



Porto Montenegro has added 100 berths each year since 2009

Montenegro has been establishing itself as a destination for ultra wealthy visitors for several years now but how is it faring against its competitors? *SB* takes a closer look

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THE PORTO MONTENEGRO

marina development was built by Canadian industrialist Peter Munk on the site of a Yugoslav submarine base. It doesn't sound glamorous. What should I expect? A concrete carbuncle grafted onto Europe's poorest shores? Or a new-build packed with first-time charter parties?

It took one speedboat, one helicopter and 36 hours to smash my preconceptions about the continent's newest country. Porto Montenegro has added 100 luxury yacht berths each year since its inception in 2009. Yet the marina is full. So are its bars, shops and sophisticated restaurants — a trend mirrored along Montenegro's 300km-long coast. The nation's first über-luxe hotel, the Regent, opened in Porto Montenegro this August. Europe's first One&Only resort opens nearby next year. There are rumours of a Qatari-financed Four Seasons, too.

Sure, Montenegro may not be Monaco. But it plans to offer

a whole lot more.

To get the backstory, I sit down with Oliver Corlette, CEO of Porto Montenegro. "Our strategic position in the eastern Mediterranean provides same-day access to Croatia, Italy and Greece," explains Corlette. "For example, yachts can slowly cruise up to Venice in seven days, passing through the hundreds of islands that pepper Croatia's coast." Owners and guests can fly commercially or privately to Tivat (4km away), Dubrovnik (68km), or Podgorica (100km), then take a 20-minute chopper hop to port or yacht.

Such a prime location is already paying dividends. "Porto Montenegro alone welcomed 1,900 luxury yachts during summer 2013," adds Corlette. "And that's a 20% increase from 2012". The marina will add 210 extra berths to welcome yachts of up to 150m between now and the end of 2015. The maquis-scented cruising grounds look like the South of France a century ago. Yet unlike

the French Riviera, there are no paparazzi and hefty port 'tips'.

Hidden gem

More importantly for a Harvard-educated CEO like Corlette, Montenegro's figures add up. "It's no secret that the country's position outside the EU is attractive for private and commercial vessels," he says. "Benefits include tax and duty-free fuel. Not to mention VAT on marine related services capped at 7%, company capital gains tax capped at 9% and 0% VAT on charters."

Provisioning a superyacht full of oysters, olives and octopus salad is also not expensive. With lunch in mind, Corlette loans me a company speedboat for a culinary cruise of Porto Montenegro's local waters. My captain Bojan Jabucanin glides us out of

the marina and we pass Peter Munk's personal yacht, *Golden Eagle*, on the superyacht pier. Then he pumps the throttle and we follow a regular superyacht route into the vast Bay of Kotor, Europe's only natural fjord.

The perfectly preserved Venetian towns of Perast and Kotor shimmer in one direction. It's easy to see why Italians, French and Austrians all wanted this series of perfect ports, set within an endless natural harbour, as their own. But on the opposite shore a giant submarine pen hints at how this coastline remained aloof from the ravages of 20th-century tourism, as a depot for repairing Yugoslav and Soviet subs.

Bojan then powers us out of the fjord and into the Adriatic. On the Luštica Peninsula — a giant version of Cap Ferrat that shields Montenegro's



Left to right: Fabio Ermetto, Oliver Corlette, Robin O'Brien



inner bays — I alight at Restaurant Konoba Ribarsko Selo. This simple seaside restaurant boasts a tender jetty and an alfresco terrace within swimming distance of Croatia. There are many more like it along the coast. There's a 99-year government investment lease on Mamula Island, an uninhabited gem just offshore.

Back in Porto Montenegro it's hopping. While many new-build developments in Spain, Qatar and China remain empty and soulless, the yearly release of luxury properties here sells out in weeks. Staff are eager to help. English-, Russian- and Italian-speaking teams sell preppy bling in Italia Independent, service superyachts in Engel & Völkers, and perform tastings in Crush.

Importantly, the local community has a stake in the superyacht industry's success. Porto Montenegro funds free college courses in English, hospitality and marketing, and has employed 1,000 eager locals. Perhaps that's why the opening party I attend in concept store Supermarket rocks with 20-somethings until 4am. Back in Monaco nearly 60% of the population are over the age of 55.

The following day's hangover brings negative thoughts. Can Montenegro's infrastructure support an ever-expanding

yachting industry? And aren't superyacht guests looking for secluded anchorages, not clubs?

Tourism growth

I put these questions to professor Ljubiša Stanković, Montenegro's ambassador to London. "Outside Porto Montenegro the coast has kept its authentic feel," he explains from his Kensington office.

He claims that recent infrastructure investment in roads, water supply and airports have kept high-spending tourists sailing in. The new Aman hotel island at Sveti Stefan, and planned One&Only resort, prove that his government welcomes international partners who boost high-value tourism.

As for uncharted territory, he sees "a huge potential in connecting the coast with the magnificent mountains in the north." This unkempt region contains raging rivers and Europe's deepest canyon. It's hoped that superyacht guests will step ashore to see these cultural gems, as they do at Skradin to visit Croatia's Krka National Park, or at Cannes to visit St-Paul-de-Vence.

I take to the air to assess the ambassador's claims. The team at Luštica Bay, Montenegro's most prestigious on-going development (where villas come with an optional yacht berth), kindly lend me

their Robinson R22 helicopter for the job. This two-man Perspex bubble makes a fine observational vehicle as we belt down towards the Albanian border at 100kt. I count 20 lonely beaches and a dozen islands. The latter include kite surfing destination Ada Bojana and beach-ringed Sveti Nikola. There's plenty for superyacht parties to see in a week without crossing the Croatian frontier.

But days later I receive a reality check when work brings me back to Monaco. I land at Nice Cote d'Azur, which welcomed 11.5m high-yield visitors in 2013. Montenegro's airports brought in a combined total of 1.5m passengers that same year. Monaco boasts a Grand Prix and seven Michelin stars. Montenegro doesn't.

Honestly speaking, how is this Adriatic outpost seen by industry experts? I chat with Fraser Yachts chairman Fabio Ermetto and senior charter broker Robin O'Brien from their office in Monaco to find out.

"A third of my charters this summer are in the Adriatic," explains O'Brien, who recently returned from a fact-finding trip

to Montenegro herself. "Long-term clients are now looking for a change from the Riviera and other traditional cruising grounds". She's certainly a fan of Porto Montenegro. "You can jet into Tivat Airport then be on your yacht within ten minutes."

It falls to Ermetto to sum up Monaco's 'rival' out east. "It's true that Croatia and Montenegro are now just as popular as Greece. However, the French Riviera will always be popular. The Grand Prix, the Film Festival and the established luxury mean that many guests still return year after year."

Like Porto Montenegro's CEO, does Ermetto boil Montenegro's success down to business? "Of course, owners and guests are much more aware about fuel costs, marina fees and [Montenegro's zero-rated] VAT". But the truth is less prosaic. "A bargain price will never be the primary reason for a client choosing a destination," asserts the Fraser Yachts boss. "Superyachts will sail wherever in the world they find great service, adventure and a stunning coast." In Montenegro those assets abound. **SB**

CONTACTS

- **Porto Montenegro:** www.portomontenegro.com
- **National Tourism Organisation of Montenegro:** www.montenegro.travel
- **Luštica Bay:** www.lusticabay.com
- **Fraser Yachts:** www.fraseryachts.com
- **Mamula Island:** www.montenegroinvestments.info/projects/mamula-island
- **Konoba Ribarsko Selo:** www.ribarskoselo.com



The infinity pool at Porto Montenegro