

**1<sup>st</sup>**

# **International Scientific Conference**

**2-4 June, 2016**

**Vrnjačka Banja, Serbia**

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## **TOURISM IN FUNCTION OF DEVELOPMENT OF THE REPUBLIC OF SERBIA**

**Spa Tourism in Serbia and Experiences of Other Countries**



**THEMATIC  
PROCEEDINGS**

**I**



**UNIVERSITY OF KRAGUJEVAC  
FACULTY OF HOTEL MANAGEMENT  
AND TOURISM IN VRNJAČKA BANJA**



# THE TOURISM DEVELOPMENT IN THE BAY OF KOTOR

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## Abstract

*Since the opening of the first hotel at the beginning of the nineteenth century, tourism in the Bay of Kotor has been intensively developed and its development impacted on the economic and spatial development of the Bay. Cultural-historical, natural and anthropogenic factors of the Bay of Kotor influenced the development of tourism. This work will analyze the tourist offer due to periods and factors that directly or indirectly impact the tourism development. The paper identifies three general stages in the tourism development of the Bay of Kotor: early beginnings of development until World War II, period of intensive development from the World War II to the nineties and the period from the nineties until today. The "Master Plan" strategy for tourism development by 2020 is analyzed in separate part. It defines the guidelines for development with a focus on the high category of hotel capacities in the Bay of Kotor. In addition to tourism development, the work also provides an overview of the natural, cultural and historic resources. Finally, the paper gives suggestions for future tourism development.*

**Keywords:** *The Bay of Kotor, tourism, development, hotels*

## Introduction

Throughout history, Boka Kotorska Bay has been attracting the curiosity of different kind of people: travel writers, and later a large number of tourists. There are many reasons for this curiosity. Mainly it is due to Boka Kotorska attractive relief characteristics, ethnological composition and special characteristics of settlements and small towns in the Mediterranean, cultural-historical monuments and recently variety of hotel facilities and private accommodation. The Bay relief

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looks mostly like a fjord. The first mention of the village and the forts Risan and Queen Teuta was 3500 years ago (Pasinović, 1996).

A few centuries back a large number of settlements were mostly only at high elevations above the sea, but with the arrival of Maritime Affairs in the Bay of Kotor in the 17th century, settlements were starting to be built along the coast. It can be said that the first tourist movement to Boka Kotorska is linked to noble families from Kotor, Tivat, Perast and Prčanj and their habits to go to the summerhouses. First organized tourist movement in the Bay of Kotor happened with the opening of the railway Zelenika - Belgrade in 1901.

First accommodation facility in Boka Kotorska was built in Zelenika in 1902 (Magyar 1996), and that's pension was called "Plaza". It is interesting that the hotel opening was initiated by the recommendation of doctors to the then owner Antal Hungarians to stay in Boka Kotorska bay, which can be directly connected with the beginnings of health tourism in the Bay. This is followed by the opening of many other restaurants in the Bay of Kotor, which will be discussed in this paper.

### **Periods of tourism development in Boka Kotorska bay**

The same as in other parts of Montenegro , the development of tourism in Boka Kotorska bay is divided into several periods: a) Tourism development in the first half of the twentieth century; b) Tourism development in the second half of the twentieth century until 1990; c) Tourism development since 2000 until today

#### *a) Development of tourism in the Bay of Kotor in the first half of the twentieth century*

Except the above-mentioned rail (Pasinović, 1996), the development of tourism in this period was influenced by a number of positive and negative factors and events, such as: automotive way through the Bay built in the early twentieth century; the collapse of Austro-Hungarian monarchy and the end of the First World War; long duration of travelling from Rijeka to Kotor, on average more than 40 hours, and from Belgrade to Zelenike 28 hours; establishing of the steamship society "Boka" in 1920, with lines through the Bay and along the Montenegrin coast; increasing capacity and modernization of

commercial passenger fleet in the period 1931-1938, a special procurement broad "Queen Mary" and "Princess Olga" and at the beginning of round trips per Mediterranean; the opening of the airport in Podgorica in 1930; the opening of the bus lines "Jadran ekspress" from Munich-Cetinje in 1930 and opening of several lines in the region. In Boka Kotorska bay the first accommodation facilities were mentioned in the year 1856 as the private (households) rent accommodations.

From that period until the mid-twentieth century several hotels and restaurants were opened (Pasinović, 2002) such as the hotel "Boka" in Herceg Novi with 50 beds in 1908 and hotel in "Slavija" as the first one in Kotor in 1923. In 1930 several towns were already mentioned as tourist destination (Herceg Novi, Zelenika, Tivat, Kotor and Risan) with a total of 233 rooms. According to the data from 1939, the number of rooms in the Bay was over 1200 and the number of seating places in restaurants over 4,000.

Although early beginnings were very important, the period after the Second World War brought excellent conditions for the opening of a large number of resorts and intensive tourism development.

*b) Tourism development in the second half of the twentieth century until 1990*

In the beginning of 1950s tourism was under a strong influence of measures of general economic and tourism policy, both on macro and micro plan, with the aim to achieve various purposes of tourism – healthcare, recreational, as well as social. In accordance with that policy, main accommodation facilities were still labour force, youth and children resorts. In 1950, majority of them were located in the area of Municipality of Herceg Novi – 17, followed by Kotor – 8 and Tivat – 5.

The largest circulation of tourists was in these resorts, and although the data were not always accurately registered, the few most significant ones stand out (Pasinović, 2002):

- Hotel "Slavija" in Kotor began to achieve its commercial purpose in 1951
- In the early 50's several resorts – camps for young people opened by diverse institutions (such as A.P. Vojvodina in Prčanj,

Municipality of Belgrade in Kotor, resort for children with disabilities in Boka, etc.)

- In 1953 Boka Kotorska District (Boka and Budva) was “a true tourist district of Montenegro“, with over 40% of overnights in hotels and lodgings.
- In 1959 the building of first hotel facilities in Boka began. Thus, after construction works started with the help of volunteer actions in 1957 and failing to obtain funds of the Investment Bank in Belgrade, in 1958, thanks to emergency funds from other sources, hotel “Mimoza“ in Tivat was finished.
- The period from 1960-1970 is characterized by most intense building of hotels and other sorts of accommodation facilities with commercial purpose. In the beginning of this period, the Parliament of Socialist Republic of Montenegro adopted a Resolution on Tourism Improvement, which resulted in more favourable economic environment for tourism and hospitality and building of accommodation facilities.
- The beginning of this period is characterized by the first foreign investment in tourism and hospitality facilities (1962), when funds donated by Club “Mediterranee” from Paris finished “St. Marko” resort at the island Stradioti in Tivat.
- Due to low accumulative and reproductive capability, tourism and hospitality industry began to increasingly lose competitive ability at the international market. Building of tourism and hospitality was not adequately followed by building of other receptive capacities, especially infrastructure, which increasingly limited further development of tourism and hospitality facilities
- There was an increasing need for education of high-level tourism and hospitality staff, which is why in 1965 a Tourism department was established at the then Higher Maritime School in Kotor. Students who graduated from this department acquired the title of economist in tourism.

Other half of this period (1966-1970) is characterized by intensive building of hotel capacities (Herceg Novi and Kotor), whereby Tivat recorded growth of 33%, while in the end of the period (1970), Budva surpassed Boka in total capacities by 8%, and in hotel capacities by as much as 69%.

Structure of accommodation facilities in Herceg Novi, Tivat and Kotor, according to their type and purpose and compared to Budva, was extremely unfavourable given that Boka accounts for 2.5 more times in accommodation capacities than Budva, and in other complementary capacities for 69%.

It is obvious that they had put an emphasis of physical and significantly less on financial results of the tourist traffic, to be manifested through data that put the Municipality of Budva, with tourism as its predominant activity, on the very top of developed municipalities in SFR Yugoslavia.

In the beginning of period 1970-1980, Boka accounted for 2.06% in accommodation facilities of Montenegro compared to 12 years before. That also represents a beginning of a relative decline of its part in accommodation capacities of Montenegro as a consequence of involvement of new types of tourism, but also as a decreased intensity of investments in this type of tourism.

From January 1<sup>st</sup> 1972 the hotel "Slavija" in Kotor worked as a part of newly integrated company "Oceania Tourist Commerce", which was part of the "Budućnost" until then. On August 18<sup>th</sup> 1972, according to the contract signed between "Oceania Tourist Commerce" and Federal Secretariat for National Defense, "Oceania Tourist Commerce" bought land of the Yugoslav People's Army in Vrmac with the area of 110.000m<sup>2</sup>, Trojica – Vrmac road with the area of 5.747 m<sup>2</sup>, water tanks, retaining walls fences and air network, all that for only 3.5 million Yugoslavian dinars. Handover record was made on September 29<sup>th</sup> 1972 according to which "Oceania Tourist Commerce" acquired the ownership over the land and facilities.

This period of intensive tourism and economic development was suddenly interrupted at April 15<sup>th</sup> 1978 when at 7.20 a.m. devastating earthquake caused enormous damage to tourism and hospitality industry, infrastructure and monumental heritage, with a direct impact on tourism. Hotel and tourism companies suffered significant material damages, while some of them lost their facilities, such as "Vrmac" in Prčanj, while facilities in "Lalovina" stopped working.

According to estimations, damage to tourism and hospitality in Montenegro caused by the earthquake in 1979 amounted to 7.890.000.00 Yugoslavian dinars (Pasinović, 2002).

The beginning of the period 1980-1990 is characterized by demolition of hotel facilities heavily damaged during the earthquake - „Fjord“ in Kotor, “Slavija” in Kotor and „Orjen“ lodging in Risan, as well as by beginning of rehabilitation of the damaged ones. The first ones were monumental units of Kotor and Perast (hotel “Vardar” in Kotor and villa “Perast” in Perast) and hotel “Pine” in Tivat. By the end of the 80s, tourist traffic in Boka has reached its peak, which enabled its relatively high part in Republic’s turnover – over 1/3.

Period after 1990 is characterized by a drastic fall of the living standard that significantly reduced the number of domestic tourists, while unstable political situation closed international market. Overall tourist turnover in Boka Kotorska in 1998 was 169.149 domestic and 15.689 foreign visitors who in total achieved 1.788.601 overnight.

The largest number of foreign visitors was from some countries of the former Yugoslavia. One type of tourism – nautical, showed that the war is a greater threat to tourism than a natural disaster – earthquake, since in 1991 not a single passenger ship sailed into the Bay, comparing to the 1970 when there were 320 of them.

### *c) Tourism development since 2000 until today*

Shortly after 2000 there was a great stagnation in opening of new hotel capacities in the area of Boka Kotorska, which was not the case in the rest of Montenegro with the largest building expansion being in Budva.

This period is also characterized by a series of strategic documents by the Government of Montenegro and its ministries, such as Master Plan of Development of Montenegro in 2001 (and its revision in 2008). In accordance with the Plan, Montenegro is divided into several clusters, Boka Kotorska being among them, by which future development of the mentioned clusters is clearly defined:

**Picture 1:** *Tourism clusters in Montenegro*



**Source:** *Ministry of Tourism*

Cluster 1. Area from Luštica to Ulcinj, with main destinations Budva and Boka

Cluster 2. Ulcinj with Ada Bojana, Velika plaža and Valdanos with numerous bays

Cluster 3. Boka Kotorska Bay

Cluster 4. Old Royal Capital Cetinje and the Lake of Skadar

Cluster 5. Mountain areas of Bjelasica, Komovi and Prokletije with two national parks, monasteries and mosques

Cluster 6. Mountain area of Durmitor and Sinjajevina with Tara Canyon and the National Park

According to the Master Plan of Development of Montenegro from 2001, building of large number of small boutique hotels with 4 and 5 stars for high-discerning guests is planned in Boka Kotorska, with an emphasis on development of gastronomy.



**Table 1:** *Vision of development of tourism of Boka Kotorska*

Features: Unique nature, culture, small town environment	
BOKA KOTORSKA	ENVIRONMENT: peaceful, expensive, exclusive
- HERCEG NOVI	Small well-tended hotels, guesthouses, restaurants, wine bars, cafes, dancing and bathing terraces in the bay, parks, biking and hiking routes, trails for walking, casino, fitness, health, marines, boat rides, field trips, museums, music, folklore, galleries etc. Congresses, sessions, incentives.
- KOTOR	
- PERAST	
Features: Pebble beaches & bays, younger public, lively vacations	
ROCKY coast	ENVIRONMENT: family, sports, natural
- TIVAT	Large and small hotels, private accommodation and camping, fast food restaurants, beer gardens, discoteques, trending sports, diving, water skiing, sports events and street fairs, theme park Stari Bar. Public, but clean beaches.
- BUDVA	
- SUTOMORE	
- BAR	

**Source:** *Master Plan, 2001.*

In that period, Government of Montenegro adopted another act that favours the development of Boka Kotorska, and that is the Strategy of Regional Development, where Montenegro's regions are classified according to geographic features to northern, central and coastal region (Government of Montenegro, 2001):

- *Northern region* consists of municipalities: Andrijevica, Berane, Bijelo Polje, Mojkovac, Kolašin, Plav, Pljevlja, Plužine, Rožaje, Šavnik and Žabljak.
- In the *Central region* there are Podgorica – largest town and capital of Montenegro, municipality of Danilovgrad, municipality of Nikšić and Old Royal Capital Cetinje.
- *Coastal region* has a coastline of 293 km. This region is interesting for tourist for its Mediterranean spirit. Towns have stone pavements, numerous festivities and carnivals, beaches famous for its beauty, and there are also botanic gardens with various plants. This region of Montenegro becomes center of numerous events and manifestations during summer.

**Picture 2:** *Map of Montenegro (Horwath, 2011)*



**Source:** *According to data of the Ministry of Sustainable Development and Tourism*

**Table 2:** *Structure of hotel capacities in Boka Kotorska*

No	Name of the Hotel	Category	Number of rooms	No of apartment	No of beds
<b>KOTOR</b>					
26			408	114	1190
1	Small hotel "Forza Mare "	5*****	10		20
2	Hotel "Vardar"	4****	18	6	48
3	Hotel "Splendido"	4**** Historic hotel	40	3	86
4	Small hotel "Cattaro"	4****	17	3	43
5	Small hotel "Palazzo Radomiri"	4****	4	6	24
6	Small hotel "Conte"	4**** Historic hotel		8	22
7	Small hotel "Vila Prčanj"	4****	3	4	20
8	Garni hotel " Vila Duomo "	4****	0	13	33
9	Small hotel "Astoria"	4****	0	9	18
10	Small hotel "Per Astra"	4****	5	6	22
11	Boutique hotel "Hippocampus"	4****	2	5	14
12	Small hotel "Monte Cristo"	4****	7	1	22
13	Small hotel "Casa Del Mare-Amfora" Orahovac	4****		10	25

14	Garni hotel "Stone Bridge" Gornji Morinj	3***		9	28
15	Garni hotel "Vila Galathea"	3***	6	1	15
16	Small hotel "Marija"	3***	17		43
17	Small hotel "Bokeljski dvori" - Prčanj	3***	7		15
18	Garni hotel "Vila Panonija"	3***	4	3	14
19	Small hotel "Sind"	3***	12	4	32
20	Small hotel "Galia" - Prčanj - Glavati	3***	12		20
21	Guesthouse "Pana"	3***	10	1	29
22	Small hotel "Admiral M"	3***	8		16
23	Small hotel "Aruba" Lastva Grbaljska	3***	11	9	44
24	Hotel "Teuta" - Risan	2**	120	3	306
25	Apart hotel "Vila Kostanjica"	2**		7	14
26	Hotel "Vrmac", Prčanj	1*	95	3	217
<b>TIVAT</b>					
18			733	138	1961
1	Small hotel "Perper "	4****		9	18
2	Small hotel "Montenegrino "	4****	10		20
3	Small hotel "Primavera"	4****	3	6	18
4	Small hotel "Carrubba" Tivat	4****	5	2	14
5	Small hotel "Vila Royal"	3***	6	6	24
6	Hotel "Palma"	3***	114	8	279
7	Aparthotel "Samardžić"	3***		16	56
8	Small hotel "Anderba" Krašići	3***	9		18
9	Small hotel "Vizantija"	3***	3	9	26
10	Small hotel "San"	3***	3	16	38
11	Hotel "Magnolija"	3***	5	55	110
12	Hotel "Pine"	2**	26		66
13	Hotel "Aurora"	2**	26	3	67
14	Hotel "Plavi horizont" Out of service-destroyed facility		330		660
15	Hotel "Kamelija"	2**	97	6	340
16	Small hotel "Splendido MB"	2**	13		33
17	Hotel "Mimoza" Tivat	2**	70	2	135
18	Guesthouse "Lovćen" - Lepetane	1*	13		39
<b>HERCEG NOVI</b>					
37			1853	255	4661
1	Hotel Xanadu	4****	33	6	91
2	Hotel "Hunguest hotel Sun Resort	4****	137	92	457
3	Small hotel RR - Meljine	4****	17		47
4	Hotel "Perla" Herceg Novi	4****	16	9	50
5	Small hotel "Casa del Mare"	4****	6	2	16
6	Small hotel "Regina" Bijela	4****	16	3	37
7	Hotel Delfin - Bijela	4****	115	8	248
8	Garni hotel "Art Media" Žanjice, Herceg Novi	4****		14	28
9	Small hotel Vila Aleksandar	3***	16		36
10	Small hotel "Jadranska straža" - Bijela	3***	9	2	22
11	Hotel "Anastazija" Bijela	3***	10	1	24
12	Hotel Plaža - Blok "A"	3***	136	8	288
13	Hotel "Azzurro" Bijela	3***	21		42
14	Hotel "Novi" - Igalo	3***	28	2	60
15	Aparthotel "Kukoljac"	3***	3	22	50
16	Small hotel "Max" - Baošići	3*** plus	19	1	50
17	Small hotel "Aurora"	3***	8		27
18	Small hotel "Milena"	3***	25		50
19	Garni hotel "Bokeška noć" Savina	3***	7	3	21
20	Small hotel "Fiammanti" Djenovići	3***	9	2	22

21	Hotel "Rivijera" Njivice	3*** plus	178	12	380
22	Garni hotel "Vila Margot"	3***	16	4	44
23	Garni hotel "M"	3***	12	12	48
24	Hotel "Adria sport"	3***	35		70
25	Motel "Ellena" Sutorina Igalo	3***	16		41
26	Hotel "Vojvodina"	2**	103	9	340
27	Small hotel "Kapri"	2**	17	2	43
28	Hotel Tamaris	2**	134	10	334
29	Hotel Igalo	2**	263	7	531
30	Hotel "Lighthouse" Igalo	2**	118	12	371
31	Hotel "Centar Igalo" Igalo	2**	253	4	577
32	Small hotel Vila Mireli	2**	19		39
33	Motel "Pavlović"	2**		8	16
34	Small hotel "Palace"	2**	8		24
35	Pansion "Mimoza"	2**	14		28
36	Small hotel Oaza - Meljine	1*	22		58
37	Pansion "Agroseme" - Igalo	1*	14		51

**Source:** *Ministry of tourism*

Horwath hotel industry survey together with other evidence are showing that the development of the hotel is not in accordance with the master plan, among other things because it is dominated by hotels of lower category.

### **Crusing tourism in Boka Bay**

Montenegro is a part of very attractive zone for the development of cruising tourism having in mind that, after Caribbean, Mediterranean region is second most visited region in the world. Apart from that, Dubrovnik – one of the most important transit ports of the cruising tourism in Mediterranean - is nearby. All this caused dynamic growth of cruising tourism in Montenegro (i.e. Port of Kotor, which has a 100% turnover from cruising in Montenegro). In 2000, only 5 cruisers visited Port of Kotor, while in 2013 there were 409 of them. According to Monstat data, number of cruisers doubled in the period 2007-2013, while the number of passengers was more than five times larger, which means that, apart from larger number of ships, there is also an increase of their average size. Number of cruisers grew in average by 14.25%, while the number of passengers grew by 45.45% per year. Boka Kotorska is among the most beautiful bays in the world. It is unique in the Mediterranean and destined for high-quality individual tourism. Its cultural potential and landscape beauties are extremely favourable for different types of tourism: sea and sports tourism - all sorts of regattas, paddling competition training in the winter, diving, hiking, climbing etc., nautical tourism, healthcare and cultural tourism. By building a planned marina, region will appear as an exciting lighthouse project. Other first-class

development potentials are Župa near Tivat, military land in Kumbor, St. Marko and Island of Flowers (Ostrvo cvijeća), healing mud in the bay near Igalo, and especially Luštica Peninsula. However, for achieving tourism purpose of those potentials, there are still significant obstacles: dangerous, extremely disrupting road traffic in Herceg Novi as well as around the bay, shipyards and industrial ports located in the bay (Zelenika, Risan), untreated water that impacts the quality of the sea water.

### **Market positioning of cluster Boka Kotorska bay**

**Table 3:** *Boka Bay in the future – Goal of new positioning:*

Vision:	Top quality offer of the hotel industry and experience in historic Mediterranean environment
Orientation:	The region is exclusively oriented towards tourist demands and needs in accordance with Regional concept of development of Boka Kotorska. From Herceg Novi, Kotor, Tivat and Budva in extension of season will be involved both hinterland and Luštica peninsula with cycling and hiking tracks.
Focal points:	Focal points are healthcare with light fitness activities, demanding but also challenging types of sports such as sailing, diving, competitive paddling, Alpine cycling, climbing, cultural programs, events and festivals.
Standards:	Top quality hotel industry and small family hotels of 3-5 stars quality to form a backbone of tourist offer

**Source:** *Faculty for business and Tourism*

**Table 4:** *Projection of development of hotels in Boka Kotorska in 2020*

<b>Projection of development of hotel facilities 2020</b>				
<b>Standard</b>	<b>Herceg Novi</b>	<b>Kotor</b>	<b>Tivat</b>	<b>Total</b>
5 *****	2000	500	500	3000
4 *****	6500	2500	3000	12000
3 ***	4500	3500	2500	10500
2 **	2000	500	500	3000
1 *				
<b>Total</b>	<b>15000</b>	<b>7000</b>	<b>6500</b>	<b>28500</b>

**Source:** *Faculty for Business and Tourism*

New Spatial Plan for Coastal Area of Montenegro (Government of Montenegro, 2015) encompassed strategic aspects of tourism development as well. The projection of accommodation capacities development is indicated in Table 5.

**Table 5:** *Projection of development of accommodation capacities of the coastal area of Montenegro according to Spatial Plan*

Type of accommodation	Herceg Novi		Kotor		Tivat		Total	
	2020	2030	2020	2030	2020	2030	2020	2030
Hotels	6247	7531	2440	3097	5219	6568	13906	17196
Resorts	6991	9987	3577	5110	7345	10492	17913	25589
Overall basic	13238	17518	6017	8207	12564	17060	31819	42785
Camps	385	385	82	82	14	14	481	481
Private accommodation	27431	25791	7498	7050	5251	4937	40180	37778
Rest	2462	2462	367	367	108	108	2937	2937
Overall complementary	30278	28638	7947	7499	5373	5059	43598	41196
TOTAL	43516	46156	13964	15706	17937	22119	75417	83981

**Source:** *Research Faculty for Business and Tourism*

Analysis of the development strategies and initiated projects has shown that there are certain strategic inconsistencies. Both Master Plans of tourism development emphasize sustainable development, controlled and ambient construction and minimizing to excluding of building of residential facilities.

On the other hand, listed mega-investment projects prefer large agglomerations with multiple purposes and highlight the residential component. This implies much larger construction work on the coastline compared to the sustainability limit outlined in Master Plans for tourism development. Special Purpose Spatial Plan for the Coastal Zone, although significantly reduced construction planned zone, still supports projects of multiple purpose with residential feature by which, actually, supports obstruction of sustainable development of tourism of the Master Plan 2007-2008.

**Table 6:** *Overview of mega residential projects for the area of Boka Kotorska*

<b>Project</b>	<b>Planned content</b>	<b>Investor</b>
Porto Montenegro	Multiple purpose (tourism + residence) Mega marine, hotel, villas, condo hotel	Adriatic Marinas D.O.O Brand Regent Hotels, 600 million EUR
Luštica Bay	Multiple purpose (tourism + residence) + golf courses, 275 residential villas, 271 house, 1.158 housing units, 8 hotels with total of 1.260 rooms, golf, wellness, marine...	LUŠTICA DEVELOPMENT Unknown brand 1,100 million EUR
Kumbor, One&Only Resort, Kumbor / working title	Tourism (T2) + multiple purpose (tourism + residence) + nautical tourism	Azmont Investments Brand One&Only, 500 million EUR
St. Marko Island	Luxurious highest-class resort (6 stars) with 93.000 m2 of facilities, out of which 240 private mansions, apartments and luxurious houses, hotel	Metropol Group, brand Banyan Tree Hotels and Resorts, 450 million Euros, suspended
Plavi Horizonti	Hotel complex with 170 luxurious 5-star apartments and supporting commercial facilities, spa center, beach bar, restaurants, sports grounds...	Qatari Diar 250 million Euros

**Source:** *Personal analysis*

## Conclusion

Bearing in mind natural, cultural and anthropogenic values of Boka Kotorska bay it is not surprising that this region was a pioneer in many areas of Montenegrin tourism development such as opening of first leisure hotel, establishing first tourist excursions, holding the first tourism private-public conference and even establishment of the first Montenegrin tourism faculty.

But, despite the undisputable potential, the tourism of Boka Kotorska bay nowadays is burdened with insufficient and inappropriate accommodation structure, huge seasonality and relatively modest tourism infrastructure.

Therefore, although Boka had better start positions, other regions in Montenegro, such as Budva region, have overcome Boka in tourism development since early 70's.

One of the main reasons of this discrepancy between potential and the actual development can be found in the era of mass tourism where different tourist destinations have been developed and promoted while Boka Kotorska is predetermined for development of specific tourism demand such as nautical, cultural, health, sport, incentive, congress and special interest tours.

Boka Kotorska, UNESCO heritage, is a unique region and has been considered as one of the most beautiful Mediterranean destinations. But preconditions for further development are adequate planning and implementation, together with investments in hotel, tourist and traffic infrastructure – investments, as discussed in the paper, that have preceded each successful era in Boka Kotorska tourism development.

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