The straw between hurricanes: a visit to Montenegro

Montenegro is so small it doesn’t even have a proper airport. That’s not quite true – but true enough in the sense that instead of flying into one of them, we touch down at the relative acromaniacal titan of Dubrovnik just over the border in Croatia. A short drive ensues, passing signs warning drivers of wild bora, through stunning green countryside rising sharply to towering sun-browned peaks and ridges. After 20 minutes on a rocky coast road we reach the loneliest-looking crossing point I’ve ever seen, where a couple of guards saunter around sluggishly – like invading Martians suddenly struck by the greater force of the Earth’s gravity – and others sit at a small table, smoking. Meanwhile the Montenegrin flag – scarlet with the two-headed eagle crest at its centre, lists from a pole. So far, so Tintin.

After a few moments, the barrier rises – and in we go. To the right is the glittering expanse of the Adriatic and before us is the Bay of Kotor, encircled by a mountain ridge. This stunning, sheltered, fjord-like inland sea, with five medieval towns, has been a UNESCO World Heritage site since 1979. Somewhere over there is our destination, a new €1.1 billion luxury development by billionaire Samih Sawiris, an Egyptian tycoon said to be the country’s richest man. And Sawiris is not alone – other investors are piling in too. He’s been telling people this corner of the Adriatic is ‘the Monte Carlo of the future’, and after only a short journey it’s easy to see why.
‘This is the biggest project for Montenegro tourism industry and one of the largest and most important projects in the country as a whole – as well as one of the biggest projects in the Mediterranean,’ purred the PM that night.

Markovic, probably best known for being the leader whom Donald Trump showed aside on his way to a photo opportunity at the Nato summit in 2017, told guests that developments such as Lustica Bay were ‘significantly strengthening our position on the global tourist map’. Reform of the country’s airports was the top priority, he added.

But first, Montenegro: over time this small Adriatic state, noted for its waddle people, can claim to have been the plaything of six empires – that of the Romans, who handed the baton to the Byzantines, then the Venetians, Turks, Austro-Hungarians and latterly that of Serbia-dominated Yugoslavia and Soviet Russia. Of these the longest-staying overlords were the Ottomans, who were here for 500 years and only yanked control in 1878 after Montenegro declared war on Turkey, achieving the ambition in 1878 with the intervention of the Tsarist Russia.

More than a thousand miles away, following the news in dispatches from the Times, Tennyson celebrated their triumph in a poem of 1877, Montenegro:

They rose to where their sovereign eagle soars,
They kept their faith, their freedom, on the height;
Chaste, frugal, savage, amid by day and night,
Against the Turk, whose inroad nowhere ceases,
Their headlong paces, but his footsteps fail.

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Montenegro spent most of the 20th century under the spell of Russia, and it’s only since 2006 that it has been a sovereign, independent nation.
Our most famous poet and statesman, Njegos, used to say we are the straw between hurricanes,” says Srdjan Kusovac, a senior adviser to the prime minister of Montenegro. And today the wind is blowing them towards the West.

Back in the car, driving through the handsome landscape, the steep hill-sides dotted with tall pines, I ask our driver to describe national characteristics. “Montenegrins are lazy,” he declares, looking at me in the rear-view mirror. “They want to sleep and relax.” “We can do it tomorrow,” he smiles.

From the window, the vast Bay of Kotor is framed by the soaring, Dinaric Alps. Occasional unfinished houses dot the roadside and you see families having lunch in shaded courtyards. The cars on the roads are mangy you know, but a good five years older than you’re accustomed to. There’s a certain authentique scruffiness that makes it feel a bit like the south of France 30 years ago. We pass through the medieval town of Herceg Novi, where the parapets of the fortress, a prized local attraction, are a reminder of this coastal town’s strategic importance near the mouth of the Bay of Kotor. Founded in 1382 with its first castle, over the years it’s been occupied by the Turks, the Venetians, the Spanish, the Russians and even the French, under Napoleon.

Now it’s the turn of the Azerbijanis. The first signs of their arrival are roadside billboards and cranes publicising a chic new marina, Porto Novi. This £150 million development, sheltered and south-facing, is aiming to put the Montenegrin Riviera on the map: a masterplan promises 225 luxurious town houses (designed as an elegant coastal village), with a 258-berth marina for yachts up to 120 metres long. There’s also Europe’s first offering from the One&Only resort group. The hope is that it will be the new yachting destination of tomorrow.

We cross the bay where it narrows on the car ferry, slicing 30 miles from the circuitous route around, and drive along the coast road. Islets and terracotta-roofed Orthodox churches gleam in the sunshine. Yet more churches and monasteries perch high on the hillsides, lush and green and essentially empty. It’s a reminder that with 600,000 people Montenegro is relatively sparsely populated. The slim beach towns with families enjoying the water.
In the town of Tivat, there’s a Soviet-era-looking airport that turns out to be the country’s main international hub. Here the roadside boardings champion another emerging luxury development, Porto Montenegro. More tall cranes indicate its location on a former Austro-Hungarian naval base, where the investment Corporation of Dubai is spending north of €250 million on a lavish yacht haven which will be able to home 850 yachts, including 111 for vessels over 24m (80ft). This, it claims, is the largest offering for superyachts in the Mediterranean. If that doesn’t appeal, then the ability to buy leases of up to 50 years and unlimited freedom to stay, plus fuel prices up to 45 per cent cheaper than in the EU, are all very attractive. On the shore there are 180 residential units and the luxurious Regent Porto Montenegro Hotel and Residences, built in Venetian style.

From here, it’s a short drive uphill to our destination, by far the largest of the developments changing the face of the Adriatic. Lustica Bay is part of the Oracons empire, which includes the Swiss ski resort of Andermatt. Situated on the Adriatic in a horseshoe bay on the site of a former Yugoslav officers’ training camp, the Lustica Bay development covers 690 hectares and will feature two marinas – neither of which is as enormous as Porto Montenegro’s – and seven five-star hotels. There’ll also be a new town on the hill, named Central, which will have a hospital and school, a championship golf course designed by Gary Player, as well as the already built marina village comprising 260 unique dwellings, 60 per cent of which are sold.

All told, the plan is for 1,500 homes. There’s also a five-star Chedi hotel, which has a private beach, while various restaurants and shops line the marina. There’s a second beach, with a stunning restaurant, a short boat ride away. Here the grey and black rocks of the shoreline glisten in the Euxin, crystal-clear waters of the Adriatic.

There are so many fish you’d almost forget this is the Med. All around, the coastline is green and utterly untouched.

“We have not even scratched the surface,” says Khaled Bihani, CEO of Oracons and the man responsible for the company’s ten resort-towns in eight countries. This includes Oracons’ first town resort at El Gouna on the Red Sea, which began in 1989 and now has a permanent population of 20,000 as well as 2,400 hotel rooms. “In Gouna we have only consumed one third of the land,” says Bihani.
Construction began in Lustica Bay in 2011 and may well continue for another 15-17 years. ‘We are a very peculiar company,’ notes Bichara, who previously set up Egypt’s largest internet provider. ‘We are not a real estate developer. We are not a tourism company – we’re a town developer.’

It’s a highly diversified town, too, by owning the infrastructure and retail and tourism assets, the business is hedged against downturns. ‘We only open places where we can get a big plot of land,’ he explains, noting that it takes 6-8 years before the town reaches a critical mass. ‘Then there is an inflection point in these towns when suddenly the price per square metre skyrockets.’

That has been the narrative of Lustica Bay, where dwellings sold in the marina village began in 2014 at €2,000 per square metre and are now more than €6,000.

The evening after the glitzy opening party, where the Chedi hotel and marina forecourt hosted 1,500 guests including the prime minister (performers included Nile Rodgers and Chic), I sit down with the Australian CEO of Lustica Bay, Darren Gibson, a town planner by occupation. A little jaded after the previous night – the launch party went on past 2am – Gibson offers a straightforward assessment of Lustica over the rivals: ‘I’ve stayed at places in the south of France: I’m sorry – to be frank, I don’t get it compared with what’s on offer here. You try buying properties like that in the south of France and you’re looking at €35,000 per square metre.’

The key to success will be in attracting partners for the remaining hotel sites – bringing jobs – and attracting a permanent population to live there: ‘You need a local population to give it authenticity and drive that year-round demand. Otherwise you’re setting yourself up purely as a seasonal destination, and that’s not what we’re about.’

But there are challenges, alluded to in the prime minister’s speech the night before: ‘You’ll still get a large group of people in Montenegro who long for the old days,’ explains Gibson. ‘They still think things were better back then. There is still a lot of resistance to turning towards the West, the market economy.’
One man who has seen this debate up close, Seljan Kocovic, doesn’t deny the difficulties that the current government has faced – including opposition from Russia, which is thought to be behind an aborted coup attempt in 2016 – to Montenegro’s strategic pivot westward. “In our history, Montenegro was a Mediterranean country, but unfortunately during Communism, Montenegro and all Yugoslavia turned themselves towards Russia, so we are now trying to do something that is quite normal, and [to] recovery the place in our history and in our previous period,” he tells me. “We were part of the Mediterranean, we were part of the West, and now we are trying to be there, where we believe we belong.”

The policy is working: in 2017 Nato membership was secured, making it “much easier for us to attract foreign investment, because we have a higher level of security.” Meanwhile, the application for EU membership is on track – Montenegro hopes to complete its side of the process by 2020, with the potential for membership to be completed by around 2025, by which point the UK may actually have left.

Pointing to the completion of the country’s first highway, and plans to privatise the airports, Kocovic is optimistic. “Some 12 years ago, during our independence freedom campaign, those who supported the idea of Montenegro as part of a common country with Serbia, their argument was that Montenegro was not competent – that we can’t produce anything, that we will die of hunger,” he says. “Lustica Bay is proof that success can be a Montenegrin story.”

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The feature can be reviewed online here:
https://www.spearswms.com/straw-hurricanes-visit-montenegro/