following projects are currently in progress:

- Ada Bojana
- Program for the development of mountain tourism
- Strategic framework for sustainable tourism development at the northern and central region of Montenegro
- Nautical tourism
- Integral coastal management
- Hotel FIT program
- Possibilities for the development of wellness tourism in Montenegro
- Development and upgrading of National Park Biogradska Gora

## PROBLEMS NOTED DURING THE SEASON

- Noise – 40% of all complaints on the phone line for objections and complaints (9817) referred to noise;
- Cleanliness – dumping sites and waste scattered alongside the major roads;
- Road infrastructure – improper maintenance of major roads, especially those leading towards resorts;
- Safety at sea – watercraft in the swimming zone;
- Statistical data of tourism revenues – inadequate methodology;
- Traffic police checks – complaints of foreign visitors regarding too frequent traffic police checks within Montenegro;
- Insufficient involvement of local authorities – registration of local private rental establishments and visitor tax collection;
- Parking lots – lack of or inadequate equipment of parking lots;

*In line with the Decision of the Government of Montenegro, the Ministry of Tourism will draft the Action Plan for the 2005 tourism season with concrete proposals of measures to deal with the abovementioned problems. This plan is to be completed by the end of November.*



### Study group of journalists from Serbia

From 08 to 11.10 this year a study group of editors-in-chief of press and electronic media from Serbia visited Montenegro. During their stay they had a working lunch with the deputy prime minister of Montenegro, Banimir Gvozdenovic, minister of tourism, Predrag Nenezic, director of the National Tourism Organisation of Montenegro, Vojin Vlahovic and the director of the Agency for the development of SME, Zoran Vukcevic.

# MONTENEGRO ATTRACTIVE FOR GERMAN INVESTORS

The Investment Forum for Montenegro was held in Berlin on 28th October this year, organised by German Federal Ministry of Economy and Labour and DR Ditmar Staffelt, Parliamentary Undersecretary of State. In the presence of representatives of some forty German companies, the Deputy Prime Minister of Montenegro, Branimir Gvozdenovic gave an overview of investment possibilities and conditions in Montenegro, while the Minister of Tourism, Predrag Nenezic, Minister of Transport and Maritime Affairs, Andrija Lompar and Deputy Minister for Environment Protection and Land Use Management, Siniša Stankovic, pre-

sented the projects of key priority in the filed of tourism, road and municipal infrastructure.

Mr Predrag Nenezic, Minister of Tourism, expressed his expectation that German investors will recognise the attractiveness and profitability of investing into the proposed development projects (Velika plaza, Ada Bojana, hotel complex – Tivat, Tivat Marina, Kotor Marina, Golf course, Aqua Park, vacation village Buljarica, and privatisation of hotels.)

The project for the construction of Risan – Zabljak road and the most important solid waste disposal projects were presented to German investors.

DR Ditmar Staffelt, Parliamentary Undersecretary of State and co-chairman of Federal Business Council expressed his pleasure with the fact that such remarkable progress

was made in business cooperation between Germany and Montenegro in such a short period.

The representative of Federal Ministry for International Cooperation and Development stressed successful implementation of all the projects defined by Cooperation protocols with Germany. It was pointed out that Montenegro proved its commitment to reforms and regional cooperation and had long become a positive example in establishing peace, stability and cooperation in the region.

It was concluded at the meeting in Berlin that all the basic prerequisites for the arrival of German investors have been fulfilled and that Montenegro is now a very attractive space for German investors.